

City of Glendale

*5850 West Glendale Avenue
Glendale, AZ 85301*



Meeting Minutes - Final

Tuesday, September 2, 2014

1:30 PM

Workshop

Council Chambers - Room B3

City Council Workshop

CALL TO ORDER

Present 7 - Mayor Jerry Weiers, Vice Mayor Yvonne J. Knaack, Councilmember Samuel Chavira, Councilmember Norma Alvarez, Councilmember Manny Martinez, Councilmember Ian Hugh, and Councilmember Gary Sherwood

WORKSHOP SESSION

1. [14-001](#) FISCAL YEAR 2015-16 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING PRIORITIES

Staff Contact: Erik Strunk, Director, Community Services

Staff Presenter: Erik Strunk, Director Community Services

Staff Presenter: Gilbert Lopez, Revitalization Manager, Community Services

Staff Presenter: Cherie Hudson, Chairperson, Community Development Advisory Committee

Mr. Strunk said this was Council's opportunity to advise if the seven priorities developed for the community development block grant process are still the same for this year. Mr. Strunk introduced CDAC Chairwoman Cherie Hudson and said she would take Council's direction back to the committee for their consideration. He said Ms. Hudson will also assist with the creation of a new five year consolidated plan. Mr. Strunk also introduced Gilbert Lopez, the director of the Community Revitalization Department, and said Mr. Lopez was directly responsible for implementation and coordination of the overall process.

Mr. Strunk explained over \$2 million was awarded last year in CDBG funds and he explained the seven priorities on which these awards were based. They were keeping people in their homes, assisting people with core needs such as food, utilities and shelter, supporting the home delivery of meals and shelter service programs, providing emergency home repair, providing housing rehabilitation programs, removal of blight through demolition of structures and emphasizing revitalization of the Centerline area.

Ms. Hudson requested Council's input on their recommended priorities for the upcoming year to formulate the basis on which the grant applications will be judged. She said the committee has worked with staff and the United Way to enhance the grant application process over the last few years. She explained the process the committee goes through to make these decisions.

Mr. Strunk said the first orientation of all prospective applications begins next week.

Mr. Lopez said the CDBG is one of the major sources of the federal funds allocated for these programs. He said the amount is usually just over \$2 million, but that amount fluctuates. He said the committee will have public hearings in December so recommendations will be finished before Christmas.

Councilmember Alvarez asked a question about revitalization of Centerline and redevelopment areas. She said if Centerline north of Glendale is going to be commercial and the south side of Glendale is going to be light industrial, she asked if they were going to do revitalization on the south side in the light industrial area. She said it was going to be a residential area and asked why they are now calling it a light industrial area.

Mr. Strunk said light industrial is difficult with respect to using CBGG funds. He said those funds are used to provide services to low and moderate income persons. He said

those funds are usually not used in light industrial areas.

Councilmember Alvarez said they do use CDBG in the areas she was talking about, which are residential turned into light industrial. She said that is where they do most of their rehab. This concerns her because they already have an area that they turned into light industrial or industrial. She said people cannot do any rehabilitation, even their own house, in the light industrial area. She said the area she is talking about is Sonorita and she did not want another Sonorita across the tracks.

Mr. Lopez said when that priority was developed, it was in reference to any projects that will impact Centerline. He said the project at 43rd and Glendale is not on Glendale, but is back about a block. He said all those people impact Centerline by shopping there. He said they can use CDBG funds to improve storefronts in low to moderate income areas. He explained Sonorita is a little different. He said they fund services such as roof repair and emergency repair, things that don't require a building permit. He said anything that impacts the area in a positive way is eligible to be funded.

Councilmember Alvarez said she has not seen any improvements in the area of Sonorita. Her concern is if a resident has a home there, they have to follow the rules of light industrial, not residential. She asked if the money they used for repair for this program came from state money.

Mr. Lopez said this comes from the CAP office. He said he did not know if they have applied those in that area.

