

# **City of Glendale**

*5850 West Glendale Avenue  
Glendale, AZ 85301*



## **Meeting Minutes - Final**

**Tuesday, January 3, 2017**

**1:30 PM**

**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**

**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

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

**WORKSHOP SESSION****1. [16-568](#)****COUNCIL SELECTION OF VICE MAYOR**

Staff Contact: Brent Stoddard, Director, Public Affairs

Mr. Stoddard said the Council selected a vice mayor according to Council guidelines. Discussions were held at the workshop and the selection would be formalized during the next voting meeting.

Mayor Weiers asked if staff wanted nominations now.

Mr. Stoddard said Council would discuss the item and indicate a preference at the workshop and vote on the selection at the next voting meeting.

Councilmember Malnar asked if it was appropriate for the Council to make that choice at the workshop.

Mr. Stoddard said the selection would need to be voted on at the next voting meeting, according to Council guidelines and the City Charter. He said the item was on the agenda for the next voting meeting.

Councilmember Clark believed Council would make its intentions clear and determine how many nominees there were for the position of vice mayor.

Mayor Weiers asked if there were any nominations.

Councilmember Malnar nominated Vice Mayor Hugh.

Councilmember Clark seconded that nomination.

Mayor Weiers said a second was not necessary at this point.

Councilmember Turner was troubled that the vice mayor position did not rotate among the members of Council. It was an honorary position that took over the ceremonial duties of the mayor in the Mayor's absence. He said every member of the Council had the ability to fill the position and make the City proud. He had seen the lack of opportunity to serve in that capacity in other cities create ill-will and hard feelings among the Councilmembers. He believed it would be to the Council's advantage to provide the opportunity to other Councilmembers.

Councilmember Clark agreed in principle with Councilmember Turner's comments. She had seen previous vice mayors serve for five, seven and even 10 years on the Council but didn't feel it was the intent of this Council to carry on that tradition. She said she would

feel comfortable with Vice Mayor Hugh serving for one more year.

Councilmember Aldama asked if there would be an opportunity to make a nomination for vice mayor at the voting meeting.

Mr. Stoddard said only one nomination at a time would be handled at the voting meeting.

Councilmember Aldama agreed with Councilmember Turner regarding the rotation of the vice mayor duties. He nominated Councilmember Turner as Vice Mayor.

Mayor Weiers said there were two nominations for the next voting meeting.

## 2. [16-655](#)

### 2017 STATE LEGISLATIVE AGENDA

Staff Contact: Brent Stoddard, Director, Public Affairs

Mr. Stoddard said the review was to help define the priorities of the City for the upcoming legislative session. Staff recommended prioritizing some key issues to allow the City to focus on the items of greatest priority. His office would continue to update Council throughout the session for guidance on legislative items as well as providing the weekly tracking list of important items.

Ms. Goad said the legislative session would begin on January 9, 2017 and bills were already being introduced. She said there was a Republican majority in both chambers.

Mr. Stoddard said the budget and economy were major priorities and education funding would also be a major theme. The state could be looking for additional funding for educational programs such as full-day kindergarten, building maintenance and higher classroom spending. He said it was unclear where those funds would come from or how those funds would be allocated.

Mr. Stoddard said several tax reform measures were being discussed. Legislators were considering whether tax code changes would improve national competitiveness and whether it was wise to be over-reliant on any single revenue source. The development community had indicated it would like to change or eliminate the construction sales tax system and the proposed changes could have significant financial impacts on cities and towns. A task force was working to develop options that would fix the problems and minimize the impacts to city and town budgets.

Ms. Goad said transaction privilege taxes on residential rental properties was also under discussion. Elimination of this revenue could cause losses of over \$71 million and the impact would mean a \$6 million deficit to Glendale's budget.

Ms. Goad said several groups had announced their intentions to seek legislation that would limit or repeal economic development tools, including the Government Property Lease Excise Tax (GPLET).

Mr. Stoddard said HURF funds had been routinely swept in amounts greater than the statutory limits to pay for Department of Public Safety operations. The legislature had swept over \$1.3 billion in HURF funds, which should have gone to pay for street improvements and other transportation infrastructure in the communities. There was some discussion on increasing the state's gas tax and sales tax of fuel purchases, but it was unclear how the legislature would react to that proposal. He said the legislature would see another budget surplus this year and a higher value should be placed on investing in transportation infrastructure by fully restoring HURF funding.

