

# City of Glendale Council Workshop & Executive Session Agenda

## September 18, 2012 - 1:30 p.m.

Workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month - Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

### Welcome!

We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these "study" sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions. Members of the audience may also be asked by the Council to provide input.

### Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of the six electoral districts and are elected by the voters of their respective districts (see map on back).

### Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Avenue, Room B-3, lower level. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, [www.glendaleaz.com](http://www.glendaleaz.com).

### Executive Session Schedule

Council may convene in "Executive Session" to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. As provided by state statute, this session is closed to the public.

### Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, please call the City Manager's Office at (623) 930-2870.

If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8:00 a.m. - 5:00 p.m.

### Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

### Citizen Participation

The City Council does not take official action during workshop sessions; therefore, audience comments on agenda items are made only at the request of the presiding officer.



**\*\* For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930-2870 at least one business day prior to this meeting. TDD (623) 930-2197.**

**\*\* Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.**

### Councilmembers

Norma S. Alvarez - Ocotillo District  
H. Philip Lieberman - Cactus District  
Manuel D. Martinez - Cholla District  
Joyce V. Clark - Yucca District  
Yvonne J. Knaack - Barrel District



**MAYOR ELAINE M. SCRUGGS**

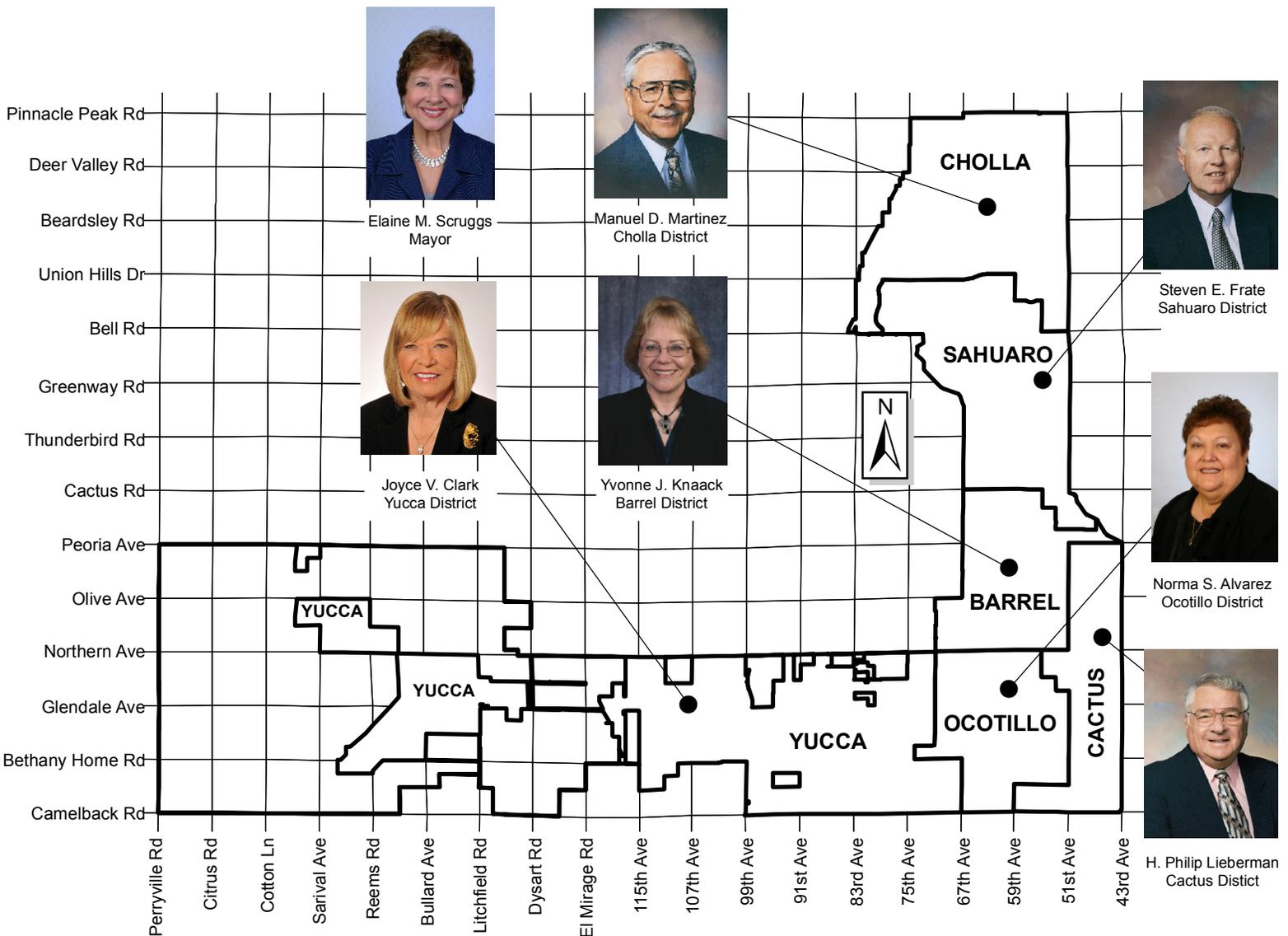
Vice Mayor Steven E. Frate - Sahuaro District