Councilmember Alvarez said because it is so bad, the companies are not able to fix that. She said the Sonorita area is not the best in Glendale and she does not like having light industrial in the barrio on the north and south side of Glendale.

Councilmember Sherwood asked for an explanation of the boundaries of the Sonorita area.

Mr. Strunk said the area was 59th to Grand, Maryland north. He said the area is triangle-shaped. He said many years ago, the area was heavily engaged. He said there was never any agreement with the residents on what they wanted to do. He also said CDBG funds were used for street projects at that time.

Councilmember Alvarez said there were only 12 or 13 homes left in that area.

Councilmember Sherwood said getting back to the last point of emphasizing revitalization of Centerline redevelopment. He said that the Centerline area takes in Glendale from 43rd to 67th and includes about 100 to 200 yards on either side of the street. He asked if that was correct.

Mr. Strunk said he believed it was 43rd to 67th, from Ocotillo to Glenn or Myrtle.

Councilmember Alvarez said it was Myrtle, south of Myrtle and McLellan, which was right to the post office, 67th to 43rd.

Councilmember Martinez said he wanted to make sure he understood this issue and said those homes in Sonorita that were in need of repairs, he said they could not use any of the CDBG funds to help those residents out because it was in the Sonorita area.

Mr. Lopez said they can, but they cannot use housing replacement funds, because the houses are not in a residential district. They are located in an industrial district. He said they cannot use federal funds for home located in an area where homes are not

typically allowed. He said those homes are grandfathered in, zoning-wise.

Councilmember Martinez asked if some of those projects could be done by the CAP office.

Mr. Lopez said he did believe the CAP office could do those, and he would verify that.

Mayor Weiers said there wouldn't be any Habitat for Humanity projects in that area.

Mr. Strunk said that was exactly right.

Councilmember Martinez said they should keep the categories. He asked about demolishing and clearing blighted structures. He said in some of the older neighborhoods, there have been problems with some of the structures because the owners are out of state and are difficult to track down. He asked if they had a count of how many homes fell into this category. He also said there were vacant lots that were full of weeds. He said he grew up in that area and it hasn't changed in 50 years. He said the city should be able to do something with the lots.

Mr. Strunk said if there is a lot that is overgrown, the city's Code Compliance Department will follow up on that. With respect to redeveloping and putting new homes on those vacant lots, he said it is possible, if the property owner wishes to do this. He said they cannot force a homeowner to sell a piece of property. He said there were about 102 Habitat for Humanity homes built on vacant lots in the downtown area. He said there are many variables that go into this redevelopment.

Mr. Lopez said they have had a volunteer demolition program and many of the vacant lots have title issues that the city has tried to resolve. He said the families involved with these properties are referred to community legal services if they wish to get rid of the property. He said they have also used the NSP-3 program to do demolitions.

Councilmember Alvarez said about demolishing the buildings, she asked if the owner has to meet federal guidelines with CDBG or can any business request the service.

Mr. Lopez said the national objective of CDBG is to remove blighted structures. He said the city uses shared cost with businesses providing 50 percent of the cost of demolition. He said they will put a lien on residential properties when owners cannot afford to pay for the demolition.

Councilmember Alvarez said everyone pays 50 percent of the costs and they don't have to meet the poverty guidelines.

Mr. Lopez said on commercial demolition, that is the case, however, with residential demolition, they will use 25 percent. He did say the structure has to be in a low to moderate income area and it has to be a blighted structure that cannot be rehabilitated.

Vice Mayor Knaack thanked staff and Ms. Hudson for their participation. She said she wanted to add an item to address homelessness in the city. She said this problem is growing and the Police Department has done a good job of working with this issue. She said they need to be proactive and come up with a plan. She said it is not fair to expect Phoenix to take care of this issue. She said the homeless need help from Glendale.

