

City of Glendale

*5850 West Glendale Avenue
Glendale, AZ 85301*



Meeting Minutes - Final

Tuesday, June 6, 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**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

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

WORKSHOP SESSION**1. [17-232](#)****FY16-17 THIRD QUARTER FINANCIAL REPORT**

Staff Contact and Presenter: Vicki Rios, Director, Budget and Finance

Staff Presenter: Lisette Camacho, Assistant Director, Budget and Finance

Ms. Camacho said the third quarter annual report covered actual revenues and expenditures for all major operating funds through March 31, 2017, including the general fund, special revenue funds and enterprise funds. Revenues and expenditures were compared to the budget and items were considered on target if they were at or near 75% of the budgeted amount. The actual revenues and expenditures were compared to the results for the same time last year and three years of data would be presented for comparison.

Ms. Camacho said total revenues in the general fund were slightly below target at 73% of the budget, with revenues increased 2% over last year. City sales tax was on target at 74% and had increased 2% over last year. State-shared revenues were slightly below budget at 73%. State-shared income tax was predictable because it was based on state income tax collected during the previous two years. State-shared income tax was on target at 75%.

Ms. Camacho said state-shared sales tax was based on current year statewide collection, with a 2-month lag from the actual sales. The City's share of revenue for state-shared sales tax was based on statewide transactions through January 2017. State-shared sales tax revenue was coming in at 71%. The City's budget was based on a statewide increase of about 6%. The Arizona Department of Revenue was reporting that statewide collections through the relevant period was only up by 4%, which was impacting the total revenue for the state-shared revenues. Overall for the fiscal year, forecasts showed an \$800,000 decrease in projected revenues. Other revenues were significantly below target at 67% and it was primarily due to a one-time settlement revenue of \$1 million from FY2016.

Ms. Camacho said arena revenues were coming in below target at 32% and revenue sharing was expected to come in during the fourth quarter, when it was due. She said expenditures were on target at 75% and had increased by 12% over last year. The increase was primarily due to a one-time budgeted final payment to the NHL of \$5 million and a payment of \$3.6 million for the Council-approved stadium parking settlement agreement. There was also a budgeted increase of \$9.9 million in public safety salaries, overtime and retirement expense, and transfers out were below target at 72%.

Ms. Camacho said HURF fund revenues were slightly above target at 79%, which increased by 6% over last year. The increase was due to a one-time special distribution from the State of Arizona general fund of \$585,000. Budgeted capital projects were spent unevenly throughout the year and expenditures of \$18.5 million were significantly below target at 31%. At the end of the third quarter, capital expenditures were only 13% expended.

Ms. Camacho said transportation sales tax revenues were above target at 79% and revenue increased by 2% over last year due to an increase in grants revenue of \$112,000. Due to a capital projects expenditures of \$20.7 million, expenditures were below target at 47% and only \$7.9 million, or 38%, had been expended at the end of the third quarter.

Ms. Camacho said there were no expenditures in the police special revenue fund and all uses were considered to be a transfer out. The fund was on target at 73% and transfers out were on target at 75% and deficiency was a budgeted draw down of fund balance.

Ms. Camacho said there were no expenditures from the fire special revenues, which were below target at 73%. All uses were considered to be a transfer out and that was on target at 75% and the deficiency was a budgeted draw down of fund balance.

Ms. Camacho said water revenues were at 78%, with increased revenues of 2% over last year. Sewer revenues were the same as last year at 75% and that increased 1% over last year. Other revenues were below target at 23% and that was due to budgeted revenues from the city of Peoria for improvements to the Pyramid Peak Plant. The project was still in the planning stages and had not started yet. Expenditures were at 33%, which was due to budgeted capital projects expenditures and only 16% had been expended at the end of the third quarter.

Ms. Camacho said the total revenues and transfers in for sanitation and solid waste were at 77% and the other sanitation revenue was significantly above target at 122%, primarily due to miscellaneous revenues for assets that were sold and replaced. Expenditures had gone up compared to last year because capital assets were replaced. She said expenditures were at 72% and did increase by 29% over last year due to capital expenditures and purchase of new equipment.

Ms. Camacho said landfill revenues were at 67% which was due to recycling revenues coming in below target because of the continually unfavorable commodities market. Expenditures were at 43% due to budgeted capital projects expenditures and only 12% had been expended.

Ms. Camacho said overall revenues were consistent with the budget and expenditures were below target primarily due to capital projects which were spent unevenly throughout the year. She said staff would continue to monitor revenues and expenditures.

Councilmember Clark asked how the City was doing with regard to collecting sales tax.

Ms. Rios said sales tax collections were going well and were coming in steadily with no dip in revenues so far. There had been reports of taxpayers reporting incorrectly, but those shifts in revenue usually were resolved in the same month. Staff continued to monitor the collections very closely and was still working to help customers report correctly.

Councilmember Clark asked if staff had contacted the top 150 taxpayers, which had been discussed at a previous meeting.

Ms. Rios said staff had reached out to over 300 taxpayers to assist them in filing correctly and cities were coordinating efforts so taxpayers who reported to more than one jurisdiction weren't contacted multiple times.

Councilmember Clark asked if the revenues at the end of the fiscal year would match the revenues at the end of last fiscal year, less the \$400,000 paid to the state for operating costs.

Ms. Rios said the collections looked to be on target and the City should be able to exceed revenues from last year. She explained a slight increase was predicted over last year and payments made to the Arizona Department of Revenue were recorded as an expense under non-departmental.

Councilmember Clark asked if the fund balance in Sanitation would decrease significantly due to a budget deficiency in FY16-17 of \$3 million and how would the deficit be handled.

Ms. Rios said staff would talk about the issue in more detail during the financial planning update and rate study item. She said the sanitation fund was budgeted to draw down on the available fund balance due to capital expenses, but that was unsustainable over a long period of time. The topic would be discussed in more detail during the utility rate study update.

Councilmember Clark asked if there were any capital expenditures for the year that might have been delayed to reduce the deficit amount

Mr. Friedline said under FY16, the table reflected an extra \$1.3 million and a shift to a \$3.1 deficit the next year. He said that was due to capital equipment carried over for purchase during the next fiscal year. He said even though the net was eating into the fund balance, there was a shift in the cost for equipment.

Councilmember Tolmachoff asked about the state-shared revenue being below target.

Ms. Rios said there was a higher estimate for state-shared revenue, especially state-shared sales tax. She explained the Department of Revenue had predicted revenues for state-shared sales tax would be up at about 6%. Revenues were not coming in on target and the overall statewide state-shared sales tax was only coming in at about 4% for the year. That was causing some pressure on the City and was about an \$800,000 deficit in state-shared sales tax. The lower numbers were going to have an impact on all of the cities. She said other revenue in the general fund was exceeding target, so it wasn't a big issue. She said staff would start with a smaller number for next year's budget.

