

City of Glendale

*5850 West Glendale Avenue
Glendale, AZ 85301*



Meeting Minutes - Final

Wednesday, June 10, 2015

6:00 PM

Special Voting Meeting

Council Chambers

City Council

Mayor Jerry Weiers

Vice Mayor Ian Hugh

Councilmember Jamie Aldama

Councilmember Samuel Chavira

Councilmember Gary Sherwood

Councilmember Lauren Tolmachoff

Councilmember Bart Turner

CALL TO ORDER

Present: 7 - Mayor Jerry Weiers, Vice Mayor Ian Hugh, Councilmember Jamie Aldama, Councilmember Samuel Chavira, Councilmember Gary Sherwood, Councilmember Lauren Tolmachoff, and Councilmember Bart Turner

[Councilmember Sherwood participated telephonically.]

Also present were Richard Bowers, Acting City Manager; Tom Duensing, Interim Assistant City Manager; Michael Bailey, City Attorney; Pamela Hanna, City Clerk; and Darcie McCracken, Deputy City Clerk.

PLEDGE OF ALLEGIANCE**PRAYER/INVOCATION**

Reverend Maupin offered the invocation.

1. [15-470](#) DISCUSSION AND POSSIBLE ACTION TO DIRECT THE CITY MANAGER AND CITY ATTORNEY TO CANCEL THE PROFESSIONAL MANAGEMENT SERVICES AND ARENA LEASE AGREEMENT BETWEEN THE CITY OF GLENDALE AND ICEARIZONA MANAGER CO., LLC AND ICEARIZONA HOCKEY CO., LLC, PURSUANT TO ARIZONA REVISED STATUTES § 38-511, AND TO PURSUE ANY AND ALL OTHER LEGAL ACTIONS AND REMEDIES NECESSARY TO EFFECTUATE CANCELLATION OR TERMINATION OF THE AGREEMENT

Staff Contact: Michael D. Bailey, City Attorney

A motion was made by Councilmember Aldama, seconded by Councilmember Chavira, that this agenda item be tabled for two weeks. The motion failed by the following vote:

Aye: 2 - Councilmember Aldama, and Councilmember Chavira

Nay: 4 - Mayor Weiers, Vice Mayor Hugh, Councilmember Tolmachoff, and Councilmember Turner

Absent: 1 - Councilmember Sherwood

CITIZEN COMMENTS

Arthur Thruston, a Cactus resident, said everyone is welcome to come to the city and will be treated fairly. He asked everyone in the audience to speak and act accordingly, and welcomed everyone to the meeting.

NEW BUSINESS

1. [15-470](#) DISCUSSION AND POSSIBLE ACTION TO DIRECT THE CITY MANAGER AND CITY ATTORNEY TO CANCEL THE PROFESSIONAL

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Staff Contact: Michael D. Bailey, City Attorney

Mr. Bailey said he was here to provide a summary of the key legal points regarding a possible termination of the contract between the city and the Arizona Coyotes. He said the best way to approach a complicated issue is to read directly from the statute. He said the language contained in the statute is unambiguous. Mr. Bailey read from the Arizona State Statutes, "the state, political subdivisions, or any department or agency of either, may, within three years after its execution, cancel any contract without penalty or further obligation made by the state, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions, or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity, or a consultant to any other party to the contract, with respect to the subject matter of the contract."

Mr. Bailey said his office has sought opinions from numerous experts on the language and interpretation of this statute. He said the facts support a conclusion that former employees who work for the Coyotes also heavily influenced and quietly assisted in the final negotiations of the contract. He said it is the obligation of the elected members of the Council, whose duty it is to protect the citizens and taxpayers, has the right to terminate this contract if they believe the former employees violated the public trust and the result was a contract that is opposite of the usual goal in a public/private partnership. He said normally these partnerships are weighted so they are a win-win for the private entity and the taxpayers. He said this issue regarding former employees' behavior just recently came to their attention, Council is also aware that the city has persistently requested a renegotiation of the agreement terms. Under the existing deal, the city is obligated to pay the Coyotes \$15 million a year, and that money is supposed to be allocated for arena management and it is not supposed to be used for ownership's debt retirement. He said the city has challenged the use of those funds and the team claims to have made budget and financing adjustments to meet the city's requirements.

