

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago Street, on Monday, December 10, 2012 at 7:07 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY.

The following members answered roll call:

Jay Tibshraeny	Mayor
Jeff Weninger	Vice-Mayor
Trinity Donovan	Councilmember
Kevin Hartke	Councilmember
Rick Heumann	Councilmember
Matt Orlando	Councilmember
Jack Sellers	Councilmember

Also in attendance:

Rich Dlugas	City Manager
Pat McDermott	Assistant City Manager
Mary Wade	City Attorney
Marla Paddock	City Clerk

INVOCATION: Pastor Tom Stone, Cornerstone Christian Fellowship

PLEDGE OF ALLEGIANCE: Girl Scout Troop #1094 Chandler Cholla Neighborhood

UNSCHEDULED PUBLIC APPEARANCES: None.

CONSENT:

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER HARTKE, to approve the Consent Agenda as presented.

Mayor Tibshraeny noted he had received a few speaker cards on Item 5. The discussion is listed under that item.

WHEN THE VOTE WAS CALLED FOR, THE MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED the following minutes:

- 1a. Chandler City Council Regular Meeting of November 5, 2012.
- 1b. Chandler City Council Regular Meeting of November 8, 2012.
- 1c. Chandler City Council Special Meeting (Canvass) of November 26, 2012.

2. RIGHT-OF-WAY ANNEXATION: Chandler Heights Road Ord. #4395

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4395, Right-Of-Way Annexation of certain County Rights-of-Way of approximately 0.39 acres on Chandler Heights Road between the Consolidated Canal and Crossbow Way.

3. REZONING: Spectrum Senior Living at Ocotillo Ord. #4405

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4405, DVR12-0025 Spectrum Senior Living at Ocotillo, rezoning from Planned Area Development (PAD) for a church to Planned Area Development (PAD) for an assisted living care center.

4. CITY CODE AMENDMENT: Chapter 2 Ord. #4415

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4415 amending Chapter 2 of the Chandler City Code, adding Section 16; creating the City of Chandler Worker's Compensation and Employer Liability Trust Fund and creating the City of Chandler Worker's Compensation and Employer Liability Trust Board to administer the fund.

BACKGROUND

Arizona Revised Statute §11-981 requires the establishment of a trust for the purposes of management and administration of the City of Chandler's self-funded management and administration of a worker's compensation program's assets and liabilities. The City of Chandler must establish a trust fund and trust board to administer the worker's compensation and employer liability trust by January 31, 2013, in order to remain in compliance with the requirements set forth by the Industrial Commission of the State of Arizona which is vested with the authority to approve self-insurance programs involving worker's compensation.

Chapter 2, of the Chandler City Code will be amended by adding Section 2-16 in order to establish the required Trust Fund for Worker's Compensation benefits. The provisions are also drafted to enable the Health Care Benefits Trust Board as established by Chapter 2, Section 15 of the City Code to also serve as the trustees of the Worker's Compensation and Employer Liability Trust fund.

5. CITY CODE AMENDMENT: Chapter 8 Ord. #4419

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4419 amending Chapter 8 of the Chandler City Code to clarify administrative responsibility with respect to airport operations and to amend provisions of the "Chandler Municipal Airport Rules and Regulations, 2006", previously adopted and made part of Chapter 8 by reference.

DISCUSSION

Mr. DAVID SPERLING, 2730 S. Pleasant Pl. Chandler, AZ 85286, stated that he was appointed to the Chandler Airport Commission in May, 2012 and graduated from Arizona State University's Aeronautical Program in 1995. He currently works as an aviation planner with a transportation engineering firm. MR. SPERLING said he is also entering his second year as faculty at Arizona State University in the Aerotech program. MR. SPERLING said he is an instrument rated private pilot and believes he can bring some perspective to the issue at hand, which involves the safety of helicopters operating at the T-hangar area. MR. SPERLING stated that he understands that

Chandler Airport staff felt it was a safety concern. MR. SPERLING said that the operators are looking for an operational plan.

