

# City of Glendale

5850 West Glendale Avenue  
Glendale, AZ 85301



## Meeting Minutes - Final

Tuesday, April 4, 2017

9:00 AM

Budget Workshop

Council Chambers

## City Council Workshop

*Mayor Jerry Weiers*

*Vice Mayor Ian Hugh*

*Councilmember Jamie Aldama*

*Councilmember Joyce Clark*

*Councilmember Ray Malnar*

*Councilmember Lauren Tolmachoff*

*Councilmember Bart Turner*

**CALL TO ORDER****ROLL CALL**

**Present** 7 - Mayor Jerry Weiers, Vice Mayor Ian Hugh, Councilmember Jamie Aldama, Councilmember Joyce Clark, Councilmember Ray Malnar, Councilmember Lauren Tolmachoff, and Councilmember Bart Turner

[Councilmember Malnar arrived after the meeting started.]

Also present were Kevin Phelps, City Manager; Michael Bailey, City Attorney; and Julie K. Bower, City Clerk.

**WORKSHOP SESSION****1. [17-124](#)****FY17-18 BUDGET WORKSHOP**

Staff Contact: Vicki Rios, Director, Budget and Finance

Staff Presenter: Tom Duensing, Assistant City Manager

Staff Presenter: Terri Canada, Budget Administrator

Ms. Rios explained a capital improvement plan included assets valued over \$50,000 with a useful life of five or more years. The CIP also included land, buildings, streets and improvements, plants and large equipment. Changes to the plan would be made with Council direction and projects listed in the first five years of the plan had identified funding sources. When the budget was adopted, only the first year of the plan was appropriated as part of the FY17-18 budget.

Mr. Duensing said it was important to note the CIP did not yet have carryforward funding. He explained that any projects appropriated in FY16-17 that were not completed would be re-appropriated in the final budget for FY17-18 as carryforward funding.

Ms. Rios said staff was looking for feedback on whether projects should be reduced or eliminated, increased or added or if the timing of projects should be moved up or deferred.

Mr. Duensing explained the types of financing used for capital projects included cash financing and debt financing. Examples of cash financing was pay-as-you-go, grants and development impact fees, while debt financing included general obligation bonds (GO bonds). He said excise tax obligations were not supported by property taxes and were usually secured by revenues. Revenue obligations were repaid by the enterprise funds and could only be used for enterprise projects.

Mr. Duensing said the direction staff had received from Council had been to keep the secondary levy flat. There was not a lot of capacity in the GO bonds for the next few years. Excise tax obligations were support by the general fund and there was not much capacity to support excise tax obligations. He explained that the amount of development impact fees received was limited by how much growth there was in the City.

Mr. Duensing said current outstanding bonds, which included GO bonds, Municipal Property Corporation and excise tax obligations, water and sewer revenue obligations and transportation revenue obligations, were used to fund existing assets. He explained the

capacity for funding was very tight right now and the pavement management program was the only additional project scheduled.

Mr. Duensing said the percentage of the GO debt outstanding to the City's limited assessed value could not exceed the 6% and 20% test. That was 6% for general municipal purposes and 20% for certain types of projects such as water, artificial light, public safety, law enforcement, parks, playgrounds and recreational facilities. The other area was outstanding voter authorized bonds. Those amounts had been approved by voters in a bond election, but not yet issued. Mr. Duensing said staff would have to consult with bond counsel to determine which projects could be financed.

Ms. Rios explained the plan for GO bond funding included determining the capacity to borrow which was dependent upon the tax levy. The timing of bond issuances also needed to be considered as interest charges started as soon as the bonds were issued. The bond funds must be spent reasonably quickly. Once priorities had been established, a determination would be made whether voter authorization was needed.

Ms. Rios said GO bond projects were typically funded for assets lasting 20 years or more, which included fire stations, police stations, government buildings, community centers, pools, fields, libraries and streets.

Ms. Rios said development impact fees (DIF) were a limited source of funding and restricted to pay for growth-related projects, such as new facilities due to growth, enhanced service levels and expansion of existing facilities because of growth. They could not be used for repair, replacement or refurbishment of existing assets. Development impact fees in a specific geographic zone must be used in that zone.

Councilmember Aldama asked if a map of the geographical zones could be provided to Council.

Ms. Rios said staff would provide that information later in the presentation.

