

# City of Glendale

## Council Workshop Agenda

### March 4, 2014 – 1:30 p.m.

#### **Welcome!**

We are glad you have chosen to attend this meeting. We welcome your interest and encourage you to attend again.

#### **Form of Government**

The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

#### **Voting Meetings and Workshop Sessions**

**Voting meetings** are held for Council to take official action. These meetings are held on the second and fourth Tuesday of each month at 6:00 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 West Glendale Avenue. **Workshop sessions** provide Council with an opportunity to hear presentations by staff on topics that may come before Council for official action. These meetings are generally held on the first and third Tuesday of each month at 1:30 p.m. in Room B3 of the Glendale Municipal Office complex.

Special voting meetings and workshop sessions are called for and held as needed.

#### **Executive Sessions**

Council may convene to an executive session to receive legal advice, discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive sessions will be held in Room B3 of the Council Chambers. As provided by state statute, executive sessions are closed to the public.

*Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.*

**If you have any questions about the agenda, please call the City Manager's Office at (623)930-2870. If you have a concern you would like to discuss with your District Councilmember, please call the City Council Office at (623)930-2249**



**For special accommodations or interpreter assistance, please contact the City Manager's Office at (623)930-2870 at least one business day prior to this meeting. TDD (623)930-2197.**

**Para acomodacion especial o traductor de español, por favor llame a la oficina del administador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.**

#### **Councilmembers**

Cactus District – Ian Hugh  
Cholla District – Manuel D. Martinez  
Ocotillo District – Norma S. Alvarez  
Sahuaro District – Gary D. Sherwood  
Yucca District – Samuel U. Chavira



**MAYOR JERRY P. WEIERS**

Vice Mayor Yvonne J. Knaack – Barrel District

#### **Appointed City Staff**

Brenda S. Fischer – City Manager  
Michael D. Bailey – City Attorney  
Pamela Hanna – City Clerk  
Elizabeth Finn – City Judge

#### **Meeting Agendas**

Generally, paper copies of Council agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting from the City Clerk Department inside Glendale City Hall. Additionally, the agenda and all supporting documents are posted to the city's website, [www.glendaleaz.com](http://www.glendaleaz.com)