Councilmember Tolmachoff asked if any of the City's state-shared revenue was lost to any of the cities that did a mid-term census.

Ms. Rios said no and that the City was still getting the same share of the revenue based on population that was anticipated.

Mayor Weiers asked what the national average was on the increase.

Ms. Rios did not have the information on national figures.

Mayor Weiers would like to see that.

Councilmember Tolmachoff asked how staff determined the numbers it based the forecasting on.

Ms. Rios said staff typically used the numbers from the Department of Revenue and that forecast had been revised for next year to reflect revenues not coming in as strongly as predicted. Revised population numbers were received due to shifts related to the census. Additionally, the state-shared revenue for next year could come in higher than budgeted, but staff would continue to monitor the figures. She explained staff looked at the Department of Revenue numbers as well as the City's revenue to come up with a forecast.

Councilmember Clark asked why staff didn't base its prediction for state-shared revenue on what was actually collected the previous year. She also asked if there was a mechanism in place that would allow Council to determine where additional funds should be used if more state-shared revenue was collected than was predicted.

Ms. Rios said all of the state-shared revenue went into the general fund and it was up to the Council to determine how the funds would be allocated.

Councilmember Clark would like to receive the actual dollar amount above the budgeted figure that would be available in the general fund.

Ms. Rios explained overall revenues were on track to match the forecast and any collection over and above the budgeted amount remained in the general fund.

Councilmember Clark said there were built in expenditures that would consume that extra revenue. She asked if there was a mechanism for Council to determine where the excess revenues would be used.

Mr. Phelps explained there were increased costs for labor, overhead and increased costs of living, and using Councilmember Clark's example, staff would be forced to work with a reduced budget, which would require laying off staff and decreasing services. Staff tried to project revenue to maintain the programs and priorities of the Council. He said the budget adopted by Council was a legal cap on what the City Manager could spend and his expenditure authority did not increase with an increase in revenue. A quarterly update could be prepared so Council could track the funds. Additionally, Council had the authority to increase the budget during the year through a supplement budget, but typically it was done during the annual budget process.

Councilmember Clark understood what Mr. Phelps was saying. She said adding the percentage of growth and the increased revenues determined an expenditure such as an employee pay raise. She said the format did not allow Council to look at the extra revenue to determine how it wanted the funds spent.

Mr. Phelps said Councilmember Clark was right and there were placeholders for increased costs such as salaries. He said staff would not automatically put a placeholder in for employee salary increases just because revenues were available. He would continue to monitor the costs with the Council. The 2.5% increase for salaries were not added this year because the funds were available but because it was a Council priority that salaries were at the midpoint in employee compensation.

Councilmember Clark asked at what point in the budget process was Council made aware of that excess revenue generation and given the opportunity to say how the funds

would be spent.

Mr. Phelps said at the beginning of the budgeting process, staff indicated where it thought the City was going to be with revenues compared to the prior year and staff would propose to Council where it thought the resources could best be spent.

Councilmember Clark said Council should have the opportunity to offer its priorities in the very early stages of the budget process.

Councilmember Turner was concerned about other revenue in the general fund and asked what kinds of revenue and shortfalls were in the other categories.

Ms. Rios said one of the items was arena revenue and staff did not expect to get the funds in a lump sum until the end of the year. That was one reason why that category was a bit lower than the others. She said that category had a lot of detail in it, such as permitting and Tohono O'odham revenues. She would be able to provide Council with a full breakdown on that category.

Councilmember Turner said a full breakdown would help and asked if the arena revenue funds expected at the end of the year would help get that fund back up, or if there would be a shortfall in revenue.

Ms. Rios said the arena revenue would bring the City much closer to where it expected to be at the end of the year, but was not certain it would bring in the full amount of what was originally anticipated. She said staff would provide Council with a breakdown of that fund.

Councilmember Turner was interested in amounts that might not offset by the end of the year.

Ms. Rios said, at the current time, some revenues were higher and some were lower, but staff expected the general fund to be around budget by the end of the year. The most significant detail was that state-shared revenues and state-shared sales tax was coming in lower than forecast, but other funds were making up for that deficiency. Overall, in the general fund, staff expected to be right on target with the budget.

Councilmember Turner said that was the value of budgeting conservatively. He had asked for information about the original budget requests for each department so Council could see the inventory of unmet needs of departments, but that information had not yet been provided.

Mr. Duensing explained when departments requested a budget, that budget was vetted through Budget and Finance and then reviewed by the City Manager's Office before it went to Council. He said some requests included increased service levels and other requests were simply to hold the line. He said increasing service levels had a cost. The information could be provided to Council on what departments requested that was beyond the basic service levels.

Councilmember Turner was looking for core department information, such as what the department heads felt they needed to operate their departments well. If a process wasn't already in place, he would like to see Council adopt a budget process where the information was readily available. The departments should be able to make an open and honest budget request which would be dealt with fairly at the Council and City Manager level. He would like to see whatever information was available at the time, but would like to see a more transparent process in the future.

Mr. Duensing said staff could put together information on what the departments requested over and above a baseline budget, which would provide Council information on what their assumptions were. He said there was a recent Council item of special interest regarding zero-based budgeting and that would provide an opportunity for discussions about the different methodologies and setting the playing field for the departments.

Councilmember Tolmachoff said her question was about other revenue and the arena and asked if revenues were offset by expenditures. She also wanted the public to know that revenues were down, but departments were spending a lot less, as well.

Mr. Duensing said that was correct and being at 67% of the budget was about right in line with where they should be at this time. He said contributions of the Tohono O'odham, the revenue sharing from the management agreement and 4th quarter parks and recreation fees were not included. He said a good comparison was the FY17 number of \$29 million compared to the FY15 number of \$27 million and staff was not concerned with the other revenues at this time.

Councilmember Aldama said Mr. Duensing spoke about the challenges of providing the information to Council and he did not want to cross into the administrative process. He said transparency was a Council priority and asked about the philosophy behind not providing that information to Council in previous years.

Mr. Duensing said it was not unusual for budget requests to go through several levels of review from the supervisor, manager and director level, then on to the City Manager. The City Manager would provide a recommended budget to Council based on the philosophy of maintaining service levels because of the fund balance goal. Staff could provide as much detailed information as Council would like to see.

Mr. Phelps said the charter required the City Manager to bring a draft budget proposal to Council, but creating the budget was an internal process. He cautioned Council because he had seen many individual departments go around the process to lobby elected officials, which could be very detrimental to the organization. He worked very hard to understand all of the City's needs and Council priorities to come up with a balanced budget. Every department came before Council to present its budget, which gave Council the opportunity to discuss each one in more detail.