### Appointed City Staff

Horatio Skeete - Acting City Manager  
Craig Tindall - City Attorney  
Pamela Hanna - City Clerk  
Elizabeth Finn - City Judge



# Council District Boundaries





**GLENDALE CITY COUNCIL WORKSHOP SESSION**  
**Council Chambers - Workshop Room**  
**5850 West Glendale Avenue**  
**September 18, 2012**  
**1:30 p.m.**

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

**WORKSHOP SESSION**

1. **FEDERAL AVIATION ADMINISTRATION CORRECTIVE ACTION PLAN UPDATE**  
**PRESENTED BY:** Jamsheed Mehta, AICP, Executive Director, Transportation Services  
Walter Fix, A.A.E., Airport Administrator
2. **COMPENSATION PRESENTATION**  
**PRESENTED BY:** Jim Brown, Acting Human Resources Director
3. **CITY MANAGER UPDATE ON GLENDALE CENTERLINE AND THE SINE BUILDING**  
**PRESENTED BY:** Horatio Skeete, Acting City Manager

**CITY MANAGER'S REPORT**

**This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.**

**EXECUTIVE SESSION**

1. **LEGAL MATTERS**
  - A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale’s position in connection with agreements associated with the Arena and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))
- B. Discussion and consultation with the City Attorney and City Manager to consider its position and provide instruction/direction to the City Attorney and City Manager regarding Glendale’s position in connection with possible terms of a contractual agreement relating to a renewable energy project with Vieste at the Glendale Landfill located at 11480 West Glendale Avenue, which is the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

3. PERSONNEL MATTERS

- A. The City Council will meet with the Acting City Manager to discuss ongoing goals and expectations. (A.R.S. § 38-431.03(A)(1))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city’s attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city’s attorneys regarding the city’s position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

**Confidentiality**

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys’ fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,

  
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Horatio Skeete  
Acting City Manager



# CITY COUNCIL REPORT

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Meeting Date: **9/18/2012**  
Meeting Type: **Workshop**  
Title: **FEDERAL AVIATION ADMINISTRATION CORRECTIVE ACTION PLAN  
UPDATE**  
Staff Contact: **Jamsheed Mehta, AICP, Executive Director, Transportation Services**

## **Purpose and Policy Guidance**

The purpose of this presentation is to provide the City Council with an update on the Federal Aviation Administration's (FAA) Corrective Action Plan (CAP), an agreement made between the City of Glendale Transportation Services Department and the FAA after the Glendale Municipal Airport was found to be in violation of several federal grant assurances. Completion of all components of the CAP is required for the airport to continue to receive federal grant funding for airport projects. This presentation is for Council information only.

## **Background Summary**

On July 10, 2009, Valley Aviation Services (VAS) filed a Federal Aviation Regulation Part 16 complaint with the FAA against Glendale Municipal Airport. VAS claimed the city harmed its business operation and failed to uniformly enforce Airport Rules and Regulations.