Ms. Rios said there was a change in legislation and funds collected prior to 2015 must be spent by 2020. Funds collected after 2015 must be spent on projects identified in an infrastructure improvement plan (IIP). She said funds were available for Fire, Police, citywide parks, and roadways.

Ms. Rios said a question came up at the last workshop regarding the LED streetlight conversion project. The figures regarding the current pavement management plan, showed funding for the program coming from three different funds. The funding for that project was about \$5 million. She also provided information for an alternative pavement management and LED project. She said there would be operational savings from the LED project and they would like to put the savings back into the pavement management plan. The LED project would provide about \$500,000 a year in savings. The combined plan would provide more funding going into pavement management over the long run.

Councilmember Aldama asked if some streets would not be done in the first year because of the conversion project.

Ms. Rios said some streets would not be done in the first year, but more streets would be done in successive years.

Councilmember Aldama asked how it would be determined which streets would not be completed in 2018.

Mr. Friedline said the pavement management process allowed staff to bid a multi-year contract for over \$30 million in mill and overlay which gave the City a very competitive price. Therefore, the City could do much more with the funds than originally planned. He said part of the LED conversion came with a \$400,000 rebate that would be returned to the pavement management program. There were also carryover dollars on the pavement management contract that would be used. He said the \$500,000 savings would be allocated to fund projects and hoped the HURF allocations would be increased somewhat in future years.

Councilmember Aldama said a pavement index was completed and it was predetermined which streets would be paved. He asked if there would be a reduction in the number of streets being paved in 2018 if Council approved the LED program.

Mr. Friedline would keep the Council updated, but didn't think there would be any delays in completing the mill and overlay and slurry seal.

Councilmember Aldama asked if there were guaranteed savings and what that savings would be with the LED program.

Mr. Friedline said there was a general estimate of savings based on the savings other cities had seen after converting to LED.

Councilmember Tolmachoff asked if the schedule would need to be revised regarding pavement management.

Mr. Friedline said they would be fine-tuning the schedule, but there was over \$10 million in carryover from the contract. They had a great unit price and appropriations available to stay on schedule. Mr. Friedline said more mill and overlay was being done than originally predicted.

Councilmember Tolmachoff wanted the record to reflect that the budget workshops were rescheduled at the request of staff and not at the request of Council. She asked about the format of the budget workshop and if staff was going to talk about specific projects.

Ms. Rios said staff was open to answering any questions about the presentation and any projects in the CIP or any of the materials provided to the Council.

Councilmember Malnar asked if the price of the LED project was based on staff doing the conversion or using outside contractors.

Mr. Friedline said the City was able to use an RFP from Phoenix.

Councilmember Malnar asked if the contractors would provide the service and then take part of the savings on the project.

Mr. Friedline said the project was paid for in cash.

Councilmember Malnar said \$5 million was coming out of streets and asked how the funds coming out to pay for the projects did not impact streets.

Mr. Friedline said there would be an impact but explained there was \$10 million in carryover funds. He said they were ahead of schedule regarding the amount of work being done and unit pricing was low enough to allow them to do more with less. There

was also a \$400,000 rebate and if they moved quickly on the project, the savings might be more than \$250,000. There was also the annual \$500,000 savings.

Councilmember Malnar asked if they would not have the capacity to do additional street improvements if they pulled out the \$5 million for the LED project.

Mr. Friedline said if they did more than \$8 to \$10 million in improvements, they would begin to have traffic issues. There would be a tremendous amount of construction and they didn't want to create gridlock with all the projects they would be doing.

Mr. Phelps said when the proposal was made, staff took a very conservative approach to unit costs and assumed that there would be no increase in HURF funding. He said the City benefitted by linking the contract for a much lower unit cost, and had increases in HURF funds and carryover. Staff believed they would be able to stay on pace with the goal set by Council as well as implementing the LED lighting program.

Councilmember Turner asked when the \$400,000 LED rebate would arrive.

Mr. Friedline said it should arrive by the end of the calendar year. He said if the project was done within the next three years, the funds would integrate with the total pavement management program.

Councilmember Turner asked if the leftover budget money for mill and overlay and slurry seal was the carryover money.

Mr. Friedline said it was work that was programmed, but not completed and contracted out. He said carryover was a few million dollars. He said this was a build-up of HURF funds that was dedicated to pavement management.

Councilmember Turner said the pavement management program was very important to constituents. He wanted to be confident that both projects could be completed without disrupting the pavement management program.