Mr. Bailey said the city has a proven record as an exceptional partner for projects that benefit the growth and the quality of life here. The city has and continues to be honored as the host of two Super Bowls, Fiesta Bowls, bowl championship series and the municipal host to the Arizona Cardinals. This particular partnership, in the opinion of many experts, has benefitted only one partner, the Arizona Coyotes. For many reasons, the city has tried to secure a new contract with the team, because the issues are not about hockey or winning seasons. The recent issue is about the protection of the citizens, taxpayers and other city corporate partners. If taken at face value, an employee may not be involved with initiating, negotiating, securing, drafting or creating the contract on behalf of the state. If that employee is, "an employee or agent of any other party to the contract, in any capacity, or a consultant to any other party," bottom line, the law was designed to protect taxpayers from employees who may have a dual relationship from negotiating contracts. Mr. Bailey said his office has determined that the Council does have a right to vote on this issue because state law is very clear. He said it was put in place to prevent a dishonest business deal. It is Council's decision about this particular

contract. Council's decision depends on its interpretation of the law, evaluation of the evidence and the fiduciary responsibility to the citizens of Glendale.

Vice Mayor Hugh made a motion, seconded by Councilmember Turner, to direct the City Manager and City Attorney to cancel the professional management services and arena lease agreement between the City of Glendale and IceArizona Managing Company, LLC and IceArizona Hockey Company LLC, pursuant to ARS 38-511 and to pursue any and all other legal actions and remedies necessary to effectuate cancellation or termination of the agreement.

Mayor Weiers asked all citizens wishing to speak on this issue to form a line and they will start with Nick Woods, representing the Coyotes franchise. Mr. LeBlanc will speak next and then the citizens will have an opportunity to speak. He stated the time for taking comment would be one hour. He asked if anyone feels an earlier speaker said what they were going to say, it is their choice to stand down and let someone else speak.

Nick Wood, law firm of Snell & Wilmer, said his client was given notice of this hearing about 24 hours ago. Mr. Wood continued he was on vacation and has very little time to prepare for this hearing. Mr. Wood said two years ago, he spent several months negotiating this deal, and a lot of effort went into those negotiations. He said he felt the agreement was fair. No one received everything they wanted, but everybody won, including the taxpayers and Westgate. He said he is perplexed and disturbed by what the city was trying to do. He said promises were made and the city should keep its promises. He spoke about a bar complaint filed against Mr. Tindall, but he was cleared of any wrongdoing. He also spoke about Councilmembers being charged with violating open meeting laws. No charges were filed on that issue. He said the city has no reason to cancel this contract. He said they are ignoring the language of the statute. He said Mr. Tindall was not an employee of the city when he sent the infamous email. He said he doesn't understand why the city would put itself at risk if this motion is approved. He said the city ignored its own legal advice in the severance agreement, which said the city waived all conflicts of interest against Craig Tindall. To say that he violated a conflict of interest is ridiculous. He said the reputation of the city has been they don't treat the city's partners as partners and the city is aggressive. He said there are no deficiencies in the contract and it was negotiated in good faith. He said the city is using a character assassination as a means for walking away from a legal obligation.

Mr. Wood said if the city acts upon this tonight, there will be claims filed against the city in excess of \$200 million. He said the damage to the Coyotes, the brand and the reputation of the NHL will be irreparable. He said the basis for the claim is specious and laughable, and there is no basis for the claim. He said this is a terrible, terrible mistake and there is no coming back from that decision. He said the city will lose this case and it will cost the taxpayers hundreds of millions of dollars to get it through it. He said his clients are asking him if this is real. He asked why any major company would want to do business with the city again. He said the city knew that Craig Tindall was hired by the Coyotes in September of 2013. The city did not take any action and wanted to see how the Coyotes performed. Once the city lost \$6 million, then they decided to take action. He spoke about the RFPs the city accepted just before it negotiated this agreement. He said several respondents were going to charge the city \$6 or \$7 million to manage the arena. He also asked what happens to the business partners at Westgate. Westgate businesses were scared they were going to go out of business when this deal was negotiated. He implored and warned the Council this will be the biggest mistake the city will make if they move forward with this action. He said there is no turning back from this decision and the damage will have been done.