#### **Public Rules of Conduct**

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

#### **How to Participate**

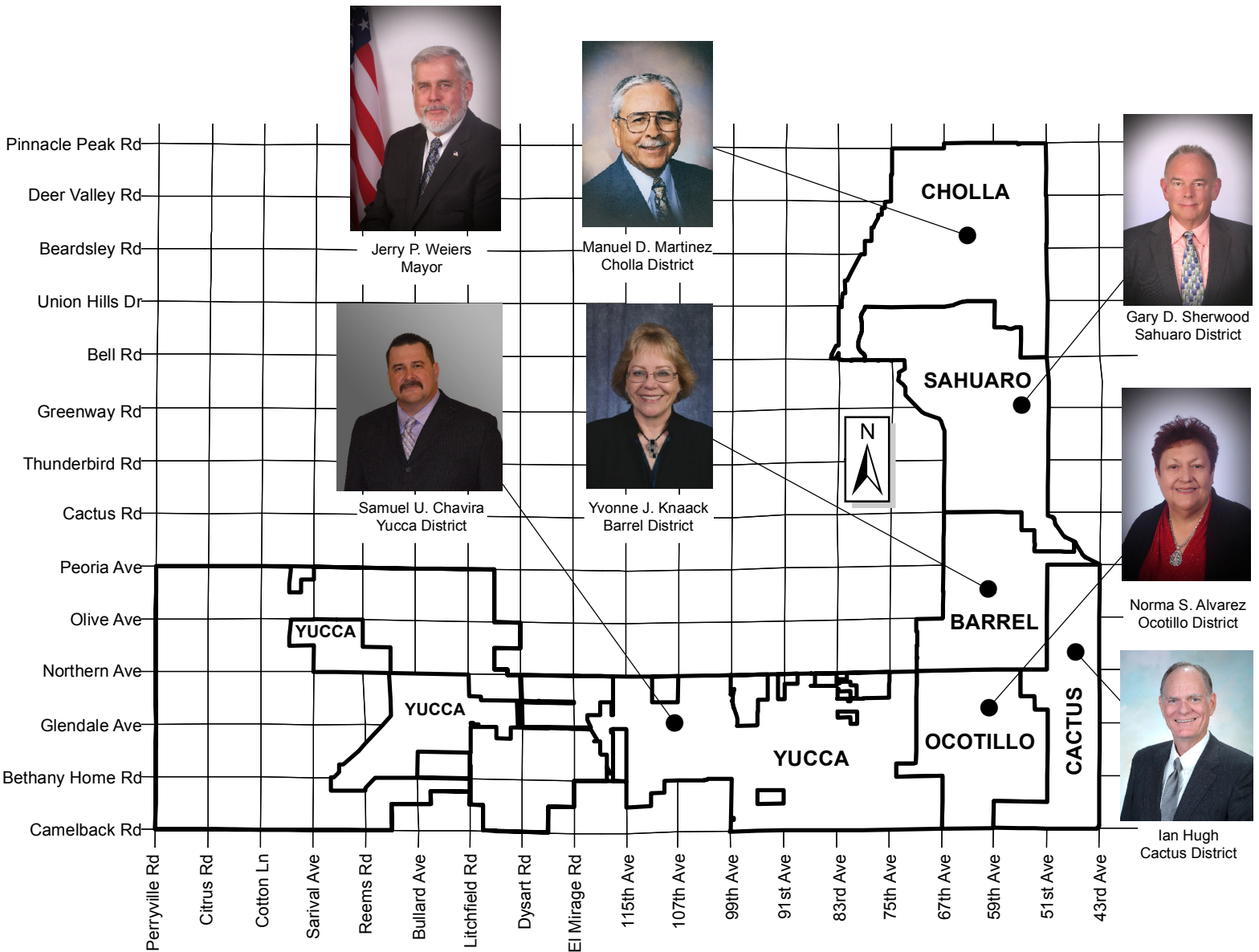
**Voting Meeting** - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **Workshop Sessions** - There is no Citizen Comments portion on the workshop agenda.

**When speaking at the Podium** - Please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in.

*Regular Workshop meetings are telecast live. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.*



# Council District Boundaries





**GLENDALE CITY COUNCIL WORKSHOP SESSION  
Council Chambers – Room B3  
5850 West Glendale Avenue  
March 4, 2014  
1:30 p.m.**

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

**CALL TO ORDER**

**WORKSHOP SESSION**

1. COUNCIL ITEMS OF SPECIAL INTEREST: GUIDELINES FOR A LICENSE AGREEMENT TO USE CITY-OWNED LAND AND VACANT PARCELS  
PRESENTED BY: Stuart Kent, Executive Director, Public Works
2. FY13 – 14 MID-YEAR FINANCIAL REPORT  
PRESENTED BY: Tom Duensing, Executive Director, Financial Services and Vicki L. Rios, CPA, Assistant Finance Director

**CITY MANAGER'S REPORT**

**This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.**

**COUNCIL ITEMS OF SPECIAL INTEREST**

**Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.**

**EXECUTIVE SESSION**

1. LEGAL MATTERS

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))
- B. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the matter of *Carreon vs. City of Glendale*. (A.R.S. § 38-431.03(A)(3)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. The City Council will meet with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with one or more agreements associated with or near the Cactus League facility. (A.R.S. § 38-431.03(A)(3)(4))
- B. The City Council will meet with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with one or more agreements associated with or near the Glendale Arena. (A.R.S. § 38-431.03(A)(3)(4))
- C. The City Council will meet with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with one or more agreements associated with or near the Foothills Library. (A.R.S. § 38-431.03(A)(3)(4))