After investigating the complaint, the FAA notified Glendale Municipal Airport on May 24, 2011, that it was in violation of several grant assurances. To address the violations and remain eligible for continued and future grant funding, the airport submitted a CAP to the FAA on June 23, 2011, and received approval from the FAA on September 6, 2011, to proceed as outlined in the CAP. Since that time, airport staff has worked diligently to address all violations.

Staff met with FAA officials at their Washington D.C. headquarters in May 2012, who were in agreement that the city has substantially completed all requirements outlined in the CAP. The FAA officials directed that all future reviews by the FAA would be referred to the Airport District Office compliance manager in Los Angeles, whom the airport administrator now communicates with on a regular basis.

Based on ongoing dialog with the FAA, staff is confident the FAA will send a CAP closeout letter that will place the status of the airport back into compliance with the federal grant assurances. The additional CAP recommendations, such as the update of the Airport Rules and Regulations and the Minimum Operating Standards, will be addressed separately, no later than March 2013.



# CITY COUNCIL REPORT

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## **Community Benefit/Public Involvement**

The Glendale Municipal Airport serves as a general aviation West Valley reliever for Sky Harbor International Airport and benefits the flying public and visitors from all over the country. Continuation of federal funding for airport projects must continue for the ongoing viability of the airport. For more information about Glendale Municipal Airport, please visit [www.glendaleaz.com/airport](http://www.glendaleaz.com/airport).

## **Budget and Financial Impacts**

The closeout of the CAP will ensure uninterrupted federal and state grant funding for all future airport projects. The 2009 Airport Master Plan capital program estimates the airport will be eligible for more than \$62 million in federal funding and approximately \$1 million in state funding over the next 20 years.

## **Attachments**

Staff Report

Other



## STAFF REPORT

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To: **Horatio Skeete, Acting City Manager**  
From: **Jamsheed Mehta, AICP, Executive Director, Transportation Services**  
Item Title: **FEDERAL AVIATION ADMINISTRATION CORRECTIVE ACTION PLAN UPDATE**  
Requested Council Meeting Date: **9/18/2012**  
Meeting Type: **Workshop**

### **PURPOSE**

The purpose of this item is to update the City Council on the status of the Glendale Municipal Airport's Corrective Action Plan (CAP) with the Federal Aviation Administration (FAA).

### **BACKGROUND**

On July 10, 2009, Valley Aviation Services (VAS) filed a Federal Aviation Regulation Part 16 complaint with the FAA against Glendale Municipal Airport. VAS claimed the city harmed its business operation and failed to uniformly enforce Airport Rules and Regulations.

On May 24, 2011, the FAA issued its case determination, which found the airport in violation of Grant Assurance 19 (nonaviation items and uses in airport hangars), Grant Assurance 29 (Airport Layout Plan, nonaeronautical leases on aeronautical land) and Grant Assurance 22 (economic nondiscrimination regarding #19 and the VAS hangar rate structure).

To address the violations and remain eligible for continued and future grant funding, the airport submitted a CAP to the FAA on June 23, 2011, which outlined a detailed plan and timeline for compliance with each of the six issues required to be addressed:

1. Identify all aeronautical land and facilities being used for nonaeronautical purposes.
2. Submit any proposed changes in use of aviation land from aeronautical to nonaeronautical to the FAA for interim use approval on the city's Airport Layout Plan (ALP).
3. Ensure aeronautical land and facilities being used for nonaeronautical purposes that is not approved for interim use is converted to aeronautical only use in a timely manner.
4. Provide a plan that demonstrates how the city will maintain an ongoing program to monitor the contents and use of hangars to ensure the safe and proper use of the airport and its facilities.

5. Provide a plan for ensuring all tenants and airport staff are aware of and abide by the 2004 Airport Rules and Regulations.
6. Provide a plan either to (a) cease imposing a rate structure for hangars and tie downs, or (b) determine reasonable hangar and tie down rates for all tenants renting or leasing to subtenants at the airport; in the interim, remove the imposed rate structure for VAS.

The FAA responded on September 6, 2011, with its approval to proceed as outlined in the CAP. In its approval letter, the FAA also strongly recommended the airport proceed with some additional actions that are not considered violations. The additional recommended actions included: 1) uniform enforcement of unauthorized commercial activity as it relates to tax and license obligations; and 2) revising Airport Rules and Regulations.