Mayor Weiers asked of the original 7 priorities, what the panel would like changed. He asked if those 7 priorities seemed to work well. He also asked if the saw other needs that should be identified.

Mr. Strunk said the priorities do work; they are very broad and cover many services. He said the new five year plan will bring forward any items that have gone unnoticed. He said it was more about who was applying for the funds and how they were utilizing those funds. He said the list has worked well from the start and addresses all the key areas.

Councilmember Alvarez said she had no problem with the priorities. She said her problem was issuing the money to outside agencies that do not serve Glendale directly. She said the money should go to agencies that are in Glendale. She spoke about the homeless shelter and asked how much money they give to the homeless shelter now.

Mr. Lopez said CASS is approved for \$56,900 this year under the ESG grant.

Councilmember Alvarez asked about the other funds CASS applied for.

Mr. Lopez said that was last year's money.

Councilmember Alvarez asked about leaving the money in Glendale and taking care of the homeless in Glendale. She said it might be better to provide services within the city.

Mr. Strunk said the issue has been one of capacity. He said the organizations in Glendale do not have the staffing or skill set to deal with many of the problems being homeless brings. He said the city has partnered with CASS and UMOM they have self-contained services and can provide more comprehensive services than the agencies who work only in Glendale.

Councilmember Alvarez said she disagreed with this. She said CASS started a long time ago. She said the more money they get, the more services they can provide. She said they should encourage the local agencies to provide those services. She said they need accountability for these programs and she hasn't been provided that specific information.

Mr. Lopez said they do get reports on how many people claim Glendale as their last place of residence that go to the homeless shelter. He explained how some of this information was tracked by the federal government. He said CASS has the data, but he was not sure they could obtain that information.

Councilmember Martinez said he was going to ask a question which may have been answered. He asked if there was an agency that had the capability to provide the full services that have been provided presently through the contract in Phoenix. He said from Mr. Lopez's response, it doesn't look like any Glendale agencies have the capability as of now. He asked if the city wanted to go in that direction. He said this issue might be addressed at some point in the future.

Mayor Weiers said his question was in regard to Vice Mayor Knaack's recommendation to add the homelessness. He asked if that recommendation was covered in some of the other priorities.

Mr. Strunk said the answer was yes. He said they can look at the integration of services and bring this back before Council after review. He said there are a lot of pieces to this puzzle that need to be looked at. He said they can review this with CDAC. He said there are also land use and policing issues to be taken into consideration as well.

Councilmember Alvarez said she saw it on number 3, supporting home delivery of meals and shelter service programs. She said that would cover the homeless, they

didn't have to integrate it as the item was already there. She said they only had to implement the program.

Mr. Strunk said it is there and there are also other types of shelters. He said part of the conversation that takes place will be regarding more outreach, police intervention and referral.

Councilmember Alvarez said when she talks about homeless; she said the majority of them have income. She said they are CMI's or are veterans. She said these are the people that need guidance. She said Glendale have the agencies to provide those services.

Vice Mayor Knaack said Judge Finn could also give a lot of input. She said she was primarily talking about homeless families. She said those kids are in the city's schools, and she is most concerned about those children. She said they need to more proactive and well-informed about this issue. She appreciated all the panels' comments.

Mayor Weiers said there was a Council consensus to continue the established priorities.

2. [14-015](#)

SALE OF CITY PROPERTY AND FACILITIES

Staff Contact: Jack Friedline, Interim Director, Public Works

Mr. Friedline said staff is seeking guidance for sale of certain city properties. He would like Council to approve hiring a professional real estate firm to evaluate and appraise the properties. He said they would come back to Council with an in depth analysis of these properties. Mr. Friedline presented a short history about marketable city properties.

Mr. Friedline explained the first category by saying due to the complexity and quantity of reviewing city assets and creating a plan of action, staff categorized all properties into one of three categories, which were sufficiently utilized property serving the community, property with potential public/private partnerships and vacant/under-utilized/privatized properties with market value. He explained sufficiently utilized property serving the community as city hall, fire and police stations, municipal airport, field operations complex, and water and wastewater treatment facilities. He said staff recommends no action be taken at this time on these properties.