Mr. Phelps said the city would be adopting an organizational strategic plan and next year any increases in the budget would have to align with the priorities established by the Council. He said staff needed to do a better job on the front end of identifying Council's priorities and come up with a budget that met or exceeded the priorities. Many supplemental requests were included at the beginning of the budget process that were vetted by departments and management. The department budgets were drafted very thoughtfully and the City had to absorb \$6.1 million in the general fund for the public safety pension. He said the City Manager's Office was happy to provide any information the Council needed, but he did not want the individual departments to feel like they could directly lobby the Council.

Councilmember Aldama had been very critical of staff during the budget process. His district had aged to the point it needed infrastructure help and there was nothing in the budget that was programmed in to help his district. If he was provided with some of the information he had asked for, it would have helped him understand why some of the budget decisions were made.

Councilmember Aldama said the City Manager's responsibility was to produce a budget and it was the Council's responsibility to discuss it thoroughly. The Council did discuss the budget in public so it was transparent, but he was concerned about being unable to provide answers to citizen inquiries about district improvements since he hadn't been provided any of the initial budget information submitted by the departments. He said it was appropriate for Council to ask for the information because of Council's priority on transparency.

Mr. Phelps said the appropriate time to discuss projects such as O'Neil Park would be during the capital improvement plan and he did not want to see Parks and Recreation discuss the O'Neil Park project unless it was consistent with the capital improvement plan. He explained discussions about those types of priorities should be held during the discussion of the capital improvement plan.

Councilmember Aldama said Council was unable to answer questions from the community when it didn't have information about why a project might have been left out of the budget. He suggested a member of the budget staff meet with each Councilmember during the process to determine the individual priorities for each district. It would alleviate some of the competitive process between the Councilmembers during the budget discussions.

Councilmember Clark said directors advocating for their departments had always been an administrative function and was not a function of Council. She had seen department directors lobby Councilmembers about projects. It was up to Council to come to a consensus as to what the priorities were and once those priorities had been identified, it was incumbent on the City Manager to allow the projects to compete with staff requests for funding.

Councilmember Clark said communication had been lacking for some time and one way of resolving that might be by moving to zero-based budgeting so that departments would justify how their expenditures met Council priorities. At some point, projects such as O'Neil Pool had to be done, because it was not fair for the Councilmember to have to explain why that project never came forward.

Mayor Weiers asked if there was anything alarming with some of the figures coming in low.

Ms. Rios said the City was in good shape and it was where staff expected it to be at this time of year. She said staff would continue to monitor the funds.

2. [17-229](#)

COUNCIL ITEM OF SPECIAL INTEREST: RED LIGHT CAMERAS

Staff Contact and Presenter: Rick St. John, Chief of Police

Chief St. John said this was Councilmember Tolmachoff's item of special interest on a study of a red-light camera somewhere within the City to see the impacts on driving behavior. He was asking for clarification from Council to see if a red-light study should be conducted and which option would best meet the needs of the study and which intersections should be used for the study.

Chief St. John said, according to Maricopa Association of Governments (MAG) data, Glendale historically had some of the most dangerous intersections in the valley, and speed and inattention were the top causes of red light-related accidents. The most recent MAG data showed several Glendale intersections had improved and had dropped from numbers 1 and 2 on the list to numbers 8 and 9. The list of most dangerous intersections in the valley included only one intersection east of I-17, with all the other

intersections located in the west valley.

Chief St. John explained the Police Department had just started its campaign, "It's Our Town, Please Slow Down" and the top 10 most dangerous intersections in Glendale would be targeted with a very specific campaign which would run into the fall. The campaign would be a study to gather information and no citations would be issued. Data would be gathered to see if a camera at an intersection had an impact on driving behavior.

Chief St. John the first option for the camera study included selecting one problematic intersection for a 3-month study. The study would have one month with a camera and 2 months without a camera for comparison. There would be no cost to the City for the study. However, data collected for one month with a camera might not be long enough to accurately measure impacts.

Chief St. John said the second option would include selecting a pair of intersections for a 3-month period of time and installing a camera at one of those intersections for 3 months. The other intersection would be for comparison with no camera. The cost of this option was \$14,000. The costs would be waived if the City elected to keep the red-light camera and enter into an agreement with the vendor. If the option was chosen, he suggested using the intersections of 59th Avenue and Bell road and 59th Avenue and Thunderbird Road or 59th Avenue and Bell and 67th Avenue and Bell.

Mayor Weiers said the Police Department already had accident data for those intersections and asked if it could use the cameras for one year at one intersection and compare it to the data it already had.

Chief St. John said that was an option, but the City would have to enter into a contract with one of the companies to have a pilot program like that and citations would be issued as a part of that contractual agreement. He explained the companies that provided these services would not do a study for longer than 3 months. The option was chosen because the department was only looking for information at this time.

Mayor Weiers said everyone would agree there would be an impact, but didn't know if people would even know there was a camera there. He asked if one month was long enough.

Councilmember Clark said the department had just launched a speeding campaign and asked why it would launch a red-light campaign at the same time.

Chief St. John understood the concern, but was responding to the Council item of special interest with the red-light study and was fulfilling the City Manager's and Council's priority for traffic safety with the speed campaign.

Councilmember Tolmachoff said the Council item of special interest came out in December, before the other campaign took place. She also said it was not a speed enforcement initiative, but a traffic safety initiative.

Councilmember Tolmachoff asked about the results of the Scottsdale study.

Chief St. John did not have the exact numbers, but there were significant decreases in the intersections that had red light camera systems and a 20% to 30% decrease in traffic incidents at intersections with cameras.

Mayor Weiers said there had been a push to remove red light cameras and asked Chief

St. John if he knew why the cameras had been removed.

Chief St. John did not know why the cameras had been removed, but it was his understanding they were not being required to be moved. He also said he was not aware that cities were removing camera systems.

Mayor Weiers said there had been several cities that had removed them.

Councilmember Aldama said Payson had removed its cameras and asked if the presentation was just for red light cameras and not for any speed-related offenses.

Chief St. John said the presentation was just for red light cameras.

Councilmember Aldama asked if the accidents listed were all related to red light running.

Chief St. John said the data was for multiple types of accidents that occurred in an intersection and not specific to running a red light.

Councilmember Aldama asked how many of the accidents in the specific intersections were a result of running a red light.

Chief St. John would provide that information to Council. Using red light cameras in an intersection changed driving behavior when a driver believed they could be caught on camera doing something wrong. He said drivers paid more attention when there was a red-light camera and inattention was the number one cause of accidents in any municipality.

Councilmember Aldama thought there was a camera at 67th Avenue and Thunderbird.

Chief St. John said there was a camera at 59th Avenue and Peoria and said it had been removed.

Councilmember Aldama had observed that driving habits did change in that area, but not always for the better. There were more rear end accidents because of the camera and said he would like to see the data on it before he could make a decision.

Chief St. John said the Scottsdale study might speak to that. He could pull the information Councilmember Aldama was requesting and bring it back for further discussion.

Councilmember Aldama would like to see that information as well as a synopsis of the report from Scottsdale and the effects it had.