The first step the city took, as specified in the CAP, was sending a certified letter to VAS rescinding the city's January 14, 2009 written notice to restructure aircraft storage rates. This action addressed the Grant Assurance 22 violation.

The second and main component of the CAP is the aircraft storage inspection program. The city and legal team initiated a broad spectrum of communications with hangar tenants and associations, consisting of certified letters, public meetings, posting of information on the airport website and providing an opportunity for tenants to meet with the FAA compliance manager, all preceding the initial aircraft storage inspection phase of the CAP that began in August 2011. In addition, the airport administrator and staff have had face-to-face meetings, telephone conversations and email communications with hangar association representatives and airport users on a continuing basis.

The initial inspections of all 256 hangars and 110 shades were completed by the end of October 2011. Reinspections of 107 hangars for overall aeronautical storage compliance were completed in December 2011. Currently, 12 hangars owned by six individuals are still noncompliant with Airport Rules and Regulations due to either storage of nonaeronautical items or the owners' refusal to allow reinspection.

Airport staff received and forwarded to all hangar association representatives a letter from the FAA that explains what items are permitted to be stored in aircraft hangars. This communication was used to substantiate any separate enforcement actions that will need to be taken with those still not in aeronautical compliance. The anticipated enforcement actions are being carefully developed with the City Attorney's Office to comply with Airport Rules and Regulations and also expectations with the FAA for compliance with Grant Assurance 19.

The CAP also commits Glendale to set up a procedure for regular safety and compliance inspections and to ensure continued appropriate use of hangars at the airport. The FAA has approved Glendale's Ongoing Inspection Program that consists of: 1) scheduled annual inspections of all airport hangars; 2) random inspections of a sampling of airport hangars, and 3) inspections based on a reasonable belief that a tenant or subtenant is using airport land in noncompliance with the Airport Rules and Regulations or any grant assurance obligations. The next annual inspection of all airport hangars will occur between October 1 and November 15,

2012. Airport staff will provide significant advance notice to all tenants and hangar occupants to schedule the annual inspections.

To correct the third Grant Assurance violation, the airport and the FAA identified two entities depicted on the Airport Layout Plan (ALP) which, by FAA regulations, require a higher rate of compensation to the airport because they are both located on property designated for aeronautical use. The two entities are the City of Glendale Engineering Department Materials Testing Laboratory (Materials Lab), and the Arizona Public Service Solar-Powered Generating Facility (Solar Facility).

The FAA requires the city to obtain fair market value (FMV) lease rates for the existing Solar Facility land lease and to create a FMV rate of payment to the airport for the Materials Lab space adjacent to the airport equipment storage garage.

The 20-year Solar Facility lease from 1999 has APS paying the airport \$10.00 per year. The Engineering Department has not compensated the airport since relocating the Materials Lab there in 1999. For the Materials Lab, the FAA approved a proposed FMV rate based on comparable industrial space. The airport will need to collect \$17,543 per year from Public Works for future use of leasable space. The airport has also contacted APS representatives in order to prepare for the modification of their existing land lease once an FMV appraisal is submitted to and approved by the FAA.

### **Additional CAP Action Items**

In addition to the ALP property leases and compensation, an airport policy stakeholder committee was formed in April 2012, in order to produce draft revisions of Airport Rules and Regulations, Minimum Operating Standards and a new Airport Leasing Policy. This committee meets on a weekly basis and has submitted the revised Airport Rules and Regulations and the Minimum Operating Standards to the FAA for review. We are confident that all three documents will be reviewed by the FAA, circulated for airport tenant comments, presented at a future City Council workshop and scheduled on a City Council voting agenda no later than March 2013.

The final additional CAP item addresses commercial activities and inconsistent adherence to city tax and licensing laws within some of the aircraft hangars. In February 2012, the airport and Tax and License Division staff teamed up and sent letters to all hangar association representatives explaining tax and license obligations for those individuals who rent or lease their hangars. Both departments and City Manager's Office staff have worked together to resolve this issue with the hangar associations and individual hangar customers. A meeting was held at the airport with hangar association representatives to explain the tax and license obligations, process and answer any questions they had. The Tax and License Office initially sent 23 letters to individuals that records indicated were renting or leasing hangars. This action has already brought positive results. As indicated by the Tax and License Manager, as of mid-June 2012, a total of 27 business licenses, existing and new, have been issued to individuals or associations who rent hangars.