Anthony LeBlanc, Coyotes owner, said he came tonight with candid feedback. He said the Council has started a process that has already had significant negative impact on the Coyotes. This action will not prevail in court, is not ethical in the court of public opinion and it is not helpful to the cause of a partnership that is less than two years old. He said Mayor Weiers wants the Coyotes to stay, but in a way that is beneficial to both the Coyotes and the city. He wanted Council to view the facts realistically and said the agreement is more beneficial to the city than original projects and forecasts from less than 2 years ago. He asked Council and the taxpayers to focus on the empirical facts, and not on the political grandstanding they are now witnessing. He said the city receives a tremendous amount of revenue from the Coyotes and for the first 9 months of this fiscal year, the city has received \$905,000 from parking, \$500,000 from rent, \$350,000 from the city's portion of the naming rights agreement, \$522,000 for reimbursed public safety, \$2.8 million from ticket surcharges, and \$1.5 million from direct sales tax from the Coyotes. He said sales tax revenue is never included in disclosures from the city regarding revenues with the Coyotes. He said this all adds up to more than \$6.5 million in direct revenues from the Coyotes and this does not include the final quarter of this fiscal year and also does not include the increase in sales taxes from Westgate Entertainment District. Over 600,000 comes to the area every year, and they conservatively estimate to bring in an additional \$2.5 million in revenue via sales taxes from Westgate patrons that otherwise would not be visiting Westgate. This brings the total benefit to the city of over \$9 million this year from the Coyotes to the City. This fiscal year already shows over \$1 million in revenue back to the city than last fiscal year. He said this all occurred even with Coyotes not having their best year.

Mr. LeBlanc said the net cost to the city to operate the arena is less than \$6 million per year, which is less than the city, had budgeted two years ago. He asked how is this not beneficial to the city. He said this also does not include the capital expenditures into the arena that comes directly from ownership. Last year, over \$2 million was spent in improvements to the food and beverage, improvements to the clubs and improvements to locker room and hockey area. He said there has also been an additional \$2 million spent in technology improvements, including wifi in the arena. He said it is important for the taxpayers to understand that the Coyotes are an important economic driver for the city's economy. The actions of the Council have been highly detrimental to the business they are operating. They have been advised by their partners that they wish to understand their options based upon the uncertainty that has been set in motion based on the actions of the Council. Mr. LeBlanc provided an example of this and said the Council's actions have guaranteed that the Coyotes will not host a hockey tournament set for late 2017. This was an opportunity for tens of millions of dollars for the city. The city's actions have tarnished the image of the community to any outside group, including potential sponsors and customers. He said the city is trying strong-armed threats and tactics to force a renegotiation, regardless of the positive benefits to both parties. He said it was not correct that they have been working for months to renegotiate the lease. He said at a meeting two days ago, it was the first time the city asked the Coyotes to renegotiate the lease. He said they declined at that time. The city warned the Coyotes at that time that they felt they had legal options available, but declined to tell the Coyotes what those options were. He said 24 hours later an emergency meeting was called to discuss terminating the lease. He said the methods used have tarnished the reputation of a good man, who was a good, honest servant to the city for many years. He also said the city stated via the media that they were happy to discuss a renegotiation. He said this is not how business is conducted in the real world. He said the Coyotes have now lost tens of millions of dollars in revenue unnecessarily. He said if the city continues down this path, the damage is just beginning. Everyone will lose and no one will lose more than the taxpayers of the city of Glendale. He asked them to put aside the political grandstanding. He said the Coyotes are committed to Glendale for the long term.