Mr. Friedline explained the second category of properties with public/private partnership potential is community centers and libraries, media center and expo hall, and landfill and materials recycling facility. He said staff suggested taking no action on these facilities at this time because they would have impact on city operations. He also said these properties could be reviewed in the future as part of alternative service delivery considerations.

Mr. Friedline explained category three properties which are vacant, under-utilized or privatized with market value include the Bank of America building, the downtown parking garage and promenade, Desert Mirage Golf Course, Glen Lakes Golf Course, the future city court site, Bead Museum building, St. Vincent de Paul Thrift Store, Thunderbird Lounge and adjacent retail space, and the water services lot. He said staff recommends Council direct staff to further evaluate these properties and bring back an asset dissolution plan.

Mr. Friedline provided staff's recommendation for Council direction. He asked for Council's approval to move forward with a request for qualifications.

Councilmember Martinez said he did not think the future city court site should be on the

list. He said he knew the makeup of the council was different at the time that site was selected, but he said they will need a new courthouse at some point in the future. He said the city has already spent about \$1 million to put the land in reserve and there is no question they need a new courthouse. He said the new courthouse will also help the revitalization efforts in Centerline.

Mr. Friedline said those were great points and having a professional real estate agency to evaluate that so an informed decision can be made was recommended.

Mayor Weiers asked if there were any appraisals done on any of these properties.

Mr. Friedline said he did not think any appraisals had been done.

Mayor Weiers said he would like to see an appraisal on each property, if any money was owed on the property and if those properties are making any money today. At that time, they can make a more informed decision.

Mr. Friedline said an appraisal would come with every piece of property and all the information would be provided to Council.

Vice Mayor Knaack said at the last meeting, they specifically asked for a list of all properties and whether or not there was any debt on those properties. She said she would still like to see that list and what debt is on the properties.

Ms. Fischer said they can get that list together and in this presentation, they were trying to simplify this very complicated process, and discuss only the most obvious properties for consideration at this time. She said Mr. Friedline did have a list of the properties in his documentation. She said they already have the information on what debt is owed, but they still need appraisals on those properties. She said they would like to bundle the appraisals of these properties together in an RFQ so there is less overall cost to the city if it is done as a large group of properties. Ms. Fischer said she can email Council the list tomorrow.

Vice Mayor Knaack said she is pleased with the direction, but she would still like the list.

Councilmember Sherwood said he understood what they were trying to do. He said they need to get all the information. He agreed with Councilmember Martinez's statement on the courthouse. He said the Bank of America building and the parking garage almost have to be dealt with together. He knew this was not the intent of what was being presented today, but thought it should be addressed. He was in support of moving forward on this issue.

Ms. Fischer said there were so many steps and those types of issues would need to be dealt with in further discussions with Council.

Mayor Weiers said there was consensus with staff's recommendation.

Ms. Fischer asked for a clarification on the consensus. She asked if the consensus was that the courthouse property be removed from the list.

Councilmember Martinez said he would like to withdraw his objection to including the new court house property for the time being until documentation is provided regarding appraisals.

3. [14-054](#)

COUNCIL ITEM OF SPECIAL INTEREST - DIVERSITY

Staff Contact: Jim Brown, Director, Human Resources and Risk

Management

Mr. Brown said the purpose of this presentation is to provide a status update of the city's diversity efforts. Mr. Brown said the city has a rich history of diversity and the city wants to continue these efforts. He provided some diversity background within the city. He said they have hosted a number of diversity events, such as diversity dialogues, a Hispanic Heritage event, Martin Luther King Jr. luncheon, and Cesar Chavez breakfast event. He said diversity was also included as a core competency. Mr. Brown explained the city's definition of diversity includes valuing the diverse talents, knowledge, abilities and skills of co-workers, exhibit sensitivity towards the diverse needs of co-workers, create an environment where differences are appreciated and where respect is demonstrated for different perspectives, backgrounds and cultures, and actively seeks inputs from different viewpoints.