## **CAP Status with the FAA**

On May 10, 2012, staff met with the FAA airport compliance manager at the FAA headquarters in Washington, D.C. The compliance manager was in agreement with the proposed CAP task timeline and commended the airport team on efforts toward compliance that had been accomplished.

During the meeting, the compliance manager stated the remaining ongoing CAP issues were to be referred from FAA Headquarters in Washington, D.C. to the Los Angeles Airport District Office (ADO). The city's airport administrator communicates on a regular basis with the ADO compliance manager, moving forward to receive a final closeout letter that will place the airport back into full compliance with FAA Grant Assurances.

The FAA has the prerogative of when to advise the airport of substantial completion of the CAP and send a closeout letter. With the hangar inspection program in place and airport policies being revised, the remaining item lacking substantial completion is the FAA's approval of our proposed fair market lease rates for the APS Solar Farm and the Materials Lab.

## **FISCAL IMPACTS**

The closeout of the CAP will ensure uninterrupted federal and state grant funding for all future airport projects. The 2009 Airport Master Plan capital program estimates the airport will be eligible for more than \$62 million in federal funding and approximately \$1 million in state funding over the next 20 years.



**TO** Randall S. Fiertz  
Director, Office of Airport Compliance and Management Analysis

**FROM** Jamsheed Mehta, Executive Director, Transportation Services

**DATE** June 23, 2011

**By Electronic Mail**

**SUBJECT** **Corrective Action Plan in Connection with Director's Determination for Docket No. 16-09-06**

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## I. Introduction

On May 24, 2011, the FAA issued the Director's Determination ("the Determination") for the Part 16 Complaint (FAA Docket No. 16-09-06) filed by Valley Aviation Services ("VAS") against the City of Glendale ("the City") relating to the Glendale Municipal Airport ("the Airport"). In the Determination, the FAA found the City in violation of the following three FAA airport grant assurance obligations:

- Violation of Grant Assurance 19, Operation and Maintenance, by allowing nonaeronautical use of airport hangars for storing non-aviation items and for operating non-aviation related industries, thereby causing or permitting an activity or action that interferes with the Airport's use for airport purposes.
- Violation of Grant Assurance 29, Airport Layout Plan, since the current ALP does not correctly reflect the current nonaeronautical uses of Airport hangars for storing non-aviation items and for operating non-aviation related industries.
- Violation of Grant Assurance 22, Economic Nondiscrimination, by:
  - a. Failing to apply the Airport Rules and Regulations consistently among similarly-situated tenants storing nonaeronautical vehicles equipment in hangars and storing disabled aircraft on the Airport.
  - b. Imposing rental rates on VAS using a flawed appraisal and without considering other tenant rental rates on the Airport. The Determination made no finding regarding whether either the Airport's rate structure or VAS's rate structure was appropriate.

Based on those findings, the FAA ordered the City to submit a Corrective Action Plan ("CAP") within thirty days of the date of the Determination (i.e., no later than June 23, 2011). The

FAA required the CAP to address six issues:

1. Identify all aeronautical land and facilities being used for nonaeronautical purposes.
2. Submit any proposed changes in use of aviation land from aeronautical to nonaeronautical to the FAA for interim use approval on the City's ALP.
3. Ensure aeronautical land and facilities being used for nonaeronautical purposes that is not approved for interim use is converted to aeronautical only use in a timely manner.
4. Provide a plan that demonstrates how the City will maintain an ongoing program to monitor the contents and use of hangars to ensure the safe and proper use of the Airport and its facilities.
5. Provide a plan for ensuring all tenants and Airport staff are aware of and abide by the 2004 Airport Rules and Regulations.
6. Provide a plan either to (a) cease imposing a rate structure for hangars and tiedowns, or (b) determine reasonable hangar and tie-down rates for all tenants renting or leasing to subtenants at the Airport; in the interim, remove the imposed rate structure for VAS.