MR. SPERLING said that helicopters are departing and arriving from the t-hangar area at the Airport. He said that the Airport solution to this issue is presented on Item no. 5 and noted that it has been reviewed by the Federal Aviation Administration (FAA) Compliance Officer and everything is in compliance. He said that this action will support the Airport's predictability and operations to enable the safety at the Airport to continue.

Neil Jones, Owner and Operator of Quantum Helicopters, 2401 S. Heliport Way, located at Chandler Airport. MR. JONES said he would like to speak about the helicopter provision for Item no. 5. MR. JONES said that while this is not an area that has affected his business operation, it is contentious between Airport Administration and the operators who are choosing to conduct operations at the north side hangars.

MR. JONES said he is speaking in representation of his company because he is concerned that some of the discussions may impact the operation that his business conducts at the heliport and the Airport in general. MR. JONES said that he is in favor of the proposed change and was surprised that such operations have gone on as long as they have on the north side.

MR. JONES said he believes that the Airport Administration, air traffic control, and Airport Commission have been responsible in taking a look at these issues and developing a solution. He said that the helicopter operations out of the north t-hangars are unsafe. He further stated that in correspondence that has gone back and forth between the parties surrounding this issue there was some implication that the operators operating from the heliport and his company have been favored in some way. He said he strongly disagrees.

MR. JONES said that the operators that are working on the north side of the airport can conduct operations in the same manner like his company and others. He said the request is the operators stop creating low level take offs, landings, and hover operations between the hangars on the north side of the airport. MR. JONES understands that it might be a bit of an imposition, but said that hopefully the Airport staff can work with them to find a reasonable solution.

COUNCILMEMBER ORLANDO said that as an operator when he heard about this change his first thought was foreign object damage in the area. He said as a user it would seem logical not to start an engine, hover, and take off in an area that is potentially not clear. COUNCILMEMBER ORLANDO said that the Commission and operators should take a good look at this issue to maintain safety in the area. COUNCILMEMBER ORLANDO said to further mitigate this issue in the future hangars could be closer to the take-off pad for utilization and safety.

VICE-MAYOR WENINGER asked if staff could elaborate further on what is happening and what problems can be solved on this issue.

LORI QUAN, AIRPORT ADMINISTRATOR, displayed a map of the area. She said that the Economic Development Division has been at the Airport for the past year. When staff looked at how to increase jobs, maximize revenue, etc. they also have taken a look at quality. Further, she stated that there have been a number of gentleman's agreements in place and she was approached by the helicopter operators on the north side with a desire to firm up those agreements in writing so both parties could understand the mutual expectations.

MS. QUAN said there were a number of meetings over a period of several months. She said that during those meetings it became clear that the operators wanted to take off and land from the hangar area. She noted that from a staff and operations standpoint, it was determined that this was not a safe operation. MS. QUAN said there is a lot of vehicular traffic in the hangar area. Additionally, there has been a 20 percent increase in Airport operations. She said that the increase in activity has been exciting, but the increase also demands some predictability to the ground movements, especially in high traffic areas.

MS. QUAN said it is not appropriate to hover, taxi, and take-off from those confined spaces. She said that the amendment is a good way to look at how to mitigate harm to persons and property. She said that rotor wash is the downward wind that is created by the main rotors. It kicks up a lot of debris and blows a lot of dust to aircraft in the area. MS. QUAN said staff some areas could be highlighted to mitigate some of the effects of rotor wash. MS. QUAN said at the recommendation of the Airport Commission, it was requested that these rules and regulations be brought forward to Council. She said this is an important issue. The Federal Aviation Administration made a determination this afternoon that the City was not in violation of any regulations in imposing this rule and staff has the right, responsibility, and authority to do so. MS. QUAN said there are plans to further convene a work group with broad representation of members from the Airport community to see how to accommodate helicopters on the north side. She said due to the holidays, the group will convene at the first of the year.