Bea Wyatt, a Cave Creek resident, represents Desert Hockey Development, which offers free youth hockey to the children of Glendale. She spoke about related Council actions on the Coyotes deal. She spoke about Mr. Tindall's forced resignation, said he was given a conflict of interest waiver. She spoke about the negotiations to write this agreement and at that time Mr. Tindall was no longer an employee. She said at that time, Mr. Tindall was only able to provide information on past city deals and not able to provide legal advice. She said he was not able to give legal advice, so anything provided to Council at that time was not legal advice. She quoted a section of ARS 38-511 and said Mr. Tindall was not an employee with the city at the time the contract was created. She said the city benefits greatly from having the Coyotes playing in Glendale. She said there were other benefits, such as park improvements that came with the Coyotes being in the city. She said the public already is wondering why anyone would want to do business with Glendale.

James Deibler, a Phoenix resident, said the city cannot afford the Coyotes and said the Coyotes broke the law. He also spoke about Mr. Tindall and illegal dealings with the Coyotes. He said he is against the arena management agreement because the city cannot afford it. He said the money should be used to repair road, extend library hours and help the homeless. He said the deal is not good for the taxpayers of the city. He would like to see the Coyotes move to Phoenix as Phoenix has more shops and businesses to support the team. He also said Mayor Stanton would be happy to have the Coyotes in his city.

Reginald Martinez, a Barrel resident, said he was a community activist. He said he supported Westgate and the Coyotes, but he did not agree with the Coyotes contract. He said Ms. Fischer did some great things while she was here. The city made a commitment and there is a penalty to pay for not honoring the contract. He was not sure the city can afford to pay the penalty. He said he is not sure the city can win this war and asked the Council to consider this decision carefully. He hoped the Council has a plan to get them through the next 20 years.

Jesse Hurley, a Phoenix resident, said he spends a lot of Glendale. He said this is like watching two parents fight. He said the Council has already made their decision, and they aren't going to hear what the fans have to say tonight. He said the Council is shredding the city and the city's team. He asked who hired the Council and who pays their salaries. He said taxpayers and the voters are angry about this decision. He said other cities in the NHL hate having their team moved and the money will be flowing from lawsuits. He said the fans are sick and tired of being jerked around. He asked the Council to make and keep their commitments. He asked the Council to do that for the people who voted for them.

Gary Hirsch, a Cactus resident, asked if Councilmember Sherwood was on the phone. There was no answer and he said it was ironic that the author of this horrific deal was not present to defend his decision. He said he remembered the Acting City Manager at the time cautioning the Council about the unreasonable level of risk with this agreement. He said they see now that they do have an unacceptable level of risk. He said the deal is not working and is ill-conceived. He is thankful the Council has found a way to disconnect from this agreement. He hoped the Coyotes can rent the facility like any other tenant. He said this agreement was not in the best interest of the city. He said tonight is the night for statesman like behavior and asked the Council to vote yes to end this. He said many professional organizations would be happy to come in and work the arena and let Glendale take control of its own fate.

Chris Hauser, a Barrel resident, said he moved to Glendale because he thought it would be a great place to live. The sports facilities, teams, spring training, are all great things to have in the community. He is ashamed the deal has come to this. He wished the terms could have been better. He said it seems like the Council is trying to take away one of the things he loves about the city.

Julie Done, a Litchfield Park resident, said she and her husband spend a lot of money in Glendale. She asked what evidence Council had to support the use of the statute. She said Mayor Weiers wants transparency in these proceedings, and asked where the transparency was in not providing the public with the evidence. She said it appears the Council is using the statute to get out of a deal. She said the statute was enacted so that people in a political position would not take advantage of that position and benefit from it. She said she has seen no evidence of this based on the timelines presented. She said the 18 month delay in asking for the cancellation is suspicious and not in support of the way the statute is being used. She said the damage will be the Coyotes leaving and an empty arena. She said the collateral damage goes far beyond that, including damage to Westgate businesses. She said this will haunt the city in all future business dealings. She asked if this is what the city wanted their reputation to be and asked them to think about this a little longer.