## II. The City of Glendale's Proposed Corrective Action Plan

The City proposes the following CAP, broken down by FAA issue:

### **FAA Issue No. 1: Identify all aeronautical land and facilities being used for nonaeronautical purposes.**

The City will work with the Glendale Airport Pilots Association ("GAPA"), existing Hangar Associations, Airport tenants and subtenants, and other appropriate interested parties to schedule and conduct inspections of all Airport hangars, shades, tiedowns, and other facilities in a professional manner to identify whether current uses are consistent with the City's FAA airport grant assurance obligations and the 2004 Airport Rules and Regulations ("the Initial Inspection Program"). To the extent that significant questions regarding FAA airport grant assurance obligations requirements arise during the development and implementation of the Initial Inspection Program, the City intends to work closely with appropriate FAA officials to clarify these obligations so that all tenants and subtenants are fully informed of the FAA's and the City's expectations.

The Initial Inspection Program will include the following steps and milestone dates:

**-By July 1, 2011.** The City will discuss with the Los Angeles Airports District Office ("ADO") the content and format of the Initial Inspections.

**-By July 15, 2011.** Based on its discussions with the Los Angeles ADO, the City will establish a written Initial Inspection Protocol to be followed in each Initial Inspection.

**-Between July 1 and July 15, 2011.** The City will communicate with all tenants and subtenants so that they are aware of the City's insistence that all tenants and subtenants

comply with the 2004 Airport Rules and Regulations ("Rules and Regulations"), and so that they have a copy of those Rules and Regulations. The City will make available to tenants and subtenants a hard copy of the Rules and Regulations in the Airport office, and an electronic copy via the Airport's website.

**-By July 15, 2011.** The City will also send by certified mail to all tenants and subtenants a packet containing a hard copy of the Rules and Regulations, along with a Notice explaining the City's insistence that all tenants and subtenants comply with the Rules and Regulations, the requirement for all tenants and subtenants to achieve full compliance with the Rules and Regulations by December 1, 2011, and a timetable for the City's compliance, Initial Inspection, and enforcement programs. The packet will also contain a signature sheet that the tenants and subtenants will be asked to sign, date, and return to the Airport Administration office, acknowledging that they have received and understand the Rules and Regulations. The Notice will mention that while the Airport is willing to provide a brief grace period for the tenants and subtenants to transition into compliance, the City will expect full compliance no later than December 1, 2011. The Notice will mention that the City will be conducting an Initial Inspection of each tenant and subtenant between August 15 and September 30, 2011, and will request all tenants and subtenants to submit to the City by August 1, 2011 (a) the tenant or subtenant's plan for achieving full compliance by December 1, 2011, including a timetable for interim steps toward compliance, and (b) suggested weekday dates between August 15 and September 30, 2011, when the tenant or subtenant would like to have its Initial Inspection conducted.

**-By August 1, 2011.** The tenants and subtenants will submit their compliance plans and their preferred dates for the Initial Inspection.

**-Between August 1 and September 1, 2011.** The City will schedule and hold one or more meetings with tenants, subtenants, and Airport staff at which the City's insistence that all tenants achieve compliance with the Rules and Regulations, the requirement for all tenants and subtenants to achieve full compliance with the Rules and Regulations by December 1, 2011, the Initial Inspection Program, and the plan for an ongoing inspection and enforcement program will be discussed. The City's goal is to ensure that the tenants, subtenants, and Airport staff fully understand the Rules and Regulations, the plans for both the Initial and ongoing inspections, and the need for full compliance with the Rules and Regulations by December 1, 2011.

**-Between August 15 and September 30, 2011.** The City will conduct the Initial Inspections of all tenants and subtenants between August 15 and September 30, 2011; provided, however, that if, despite the best efforts of the City, the Initial Inspections have not been completed by September 30, 2011, the following arrangement will apply. The City will submit to the FAA a list of the tenants and subtenants who will not have received their Initial Inspections by September 30, 2011, an explanation of why those tenants and subtenants have not yet received their Initial Inspection, and a certification by the City that good cause exists for the City's not having completed the Initial Inspections of all tenants and subtenants. If the FAA agrees that such good cause exists, the FAA will not unreasonably withhold an extension so that the City will have until October 31, 2011 for the completion of the Initial Inspections of those tenants and subtenants.