3. PERSONNEL MATTERS

- A. Various terms have expired on boards, commissions and other bodies. The City Council will be discussing appointments involving the following boards, commissions and other bodies. (A.R.S. § 38-431.03 (A)(1))
  - 1. Arts Commission
  - 2. Audit Committee
  - 3. Aviation Advisory Commission
  - 4. Board of Adjustment
  - 5. Citizens Bicycle Advisory Committee
  - 6. Citizens Transportation Oversight Commission
  - 7. Commission on Persons with Disabilities
  - 8. Community Development Advisory Committee
  - 9. General Plan Steering Committee
  - 10. Glendale Municipal Property Corporation

11. Historic Preservation Commission
12. Industrial Development Authority
13. Judicial Selection Advisory Board
14. Library Advisory Board
15. Parks and Recreation Advisory Commission
16. Personnel Board
17. Planning Commission
18. Public Safety Personnel Retirement Board/Fire
19. Public Safety Personnel Retirement Board/Police
20. Risk Management/Workers Compensation Trust Fund Board
21. Water Services Advisory Commission

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

#### **Confidentiality**

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,

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Brenda S. Fischer, ICMA-CM  
City Manager



# WORKSHOP COUNCIL REPORT

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Meeting Date: **3/4/2014**  
Meeting Type: **Workshop**  
Title: **COUNCIL ITEMS OF SPECIAL INTEREST: GUIDELINES FOR A LICENSE AGREEMENT TO USE CITY-OWNED LAND AND VACANT PARCELS**  
Staff Contact: **Stuart Kent, Executive Director, Public Works**

## **Purpose and Policy Guidance**

The purpose of this item is to provide information on the guidelines for a license agreement between the City of Glendale and any interested parties that would like to use city-owned land and vacant parcels. This item was requested by Mayor Weiers on May 31, 2013 for discussion at a future Council workshop meeting.

## **Background**

The city owns and manages an assortment of real property including public buildings, parks, facilities and other assets. The city provides these facilities for conducting city business and for use by the community. Usage of city buildings and facilities for private, profit or nonprofit, seminars, workshops, meetings and other group functions may be permitted in the discretion of the City Manager or his or her designee and pursuant to any rules and regulations adopted by the City Council by resolution. The fees for private usage of city buildings and facilities are adopted by Resolution of the City Council.

However, there are no clear guidelines for the leasing or use of vacant parcels or city owned land that have either an improved surface like a turf or asphalt parking lot, or those parcels that are vacant and unimproved in any way. The city has been approached by a number of organizations, including motorcycle training schools, model airplane flying clubs, a food bank and others who are interested in conducting their activities on city owned property.

## **Analysis**

Some of the improved city owned properties that could be made available include the "Brown Lot" located south of Kellis High School on 91<sup>st</sup> Avenue, the two parking lots on the northeast and southwest corners of 59<sup>th</sup> and Myrtle Avenues, and the Glendale Municipal Airport parking lot. There are other large parking lots available for consideration as well, including those at the Foothills Recreation and Aquatics Center, the Adult Center and the Field Operations Center.

In addition to the improved lots, there are a number of unimproved lots that may either be sold or let for other purposes. Three such lots include remnant property located north of the Park and



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Ride lot at 99<sup>th</sup> and Glendale Avenues, a vacant lot that is .33 acres immediately north of Fire Station 152 at 69<sup>th</sup> Avenue and Bethany Home Road, and an approximately 16 acre lot at the northeast corner of 99<sup>th</sup> Avenue and Bethany Home Road.

The below guidelines are proposed to be the basis for a license agreement between the city and any interested parties that wish to use the lots and vacant parcels.

## Process of Establishing Fees for Licensing

- Ensure license rates reflect fair market value including recovery of any incurred city maintenance costs, as well as a refundable security deposit equal to a minimum of 10% of the value of the license.
- Zoning of land is compatible with the proposed use, and that the proposed use meets the community's standard. Furthermore, the activities impact to nearby property owners will be evaluated.
- Additional fare market fee will be established and charged for any temporary or permanent structures requested to be placed on the property.
- Term of a license is not less than one full day, and for not more than one full year. This allows for a single event or a reoccurring event.
- If the license is less than 30-days, payment will be made by the licensee in advance of the event(s) for the full-term of the license. If the license is 30-days or longer, payment terms can be negotiated. In addition, the license must include all city requirements related to insurance, and licensee will be responsible for clean-up of the property after the event is completed.
- Any agreement that is six months or longer requires Council approval.