Jeff Teetsel, Development Manager for Westgate Entertainment District, said he is disappointed to hear this item is being revisited. He said Council is bringing unnecessary negative attention to the city and the Coyotes franchise. He said hundreds of millions of dollars in private capital has been invested in the city on the basis of this contract. He wanted to address two items, choices and economic development. He said this deal does not cost the city \$15 million, and the net cost to the city is around \$7 million. He said this is a choice between \$7 million and what the city will do with an empty arena. He discussed the various previous bids that were received. He said it is absurd if the Council ignores the economic development outside the walls of the arena. He said there has been substantial development activity in Westgate in the last three years. He said they are building a Dave & Buster's right now and the city has a pending application for another hotel in the city. That development represents over \$100 million in sales revenue. He asked the Council if the economic growth would be the same without the Coyotes. He said this decision will be a cost to the city taxpayers.

Adam Kariotoglou, a Phoenix resident and Glendale business owner, spoke about common sense and said this decision will devastate the businesses, their families and children. He said the businesses will shut down. He said the people who have money invested in the city do care about this decision. He said he will lose money and so will everyone else. He asked for the Council to communicate and compromise.

Maryann Bailey, a Barrel resident, said the Council should be ashamed of them for even thinking about this. She said the Coyotes organization is giving back to the community. She said the Coyotes support the area and the city should be thankful for that. She said they are devastating the business and Coyotes organization. She said no other businesses will want to come to Glendale, and the Council should think about that. She is ashamed to live in the city. She asked where Council's priorities were. She said the Coyotes were a good organization. She asked the Councilmembers to change their mind.

John Mendibles, a Phoenix resident, said he was a former Mayor from a small community. He said this was not an issue of us versus them; it was an issue for Glendale as a community. He asked the public why they elected these Councilmembers. He said this was taxpayer money that was not going to parks and libraries. He asked the citizens to work with each other. He said taxpayer money

supports the sports team. He said Mr. Wood, Mr. LeBlanc and the Councilmembers are very honorable. He said threats don't do anything other than create adversary. The community needs to come together.

Donovan Walden, a Goodyear resident, said he represented all the businesses at Westgate. He said those businesses rely on the weekday traffic at Westgate to keep revenue up. He said it is a mistake to cancel this contract. He said they have a great working environment with the Coyotes and the fans.

Larry Feiner, a Sahuaro resident, said he has lived and worked here for over 10 years and is on the Board of Adjustment. He said Desert Hockey Development is dedicated to making hockey affordable for the children in Glendale. He spoke about the studies done about the cost of the arena with and without the Coyotes. He asked if those studies had been considered. He asked if the Council had made plans A, B and C. He said the timing of this item is suspicious. He said this meeting was called when it was known that Councilmember Sherwood was going to be out of town. He said he is not very happy with the Council.

Councilmember Sherwood said he was on the line.

Joy Dunn, a Glendale resident, said her neighborhood has changed with the economic downturn. She is watching the neighborhoods take a downturn as well. She has talked about the crime in several neighborhoods and the smoke shops moving in. She has spoken to the police about these incidents. She is worried about her neighborhood. She said the Council needs to get on top of this and she is angry.

Jennifer Del Prinape, a Surprise resident, said she spends a good deal of time and money in the Westgate area. She said her son plays hockey and you have to live in the Phoenix area to do that as they don't have hockey in Tucson; where she lived previously. She urged the Council to consider this issue and said the Coyotes have brought so much to the community. She said it would be a shame to lose the Coyotes.

Bernadette Bolognini, an Ocotillo resident, has lived in Glendale for 30 years. She is concerned that the city doesn't have the tax base to support the Coyotes. She said they are losing out on city amenities with parks and libraries, and the city spends its money subsidizing a team. She isn't sure how the city can afford the Coyotes. She said Glendale city taxes are the highest. She said the city has been caught in a trap. She said if other cities want to help, they can help pay the arena management fee.

Sherry (unknown last name), a Phoenix resident, said she is embarrassed by the Council's behavior trying to renege on this deal. She said Glendale is the laughing stock of the valley. She said Councilmember Aldama asked to spend time researching this issue. She said Glendale is being the bully. She spoke about Mr. Bailey's comments about being a good partner with the Cardinals. She said Super Bowl events had to be held in other cities because Glendale won't work with the Cardinals. She said if Glendale wants to be a worldwide destination, this is not the way to go about it. She said Mr. Tindall left employment with the city before the agreement was finalized. She asked why the city can't get behind the Coyotes and try and help them be successful. She is appalled and embarrassed. She said people from all over the valley attend Coyotes games. She asked why the Council doesn't showcase the businesses in Glendale and show others what the West Valley has to offer.