Mayor Weiers asked if cameras would be placed in all directions of travel at the intersection.

Chief St. John said the cameras would be place in only one direction of travel.

Mayor Weiers asked how they could compare the information if the cameras were only monitoring one direction of travel and said the accidents listed were not just one direction of travel.

Chief St. John said they were not one direction of travel, but said when there was a camera in an intersection, and the community knew it was there, it changed overall

driving behavior. He explained people paid more attention in any direction of travel through that intersection and he believed there were studies that demonstrated that.

Mayor Weiers shared a story about an accident he was involved in at an intersection where there was a red-light camera. He said the driver slammed on his brakes on a yellow light to avoid getting a ticket and losing his license. He said they had to look at the unintended consequences of the action and he would like to see people slow down due to more police presence.

Councilmember Clark agreed with Mayor Weiers and they might be trading one bad outcome for another bad outcome. Many communities were abandoning red light cameras. She said her first instinct was to slow down when she saw an officer on a motorcycle. Council might need to pursue a distracted driver ordinance. She didn't want to pursue the program until she saw the results of the speeding campaign.

Councilmember Tolmachoff said she did propose a distracted driving ordinance that went nowhere.

Councilmember Clark said Council needed to revisit that.

Councilmember Tolmachoff said the most dangerous thing people could do was drive their car and even a minor accident could be life-altering. She wanted people to know that Glendale would not tolerate distracted driving, but she was unsure how to get there. A police presence was good, but the cameras wouldn't cost the City anything. She asked if the Council was willing to try option 1 for 3 months to collect the necessary data and asked if there would be a cost if they chose to try option 1 for 3 months instead of one month.

Chief St. John said the no-cost option would be for one month only.

Councilmember Tolmachoff said no cost was not due to the number of cameras, it was due to the number of months.

Chief St. John said that was correct.

Mayor Weiers asked if the police department had the authority to pull someone over if they saw someone weaving in their lane or driving erratically.

Chief St. John said that was correct.

Mayor Weiers said Council didn't need an ordinance, it just needed to make enforcement the priority.

Chief St. John agreed.

Councilmember Turner said some speed cameras had been removed from state highways and it was an opportunity for the local community to determine how it wanted to proceed. Cameras in the intersection might change the nature of the accidents that occurred in that intersection and the cost of a rear-end accident might be much less than a head-on collision. He supported the red-light study during the speeding campaign.

Chief St. John said the program would work well with the campaign.

Councilmember Aldama did not believe the problems the City had with red light runners

was due to a lack of police presence. He said officers were addressing crime, but he would like to see further information on the issue and was willing to try the no-cost option now.

Vice Mayor Hugh received many complaints about red light runners and speeders. Council wanted safer streets and he would not tie Chief St. John's hands to try and make the streets safer. He supported the ideas.

Councilmember Malnar asked about the results of a study if drivers knew they were not going to get a ticket.

Chief St. John said officers would be placed near the intersections during specific times of the day to make actual stops.

Councilmember Malnar said the camera would flash and the officer would make any stops they observed personally.

Chief St. John said that was correct and the stop would not be based on the flash of the camera, it would be based on the officer's observation.

Councilmember Malnar said there would be no warnings based on the camera only.

Chief St. John said the department would do a marketing campaign to let the public know it was doing a camera study. He said officers would provide enforcement in covert activity to supplement what the camera would provide.

Councilmember Malnar asked if it was the camera or the officer that was the real deterrent if police officers were issuing citations.

Chief St. John believed the deterrent was always the pocketbook and driving behaviors changed when people experienced something negative.

Mayor Weiers asked if driver behavior would be modified if they notified the public there would be a red-light study.

Chief St. John said it had always been the policy of the Police Department to be fair and to give as many warnings as possible. The department would do a marketing campaign and provide a period of time for fair warning before enforcement began.

Mayor Weiers understood the program was that people would slow down when they saw the flash from the camera.

Chief St. John said people were not paying attention and that was why Glendale had some of the most dangerous intersections in the valley.

Councilmember Aldama shared that his youngest brother was killed by a driver who ran a stop sign. He asked what the department could do to curb red light runners if the Council didn't choose either option.

Chief St. John said the department would have to use officer presence and observations to try and stop the red-light runners.

Councilmember Aldama said that would mean taking officers off the street for enforcement, which might impact the community policing program. He asked if \$14,000

was a fair amount to spend on the campaign.

Chief St. John liked the no-cost option to determine whether to move forward with the program. He didn't think the City needed to incur the \$14,000 cost right now, because they needed to see the results of the current campaign before they invested further funding for the program.

Councilmember Aldama didn't see any harm in option 1, but would like to see more information on option 2 before he would agree to support it.

Councilmember Tolmachoff asked which intersection would Chief St. John recommend for option 1.

Chief St. John recommended the intersection of 59th Avenue and Bell Road and explained the company installing the system and the traffic unit would know how to fold the study into the speed campaign.

Mayor Weiers thought at one point the most dangerous intersection was at 59th Avenue and Olive.

Chief St. John said the construction at 59th Avenue and Olive was having an impact on driving behavior.

Mayor Weiers asked when that intersection might be cleared up. He said if the construction would be completed in the next few weeks, they could wait to do the study at that intersection after the construction was finished.

Mr. Friedline said the construction had been there for about a year already and there were two major projects at that intersection and could be tied up for about a 12 to 18-months. He said staff hoped that accidents would decrease at that intersection after the project was finished due to the design being incorporated to make the intersection safer.

Councilmember Malnar asked when the repaving project on 59th Avenue from Cactus to Bell Road would be done, and if that would impact the study.

Mr. Friedline said a large portion of that project should occur within the next 6 months and they might have to coordinate with Chief St. John regarding timing of the study.

Mayor Weiers said there was consensus on option 1.

3. [17-223](#)

COUNCIL COMMITTEES

Staff Contact: Brent Stoddard, Director, Public Affairs

Mr. Stoddard said the item was brought forward on an annual basis for the Council to make assignments to Council committees. Council committees would be made up of three members and the appointments would be made for the upcoming fiscal year. He said the committees included the temporary business committee, Government Services Committee and the Sustainability Committee. He said Councilmembers would serve for a 2-year term.

Mr. Stoddard said if a Council seat became vacant mid-term, the Councilmember who filled the seat would assume the vacating member's seat on that committee. He said there was a discussion about how to handle the mid-year replacements with the Government Services Committee. It was decided to allow the mid-year replacement to serve an additional year to catch up to the regular June appointment schedule.

Councilmember Aldama said it was beneficial to the Council to allow Councilmember Malnar to continue. He asked if it was the appropriate time to ask to dissolve the Sustainability Committee and turn it into a different committee, such as a budget committee.