## Other Considerations

- Priority Use and Scheduling
  - Scheduling will be handled by the city department responsible for the property.
  - Some properties may be allocated on a first-come, first-served basis, or by a priority use basis depending on particular property requested.
  - Time of day of use will be identified.
- Method of conveying access to property will be identified in the license agreement. Some properties are secured and require city staff to unlock property. Other properties are available without requiring city staff access.
- Create equal opportunity for all users to have access to the property and determine if certain groups should have priority (residents and non-profits).



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- Consider reduced rates for residents and/or non-profits with full fee for commercial activity.
- Consider in-lieu of payment option for resident and/or non-profit.
- Term and Conditions of agreement will describe end of agreement date as well as any risk and legal requirements.
- Development or creation of an application process and fee to cover city reviews of a proposed use, as well as establishment of a minimum base fee that will be published so that potential users are aware of costs when evaluating the site for a prospective use.

## Application/Permit Request

All requests for use of a property will require review by the following city departments/divisions:

- Building Safety
- City Attorney Office
- Code Compliance
- Economic Development
- Finance/Tax and License
- Fire Services.
- Marketing/Communications
- Parks, Recreation and Library Services
- Planning/Zoning
- Police Services
- Public Works
- Risk Management
- Transportation Services

Some examples of the need for department/division review include:

- Any risk concern and determination of need for building safety, fire safety and security requirements as determined by Building Safety, Fire and Police (to be paid by licensee).
- Confirm adherence to all City Codes, does not conflict with other agreements, all necessary terms and conditions in blanket usage agreement as determined by City Attorney's Office.
- Confirm adherence to insurance requirements, damage and liability issues as determined by Risk Management.
- Does not adversely impact surrounding neighborhoods as determined by Code Compliance.
- Verify that the proposed use is covered in the applicable zoning as determined by Planning.





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## **Community Benefit/Public Involvement**

This is an opportunity for other parties to use city-owned lots and vacant parcels for activities and events that could be of interest to the community.

## **Budget and Financial Impacts**

The cost for departmental review of the application/permit request and any other additional costs will be included in the rates and fees established in the License Agreement.



# WORKSHOP COUNCIL REPORT

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Meeting Date: **3/4/2014**  
Meeting Type: **Workshop**  
Title: **FY 13-14 MID-YEAR FINANCIAL REPORT**  
Staff Contact: **Tom Duensing, Executive Director, Financial Services**  
Presented by: **Vicki L. Rios, CPA, Assistant Finance Director**

## **Purpose and Policy Guidance**

The purpose of this item is to provide Council with a Mid-Year Financial Report for the major operating funds which gives information regarding the actual results of the city's revenue collections and expenditures through December 31, 2013 including forecast to actual comparisons and an assessment of any foreseeable financial issues.

## **Background**

December 31, 2013 marks the middle of the city's fiscal year. As part of the annual budget process and the preparation of the Five-Year Forecast, it is important to compare the actual financial results with the budgets and forecasts. Best financial practice calls for periodic analysis of the variances between the budget or forecast and the actual financial results. This variance analysis identifies any significant factors that may influence revenue collections and expenditure levels. The analysis also serves to improve future forecasts and identify any foreseeable financial issues so they can be proactively addressed.