Rhonda Pearson, a Phoenix resident, said she has been a season ticketholder for many years. She asked Mayor Weiers how much he paid for his Coyotes jersey and the

tickets for the Coyotes games he attends. She said she knows she paid a lot more money for her jersey than he did. She said she supports the team. She shows up to games. She asked how much the Mayor paid for his Super Bowl ticket. She said the NFL events were held in Scottsdale because of the Mayor and Council. She said she came to the meeting to support the team. The Council does not support the team and what they are doing tonight is childish and disrespectful to the citizens who voted them into office. She said they never have supported this team.

Rev. Jarrett Maupin said he has appeared at the meetings every time this issue has come before Council. He asked the Council to do the community a favor and do the right thing. He said they have shown they can bring people to the table, and requested the Council say okay to a dialogue and give everyone time to come to resolution. He asked them to put this off for a week to have time to come to resolution.

Councilmember Chavira thanked everyone for coming to the meeting. He said they all know how he voted in 2013 and he was the swing vote that kept the Coyotes here. He said this has never been about the Coyotes. He said he told Mr. LeBlanc this wasn't a good deal. He said the city was on the verge of bankruptcy in 2013. He said the citizens and merchants reached out to him and that was who he responded to. He will always stick by his decision. He asked for everyone to pray for his Council colleagues. He said he wanted to keep Westgate alive. This deal came long before this Council was here. He said he will deal the cards he was dealt and will not let the constituents down. He said they can go off best practices and this deal kept Westgate alive. He said they are walking straight and tall and the city is doing better now. He said this is an indication that this deal is working. He said the \$15 million is in the balanced budget right now and this has worked right now.

Councilmember Turner said thank you, Mayor and thank you to all of people today that have come here on both sides of the issue to share their thoughts with the Council, it is very much appreciated. He said he knew that public speaking is sometimes not the easiest thing, so the courage shown when the public gets up and speaks to the City Council is very much appreciated. He commented when very powerful people are threatening to sue the city; it makes one reluctant to speak out loud and in detail, trust me on that. He said my job here as a City Councilmember is to do what he thinks, through contemplation, is in the best interest, the long term interest, of the citizens of Glendale, and that also involves protecting the legal interests of the citizens of Glendale. He continued to that, it makes him reluctant to speak candidly so he will be brief. He said a couple of Councilmembers have commented, and individuals have commented tonight. He noted other comments we've heard over the radio, etc. and such comments have called this reneging on a contract or finding a loophole. He wanted to ensure everyone it is not that.

Councilmember Turner continued there is a provision in the contract on page 96, Provision 24.13.2. It's a fully disclosed provision of the contract that both parties agreed to and signed on to when the contract was signed. He said this was not, at least for him, speaking for himself, an attempt to force the Coyotes out of Glendale by any stretch of the imagination. He stated as far as he was concerned, the Coyotes were welcome to play next season, the season after, and every season after that provided that we have an agreement that works for both parties and works in the best interest of the citizens of Glendale. He continued the agreement that's in place now does not do that, but we have an obligation, he knew that he had an obligation, to our citizens and our city to act on their behalf, to move towards the best possible agreement.

Councilmember Turner said now, he knew the Coyotes were given the opportunity to

renegotiate this contract and they refused repeatedly. That's what's brought us here tonight, nothing else. He said we're here as a result of the their refusal to renegotiate this contract, so let us look forward to perhaps, in good faith, with integrity, negotiating a new contract. The City of Glendale is not the one threatening legal action, lawsuits, attorney's fees, and all of that. That's coming from the Coyotes. That will be their choice if they choose to do it He stated It's not necessary if f this could be renegotiated, if the existing contract could be renegotiated to avoid that, a new contract could be agreed upon to avoid that as well. He said that's all he needed to say at this time.