Mr. Friedline was absolutely sure the project would move forward as planned.

Councilmember Aldama said the priority at the time the project was created was pavement management, not lighting. He asked if the \$400,000 would be programmed back into the pavement management program.

Ms. Rios said it could be put back into the program.

Councilmember Clark supported the LED conversion and was confident it would not diminish the pavement management program. She said it made sense that the LED program would begin to save the City money and the savings would be put back into the pavement management program.

Councilmember Tolmachoff asked if the data on savings was based on the conversion in Phoenix.

Mr. Friedline said specifications of the LED lighting showed a decrease in energy consumption. He said the figures had been reconciled with APS and SRP.

Councilmember Tolmachoff asked if APS could show data regarding how much money would be saved through the LED program.

Mr. Friedline would provide Council with the calculations, as well as the APS and SRP figures.

Councilmember Tolmachoff said it was important the savings calculations were correct.

Mr. Friedline explained every time a streetlight was replaced, it was replaced with an LED light. He said many cities used LED lighting and information regarding the savings was widely known.

Mayor Weiers asked if the bulb or the fixture was being replaced.

Mr. Friedline said the whole casing was replaced.

Mayor Weiers asked about the life expectancy of an LED bulb.

Mr. Friedline was sure the life expectancy was much longer than a regular bulb and would provide information to Council. He said once the 19,000 lights were replaced, they would not have replacement or labor costs for the next couple of years.

Councilmember Turner asked about the light quality of the LED lights.

Mr. Friedline said there were about 300 LED lights operating right now and most people would not be able to see a difference. He said staff would develop a program to inform the public about the transition and how the lighting was different. There were many areas that already had LED lights and the public could see how they worked.

Councilmember Aldama was very concerned about losing pavement management but was supportive of the project.

Councilmember Malnar asked about the type of LED lights that would be used and how the lights might change the look of the City. He asked if there was a plan to improve the look of the City and not just install a cost-savings light.

Mr. Friedline said staff would develop a program showing the various aspects of making the transition. He would bring the item back before Council to show all aspects of the project.

Councilmember Tolmachoff asked to see the zone map for the development impact fees (DIF).

Mr. Friedline provided a map and explained the various zones.

Councilmember Tolmachoff asked for the amount of funding available in the different zones.

Ms. Rios said staff had a detailed schedule, showing how the funds were distributed in each zone. She would provide a copy of that schedule to Council.

Councilmember Clark wanted to see how much money was available in each zone but also wanted the information broken down showing how much money was provided before 2015 and after 2015.

Ms. Rios would provide the information to Council.

Councilmember Turner asked what would happen if the money received prior to 2015 was not spent by 2020. He also asked if the City was on track to spend all the funds.

Ms. Rios said if the money was not spent by 2020, it had to be returned to the property owners from whom it was collected. She said there was not a lot of money to spend overall, but there were opportunities to spend what was available to meet some of Council's priorities. Ms. Rios said it could be discussed in more detail at a future workshop.

Councilmember Turner said the Council would not be opposed to returning the money to the taxpayers but only after the needs had been met for which that money was collected.

Councilmember Tolmachoff asked when the infrastructure improvement plan was adopted and asked that information be included as part of the workshop.

Ms. Rios said it would be included.

Mayor Weiers said everyone would agree that the money should not be wasted but should be spent on necessary projects.

Councilmember Clark was not comfortable that the carryforward funding was not shown until it was time to adopt the budget. It would be very helpful for Council to see that information as soon as possible. She had previously asked what percent of revenues from each of the enterprise funds was being used for the CIP. She believed water was using approximately 46% of its total revenue for CIP projects and the other enterprise funds were using much less. She asked if the figures were typical for water and if it was typical for an enterprise fund to use so much of its revenue for CIP.

Ms. Rios said there was pent-up demand for capital projects. The water enterprise fund schedule showed the changes year-over-year and was impacted by a change in methodology in the way staff budgeted for those water capital projects. When looking at the capital plan this year, staff spread the dollars out over the years the funds would actually be spent. She said the carryforward would have to be adjusted to reflect the change in methodology. Water and sewer funds were highly capital intensive.

Mr. Johnson said overall percentage for the capital projects was 44% and the water portion was 28%.

Councilmember Clark asked if the water funds portion of 28% was a typical percentage for capital improvement projects.

Mr. Johnson had not kept records like that in the past but said there was currently a pent-up demand. The numbers would go down after that demand had been met.