Mr. Stoddard said the ruling on the Hall case would be another topic of discussion this session. The result of the ruling was additional costs to cities in relation to EORP and PSPRS. It was not clear what remedies might be discussed.

Ms. Goad said public safety representative groups proposed to expand the list of illnesses presumed to have occurred due to employment. A joint meeting was held by the Senate Commerce and Workforce Development Committee and the House Agriculture, Water and Land Committee to discuss legislative proposals to expand the list of workers' compensation presumed illnesses for firefighters and police officers. Some of the proposals could have financial impacts on cities.

Ms. Goad said the telecommunication excise tax had an automatic reduction written into the legislation. Over the last several years, the monthly fee had dropped from 37 to 20 cents. Additionally, more than \$52 million in 911 funds had been swept by the legislature since 2003. Approximately \$18 million was now collected annually and distributed to the 911 system. Those funds were critical to ensure the 911 public safety network was not compromised.

Mr. Stoddard said the Arizona Coyotes intended to ask for taxpayer funds for construction of a new arena in the east valley. Few specific details were available and he would continue to monitor the situation and would inform Council when legislation was introduced.

Mr. Stoddard said, although only 7 or 8 major themes of the legislative session were highlighted, there were many issues and challenges that presented themselves each year. Continued priority would be placed on economic recovery and job creation strategies. There would be a much better idea of what Governor Ducey's priorities were for the state's FY17 budget after the State of the State address.

Ms. Goad said beginning with fiscal sustainability and economic development, the City's greatest priority was always protection of the revenue streams that funded critical City services. Last year, stakeholder were successful in significantly reducing the amount of HURF funds raided and were hoping the trend continued. She said they would also protect local taxing authority and fight off unfunded mandates.

Mr. Stoddard said Glendale would continue to advocate for policies which maintained local authority for land use planning. Additionally, military preservation continued to be a priority and ensuring the mission of Luke Air Force Base was critical. The mission of the base was linked to land use planning. He said it was very important that encroachment protections were in state statute and were not changed as the economy improved and development expanded.

Ms. Goad said the City was committed to preserving neighborhoods and providing public safety services at a high level. They would continue to track legislation that directly impacted neighborhoods and residents. The legislative link program would keep residents informed about the types of bills that impacted communities.

Ms. Goad said transportation and infrastructure would be part of the job creation discussion and full restoration of HURF funding was critical to transportation improvement in the state. She also said water, sustainability and the wise use of natural resources would also be on the proposed legislative agenda for this session.

Mr. Stoddard encouraged residents to sign up for the legislative link program if they were interested in keeping track of bills. It was a unique program that enabled residents to

stay informed. Participants received weekly email updates and tracking sheets that provided information on where bills were in the process.

Councilmember Aldama asked for an update on Proposition 206.

Mr. Stoddard said Proposition 206 was the minimum wage increase, which was approved by voters in November 2016. A lawsuit was filed to adjudicate the constitutionality of the measure with a request for an immediate stay on the issue. He said the Courts did not grant the request for the stay and measure would go into effect. He said the Chamber and other leaders were asking what it would mean to appeal that ruling but he was not sure if it would be pursued any further at this time.

Councilmember Aldama was interested to hear how it would affect the City during the budget presentations.

Councilmember Turner asked about the status of court cases preserving local control.

Mr. Stoddard said the League recently approved a resolution pushing for the repeal of SB1487, which was supported by all 91 cities and towns. He said that was prior to some of the lawsuits that had been filed. Steps were being taken in coordination with the city of Tucson, which was fighting the major lawsuit in relation to the issue. It was a priority and work was being done to develop a strategy depending on how the lawsuits moved through the courts.

Councilmember Turner was pleased that all of the cities and the League supported the efforts to repeal the measure. He spoke about an effort to coordinate city elections with state, county and federal elections and asked if the City should consider joining in with the lawsuits that had been filed regarding SB1487.

Councilmember Tolmachoff asked about representatives participating on the transportation task force.

Ms. Goad said that the task force was made up of business leaders, economists and other experts.

Councilmember Tolmachoff asked if the League had a seat at the table.

Ms. Goad said she did not believe the League had a seat at the table. MAG and Valley Metro presented to the committee but were not members of the committee.

Councilmember Tolmachoff asked for an update on land use prosperity zones.