Mr. Stoddard said the guidelines said the first workshop in June was when Councilmembers would normally make modifications, add or delete a Council committee. He said no reappointments or appointments had been made to the Sustainability Committee after the first members served their initial terms, but Council had never dissolved the committee.

Mayor Weiers asked if the Council had to vote to dissolve the Sustainability Committee.

Mr. Stoddard said the Council could provide direction at the workshop to dissolve the committee.

Mayor Weiers said it did not require a vote.

Mr. Stoddard said it was Council's committee.

Mayor Weiers asked if there was a consensus to eliminate the Sustainability Committee.

Councilmember Aldama asked to finish his comments because he was moving in that direction.

Mayor Weiers said Council could eliminate the Sustainability Committee and Councilmember Aldama could proceed with another committee.

Councilmember Aldama said if Mayor Weiers was simply going to ask to dissolve the Sustainability Committee and go no further, that was fine.

Mayor Weiers said that was correct.

Councilmember Aldama said Council had previously discussed there were no opportunities to meet with the City Manager and Budget staff to discuss the budget and he asked the Council if it would consider creating a Budget and Finance Committee to serve that purpose.

Councilmember Tolmachoff said the Council was a budget committee of 7 already and said the budget was the most important thing Council did. There might be open meeting law issues in sharing the information with the other Councilmembers.

Councilmember Clark said there was a previous Council budget and finance committee, which would periodically make recommendations to the full Council, as well as a previous utilities committee. There was value to a budget and finance committee and further discussions might be necessary regarding what that committee's responsibilities would be. The temporary business committee might be very active and she would like to see the budget committee come forward after the activities of the business subcommittee had been completed.

Councilmember Turner was not in favor of establishing a budget and finance committee and agreed with Councilmember Tolmachoff that the Council was the City's budget committee. He was sensitive to the Councilmembers expressing priorities for their

districts, but said the subcommittee might be far less transparent, the weight of a subcommittee's recommendation might be too strong and it could subvert the council item of special interest process.

Vice Mayor Hugh said a few months ago he had suggested a budget and finance committee, but was considering retracting that suggestion due to the amount of work the new business committee might have. He appreciated Councilmember Aldama's ideas about the subcommittee, but didn't think it was the right time.

Councilmember Malnar agreed that it might not be the right time for this type of committee and felt more discussion about the purpose of the committee was warranted. He wanted to make sure the Council did not move into the area of administration and that the proper guidelines were in place before moving forward. It was best not to form the committee at this time.

Councilmember Clark suggested revisiting the budget and finance committee idea in a year. She supported dissolving the Sustainability Committee.

Councilmember Aldama said Council might have had an opportunity to discuss some of the budget issues it was having but had no problem with not moving forward at this time.

Mayor Weiers confirmed the Council agreed to dissolve the Sustainability Committee and said there was no consensus to move forward with a budget and finance committee at this time. He asked who were the three members of the temporary business committee.

Councilmember Clark said Councilmember Tolmachoff, Councilmember Malnar and herself were on that committee.

Mayor Weiers said Council needed to appoint two new members of the Government Services Committee.

Mr. Stoddard said Councilmember Aldama and Councilmember Tolmachoff would reach the end of their terms in June and Councilmember Malnar would be eligible for an additional year of service on the committee.

Councilmember Malnar recommended appointment of Vice Mayor Hugh and Councilmember Turner to the Government Services Committee.

Vice Mayor Hugh recommended that Councilmember Malnar remain on the committee.

Mayor Weiers asked and received consensus for appointments of Councilmember Malnar, Vice Mayor Hugh and Councilmember Turner to the Government Services Committee.

4. [17-222](#)

UTILITY RATE STUDY UPDATE

Staff Contact: Craig Johnson P.E., Director, Water Services

Staff Contact: Jack Friedline, Director, Public Works

Staff Presenter: Vicki Rios, Director, Budget and Finance

Mr. Johnson introduced the Citizens Utility Advisory Committee Chairman Jonathan Liebman, Vice Chair Ron Short, and Commissioner Robin Berryhill. He thanked them for their service. He also introduced Rick Giradina and Rob Wadsworth, from Rafdelis Financial Consultants, who were hired to do the study for the Water Services Department.

Mr. Liebman said the committee had met with Water Services and Public Works over the last several months and said the current rate structures and the history behind the structures were discussed. He said there hadn't been a water rate increase since 2010 and public works increase since 2008. He said the Commission supported the options the Council would review today and looked forward to a continuation of the high quality of service.

Ms. Rios said most residents received water, sewer and solid waste services from the City and services were billed every month. The process had occurred in three phases, which included a review of financial plans, conducting public outreach and seeking final direction from Council. A ten-year financial plan was reviewed for both water/sewer and sanitation and several options for public outreach would be presented to Council for review and discussion. Once public outreach was complete, staff would seek final direction from Council moving forward. Ms. Rios said the first phase of the process was nearing completion.

Ms. Rios said the cost of living had gone up 12.4% but the water utility had not had a rate increase since 2010 and the costs had been absorbed by the utility. She said solid waste hadn't had a rate increase since 2008 and over that period of time, the cost of living had gone up about 13.5%.

Mr. Johnson said the department had \$80 million in funding with \$50 in O&M costs. Funding was generated through water bills and the department received no monies from the general fund. There were 6 operating plants and 2,000 miles of pipeline that connected businesses and residents to the water plants. The department spent \$3 to \$5 million on chemicals each year to make sure the water met required water quality standards.

Mr. Johnson provided a chart showing water and sewer 5-year CIP programs from FY2008 through FY2022. There was an increase for FY18, but the department wanted to move into a maintenance mode over the next several years. Several programs were deferred during the economic downturn, and plans for a new \$45 million water plant had been put on hold. There would be future discussions on whether it was still needed. He said there was some elevated risk when projects were put off and it was now time to take advantage of the economic upturn and bring the program back where it needed to be.

Councilmember Tolmachoff asked what happened to the projects that were scheduled during the economic downturn.

Mr. Johnson said the utility had spent about \$50 million over the last six years, concentrating on the sewer pipes, water system and distribution system, as well as installing disinfection systems and taking care of water and recharge requirements each year. There were a number of projects that were not brought forward in the past that the utility wanted to bring forward now.

Councilmember Tolmachoff asked if some of the projects originally scheduled in 2008 were completed.

Mr. Johnson said some were completed, some were moved out and some were cancelled. He explained the CIP was thoroughly reviewed every year. The department had been proactive about maintaining the pipe systems, wells and water recharge system.

Councilmember Clark asked about the priority of some of the projects that were listed in the information given to Council.

Mr. Johnson said the projects were underway and the other projects in the CIP had been reviewed and prioritized for completion.

Councilmember Clark asked for a more detailed explanation regarding how projects already underway and ongoing were funded.