Mr. Brown also discussed the current state of diversity within the city. He explained 2012 budget reductions removed funding for the diversity program and funding for special diversity events was eliminated. Layoffs and hiring freezes created high workloads on employees which made planning events, soliciting event sponsorships and attending events difficult. He said the employee diversity committee eventually became inactive. He said there were still several diversity efforts that don't require additional funding, and these include employee performance goals that include diversity as a core competency, and HR and employee groups developing new ways to recognize and celebrate diversity without impacting the budget.

Councilmember Alvarez said she did not question the past, she was questioning the current. She asked Mr. Brown if the city had a diversity committee at this time.

Mr. Brown said that diversity committee has never been disbanded, but it has been inactive. He said they are working with the reward and recognition committee to bring back some of the diversity committee members.

Councilmember Alvarez said one of the things is the change in composition with the residents in Glendale. She said it is important for any employee to realize the customs or methods of communication with those residents. She asked what the current employee composition is.

Mr. Brown said he did not have that information now but could provide it to the Council.

Councilmember Alvarez wanted to know who the city is hiring. She said the Human Resources department should teach the employees, because some employees make a big mistake and question why they have to do things. Councilmember Alvarez said if they communicate better with the customers, it would be better for city staff. She said she is willing to help with the discretionary funds to provide staff training. She wants to know who the city is hiring at this time.

Mr. Brown said the city's hiring policy is inclusive and there is a focus on diversity. He said HR, and many other departments, have had to reduce their services. He said they used to advertise specifically in diverse publications for recruitment. He said with the budgetary issues, they have had to reduce those efforts. He said they do expect a diverse group of candidates to recruit from through the job recruitment websites the city uses.

Councilmember Alvarez commented that people need jobs. She said she did not want special recruitment and does not want favoritism. She said they can get people into the organization and they haven't been doing that. She said the Hispanic and Oriental people are not special; they are just like everyone else.

Mr. Brown said that was not his intent with his last comments. He said his intent was to tell Council what the city has done in the past and where HR focuses its efforts today. He said they want to hire the best possible people for the job and they also want to reflect the community in which they live.

Ms. Fischer said they have also increased their bilingual pay, which was discussed during the budget process. She also had sent out some information regarding the city as it related to the census. She explained that diversity encompassed more than just race, it included gender, different ability levels, different ages and alternative lifestyles. She explained the city's demographic make-up is close to what the community reflects but we can improve. We are especially low in the area of gender. She said the gender issue may be due to the fact that a majority of the city's workforce is in public safety and she said public safety tends to be more male dominated.

Mayor Weiers was curious about cities of a similar size and how their differences compare.

Ms. Fischer asked if he we referring to gender, race or both.

Mayor Weiers said both.

Ms. Fischer said she will reach out to those cities and attempt to obtain those numbers to provide to Council.

Mayor Weiers said no consensus was needed on this item it was for information only.

4. [14-059](#)

COUNCIL ITEM OF SPECIAL INTEREST: COUNCIL GUIDELINES -
COUNCIL DISTRICT BUDGETS

Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

Staff Presenter: Brent Stoddard, Director, Intergovernmental Programs

Staff Presenter: Tom Duensing, Director, Finance and Technology

Mr. Stoddard said this item was originally raised by Vice Mayor Knaack earlier this year. She also asked for more dialogue about creating more concrete guidelines. Mr. Stoddard first explained the background as to what the current guidelines are. He said there are two separate funds received by each council district. These are the Councilmember Budget/Expense Account, and the Council District Improvement Funds. He explained Mayor Weiers does not receive these funds. He also said the Budget/Expense Account does not allow a carry-over, but the District Improvement Funds account does allow a carry-over.