**-Between September 30 and October 31, 2011.** The City will provide a notification of non-compliance to tenants and subtenants who are determined to have non-compliant uses.

**-By October 31, 2011.** The City will develop and provide to the FAA a report identifying all aeronautical land and facilities that are currently being used for nonaeronautical purposes. Included in the report will be a summary of all Airport land uses, identifying both aeronautical and nonaeronautical uses.

**-December 1, 2011.** The grace period for transitioning into compliance will expire, and the City will commence full enforcement of the Rules and Regulations.

**FAA Issue No. 2: Submit any proposed changes in use of aviation land from aeronautical to nonaeronautical to the FAA for interim use approval on the City's ALP.**

The City does not intend to propose any changes in use of aviation land from aeronautical to nonaeronautical to the FAA for interim use approval on the City's ALP. However, in the event that the Initial Inspection Program reveals nonaeronautical uses that would be necessary or beneficial to continue on an interim basis, the City will request any such change **on or before December 1, 2011**, and will include in such request, for FAA approval, suggested terms and conditions under which the nonaeronautical use would be permitted to continue on a temporary basis, including the deadline by which the nonaeronautical use must cease. The submission of any such request by the City will not prejudice the City's right to submit to the FAA, at any time, a request for formal FAA approval of a proposed change in the ALP with respect to the designation of Airport land or facilities as either aeronautical use or nonaeronautical use.

The City intends to ensure that the Airport continues to develop as a superior airport, meeting the needs of the local general aviation community as well as providing quality aviation-related services consistent with market demand and the City's economic development goals. In this regard, it is the City's intention that Airport land and facilities be designated indefinitely as either aeronautical or nonaeronautical, and the City does not intend to create intermittent nonaeronautical uses of Airport land or facilities.

**FAA Issue No. 3: Ensure aeronautical land and facilities that currently are being used for nonaeronautical purposes, and that the FAA has not approved for interim nonaeronautical use, are converted to aeronautical only use in a timely manner.**

Upon completion of the Initial Inspection Program, a review of current Airport tenant leases, and an assessment of the impacts of any nonaeronautical uses on current Airport operations and requirements, the City will develop a specific plan and timetable for cessation of any nonaeronautical uses of Airport land or facilities designated as aeronautical on the ALP, and will submit that plan to the FAA **no later than December 1, 2011** for FAA review and approval.

**FAA Issue No. 4: Provide a plan that demonstrates how the City will maintain an ongoing program to monitor the contents and use of hangars to ensure the safe and proper use of the Airport and its facilities.**

In addition to the Initial Inspection Program, the City will establish a procedure for conducting regular safety and compliance inspections that will ensure continued appropriate use of Airport hangars ("the Ongoing Inspection Program"). The Ongoing Inspection Program will include: (i) planned, periodic annual inspections of all Airport hangars, (ii) additional unplanned inspections of a random sampling of hangars per calendar quarter, and (iii) a program for specific unplanned hangar inspections where there is a reasonable belief that a tenant or subtenant is using Airport land for nonaeronautical purposes. The City will provide to the FAA its plan regarding the Ongoing Inspection Program **by October 3**, immediately following the completion of the Initial Inspection Program, unless the City seeks, and the FAA grants, an extension of that date.

**FAA Issue No. 5: Provide a plan for ensuring all tenants and Airport staff are aware of and abide by the 2004 Airport Rules and Regulations.**

As noted under FAA Issue No. 1, between July 1 and October 31, 2011, the City will engage in an aggressive educational and inspection program aimed at ensuring that all tenants, subtenants, and Airport staff are aware of, and abide by, the 2004 Airport Rules and Regulations.

While the City will be providing a grace period for tenants and subtenants to transition to compliance with the Rules and Regulations, upon the expiration of that grace period **on December 1, 2011**, the City will fully and uniformly enforce those Rules and Regulations.

