



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

PRESENT: Mayor Jerry P. Weiers, Vice Mayor Yvonne J. Knaack and Councilmembers Norma S. Alvarez, Ian Hugh, Manuel D. Martinez, Gary D. Sherwood, and Samuel U. Chavira

ALSO PRESENT: Brenda Fischer, City Manager; Julie Frisoni, Assistant City Manager; Michael Bailey, City Attorney; and Pamela Hanna, City Clerk

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

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.

Mr. Kent identified two types of lots. The first is a lot that is improved that have an asphalt surface with parking spaces and is of adequate size. He said organizations might want to use those lots for recreational or business related activities. He discussed the Brown Lot, which is south of Kellis High School and said there were also two small parking lots which the city owns on the northeast and southwest corners of 59th and Myrtle and the Foothills Recreation Center parking lot, the airport parking lot, the Adult Center parking lot and the Field Operations parking lot. He said those parking lots all have an acre or more of space that could be used by various entities. Mr. Kent also talked about several unimproved lots, including a parcel north of 99th Avenue, a parcel north of Fire Station 152 at 69th and Bethany Home, and a Utilities lot on the northeast corner of 99th Avenue and Bethany Home Road.

Mr. Kent said staff also looked at the fair market value, any zoning issues and that the use that is intended will not do anything to disrupt residents in the area. He said this item was reviewed by several departments including Public Safety and Risk Management. He suggested that any lease that was less than six months would be handled administratively by staff and reviewed by the City Manager, and any lease greater than six months would be presented to Council for approval. He said all property would be provided in as is condition and the city would not be obligated to do any improvements on a lot.

Mr. Kent said additionally, prior agreements would take a priority. Staff also looked into other entities that charge for use of their lots and they used those rates to determine a fair market value. He said the range was about \$30 to \$60 per hour with a four hour minimum. He said that price would cap at a full day of 10 hours. He also indicated that market value would be reviewed annually. He said if Council wishes to proceed, he asked for direction if Council would be interested in providing a discount to nonprofit or community groups. He said if Council wishes to move forward, he said they have guidelines for telecommunications where the rate is based on whether the telecommunications amenities are in the city right of way or on city property. He said they would develop a guideline and rate structure and keep Council updated on progress. Mr. Kent discussed some possible users such as driving or motorcycle training schools and model airplane flying clubs.

Vice Mayor Knaack said she is interested in the community garden on the lot north of the fire station. She said this would be a long term project and asked how that would be addressed. Mr. Kent said the parcel is very small and said one issue they would address with the applicant is providing water to the site and they would need to look at other options and evaluate. He said the applicant would be leasing the land and the lease could possibly be one or two years and then reevaluated at that time. Vice Mayor Knaack asked if there would be a discount for a community group or a nonprofit. Mr. Kent said yes if that was Council's direction.

Councilmember Martinez asked if the city had something in mind for the 16 acre lot on the northeast corner of 99th Avenue and Bethany Home. Mr. Kent said that lot was originally going to be the location of a water facilities plant that is no longer going to be built at that location. He said this parcel is available for use. He said they see use of these vacant lots as interim use. He said there would be language in the lease agreements that would allow the city to break the lease. Councilmember Martinez said the city has been talking about selling assets and he said if they don't have anything planned for those parcels, this is something they might want to consider. Mr. Kent said with the exception of the Brown Lot that would be an ongoing conversation regarding these parcels of land.

Councilmember Martinez said with respect to the unimproved lots, he asked if Mr. Kent has a rate for those lots. Mr. Kent said the rates would depend on the nature of use of the lot. He said the rates for a community garden would be lower than other rates as it is not a commercial endeavor. Councilmember Martinez asked on the unimproved lots, with the air pollution, what would have to be taken care of by the city. Mr. Kent said in any lease agreement for the unimproved lots, they would be very clear about the tenant's obligation to keep dust down.

Mayor Weiers said Items 1 and 2 were tied together, even though the example of \$30 to \$60 was used. He asked if it was correct that Item 2 was the preference if the city wanted to charge \$60 and someone could get it somewhere else for \$15. Mr. Kent said that was correct and it would have to be evaluated.

Councilmember Sherwood asked if there was a lease already in place, but there was a better opportunity three months later, would there be language in the lease to break it in that event. Mr. Kent said there would be language addressing this in both leases

Ms. Fischer asked about a vendor requesting a three day festival on a lot, which falls below the 6 month rental timeframe, and asked how that type of request would be processed. She also asked what the requirements would be to reach out to the community to make sure the new use of the property is compatible with the neighborhood. Mr. Kent said a three-day festival would have a different type of impact than a one-time or intermittent use. He said one of the first issues they would look at was whether the zoning is compatible with that use. He said the city has a process in place for special events and they would use that process as a guideline for these lots.

Mayor Weiers said the first two paragraphs were the same item and the last paragraph is a separate consensus item. Mr. Kent said that was correct. He said they looked at the Arizona State Fairgrounds whose prices were substantially higher, which is much different than renting out a vacant parcel. Mr. Kent discussed several other scenarios regarding intermittent use and long-term use and how this might affect rental rates. Mayor Weiers said he does not have a problem with the first two. He said they need to provide discounts for nonprofit and community groups. Mr. Kent said they also need to take into consideration opening, closing, and cleaning the lots, but he said this could be incorporated as part of the discounted fee. He said the fee would be discounted some amount.