## **Analysis**

### **Approach**

For each of the major operating funds, the actual revenues and expenditures recorded in the city's financial system through December 31, 2013 are compared to the budget and the most recent Five-Year Forecast. The General Fund Five-Year Forecast was presented to the Council on December 17, 2013. The Five-Year Forecast for the other major operating funds was presented to the Council at the February 18, 2014 Budget Workshop. As a general guideline at the mid-year point, revenues and expenditures are considered to be on target if they are close to 50% of the forecasted amount. The actual revenues and expenditures are also compared to the information at the same time last year. This analysis identifies upward or downward trends in revenue and expenditures compared to the previous year. Significant trends and variances are analyzed in more detail to determine what factors may be influencing the results.



# WORKSHOP COUNCIL REPORT

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Overall, the results of the analysis for the major funds show no material variances from the recent forecasts. Staff will continue to monitor the actual results and prepare a financial analysis quarterly.

This report is divided into three sections. The first section covers the General Fund which includes all sources of revenue not designated for a special purpose and expenditures to support general City services such as police; fire; parks, recreation, and library; city court; general administrative services; and contractual obligations such as the Arena and Camelback Ranch. The second section covers Special Revenue Funds which includes the Highway User Revenue Fund (HURF), and Transportation, Police, and Fire Special Revenue Funds. The third section covers Enterprise Funds which consists of the Water and Sewer; Sanitation; and Landfill Enterprise Funds.

## **General Fund**

The city's total general fund revenue is \$80.8 million which is on target at 49% of the revised General Fund Revenue estimate. Revenues are \$8.5 million or 12% higher than revenues at the same time last year. The two largest components of general fund revenues are City Sales Tax and State Shared Tax Revenues. Together these two revenue sources represent \$63.5 million or 79% of the general fund revenue at the mid-year. General Fund City Sales Tax collections are \$37.6 million which is an increase of \$2.9 million or 8.5% over the previous year. Approximately \$1.8 million of the sales tax increase is attributable to the .7% temporary sales tax which was implemented in August 2012. With this increase, City Sales Tax collections are also on target at 47% of the estimate for the year. It is important to note that sales tax collections lag one month behind the business activities which generate the tax. Therefore, these figures do not include sales tax collected from holiday activity in December 2013 which is reported in January. Due to holiday sales and other factors, the city typically collects more sales tax in the second half of the year and revenues are expected to meet the target. State Shared revenues are \$25.9 million which is an increase of \$1.8 million or 7.5% over last year. State Shared Revenues are also on target at 50% of the annual estimate.

General Fund expenditures are \$77.6 million which is slightly below target at 47% of the annual estimate. The actual expenditures increased by \$8.5 million over the last year. This increase is attributable to an increase in budgeted transfers from the general fund to pay contractual obligations. Overall the actual General Fund revenues and expenditures are in line with the first year of the Five-Year Forecast.



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<b>General Fund</b>		<b>Full Year</b>		<b>Mid-year</b>
<b>Item Description</b>	<b>FY 13 Mid-year</b>	<b>FY 14 Forecast</b>	<b>FY14 Mid-year</b>	<b>% of Forecast</b>
City Sales Tax	34,664,032	79,817,728	37,594,870	47%
State Shared Revenues	24,093,231	51,840,278	25,901,569	50%
Other Revenues	13,602,781	33,096,411	17,338,526	52%
<b>Total Revenues</b>	<b>72,360,044</b>	<b>164,754,417</b>	<b>80,834,965</b>	<b>49%</b>
<b>Total Expenditures</b>	<b>(\$69,096,020)</b>	<b>(166,876,384)</b>	<b>(77,615,813)</b>	<b>47%</b>

## **Special Revenue Funds**

Special revenue funds presented below include the Highway User Revenue Fund (HURF), Transportation Sales Tax Special Revenue Fund, Police Special Revenue Fund, and Fire Special Revenue Fund.

### **Highway User Revenue Fund (HURF)**

Revenues in the Highway User Revenue Fund are \$5.9 million which is an increase of \$181,000 or 3% over the same time last year. Nevertheless, revenues are below the target at 43% of the annual estimate. The revised revenue estimate of \$13.8 million includes a \$1 million transfer into the HURF fund from the Transportation Sales Tax Fund to assist in making debt service payments. This transfer will not occur until year end when the payment is made. The forecast also anticipates a payment of LTAF II funding of \$666,707 which is expected to be received in April 2014. When the transfer occurs and the LTAF II money is received during the second half of the year, revenues will be on track to reach the forecast.