Ms. Rios said every year Council reviewed the 10-year CIP, which was presented as part of the budget process. A funding source was identified for projects in the first five years, but funding was only appropriated for the first year. Projects underway now were in the 5-year CIP and those that had already been appropriated and had started would receive appropriation in any given year. As projects were started, they were always contingent upon additional appropriation and could be stopped once started, but it depended on how far along they were in the process. She said Council only appropriated one year at a time and any funds left unspent during that year would be carried over to the following year.

Councilmember Clark asked what would happen to a project if it had been started, but there was no funding for it to continue.

Ms. Rios explained that could always happen but continuing to delay some of the projects put the City at risk. The same thing happened during the economic downturn when projects were delayed or deferred. If Council did not approve the item in the budget, staff would go back and determine which projects could be deferred or delayed and which projects were critical and had to be completed. She said there were cash reserves available in the water utility to continue with some projects, if necessary.

Ms. Rios said there were two parts to a rate study, one of which was determining how much revenue was needed to meet financial sustainability targets. Every expenditure line item was examined to determine how it would grow into the future, including costs associated with chemicals, salary and benefits. Council, RBC and Rafdelis were consulted to determine what should be the fiscal sustainability targets and what was appropriate for the utility. They next determined if every type of customer was paying its fair share of the cost. She said the City's customers included primarily residential customers, as well as multi-family, commercial and sprinkler-type customers. She explained sprinkler customers were connected to landscape-only meters and were not connected to City potable water.

Ms. Rios said the rate study found that residential and commercial customers were paying slightly more than their fair share, sprinkler customers were slightly under-recovering their fair share of the costs, and the sewer customers were balanced. The Citizens Utility Advisory Commission (CUAC) discussed adjusting the rates over a 5-year period of time. A recommendation was made about the 5 targets the utility looked at to maintain its financial stability and its current credit rating. Currently, the water utility was rated as a Moody's A1 and an S&P AA. To do that, it was recommended looking at working capital being 50% of O&M, days cash on hand at 250 days and two different targets for debt service coverage.

Mayor Weiers asked if the people paying more for water made up the difference for the groups who were under-recovering.

Ms. Rios said the recommendation of the CUAC was not to wait for 5 years, but to adjust

it a little each year over the 5 years. She said in the case of homeowners' associations, City parks and other users, raising their rates more in the first year, to make that adjustment in one year, did not allow them time to budget.

Mayor Weiers asked if customers would be paying more in five years to make up for what they didn't pay now, or if they would be paying what they should at the end of 5 years and also asked if it was revenue lost to the city.

Ms. Rios said raising the rates over a 5-year period rebalanced and it was not revenue lost. She said if the rates were raised all at once, there would be some imbalance and some customers would be making up the difference.

Mayor Weiers said it was money lost and asked what the difference was between the residential customers paying slightly over and other customers paying slightly under their fair share.

Ms. Rios said sprinkler customers were under-recovering about \$300,000 to \$500,000.

Mayor Weiers asked if that was annually.

Ms. Rios said that was correct.

Mayor Weiers asked how many meters that was based on.

Ms. Rios said it was only 1,700 customers.

Mayor Weiers said if there was a price increase, it wouldn't make any difference. He was trying to figure out how to make it fair to the people who were overpaying right now if other people were underpaying. He said it was strictly landscaping customers and it seemed like the priority was off.

Ms. Rios said that was one of the things they would be looking for as part of the public outreach process. She said they were providing Council the results from the CUAC as well as staff analysis of the issue. Part of the public outreach would be determining whether customers wanted to rebalance right away or spread it out over a period of time.

Councilmember Tolmachoff asked how much were the residential and commercial customers over-recovering.

Ms. Rios said it would be the same as the customers who were under-recovering.

Councilmember Clark said in the past, Council had always taken a tiered approach to residential monthly bills and people using the least amount of water tended to be retirees and single people living alone, who often could least afford significant rate increases. She hoped this Council would continue to accommodate the lower tier of users.

Councilmember Turner said if they were under-recovering by \$300,000 a year, that came to about \$1.25 per Glendale resident, or just \$.10 a month. He said much of that sprinkler money was in City parks and rights-of-way. The urgency of rectifying the situation was not so great and they would be able to come up with a solution.

Ms. Rios said on the solid waste side, the financial sustainability target they already had in place was that the fund balance be 10% of the operating revenue. If no rate increases were put in place, none of the fiscal sustainability targets would be met by 2019. The

CUAC took this into consideration and recommended 2 options to resolve the issue. The first option would raise rates by 7.5% per year for the first 2 years and raise the rates at a more moderate pace over the course of the next 3 years.

Ms. Rios said the second option would require a higher rate increase the first year and then smoothed it over the subsequent years. The monthly impact would be larger for customers using more than 9,700 gallons of water per month and smaller for customers using less than 9,700 gallons per month. She suggested adopting a rate increase over the first couple of years and then reviewing the issue again before making any further increases. Finance staff looked at the rate every year as part of the financial forecast, but the analysis should be done again every few years.

Councilmember Tolmachoff asked who presented the two options.

Ms. Rios said multiple options were presented to the CUAC and the Commission asked that these 2 options be presented to Council.

Councilmember Clark didn't think the Commission was presented with a list of projects that needed to be done and reasons why the projects were critical. She believed the Commission received the same information that Council received about the projects already underway and a list of 8 future projects. The Commission was asked to ratify the recommendations of staff and the only discretion was choosing which mode of rate increases was most palatable to them.

Councilmember Clark was not opposed to rate increases, but was opposed to the process and felt there was very little independent judgment used by the Commission to come up with the options. She said everyone should understand the need for rate increases based on inflationary costs. It looked like the rate increase was a done deal and Council was being asked to ratify the item and she had difficulty with that.

Councilmember Aldama was displeased that the Commission formulated the options and there was no public input until the very end of the process. He also asked if it was possible to propose additional options after the public input.

Ms. Rios said the rate increase would be completed in a 3-phase approach and the second phase was public input. She said Council was not being asked to ratify or adopt any options today. The public feedback would assist in preparing several options to present to Council and the options presented today might change over the course of obtaining public feedback.

Councilmember Aldama understood completely and the public might be hearing about the possibility of a rate increase for the first time today. He suggested obtaining public feedback first and then sending the information to the Commission to get its recommendations.

Councilmember Tolmachoff said several projects had already begun and the total of future projects was \$9.8 million. She did not know how the Commission came up with the 2 options, or if they had several to choose from. She was concerned about using the format in the future as a matter of policy and asked if the City had the money for all the projects except the \$9.8 million.

Ms. Rios said budget staff went through a 5-year forecast where it anticipated what projects would be required and what bond funding and revenues might be needed in the future. She said they did not assume any rate increases when the 5-year forecast was

presented back in December and waited for Council direction. The utility was operating on its cash reserves of about \$60 million and a project would not be started if the funds were not already available. Funding for additional projects was dependent on Council appropriation. If there was a desire not to raise the rates at all, staff would take another look at the projects and re-plan for the future.