Councilmember Sherwood asked if they had looked at this administratively. Mr. Kent gave an example of minimal use of a lot for a motorcycle training school versus use of a lot for a festival and discussed the impacts of cleanup for both. He also said they need to take into consideration opening and closing lots and making sure the lots are being maintained. Councilmember Sherwood said he was talking about staff time to run this program. Mr. Kent said he believed they had the ability in-house to handle that.

Vice Mayor Knaack said the reason they are having this discussion has to do with the gift clause. She said they need to be cautious about giving things away, which they cannot do. She said they want to be in compliance and do not want violate the gift clause.

Mayor Weiers said there was consensus to move forward on both items

2. FY13 – 14 MID-YEAR FINANCIAL REPORT
PRESENTED BY: Tom Duensing, Executive Director, Financial Services and
Vicki L. Rios, CPA, Assistant Finance Director

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 issue

Mr. Duensing provided Council with the results through the first six months of the fiscal year. He said most of the focus has been on next year and the five years after that. He said there are no issues that they have seen so far and the city is on track to meet the forecasted revenues. He said they are also on track for meeting the forecasted expenditures.

Ms. Rios said they are discussing the actual results on the city's financial statements through December 31, 2013. She reminded everyone this did not include holiday sales tax as those numbers were not available at the time this analysis was completed. She said at this mid-year forecast, they consider to be at or near target if they are about 50 percent. She said they also compare this year at the halfway point to where the city was at the halfway point last year.

Mr. Duensing said no significant issues were identified in any of the funds they were looking at today. He said revenues are expected to meet what was forecasted and expenditures are also expected to meet forecasted projections. He said they will continue to monitor these funds.

Ms. Rios provided a chart showing mid-year in December 2012, the forecasted number for FY14, actual results for mid-year of FY14 and the percentage of the forecast. She went over the numbers in more detail. She said general fund sales tax revenue increased by about \$2.9 million and about \$1.8 million of this is attributable to the temporary sales tax. She said expenditures were also up due to budgeted contractual obligations that were expected.

Ms. Rios next explained the numbers regarding the HURF funds. She said both revenues and expenditures are expected to meet the year end forecast. She also explained in more detail why the revenues were only at 43% at the mid-year forecast. She also said they are right on target for where they expect to be by the end of the year. Ms. Rios also went into some detail about the total expenditures.

Ms. Rios said the Transportation Sales Tax fund is almost exactly where they were at the same time last year, but they are expected to meet the year end forecast. She said expenditures in this fund are capital projects that typically occur unevenly throughout the year.

The Police Public Safety Special Revenue Fund is almost the same compared to last year. She said the expenditures show a little lower due to some capital expenditures. The figures for Fire are very similar to last year and expenditures are right on target for the year.

Ms. Rios explained the Water and Sewer Enterprise Funds. She said water revenues are a little over the 50 percent mark, but they are almost the same as they were the prior year. She said water revenues tend to be higher in the summer months. She said sewer revenue

is right on target. The expenditures are right on target and some of these types of expenditures don't usually occur evenly throughout the year.

Ms. Rios said revenues in Sanitation Fund are the same as last year and expenditures are at about 46 percent.

Ms. Rios said the Landfill revenue is a little below forecast. She said there is some additional revenue expected for recycled materials that will be coming in during the second half of the year. As that revenue starts to come in, total revenues will be in line with the annual forecast. Expenditures are also low, but these also occur unevenly throughout the year.

Ms. Rios said the major funds are expected to meet their most recent forecast. Fund performance will continue to be monitored and they will develop the report further to meet Council's needs.

Mr. Duensing asked for feedback in getting more frequent updates. He said other cities provide this information to Council quarterly, but they would be happy to provide this information on a more frequent basis. He also asked if Council would like this information posted on the website and asked if they should come to a workshop at the end of each quarter. He also asked if Council had any areas of particular interest, such as focusing more on the general fund and less on the other funds. He asked for any kind of Council feedback.

Mayor Weiers said he would like to get figures from an additional one year prior for comparison. He would like to be able to see what has been cut over the last few years.

Councilmember Martinez said as far as he was concerned that quarterly is good and if something should occur that they needed to know about, Mr. Duensing would provide that information at the time.

Vice Mayor Knaack agreed that quarterly was sufficient and the information should be provided at a workshop so the public would be aware. She said she would also like to see the figures with the seasonal sales tax figures as this impacts every fund.

Councilmember Sherwood agreed with the previous comments that quarterly updates were sufficient. He said the next update in May is important. He said if there was a large variance in the general fund that they would point that out.

Councilmember Chavira said quarterly reports were fine and wanted to bring attention to the mid-year forecast. He said Ms. Fischer said she was going to provide the mid-year forecast and he applauded her for doing that. He said this takes a lot of work and appreciated the hard work.

CITY MANAGER'S REPORT

Ms. Fischer introduced the new Assistant City Manager Jennifer Campbell and congratulated Ms. Frisoni on her new role of Assistant City Manager.

COUNCIL ITEMS OF SPECIAL INTEREST

There were no Council items of special interest.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:10p.m.