Expenditures in the fund are significantly lower than the target at only 25% of the annual estimate. Two factors are causing this low expenditure level through the mid-year point. The first item is \$3 million which is planned to be used for pavement management improvements in the current fiscal year that council reviewed on December 17, 2013. Design work for the improvements is currently underway and it is estimated a construction contract will be awarded in late spring 2014. The second is the budgeted debt service payment of \$4.7 million which does not occur until the end of the year. As these items are completed in the second half of the year, the expenditures are expected to approach the annual estimate.



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<b>Highway User Revenue Fund</b>			<b>Full Year FY 14 Forecast</b>		<b>Mid-year</b>
<b>Item Description</b>		<b>FY 13 Mid-year</b>		<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Total Revenues		5,729,780	13,792,455	5,911,020	43%
Total Expenditures		(3,286,206)	(16,573,265)	(4,165,897)	25%

## Transportation, Police and Fire Special Revenue Funds

The Transportation, Police and Fire Special Revenue Funds rely primarily on city sales tax collections. As mentioned above in the General Fund analysis, collections lag one month behind the business activities and these revenue figures do not include sales tax collected from holiday activity in December 2013.

### Transportation Sales Tax Special Revenue Fund

Revenues in the Transportation Sales Tax Special Revenue Fund are \$11.2 million and 45% of the estimate. Revenues are \$198,000 or 2% lower than the amount received through the mid-point of the previous year. Nevertheless, revenues are expected to meet the annual estimate. Expenditures in this fund are below target at only 12% of the estimate but most of the budgeted expenditures in this fund are for capital projects which will be paid for as they are completed throughout the year.

<b>Transportation Sales Tax Fund</b>			<b>Full Year FY 14 Forecast</b>		<b>Mid-year</b>
<b>Item Description</b>		<b>FY 13 Mid-year</b>		<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Total Revenues		11,435,562	24,714,389	11,237,084	45%
Total Expenditures		(12,484,842)	(56,055,391)	(6,559,099)	12%

### Police Special Revenue Fund

Revenues in the Police Special Revenue Fund are \$6.4 million which is on target at 47% of the current estimate. This revenue is substantially equal to the amount received in the previous year. Expenditures in the Police Special Revenue Fund are \$6.7 million which is slightly below the target at 43% of the revised estimate. Some of the budgeted expenditures in this fund are for capital items which will be paid for in the second half of the year.



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<b>Police Special Revenue Fund</b>			<b>Full Year</b>		<b>Mid-year</b>
<b>Item Description</b>		<b>FY 13 Mid-year</b>	<b>FY 14 Forecast</b>	<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Total Revenues		6,434,468	13,872,917	6,470,033	47%
Total Expenditures		(5,782,498)	(15,627,787)	(6,675,335)	43%

## **Fire Special Revenue Fund**

Revenues in the Fire Special Revenue Fund are \$3.2 million which is also 48% of the current estimate. This is also substantially equal to the amount received through the same time last year. Fire Special Revenue fund expenditures are \$3.3 million which is slightly below the target at 48% of the estimate.

<b>Fire Special Revenue Fund</b>			<b>Full Year</b>		<b>Mid-year</b>
<b>Item Description</b>		<b>FY 13 Mid-year</b>	<b>FY 14 Forecast</b>	<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Total Revenues		3,217,229	6,793,394	3,245,504	48%
Total Expenditures		(3,484,836)	(6,913,425)	(3,320,425)	48%

## **Enterprise Funds**

The funds presented below include the Water and Sewer, Sanitation, and Landfill Enterprise Funds.