COUNCILMEMBER HEUMANN thanked Lori and her staff. He said they are doing a great job to help the Airport to make improvements to help it continue to grow. He also thanked Neil Jones and the Airport Commission.

COUNCILMEMBER HARTKE stated that the Arizona Republic had an article recently touting the Chandler Airport and its economic opportunities. He commended Lori Quan and the Airport Commission for doing a great job of bringing the item forward.

BACKGROUND

The proposed ordinance addresses two related issues at the Airport. First, it clarifies the role of the Airport Administrator and the City Manager with respect to administration of the Airport. Second, it amends the current Airport Rules and Regulations, adopted pursuant to Ordinance No. 3767, on July 24, 2006, to address an issue related to helicopters at the Airport. That is, for helicopters based on the north side of the Airport, it establishes that at no time is it acceptable to arrive, depart ground taxi or hover taxi from the hangar area.

Chandler Municipal Airport does not currently have facilities such as an FBO, hangars or a terminal on the south side of the Airport. As such, a small number of helicopters are stored on the north side and three operators that are based there use the north side to arrive and depart the Airport. As the Airport becomes busier, predictability and order is increasingly more important. This amendment will: 1) mitigate potential for harm to persons and property; 2) mitigate the effects on locations at the Airport that are susceptible to rotor wash, and 3) eliminate the need for pilots to debate with Air Traffic Control Tower personnel relating to their operations.

Airport Staff contacted a number of airports for best practices, as well as contacting individuals with the FAA Runway Safety Action Team and the Flight Standards District Office for guidance. Anthony Garcia, FAA Compliance Program Manager for the Western Pacific Region, also confirmed the City, as the Airport Sponsor, has the authority and responsibility to impose such rules that enhance safety and efficiency at the Airport.

AIRPORT COMMISSION

The Airport Commission Rules and Regulations subcommittee met on November 8, 2012 and vote unanimously to present an amendment addressing this issue to the entire Airport Commission.

During their regular meeting on November 14th, and after much discussion and comment from members of the airport community who attended, the Airport Commission voted unanimously to recommend to City Council to amend the Airport Rules and Regulations regarding helicopter operations in the hangar area. They also requested that Staff form a working group to further discuss accommodations for helicopter traffic at the Airport.

6. EARLY RETIREMENT REINSURANCE PROGRAM REIMBURSEMENT FUNDS Res. #4657

ADOPTED Resolution No. 4657 authorizing the use of the Early Retirement Reinsurance Program Reimbursement funds for a premium reduction or premium holiday for active employees, retirees and former employees under COBRA covered by Blue Cross Blue Shield for the active employee paid portion for one pay period.

BACKGROUND/DISCUSSION

The City applied for funds from the Federal Government Early Retiree Reinsurance Program (ERRP) established under the Affordable Care Act and received \$156,470.62. The program reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the health plan.

These funds can only be used to offset increases in the plan sponsor's health benefit premiums, such as a "Premium Holiday", and the funds must be used by December 31, 2013, or be subject to return to the Federal Government.

On November 1, 2012, the Chandler Health Care Trust Board ("Trust Board"), through its Resolution No. HB-0003, adopted and recommended to the City of Chandler Mayor and Council that the ERRP funds be used to 1) reduce the health care benefit premiums to the City of Chandler employees, as to their second bi-weekly premiums for December 2012; and 2) to reduce the premiums for the City's retirees and COBRA participants by using it to reduce their premium for January 2013 by the same dollar amount as the employees' reduction for each benefit tier.

The Trust Board took into consideration the information presented by Human Resources regarding the required use of the ERRP funds along with the findings of the benefit actuarial.

The actuary took into consideration the following:

Considerations:

- Participants Defined as – Active Employees, Retirees and COBRA participants (ERRP has defined participants to include Active Employees, Retirees, COBRA participants and Employer. In order to minimize the impact to the reserves, the City of Chandler (employer) will be exempted from receiving the "premium holiday".)
- Premium Holiday to be Awarded to – Active Employees, Retirees and COBRA participants.