Councilmember Clark said the annual revenue percentage seemed high and she was concerned. She asked about the outstanding GO bonds and said the chart did not reflect certain obligations that were incurred.

Mr. Duensing said the chart represented the debt service on current outstanding bonds. There were newly issued GO bonds for the parking lot south of the stadium, completion of 95th Avenue and the tunnel bridge. The debt service also included a portion of the pavement management program. Layering those bond issuances on top of the outstanding GO bonds on the chart, it would be about \$20 million per year at least

through 2022. There was a very small margin for GO bond funded projects for the next several years. He said staff would have a discussion with Council in the fall.

Councilmember Clark said the chart was incorrect and there was less bond capacity than what was showing on the chart.

Mr. Duensing said that was correct. He said the chart showed current outstanding bonds only.

Councilmember Clark was concerned about the GO bond capacity to borrow. In the 20% capacity, there were several big-ticket items that would require a lot of revenue, such as water and sewer projects, public safety and transportation. She asked if there had been any discussion of emphasizing the needs of parks, libraries and playgrounds in the 6% category. With such big-ticket items in the 20% category, there would never be enough funds for playgrounds, parks and recreational facilities.

Mr. Duensing said within the water and sewer cost of service study, there was pent-up demand for capital. Right now, they would probably not issue GO bonds for those capital-intensive projects, but would issue revenue bonds. He said revenue bonds were not subject to the 6% and 20% requirement.

Councilmember Clark said the same answer would apply to transportation, which would rely on transportation sales tax and grants, rather than GO bonds in the 20% category.

Mr. Duensing said revenue obligations would probably be issued in that case. He said the difference was GO bonds were cheaper. Revenue obligations did just what Councilmember Clark was talking about, gave the City the flexibility to do things with the GO bonds.

Councilmember Clark asked how staff determined which way to go with the projects.

Mr. Duensing said staff would provide the information and a recommendation, but it was ultimately Council's decision.

Councilmember Clark asked about unexpended authorization in library, parks and recreation and cultural facilities. She hoped that staff would not focus on only a few categories, but would focus on some of the more resident-friendly projects.

Mr. Duensing said there was about \$50 million GO bond funding capacity for pavement management. He said Councilmember Clark was right and that was part of the process.

Councilmember Aldama asked if the City was under an obligation to complete the Ballpark Boulevard extension and if the City was under a timeline to complete that project.

Mr. Duensing did not believe there was a contractual obligation to build that project and said it was an ingress and egress issue. He said several years ago, one of the development projects was Main Street, which would serve as a development trigger for the project.

Mr. Bailey said there was no affirmative obligation to build Ballpark Boulevard. He said there was a standard of a certain number of vehicles exiting within 25 minutes after conclusion of the event.



Councilmember Aldama said after Spring Training, he didn't think that number of vehicles would be exiting from that location. He asked what purpose the road would serve aside from Spring Training.

Mr. Phelps said there might be several benefits. There were properties in that area that had great potential for redevelopment by the private sector due to proximity to the Loop 101 and to the Entertainment District. He said the general intent was to make sure the impacts of the Cactus League to the surrounding community be minimized. The long-term benefit would be to open property for development. He said the 95th Avenue project had kick-started a number of economic development projects because of assurances that the road would go in. There had been discussions with the City of Phoenix about building the roadway extension. There was still time to remove that project from the CIP.

Councilmember Aldama asked if there was an economic development master plan for that area.

Mr. Phelps said the focus was on development near Loop 101 from Glendale to Camelback and believed there would be economic development and job creation in that corridor. There had been inquiries about land in that area and a good infrastructure project might be a catalyst to other development projects.

Councilmember Tolmachoff asked if there was data showing the City was not meeting the ingress and egress criteria at the ballpark.

Mr. Phelps said it didn't seem to be a formal set of criteria that was used but staff would get back to Council with the information.

Councilmember Tolmachoff did not support Ballpark Boulevard in the CIP. She was more in favor of completing Bethany Home Road to generate economic development because it was a major arterial street. Bethany Home Road was critical for public safety and development in the area.

Mayor Weiers said when visitors were leaving the north parking lot at Camelback Ranch, they were forced to turn left and leave Glendale. He said the City was allowing people to go to other cities instead of staying in Glendale to eat and shop.