Mr. Stoddard said the last time these policies were updated was in FY2008-09 and there were very few restrictions on use of these funds. He said the statement tied to the use of Budget/Expense Account funds was various expenses that have benefit to the City of Glendale and meet applicable budget expenditure laws. The statement tied to the District Improvement Account funds was projects related to the placement, replacement or enhancement of facilities or equipment within the City of Glendale.

Mr. Stoddard provided a short summary of how those funds are generally being used. The Budget/Expense Accounts are used for travel expenses for professional development, training and conferences, miscellaneous expenditures such as GAIN night reimbursement, office supplies and equipment, constituent meetings, recognition events for boards and commissions and neighborhood leaders, constituent communications such as mailers and postage, cell phone expenses, off-site office costs for those that have off-site equipment, and funding to nonprofit organizations. He said the District Improvement Funds are generally being used for projects for the city such

as replacement of infrastructure in parks, right of way projects, streetlight repair and replacement, streets projects, and funding to non-profit organizations.

Mr. Stoddard explained staff researched the procedures of seven other valley cities, including Avondale, Goodyear, Mesa, Peoria, Scottsdale, Surprise and Tempe. He said Peoria, Mesa, Goodyear and Glendale have written formal policies, and Surprise and Avondale are currently drafting policies. Scottsdale and Tempe have no formal policies for Council. Mr. Stoddard next spoke about donations to nonprofits. He said Peoria, Avondale, Goodyear, Mesa and Glendale either allow or have no policy prohibiting donations to nonprofits. The cities of Scottsdale and Tempe do not allow donations to nonprofits and Surprise is currently drafting a policy. Mr. Stoddard explained Peoria and Glendale do allow carry-over provisions, while Avondale, Goodyear, Mesa, Tempe, Scottsdale and Surprise either do not allow or do not practice any carry-over provisions.

Mr. Duensing provided some information regarding best practice uses of these carry-over funds. He said they are making this staff recommendation and it is two-fold. He said they do not see any sort of carry-over provision used by most valley cities for operating type funds. He said these are General Fund funds which should be appropriated each year. In order to be able to carry-forward the funds from one fiscal year to the next, it does require a 4th quarter Council-approved budget transfer. He said last year they took a detailed look at the city's transfer policy to make sure it was compliant with the City Charter. He said the City's Charter restricts any sort of Council-approved transfers, other than non-departmental or contingency, to the 4th quarter. He said it would require staff to come back late in the fiscal year seeking approval in order to carry-forward prior fiscal year funds. He explained they looked at the administrative burden of this and the fact these are General Funds and therefore, staff makes the recommendation that they do not carry-forward these funds, but they will implement whatever policy Council chooses.

Mr. Stoddard explained as they researched this item, they identified three items they were going to implement moving forward as it relates to the use of those Discretionary Funds. The first new procedure is requests for an expenditure of Council Discretionary Funds for purposes of a donation of \$5,000 or above must be submitted to the City Council for approval. The second new procedure is each request for use of Council Discretionary Funds will require the completion of a new uniform standard request form. The third new procedure is council discretionary fund recipients will agree that the City of Glendale and its authorized representatives shall have the right to examine and audit all financial and related records relating to the acceptance and expending of the Discretionary Funds.

Mr. Stoddard explained the two items staff is seeking guidance and direction on. First, does the Council want to update the existing policies and procedures regulating Council Discretionary Funds, including donations to nonprofits, and second, does the Council want to end the practice of carrying over unused funds in the Council District Improvement Funds to the next fiscal year. He explained staff recommended ending this carry-over practice in the FY15-16 budget.

Councilmember Sherwood asked for clarification. He said he was looking at the expenditure request form they were provided. He said it looked like any amount of \$5,000 or more would need to come to council for a vote, not just donations.