### **Water and Sewer Enterprise Funds**

Revenues in the Water and Sewer enterprise fund total \$44.4 million at the mid-year point. The water revenue of \$27 million is \$241,000 lower than last year which is a variance of less than 1%. Water revenues, which are typically higher in the summer months, are currently 58% of the annual estimate. Sewer revenues are \$16 million which is \$298,000 or 2% lower than last year but only slightly lower than the target at 49% of the annual estimate. Combined revenues in the fund are expected to reach the annual estimate.

Expenditures in the water and sewer enterprise funds are \$6.3 million higher than the previous year but below target at only 39% of the annual estimate. This variance is due to \$17.5 million of the budgeted expenditures in this fund for capital projects which will be



# WORKSHOP COUNCIL REPORT

paid for as they are completed throughout the remainder of the year. Expenditures for capital projects typically occur unevenly throughout the year.

<b>Water and Sewer Enterprise Funds</b>		<b>Full Year</b>		<b>Mid-year</b>
<b>Item Description</b>	<b>FY 13 Mid-year</b>	<b>FY 14 Forecast</b>	<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Water Revenues	27,298,030	47,040,655	27,057,422	58%
Sewer Revenues	16,320,994	32,981,526	16,022,736	49%
Other Revenues	1,339,804	2,602,633	1,301,225	50%
<b>Total Revenues</b>	<b>44,958,828</b>	<b>82,624,814</b>	<b>44,381,383</b>	<b>54%</b>
Total Expenditures	(30,635,955)	(95,055,191)	(37,006,320)	39%

## Sanitation Enterprise Fund

Combined revenues in the Sanitation Enterprise Fund are \$7.4 million which is equivalent to the same time last year and on target at 50% of the annual estimate. Expenditures are \$380,000 higher than last year but below target at only 46% of the annual budget. This variance is also caused by lower expenditures for capital projects which typically occur unevenly throughout the year.

<b>Sanitation Enterprise Fund</b>		<b>Full Year</b>		<b>Mid-year</b>
<b>Item Description</b>	<b>FY 13 Mid-year</b>	<b>FY 14 Forecast</b>	<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Commercial Sanitation Revenues	1,984,257	4,000,000	1,976,576	49%
Residential Sanitation Revenues	5,274,482	10,401,000	5,337,448	51%
Other Sanitation Revenues	155,681	374,879	104,798	28%
<b>Total Revenues</b>	<b>7,414,420</b>	<b>14,775,879</b>	<b>7,418,822</b>	<b>50%</b>
Total Expenditures	(7,028,889)	(15,943,518)	(7,408,533)	46%

## Landfill Enterprise Fund

Revenues in the Landfill Enterprise Fund are equal to the amount received last year and slightly below the target at 46% of the annual estimate. Additional revenue for recycled material is expected to be received during the second half of the year and, with this addition, the revenue is expected to meet the annual estimate. Expenditures in the fund are below target at only 17% of the annual amount. This is due to \$11.2 million in capital projects which are expended unevenly throughout the year and a \$768,000 debt service payment which will not occur until year end. As these expenses are incurred in the second half of the year, expenditures are expected to meet the target.



# WORKSHOP COUNCIL REPORT

<b>Landfill Enterprise Fund</b>			<b>Full Year</b>		<b>Mid-year</b>
<b>Item Description</b>		<b>FY 13 Mid-year</b>	<b>FY 14 Forecast</b>	<b>FY 14 Mid-year</b>	<b>% of Forecast</b>
Total Revenues		4,301,801	9,404,424	4,370,315	46%
Total Expenditures		(3,604,285)	(17,981,615)	(3,128,122)	17%

## **Previous Related Council Action**

This analysis of revenues and expenditures is based on the General Fund Financial Forecast which was provided to the council on December 17, 2013 and the Five Year Financial Forecast – Other Operating Funds which was provided to the council on February 18, 2014.

## **Community Benefit/Public Involvement**

The community benefit of a mid-year financial report is to provide solid financial analysis which compares actual results to the forecast. This helps identify any significant factors that may influence revenue and expenditure levels, improves future forecasts, and identifies any foreseeable financial issues so they can be proactively addressed.