Councilmember Turner said CIP projects were all about timing and at some point Ballpark Boulevard might become a priority. He would like to see the data showing how many cars were exiting Camelback Ranch to find out if it was a crucial issue. Further research also needed to be done to determine if Camelback Road had a problem every day of the week or just during Spring Training in March. He said if the land along Maryland became more developed, the City could provide access along the Maryland alignment. Council might want to consider taking the project out of the CIP and agreed that Bethany Home Road might be a better investment for the time being.

Councilmember Turner wanted to know if the City had the financial capacity to do the road now and if the City could continue to collect DIF fees after the road was built to reimburse the City after the fact.

Ms. Rios believed the City could but would provide further information to Council.

Councilmember Malnar said the Council did not have all the information it needed regarding the item. He would like to see other factors, such as where the money would

come from and what the City anticipated happening if it completed the road project.

Councilmember Clark agreed with Councilmember Malnar's comments. She asked if there was a stipulation or requirement in the original development of Camelback Ranch that Ballpark Boulevard be developed at some point.

Mr. Bailey said it was a condition of development towards the north, not an obligation of the City to complete Ballpark Boulevard. He said originally, the entrance to Camelback Ranch was to be on the north side of the facility. He said there was a timing requirement regarding exiting the facility after games.

Councilmember Clark asked Mr. Bailey to check on the specific stipulations in that agreement. She supported Councilmember Malnar's request for further information. She said the average number of vehicles on Camelback Road was 50,000 per day. Completing Bethany Home Road might be the solution to the problem. She said John F. Long's contract requirement could be an obstacle to completing Bethany Home Road right away.

Councilmember Tolmachoff asked staff to explore the possibility of completing Bethany Home Road.

Ms. Rios said staff would like consensus to get something in the draft CIP. She said Ballpark Boulevard could be left as it was in the CIP, but not move forward with a project on the roadway until staff had an opportunity to further discuss it with Council. She said the project could also be moved to the out years and reviewed again during Council discussions in the fall.

Councilmember Aldama said the first option encumbered cash that couldn't be used. He supported bringing the item back for discussion in the fall.

Ms. Rios said two more budget workshops were scheduled and staff would get something put together before that.

Councilmember Tolmachoff suggested moving the project out a year so that Council had time to look at the data prior to making a decision.

Ms. Rios said staff would move forward with whatever consensus decision Council made.

Councilmember Tolmachoff asked if staff could get the data to Council in time to make a decision.

Mr. Duensing said the answer was no. He said if funds were appropriated for a certain project and Council decided not to move forward with that project, Council had the ability to appropriate the funds for a different project during the year. He said if funds were not appropriated, Council could not go back and appropriate additional funds. He said staff would not have enough data to satisfy Council's request by the time the budget was adopted. He recommended appropriating the funds for a project, contingent upon staff providing the requested data to Council.

Vice Mayor Hugh suggested leaving Ballpark Boulevard in the budget until all the information was provided.

Mr. Duensing said the project could be left in the budget for now and staff could do a budget transfer in the future if that was what Council desired. He said the decision now

was whether Council wanted to appropriate the funds for FY18 and begin the project in FY18.

Mayor Weiers asked for the estimated cost for the City's half of the Bethany Home project.

Mr. Friedline said the cost for the north half right-of-way was estimated around \$1.2 million. He said the construction portion of the project was also about \$1.2 million, for a total of \$2.4 million for right-of-way and construction.

Mayor Weiers asked if the information provided matched the figures provided by Mr. Friedline.

Mr. Duensing said the total was about \$2.9 million, beginning in FY19-21.

Councilmember Tolmachoff said that was a long time to wait.

Mayor Weiers was concerned Council would make decisions now that might make other projects collapse and said he would like to make sure the decisions Council made today didn't cause trouble in the future.

Mr. Duensing recommended appropriating funding for either Ballpark Boulevard or Bethany Home Road in FY18 and then determine in the future which project to proceed with. It would give Council the flexibility to proceed with either project.

Mayor Weiers said if Council chose Ballpark Boulevard but decided to do the Bethany Home Road project in the future, they would be money ahead.

Mr. Phelps said the total projected cost was \$6.1 million. He would not recommend building Ballpark Boulevard if the project was paid for entirely by the City. He would only bring the project back to Council if there was a significant investment by the City of Phoenix and the developers in the area that would benefit from that road extension. He said the project for Bethany Home Road was approximately \$3 million and with a 50% contribution from partners for that project. It was possible that both projects could be completed if that was Council's priority.