Councilmember Tolmachoff said if rates were raised more than needed, they wouldn't be lowered at some point. If the City had the capacity to bond and raise the rates in order to handle the debt service, cost savings would be realized as more customers came into the system. She said there were many moving parts to the picture.

Ms. Rios said that was exactly what the rate study had done. The consultant looked at the assumptions, including recommendations from the CUAC and the amount of bond funding needed, and would come up with a 10-year plan. The experts with Rafdelis would provide a recommendation based on customer usage patterns, the number of new customers, growth of the system, consumption patterns to determine the need to bond the future projects. A complex financial model was created to come up with options for the CUAC to consider, which included potential rate increases in the future to fund the projects and pay back debt service.

Councilmember Tolmachoff asked if the City had the capacity to bond some or all of the capital projects.

Ms. Rios said the model made the assumption that \$55 million would be bond funded over the course of the next 5 years and paid off with future revenues.

Councilmember Tolmachoff asked if that was factored into options 1 and 2 and if the rate increases were based on debt service.

Ms. Rios said yes.

Councilmember Tolmachoff asked if the Commission was presented with an option of bond funding only and if the Commission was presented with an option for rate increases only based on debt service.

Ms. Rios said the utility had available cash reserves, so the available cash reserves would be spent first. The City would be paying interest it didn't need to pay if it borrowed money while sitting on cash reserves. Some projects were underway already because of the available cash reserve to fund the projects. As projects moved forward and available fund reserves were spent down, borrowing would have to be incorporated to continue to fund the capital plan. Additionally, it would be necessary to have sufficient revenue to pay that debt service. All of these criteria had been incorporated into the financial models which produced the 2 options.

Mayor Weiers said then it would be necessary to start building the fund balance back up gain.

Ms. Rios said the financial targets were reset to about 250 days' cash on hand, which was less than the previous target of 50% of operating revenues and they were keeping less than they thought they needed based on the new financial targets. Revenues had to be kept above expenditures over the long term so debt would have to be issued to fund the capital plan and put the utility in a position to pay it back in the future.

Councilmember Tolmachoff asked how much the general fund owed the water enterprise

fund.

Ms. Rios reminded Council those were no longer classified as loans so she couldn't say how much the general fund owed the utility funds, however, they did have transfers between the funds.

Councilmember Tolmachoff asked how much was transferred out.

Ms. Rios said the amount that was transferred out of the water and sewer fund was about \$15 million and about \$1.2 million had been transferred back.

Mr. Friedline said the residential solid waste fund included weekly collection of residential waste, recycling and monthly bulk trash collection. He said solid waste administration included a call center, contract management and street sweeping. It had been 9 years since the last rate increase and the size of the residential fleet had been reduced from 29 to 25 side load refuse trucks, which provided 19 routes every day. Additionally, tractor use for bulk collection had increased the turnover of the tractors.

Mr. Friedline said the solid waste service options were reviewed by the CUAC, including personnel and resource adjustments, average waste tonnage per household through community education, recycling collection frequency, sweeper frequency, flexible work schedules and changing the purchasing methodology of assets through lease or bonds. Other options included route/tonnage swapping with neighboring municipalities, container size specific pricing, bulk collection options and outsourcing some or all residential collections.

Ms. Rios said on an ongoing basis, revenues were less than expenditures, which was not a sustainable model. The CUAC came up with two options. The first option included a \$2.75 increase beginning November 1, 2017 and then another increase in January of 2017 of \$2.75. The new rate would be \$21.80. She said they would have Council adopt the first two increases, and then review the rates and assumptions once again before recommending any increases after 2019.

Ms. Rios said the second option provided by the CUAC was a larger increase beginning in November 2017 of \$4.20 and a smaller increase in January 2019 of \$1.00, for a total bill of \$21.50. She said they wanted to keep the fund balance at about 10% of revenues and this option corrected the issue of expenditures exceeding revenues. The option would also pay for some capital needs. Ms. Rios explained option 2 would require a higher increase in the beginning and meeting a minimum fund balance would occur a little faster. She said both options would get to the target, but option 2 would get there a little bit faster.

Councilmember Tolmachoff asked about commercial rates.

Mr. Friedline said the commercial rates were in the open market and the City had no customers that were bound to its service. He said an adjustment was done about a year ago and the City had reduced its rates at that time. Legislation allowed multi-family housing to go out into the open market. The department developed a new concept for rerouting by splitting the City in half and only providing service to half the City each day on a rotating basis. By doing this, costs were reduced by over 20%, and there was a fee reduction. Commercial fees were reviewed on a yearly basis and that information was provided to the CUAC for recommendations regarding increases. He said the open market commercial fees did help with the ending fund balance, but also supplemented sanitation fees to keep them low.

Mayor Weiers asked if the amount of trucks was included with the commercial.

Mr. Friedline said it was not, it was only the side loader residential trucks.

Mayor Weiers asked if the commercial was paying for itself.

Mr. Friedline said a model was being developed for that. The commercial front load made money and it did contribute a little bit to the ending fund balance.

Mayor Weiers said they were staying competitive at the same time.

Mr. Friedline said that was correct.

Ms. Rios provide information showing the total bill impact under each of the options presented. She explained for a customer using 9,700 gallons of water, the water bill would go up \$5.02 and the solid waste portion of the bill would go up by \$2.75, under option 1, bringing the total increase to \$7.77 per month. For option 2, the customer bill would increase by about \$10.97 per month. She said the increase under option 1 was \$1.67 for water and \$2.71 under option 2 for low water usage of about 4,000 gallons per month.

Councilmember Turner asked if they had the ability to take option 1 in water and option 2 in solid waste.

Ms. Rios said that was a possibility and it would be discussed during the public input sessions. She explained there were a number of mix and match options that were possible.

Councilmember Turner said this might be a lesson in the benefit of incremental change. The increases might have been lower if they had been doing them all along. He asked if the suggested rates were compared to the Consumer Price Index over a period of time.

Ms. Rios said that had been done and it would be provided to Council. She said if small incremental increases had been done over time, they would be about in that place now. She recommended incremental increases as a best practice in the future.

Mr. Johnson said his staff indicated it would \$75.75 for option 1 for water and sewer if they had follow through with the inflationary costs.

Councilmember Clark asked if that was for year 1 or both years.

Mr. Johnson said it was for year 1.

Mr. Phelps said using the base rate of \$82.99 and applying just the inflation, he came up with approximately \$94.40 based on the table that was provided.

Councilmember Turner said the proposed rates were still below what the CPI had been over that period of time.

Mr. Friedline spoke to solid waste and said the first one was below the compounded CPI with the addition of street sweeping. He said the second increase would not be, but the deficit was covered through the ending fund balance. He said they were running higher than \$16.30 a month and using the ending fund balance to cover the difference.

Mayor Weiers said the great recession wasn't all that great and they just had to take care of it.