- Award Based Upon Tier Contribution – Employee, Employee & Spouse, Employee & Children, and Family. Retirees and COBRA participants will receive the same discounted amount as received by Active Employees.
- 2013 Subsidized Rates Used for Development of the Premium Holiday.
- Total Enrollment – 1,619 (The enrollment status at time of award will impact the dollars noted.)
- ERRP Monies Awarded to City by Federal Government - \$156,470.62.
- ERRP requires that the distribution of the funds must be awarded to participants by no later than December 31, 2013.

Based upon the aforementioned considerations, the actuary has determined that the total sum of \$178,819.90 would be necessary in order to award Active employees, Retirees and COBRA participants a premium holiday.

As noted previously, ERRP awarded the City \$156,470.62 resulting in a shortfall of \$22,349.28 necessary to award a one-time premium holiday to participants. Therefore, an estimated \$22,349.28, pursuant to the Aetna Health, Inc. Retrospective Agreement, is necessary to completely cover the cost of the City employees' required contribution for their health care benefits premium's second payment of December and to further reduce the health care benefit premiums for the City's retirees and COBRA participants by the same collar amount as the City's employees reductions for each benefit tier, for the premium due in January 2013.

7. IGA AMENDMENT: Maricopa County Department of Transportation Res. #4660

ADOPTED Resolution No. 4660, Amendment No. 1, to an Intergovernmental Agreement (IGA) with the Maricopa County Department of Transportation (MCDOT) for cost sharing for improvements to Ocotillo Road from Arizona Avenue to McQueen Road.

BACKGROUND/DISCUSSION

The City of Chandler is planning to construct the road improvements to Ocotillo Road from Arizona Avenue to McQueen Road in late fall of 2013. These improvements will result in a fully improved four lane roadway. The IGA approved in May 2012 defines the responsibilities of the City and MCDOT for the funding of the new construction and the ongoing operations, maintenance and annexations of the roadway. The City's jurisdictional control and operation and maintenance responsibilities begin with the start of the road construction. Until that time, significant portions of Ocotillo Road will remain under the jurisdiction of MCDOT.

The Municipal Utilities Department is currently constructing two pipelines in Ocotillo Road from the new Intel facility; one to the Airport Water Reclamation Plant and the other to McQueen Road. These two pipelines will be completed in early 2013. Because portions of this section of Ocotillo Road will remain under the jurisdiction of MCDOT until the roadway construction starts, MCDOT is requiring that this project provide a slurry backfill in the pipe trench and reconstruct their portions of Ocotillo Road to a permanent roadway cross-section. To avoid these construction requirements by MCDOT, this amendment to the IGA will define the start of these two pipeline

projects as the point when the City assumes jurisdictional control and operation and maintenance of this section of Ocotillo Road, thus saving the City approximately \$350,000.00.

FINANCIAL IMPLICATIONS

This amendment will not change any other provisions of the IGA. However, because the City is accepting jurisdictional control and operation and maintenance responsibilities for this section of Ocotillo Road earlier than originally anticipated in the IGA, some additional roadway maintenance costs may be incurred. These costs, if any, would be minimal and are included in the current Transportation Division's operations budget.

8. AGREEMENT ADDENDUM: Matrix Absence Management

APPROVED Agreement #HR1-95392988, addendum to the Services Agreement with Matrix Absence Management for Short Term Disability Income Benefits Plan Administrative Services to include the administration of the City's Family Medical Leave Program (FMLA) in an amount not to exceed \$50,000.00.

BACKGROUND/DISCUSSION

Matrix Absence Management currently assists the City in managing the Short Term Disability Income Benefit Program. They have extensive experience providing fully integrated disability programs and are one of the largest absence management vendors with a local office in Arizona.