Councilmember Clark said it was premature to make a decision right now and liked Mr. Duensing's suggestion to add a placeholder and decide when Council received the information.

Councilmember Turner said the items Council put in the budget created expectations and the CIP should reflect what the Council wanted to do. He said the Council had differing opinions, but felt the CIP should be fairly specific.

Mr. Duensing said the item could be called "roadway improvements," which would give Council the option to appropriate funds for either project.

Councilmember Tolmachoff suggested breaking the item out into two projects but was not sure she supported Ballpark Boulevard.

Councilmember Malnar was in favor of leaving the project in as a placeholder.

Mayor Weiers said there was a consensus.

Councilmember Tolmachoff said funding had been included in the current budget to hire legal counsel to review the City's large contracts. She asked the status of that review.

Mr. Bailey said that was the Contract Administrator position but it was not a position in the City Attorney's Office.

Ms. Rios said the Finance Department did hire a Contracts Program Manager and would be providing an update to Council.

Councilmember Tolmachoff said Council needed someone to help understand the complicated contracts. She would like to meet that person and have them provide information about the Westgate and Camelback Ranch contracts.

Councilmember Turner said Council had been asking about further information on the contracts. He said Council needed to understand the contracts and know what were the City's responsibilities.

Councilmember Tolmachoff asked about the City's responsibility to replace the scoreboard at Camelback Ranch.

Mr. Bailey said it was not a direct contractual obligation to replace the scoreboard. The obligation was to increase the technology when the technology for other teams had been improved. He said every other team had had an upgrade or a new scoreboard placed in their facility.

Councilmember Tolmachoff wanted to know the trigger for the two-year clock to start ticking.

Mr. Duensing said the initial ask was in the fall of 2016. He said the scoreboard was at the end of its life and there were concerns whether it would even be functional during this last Spring Training season.

Councilmember Tolmachoff asked about Glendale's obligation and the land payment for the IGA with Phoenix for Camelback Ranch. She wanted to know if the City gave up revenue if it did not make the payment.

Mr. Bailey said, as a condition of the revenue sharing, the City had certain obligations regarding the acquisition and dedication of right-of-way and additional properties that at the time were owned by the City of Phoenix. Three years ago, the City entered into an amendment which had to do with when those payments were due. It was a lump sum payment at one point in time and now the payments had been cut into thirds and was a condition to receive the reimbursement or revenue-sharing.

Councilmember Tolmachoff asked if the revenue sharing was approximately \$60,000.

Mr. Duensing said that was correct.

Councilmember Tolmachoff said it seemed like a really bad investment.

Mr. Phelps said the City had been paying toward the two parcels and would own the parcels outright after one more payment. He asked Mr. Duensing to provide information about how much had been paid to date on those two parcels.

Mr. Duensing said the total purchase was about \$3.7 million and the City had made

payments in the amount of about \$700,000. A payment was due in FY18 and the final payment would be due in FY20. He did not know what happened if the City defaulted on the payments.

Mr. Bailey said staff could bring back the item for further discussion at a future workshop because it was outside the scope of the current budget discussions.

Councilmember Tolmachoff said it would be helpful to know the amount of payments and how big the parcels were.

Councilmember Turner said the City had an 80/20 sales tax sharing arrangement with Phoenix, but both parcels of land were empty and were not generating any sales tax. The City was receiving 80% of nothing and buying the parcels of land. The question at hand was if the City wanted to continue doing this with the hope of selling or leasing the parcels for development. At that point, the City would be getting 80% of something. He said Council needed more information to be able to make decisions. Councilmember Turner said Council also needed to be concerned about the City's relationship with the City of Phoenix. He wanted the information provided to Council so it could make the necessary decisions.

Councilmember Clark asked if two of the three payments had already been made on the parcels of land.

Mr. Duensing said the total amount was \$3.7 million and was unsure how many payments had been made. He would send Council that information.

Councilmember Clark asked what the legal debt margin was and what it involved. She had a problem with including technology in the CIP because it didn't last that long. She was told that if Council wanted all of the items from the previous Council discussions included in the CIP, it would need to provide that information to staff. Councilmember Clark wanted to see placeholders for O'Neill Pool and O'Neill Park as well as Heroes Park improvements.

Ms. Rios said there were two funding sources for the CIP and cash financing would be used for any

## **ADJOURNMENT**

The City Council adjourned at 11:59 a.m.