Ms. Rios said the bill included water, sewer, solid waste and other types of fees. Some of the other cities charged a higher tax rate and some also charged additional fees on top of water and sewer. Several cities were going through the same process right now and had attempted to hold rates level during the recession. She said all the factors had been taken into consideration with the information provided.

Ms. Rios said the next step was to meet with the public about the proposals and get additional feedback to bring back to the Council. There was a desire to plan more meetings in August. Most of the meetings were scheduled from 6 p.m. to 8 p.m., with one of the meetings held on a Saturday from 10 a.m. to noon. She asked for Council direction on how many public meetings to hold.

Mayor Weiers said most people were on vacation in June and July and they would be doing an injustice to the citizens if the meetings were held only during those months.

Ms. Rios said if it was the consensus of Council, staff could move the meetings out to August and would provide a list of the new dates.

Councilmember Tolmachoff said the list of dates provided were all during one week, so if residents were on vacation that week, there would be no opportunity to attend any of the meetings. She asked what the dates were on the revised schedule.

Ms. Rios provided the revised dates of July 18th, July 27th, August 2nd and August 5th.

Mr. Friedline said the schedule also covered 4 different days of the week and 3 full weeks.

Ms. Rios said surveys and options on the City website would be available for customers in case they could not attend the public meetings. There would also be outreach via social media, press releases, media briefings and it was anticipated the Councilmembers would get the information out through their Council news bulletins. She said information about the public meetings and where to go for more information would be provided on the utility bills, as well as online and paper surveys available in both Spanish and English. She said staff would be available at the meetings to provide information on what was included in the utility bill and how the options would impact customers, as well as receive feedback about any other options residents would like to see.

Mayor Weiers asked if staff was putting the cart before the horse regarding the upcoming June 27th Council vote on the notice of intent for water and sewer proposed rate revenue increases before the public meetings.

Ms. Rios said there was a legal process that had to take place on the water and sewer side when Council adjusted rates, which began with a Notice of Intent to adjust rates. She said the notice gave the public notice of the Council's intent to potentially increase rates. It was required to be posted 60 days before the Council considered any rates at a public hearing. The notice did not provide a specific rate schedule and Council still had the ability to raise rates more or less than the proposed options.

Ms. Rios said once the public meetings were completed, the information would be brought back to the CUAC on August 9th and then recommendations would be brought to

Council on August 15th. Council would consider adopting new rates on September 26th. She explained there was also a 30-day waiting period after Council adopted any rate adjustments before the rates went into effect, which would be November 1st.

Councilmember Tolmachoff asked if there was any downside to delaying the rate increase until December or January.

Ms. Rios said the solid waste utility was already projected to be just at their fund balance requirement, and delaying a couple of months would mean less revenue under the rates. She said it was at Council's discretion.

Councilmember Tolmachoff said it did not give Council very much opportunity for discussion.

Councilmember Clark said if Council was going to do this, she would like to see the rate increase beginning January 1st. She said that gave more time for public outreach. She also said she would like to see the public outreach schedule move back a bit.

Mayor Weiers asked what the difference was per month if the rate increase passed.

Mr. Friedline said it would be a little less than \$200,000 a month for solid waste.

Mr. Johnson said it was about \$500,000 for water and sewer.

Councilmember Tolmachoff said they might want to postpone it for one month.

Mayor Weiers said that was something to think about.

Councilmember Malnar had studied the numbers thoroughly and said Council would need to make some very tough decisions about the rates. The public would have to provide input and the public needed to know why rates were being increased. Council was elected to provide citizens with public safety and utilities. He said there were many questions that still needed to be answered, but they needed to do something to take care of the residents' day-to-day needs.

Councilmember Turner confirmed that even though the public meetings had been pushed back, they would stay on schedule for the notice to increase water rates.

Ms. Rios said that was staff's recommendation, but was at Council's discretion. She said school started in one district in Glendale on August 8th and the August 5th meeting might capture residents who were back in town by then. She said they could also push back the notice of intent and the public hearing upon Council direction.

Councilmember Turner would rather not push back the notice of intent and said staff should have let the public know it was being considered while it was being discussed by the CUAC. He said the sooner the City let residents know about it, the more fair and open the process would be.

Ms. Rios said if the notice was published in June for the September 26th hearing and if that hearing was delayed, they could publish another notice for the rescheduled hearing date.

Councilmember Tolmachoff said the notices for the public meetings should appear in more than one utility bill and with the timeline, it might be possible to do that. She

thought it should be included in at least two cycles of the utility bill.

Mayor Weiers asked if there was a requirement to publish the notice in the newspaper.

Ms. Rios said there was no requirement to publish the notice of intent in the newspaper.

Mayor Weiers would like it published in the local newspaper and asked if the notice should be published in a larger newspaper.

Ms. Rios said the legal requirement was to publish the notice in a newspaper of general circulation, but said the notice could be published in more than one newspaper. She explained the entire public outreach plan included publishing the notice in several places, including press releases, press briefings, and social media to let the public know there would be public meetings and how the public could respond to the surveys and provide input and feedback. Staff was relying on the entire public outreach plan to reach as many residents as possible.

Councilmember Aldama said it seemed like staff would exceed the requirements of what was required to notify the public about the rate increase. He asked if Glendale 11 would be at the public meetings.

Ms. Rios said there had been some discussions with Channel 11 about televising today's workshop as part of the public outreach and staff would work with Channel 11 to get the word out as much as possible.

Councilmember Aldama also asked staff to coordinate with the school district to get the information out to Glendale parents.

Councilmember Clark suggested finding out from the local school districts when school started for each district so staff could plan at least one public meeting for a date after school was in session. She also asked if it was possible to put a separate insert in the utility bill mailings to alert customers to the possible rate increase.

Councilmember Tolmachoff suggesting making the insert a bright color to get residents' attention but wasn't sure if it was possible to get the insert in two billing cycles with the tight timeframe.

Councilmember Clark was willing to let the timeframe slip a little bit, if necessary.

Mayor Weiers suggested printing a notice on the back side of the utility bill envelope if the insert was not an option.

CITY MANAGER'S REPORT

Mr. Phelps had no items to report.

CITY ATTORNEY'S REPORT

Mr. Bailey had no items to report.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmember Aldama asked for information about when the City was going to start using and marketing "Centerline" as the name for a certain part of Glendale.

Mayor Weiers asked for staff to look into removing the step that was behind the Councilmembers' chairs on the dais.

MOTION AND CALL TO ENTER INTO EXECUTIVE SESSION

It was moved by Councilmember Turner, and 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

The City Council entered into Executive Session at 5:51 p.m.

A motion was made by Councilmember Aldama, and seconded by Councilmember Malnar to adjourn from 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

The Executive Session adjourned at 7:13 p.m.

A motion was made by Councilmember Malnar, seconded by Councilmember Turner, 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 7:15 p.m.