Mr. Stoddard said with the current practice, if it was anything but a donation, it would already be going through a procurement process as they are required to do. He said this form is just a draft and that issue can be further clarified, but this is just for a donation of \$5,000 or above.

Councilmember Sherwood commented about the carry-over. He said he was thinking about a carry-over for no more than one year. He provided an example of a particular item he wanted to move forward one, sometimes by the time you get the information or the Request for Proposals (RFP) back, you are past the end of the fiscal year. He said there should be some allowance if an item is pending due to the end of the fiscal year. He suggested the example of vacation bank time and a use it or lose it example. He had no other issues with the forms. He said he is somewhat against donations being made to nonprofits in general because the budget is mostly for the good of the neighborhoods and that sort of thing. He said some donations made in the past were given to organizations completely outside the city.

Councilmember Martinez asked how much the other cities were allowed to have in their budgets. He asked if they were comparable.

Mr. Stoddard said the numbers were all across the board and there was no baseline number. He said all the Councils are structured differently and he provided some examples.

Councilmember Martinez said there was no way to compare Glendale's budget with other cities.

Mr. Stoddard said that was correct. He said each city is providing a substantial level of support to each Councilmember.

Mayor Weiers asked Mr. Stoddard how many cities provided the Mayor discretionary funds.

Mr. Stoddard said there were a few cities that had a general pot of money that everyone, including the Mayor, could draw from. He said it was difficult to compare as every city was completely different. He said they are just trying to be accountable for the funds that are spent.

Ms. Fischer said the city of Maricopa was structured very similarly to Glendale's, but the Mayor did have their own discretionary fund in Maricopa.

Councilmember Martinez said \$32,000 for each Councilmember is a large sum of money especially in the current economic times. He said all departments have taken cuts except for the Councilmembers. He said he has spent only about half of his funds over the last several years. He said it is time the Council thinks about reducing the amount. He said the city would be able to come up with the funds if a Councilmember had to go on a special trip for some reason. He said to get this large amount year after year is not money put to the best use.

Mr. Stoddard said this item was specifically about the policies and that is why they didn't bring the funding issues before Council today. He said as they move through the budget process, Council will provide direction to staff on appropriate funding levels.

Councilmember Martinez said he would offer that to be taken into consideration. He said he doesn't think they have done their fair share as Councilmembers compared to the rest of the staff. He agreed that donations to nonprofits should be taken out and it should not be done. He said this leaves them open to legitimate criticism from the constituents.

Vice Mayor Knaack said she brought this up because there needs to be strict guidelines on how the money is used. It is taxpayer money and she said a lot of money allotted was for mailers. She said the city does almost everything electronically now so the cost

is much lower. She also said the costs need to be reevaluated. She doesn't believe the funds should be rolled over.

Mr. Duensing said any funds rolled over into improvements or any type of capital item does require Council approval as it is a transfer between funds.

Vice Mayor Knaack said that has not been done, so it should be done. She also said each year both she and Councilmember Martinez have given 60 percent of their money back to the General Fund. She said both of them are pretty active, so if they are able to do that, there is a lot of excess money that could be used by the General Fund. She agrees with Councilmember Martinez that taxpayer money should not go to nonprofits. She said there is no accountability and they have no way of knowing how these funds are being used. Regarding rolling over funds, it was her understanding if the money was earmarked, it was okay.

Mr. Duensing said if the money is earmarked and the project is currently set up, capital projects by nature are multiple years and the city builds in the capacity to fund those projects over multiple years. If they do a transfer from Council Discretionary Fund into a project fund, they would roll those funds forward. He said the necessity to roll General Fund funding forward wouldn't be there.

Vice Mayor Knaack said they have talked about this for so many years, and she wanted to cement the rules on how these funds are used. She agreed with the proposed directions other than she is not in favor of giving nonprofits any money, but she approves the proposed form.

Councilmember Hugh agrees with the form and the \$5,000 limit and coming back to Council. He asked how much money the city gives to nonprofits. He said if the Council can't spend money on nonprofits, then he felt the city should stop spending money on nonprofits.