Mr. Stoddard said Councilmember Tolmachoff was probably referring to prosperity districts. He explained at the end of last year's legislative session, several groups had expressed interest in prosperity districts. He explained a prosperity district was a group of land-owning property owners or businesses that formed a prosperity district and within that district, decided which federal, state and county regulations to follow. The discussion made everyone uneasy at the legislature and stakeholders, such as utilities and other entities, were very concerned about what a prosperity district would look like. Since then, there had been additional conversations and if anything came forward, it would be significantly different than what was originally proposed. Staff would continue to monitor the issue through the League.

Councilmember Clark said the last audit of the Arizona Sports and Tourism Authority

(AZSTA) and stadium operations was in 2015 which said the funding from AZSTA might be delayed or might never be available. The conclusion was reached due to the legal case surrounding the use of rental car tax monies, which were used as a funding source for AZSTA. She said the funding had decreased dramatically and it would come to a point that AZSTA would not have enough funding for its own operations, let alone funding any other projects. It was time to reach out to AZSTA and the other cities affected, and investigate alternative funding sources for AZSTA. She would like to see a solution developed in the years to come. Glendale did not anticipate any revenue return until 2031, if ever.

Councilmember Clark would also like to begin discussion on the issue of the state developing some sort of reimbursement mechanism for cities that hosted major events that had event attendance of at least 70,000. This applied to all cities that held major events, not just Glendale.

Mr. Stoddard explained when the AZSTA audit came out, the results validated what Glendale already knew. He said other communities now realized that there were serious funding issues with AZSTA, and any funds those communities might have been promised might not be there. He said cities had begun talking about how they were going to move forward. He explained a court case ruling said that AZSTA would have to not only stop the fees or taxes on the car rentals, but also reimburse those monies. That court case was now under appeal and had put the whole system in jeopardy.

Mr. Stoddard said discussions were ongoing with the City's partners. He said several other states had systems in place for major events funding. He said AZSTA was looking to pull partners together for discussions on how to attract major events and also pay for public safety and other expenses for the events. It was looking for a coalition of members from the business community and tourism industry to put together a proposal to move the issue forward. He said Glendale was actively involved with the groups and was working toward a resolution.

Councilmember Clark asked if there were existing coalitions for the two issues; if they were meeting on a regular basis; and if Glendale had a seat at the table for those discussions.

Mr. Stoddard said initial language for the proposal was developed before the last legislative session.

Councilmember Clark asked for which proposal.

Mr. Stoddard said it was on a coalition of AZSTA, the City of Glendale and other cities for the major event package as a whole, not just centered on reimbursement of public safety funds. He said the discussion now was centered on when was the right time to bring this forward. He said it was not something that would come forward during this legislative session. He said this continued to be a priority issue for both Glendale and other entities.

Councilmember Clark confirmed there were two coalitions, one on AZSTA funding and one for major event funding.

Mr. Stoddard said there were two separate initiatives, one was packaged and ready to go and the other required more formal discussion and coordination.

Councilmember Clark asked if AZSTA was taking the lead on the coalition with regard to

its funding source.

Mr. Stoddard said the City had had meetings with AZSTA where it had acknowledged there was an issue and it was going to have to move forward, but AZSTA had not provided any information on timelines. He said previous discussions had centered around the Cactus League teams. He said they could reach out to AZSTA to find out more information about its timeline.

Councilmember Clark said that would be valuable information to have and might prompt AZSTA to take action. She said the lack of funding had had an impact.

#### **CITY MANAGER'S REPORT**

Mr. Phelps acknowledged the good work done by Mr. Murphy and the IT Department. He said an interim policy had been put in place regarding email retention of two years until a more thorough policy could be developed.

#### **CITY ATTORNEY'S REPORT**

Mr. Bailey had nothing to report.

#### **COUNCIL ITEMS OF SPECIAL INTEREST**

Vice Mayor Hugh would like to see the subcommittee on budget and finance and the subcommittee on utilities reinstated.

Councilmember Aldama requested staff return the Diversity Commission item some time in February.

#### **MOTION AND CALL TO ENTER INTO EXECUTIVE SESSION**

**A motion was made by Councilmember Aldama, seconded by Councilmember Tolmachoff, to enter into Executive Session. The motion carried by the following vote:**

**Aye:** 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Clark, Councilmember Malnar, Councilmember Tolmachoff, and Councilmember Turner

#### **EXECUTIVE SESSION**

**A motion was made by Councilmember Aldama, seconded by Vice Mayor Hugh, to adjourn the meeting. The motion carried by the following vote:**

**Aye:** 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Clark, Councilmember Malnar, Councilmember Tolmachoff, and Councilmember Turner

#### **ADJOURNMENT**

The City Council adjourned at 4:04 p.m.