Councilmember Aldama said he wanted to explain the reason why he was emotional earlier. Those in my district know that he is a pro-business community member and Councilmember. Those in his district know he is always pro-business and not against business. He said there are a large number of business owners in his district. A lot of them don't live in Glendale and a lot of them don't live in the district, but they pay taxes in Glendale, therefore, he truly believes in supporting businesses. He said he truly believes that extending the olive branch is the right thing to do tonight. He continued the right thing to do tonight was to send our staff back to a room with the other organization and talk about it, and find a resolution, because he truly believes we could have reached a resolution. He said at the end of the day, he had a position to ensure the highest ethical standards of the city of Glendale and the highest integrity that we can possibly deliver to business owners and to our citizens. He stated he will utilize that integrity to cast the vote today. He was considerably disappointed the rest of the Council did not support sending this back for two weeks and it was not going to take two weeks to do that. He said we could have done that tonight, we could have done it tomorrow morning, and we could have called for a special meeting. It was truly my intent to extend the olive branch to an organization, to work together, to come to a resolution, unfortunately that failed. He said he will cast a vote today based on that highest ethical standard and the integrity of the city. He thanked the people who attended the meeting.

Councilmember Tolmachoff said she would also like to thank everyone for coming out tonight. She does support businesses and she supports the taxpayers. She said she was elected to make tough decisions and the provisions in the contract that the city executes with every contract that we do, that ARS 38-511 is in there to protect the city and the taxpayers. She commented there is a talented pool of people to hire in this valley who don't work for the city of Glendale, and that provision is to protect taxpayers that's why it is in the contract. She'd like to ask Mr. Bowers did anyone from the Coyotes management reach out to him to avoid this meeting this evening.

Mr. Bowers said not specifically, but we've had discussions within the last several days, including with the Mayor, not specifically.

Councilmember Sherwood said he appreciated the testimonies from the audience tonight, especially Mr. Wood and Mr. LeBlanc. He noted Councilmember Chavira took a lot of my words away. He said two years ago, this was a very difficult decision, the saga had been going on for five years and we weren't in the best position, but again, as was pointed out, the city was in a financial freefall. He said he has always been of the opinion that we have to have hockey in that arena to continue the buildup of Westgate and the surrounding area. That was true before the downturn when we had all that development that was to take place south of the stadium. He continued that was all funded and preliminary plat approved that went by the wayside, again, during the downturn, and many of those went into receivership and some just pulled back. Those are slowly coming back into the fold. Councilmember Sherwood said he was really disappointed in the Council's meetings yesterday that we couldn't have taken this more private for a week or so and gone to the organization and let them know the feelings of the Council, that we

had to do this in public. He said divorces can be very nasty. He continued neither organization can really afford legal expenses right now, but that seems like what this could turn into. He said its money better spent on getting the city healthy and for the Coyotes to continue their health. Again, he was very disappointed and actually a little puzzled on this Arizona statute on how this can even come into play. He said he guessed, we will learn more on that as time goes on.

Councilmember Sherwood said as we've heard testimony, especially from Mr. Teetsel, that it seemed like the Coyotes organization was going to be a little bit better this year than what they were last year, and possibly the third year was going to break even. He said it gets us down to the \$6 million that we had originally budgeted for arena management, and those RFPs were coming in for a non-hockey owner managed arena, and we had to give it some time. He said he believed, and he didn't have this first hand by any means, that the new ownership of the Coyotes came on later than sooner, and whatever held that process up where Mr. Barroway didn't come into the fold until the very last day of December, that kept him from probably improving the product on the ice at that point. He said he knew that is their goal for this upcoming season. He said he is just very disappointed. It is a bit of an embarrassment to the city that we are airing this out publicly and he is disappointed with it. As everyone knows, he is for this deal. Again, he said certainly not the best for the city, but the best that we could get at the time. He said as Councilmember Chavira said, we came in with the cards that were already dealt to us, so we made the best of it. He stated he is not for going forward with breaking this contract.

Vice Mayor Hugh said what he's looking at here tonight is ARS 38-511 and that's what he's voting on. He continued it's an agreement that meets our state law and that's why that's written into the agreement. He stated it's not about hockey; it is about the integrity of the process.