Mr. Stoddard said he could provide a list of nonprofits that were given Council discretionary funds. He said there are procedures the city goes through if they receive grant money

Councilmember Hugh said he was talking about all city funds spent on nonprofits. He said this would include tickets to suites at events and things like that. He said if they are going to stop the Council from donating money to nonprofits, then the city should stop as well. He this also included raising funds and organizing events to raise money for nonprofits.

Mr. Duensing said they would have to get that information and provide it at a later date.

Councilmember Hugh said his point was he did not want to get rid of nonprofits, but Councilmembers can use their own judgment.

Mr. Stoddard said the form was put together to allow for those types of donations. He said this issue was at the Council's guidance and direction to staff.

Councilmember Hugh said he was not in favor of limiting Council money to nonprofits.

Ms. Fischer said staff is not recommending removing nonprofits; it was just addressed as a point of discussion. She said they will proceed at Council's direction on this issue.

Councilmember Alvarez said in her district there are so many needs. She said the nonprofits provide for some of those needs and she wants to keep those funds to

provide for her constituents. She said those agencies provided services the city can't provide at this time. She said they do a lot with the money the Council gives them. She said it is better to invest in the community. She said they have lost more money in the business deals the city has made than they ever lost giving to nonprofits. She said constituents will not be happy with this.

Councilmember Chavira said he is for giving positive consensus to what staff recommends. He has no problem giving to nonprofits. He likes the stipulation that donations over \$5,000 have to be approved by Council. He said this gives accountability on both sides.

Vice Mayor Knaack said all she was talking about was the Council funds. When it comes to all the grant money they receive, it all does help. She said they need to agree to disagree and she said taxpayers don't think the money from Councilmembers' funds should go to nonprofits.

Councilmember Sherwood said on the procedure of the form for \$5,000, it would be cumulative.

Mr. Stoddard said the idea behind the form was to be consistent with the practices the city already has in place and it would be a cumulative number of a donation to a nonprofit.

Mayor Weiers clarified it was in one year's time.

Mr. Stoddard said it was in a fiscal year.

Councilmember Martinez said getting back to how they may disagree on how the money is spent, but to have \$32,000 in discretionary funds, he thinks is a little much. He said the amount should be reduced.

Mayor Weiers said in the past he used to see calendars that a lot of people felt it was nothing more than advertising for your next council race. He said he was opposed to that. He has no problem if it is helping a charity that pays back dividends to the city. It does bother him if a Councilmember uses Discretionary Funds to boost their campaign, but he hasn't seen that lately. He would like to see discussion on it, but keeping in mind they might have 2 or 3 new Councilmembers. He wanted to see this acted on by the new Council.

Mr. Stoddard clarified the recommended direction. He asked if there was a consensus for any additional guidelines or restrictions to be placed with nonprofits.

Mayor Weiers said there were no additional guidelines or recommendations.

Mr. Stoddard said there is also staff's recommendation to end the practice of carrying over the District Improvement Funds, beginning with FY15-16.

Mayor Weiers said there consensus for that part of this item.

Mr. Stoddard said they will be bringing forward the budget appropriation in the 4th fiscal quarter as the charter requires. He said the level of funding will be discussed as they move into discussions regarding the budget.

CITY MANAGER'S REPORT

Ms. Brenda Fischer, City Manager, said she had nothing to report at this time.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmember Sherwood said I would like the City Clerk's office working with the City Attorney's office, utilizing a recent change to the Arizona Revised Statute Title 19 giving towns and cities more authority in running their own elections to come up with an ordinance (or other vehicle) laying out all the particulars. There have been so many changes to the laws over the recent years that are very confusing to the public. In that, we should define how petitions/referendums are run through the city and whether one needs to be a resident to be able to initiate one.

Meeting adjourned at 3:15p.m.