With ever changing federal regulations pertaining to leave programs, it has become increasingly more difficult to manage and ascertain an employee's absence due to a medical leave involving a serious health condition and disability. Enabling Matrix Absence Management to assist the City in coordinating and administering the City's Family Medical Leave program (FMLA) will assist Human Resources in limiting liability and compliment the current leave programs provided to City employees.

Funding for the administration of the City's Family Medical Leave program was approved on June 14, 2012, by the Mayor and Council as part of the City of Chandler 2012-2013 Adopted Budget in the amount of \$45,000.00 per year and \$5,000.00 one-time implementation costs.

9. AGREEMENT AMENDMENT: Bowman Consulting Group Ltd.

APPROVED Agreement #TD2-925-3071, Amendment No. 1, with Bowman Consulting Group Ltd., for Civil Plan Review and City Planning Services to provide temporary professional services staffing in an amount not to exceed \$120,000.00.

BACKGROUND/DISCUSSION

The Department has budget authority to employ professional services as a workload response tool for extremes outside of expected staffing levels. A contract was entered into by City Manager authorization with Bowman Consulting Group for Civil Plan Review and City Planning services at an amount not to exceed \$30,000.00. Due to a vacancy in the Planning Division and the need to maintain service levels, a contract planner was provided by Bowman and has been assisting in the Division's workload. The contract revision and additional expenditure authorization will allow the continued use of the contractual services now that are expected to exceed the previously allowed \$30,000.00.

The vacancy in the Planning Division has been advertised and is currently in the application evaluation and interviewing process. The expectation as of now is that the position will be filled in

January 2013. Pending the actual start date of the new staff, this contract modification allows for the current staffing level to continue. The contract amount is currently at \$30,000.00 and those funds have been expended. This request is to establish the contract amount at \$120,000.00 for an increase of \$90,000.00 to continue the short-term staffing within the Planning Division and to reserve an amount not currently expected to be expended for additional on-call professional services within the Planning Division and Civil Plan review group should circumstances warrant. The need to fund the contract planner for two to three months is expected at approximately \$15,000.00 per month (\$30,000 - \$45,000). The balance of the contract amount (\$45,000 - \$60,000) will be a reserve amount to accommodate any unexpected staffing needs for the balance of the fiscal year.

10. PURCHASE: Network Equipment

APPROVED the purchase of network equipment from Nippon Electric Corporation (NEC), utilizing the City of Tempe contract, in an amount not to exceed \$71,600.00.

BACKGROUND/DISCUSSION

The City of Chandler Police Department's current vendor for wireless communications has not been meeting the needs of the Department due to several capacity issues. The Police Department has worked with the vendor to correct areas of need with little to no success.

Testing has been done and City IT has been consulted to find the best vendor to supply the needs of the Department within the current infrastructure and equipment to minimize costs. The Police Department has selected Verizon Wireless as the carrier that currently has the most robust service within the City and has a proven track record in working with other jurisdictions in the valley to meet Arizona Department of Public Safety and CJIS requirements.

The Mobile Data Center (MDC) is the center piece of all communication infrastructure that officers use in the field to perform their daily functions. These units must stay in contact with the central dispatch center via industry standard encrypted wireless communication technologies. The importance of these units properly working and communicating is critical enough that a failed MDC, in most cases, means the vehicle is pulled from service because of the significant threat to officer safety.

The communication between the mobile units and the station provide the officer in the field with capabilities for:

- Computer aided dispatch features
- Communication with dispatchers, emergency call takers and supervisors
- Access to many law enforcement information systems
- Ability to write reports and input RMS data
- City GIS information and maps
- Automatic vehicle location systems for emergency response
- Emergency notification systems for officer in trouble/backup assistance situations

The equipment needed is required to connect the City's internal police network to the secured Verizon provider and replaces the current equipment which is largely vendor supplied. The configuration proposed has been built to provide the City-standard 5 years of service with the current systems including the hardware to meet the CJIS security requirements.