Councilmember Turner said it was his understanding, at the request of direction of the Council that the Mayor, the Vice Mayor, the City Manager, and the City Attorney, met on Monday with Mr. Barroway and Mr. LeBlanc. He continued the city's representatives expressed that, among other things in the conversation, but as a significant point of the conversation, that the City felt we had legal grounds to cancel this contract and they were asked several times if they were interested or willing to renegotiate the contract. He said it was also his understanding that Mr. Barroway and Mr. Le Blanc's response was "no, that's never going to happen." Is that an accurate description of the situation and my understanding of the questioning and response is accurate?

Mr. Bailey said Mayor and Councilmember that is correct.

Mayor Weiers said if there was no other discussion, they were going to conduct a roll call vote. They did have a motion and a second.

Mayor Weiers said before voting he would explained his vote by saying they have all taken a beating tonight and he thought most of it had been unjust, because he thought the fans didn't understand the complexity of this issue. He said he was not insulting the audience, and asked the audience to be quiet and allow him the opportunity to explain his vote. He said the complexity of this issue the fans don't have all of the information. As the information comes out more and more, they might have a better understanding. He said at the same time, he understands their passion. He said he doesn't know of any fans more than hockey that really get into their sport, and he applauded them for that. The comment made earlier about him not showing up and him not participating, that's not true. He said that's someone's opinion and everybody has opinions, as the majority of

this Council does that there was a violation of Arizona State Revised Statutes, and those statutes were put there specifically to protect the taxpayers, the citizens of our city, the citizens of Arizona. He said he believes that statute was violated.

Mayor Weiers said he didn't care how good of a deal it is, if they break the law, they break the law. There is no exception period. If they are breaking the law, it is wrong. We believe we have legally firm ground. He said he hoped and prayed there is some solution to keeping the Coyotes here and I expressed that, but if not, we will figure out what happens in the future. He can't tell the future. He certainly wants the Coyotes to stay here and is very proud of the team. He said they have an opportunity later, but as of right now, Arizona Revised Statutes, we all hold our right hand up and we swear to uphold the constitution of the United States, and some of people may not care about that. He said he took it very seriously.

A motion was made by Vice Mayor Hugh, seconded by Councilmember Turner, that this agenda item be approved. The motion carried by the following vote:

- Aye:** 5 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Tolmachoff, and Councilmember Turner
- Nay:** 2 - Councilmember Chavira, and Councilmember Sherwood

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Aldama said to the Glendale residents, he did not want his vote to be misconstrued as anti-business because he was not. Those who know him know that he is for business owners. He stated that he is also a Councilmember that will hold up the letter of the law and at this point, he'll serve this community well and ensure we are doing the right thing for our citizens and that is what he felt he'd done tonight. He said he wanted to make sure that his vote is not misconstrued as anti-business as he is not. Councilmember Aldama said also he would like to take this opportunity to recognize Bayah Ketchum. Bayah Ketchum is the Navajo codetalker who passed away on Monday. He was a United States Marine and congressional silver Medal of Honor. Councilmember Aldama said he was not a Marine and has never been a soldier, but my brother was and still is. He said if his brother was here he'd say hoorah, Mr. Ketcham and thank you for your services to this country.

Councilmember Chavira said once again he wanted to thank all the people for being here today. He said he reaffirmed his commitment to the citizens of Glendale and reaffirmed his commitment to the employees of Glendale and he especially reaffirmed his commitment to the merchants of Westgate.

Councilmember Sherwood said he is disappointed that we kept a cap on the time for our audience to speak. I've been on the Council for two and a half years and he hadn't seen that before. He said we've sometimes gone from a five minute time frame to a three minute time on agenda items, but he was disappointed we did not get to hear all those that came tonight to speak, but he thought the message was loud and clear that there is a lot of disappointment out there.

Councilmember Turner said the only comment he would have is to the best of his knowledge and observation, and unfortunately Councilmember Sherwood not being present and is unable to see the room, but to the best of his observation, everybody who wanted to speak got the chance to speak and had a full three minute chance to do so.

ADJOURNMENT

The meeting was adjourned at 7:42 p.m.