As noted above, the Initial Inspection Program will be based on the FAA airport grant assurance obligations and the 2004 version of the Airport Rules and Regulations. The City wants to point out that it will work with the Airport's tenants to review and revise the 2004 Airport Rules and Regulations to determine what changes should be made in order to clarify those rules and regulations and make them more consistent with the FAA's guidance contained in the current version of the FAA's Airport Compliance Manual, FAA Order 5190.6B. Any proposed modifications to the 2004 Airport Rules and Regulations will be submitted to the FAA for the FAA's review and approval. The City intends to complete its review and update of the Airport Rules and Regulations **by June 30, 2012**.

**FAA Issue No. 6: Provide a plan either to (a) cease imposing a rate structure for hangars and tiedowns, or (b) determine reasonable hangar and tie-down rates for all tenants renting or leasing to subtenants at the Airport; in the interim, remove the imposed rate structure for VAS.**

The City will immediately remove the imposed rate structure for VAS, and commits to not instituting any further mandates related to rates charged by tenants unless: (i) those mandated rates are supported by a thorough and accurate analysis of rates charged by all Airport tenants, and (ii) those mandated rates are first discussed with the FAA and the FAA agrees that imposition of the mandated rates is consistent with the City's FAA airport grant assurance obligations.



# CITY COUNCIL REPORT

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Meeting Date: **9/18/2012**  
Meeting Type: **WORKSHOP**  
Title: **COMPENSATION PRESENTATION**  
Staff Contact: **Jim Brown, Acting Human Resources Director**

## **Purpose and Policy Guidance**

This presentation to review the Human Resources compensation policy and procedures is being made at the request of Council. The purpose of this presentation is to develop an understanding of our current compensation practices.

## **Background Summary**

At the April 3, 2012 cost of services budget workshop conducted with the City Council, staff was directed to provide a workshop in September of this year to discuss with the Mayor and Council the city's current compensation practices.

## **Previous Related Council Action**

In 1999, the Mayor and Council approved a comprehensive study of the city's compensation structure to determine if the city's pay structure ensured a level of competitiveness in attracting and retaining key talent. Watson Wyatt, a compensation consultant, was retained to conduct this study and the Mayor appointed a Compensation Task Force to review Watson Wyatt's findings. The committee agreed with the following recommendations which were presented to the Mayor and Council in March, 2002:

- Shift to Market Pay Focus
- Develop Step Rate System for Public Safety
- Introduce New Merit Pay Approach
- Add Incentive Pay
- Modify Employee Benefits

In 2003, Human Resources recommended to the Mayor and City Council that they adopt the recommended total compensation approach to address the organization's pay and benefits programs.



# CITY COUNCIL REPORT

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## **Community Benefit/Public Involvement**

Attracting and retaining a highly skilled and qualified workforce insures quality services for the betterment of our community.

## **Attachments**

Staff Report



## STAFF REPORT

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To: **Horatio Skeete, Acting City Manager**  
From: **Jim Brown, Acting Human Resources Director**  
Item Title: **COMPENSATION PRESENTATION**  
Requested Council Meeting Date: **9/18/2012**  
Meeting Type: **Workshop**

### **PURPOSE**

The purpose of this presentation is to review the Human Resources compensation policy and procedures per the request of City Council at the April 3, 2012 Budget Workshop meeting. The information provided will assist in further developing Council and the public's understanding of the city's current compensation practice.

### **BACKGROUND**

In 1999, the Mayor and Council approved a comprehensive study of the city's compensation program to determine if the city's pay structure ensured a level of competitiveness in attracting and retaining key talent. Watson Wyatt, a compensation consultant, was retained to conduct this study and the Mayor appointed a Compensation Task Force to review Watson Wyatt's findings. The Task Force agreed with the following recommendations which were presented to the Mayor and Council in March, 2002:

- Shift to Market Pay Focus
- Introduce New Merit Pay Approach
- Develop Step Rate System for Public Safety
- Add Incentive Pay
- Modify Employee Benefits

In 2003, Human Resources recommended to the Mayor and Council that they adopt the recommended total compensation approach to address the organization's pay and benefits programs.

### **ANALYSIS**

In the City's current compensation program, there are three ways in which city wide pay increases can be given to employees. Those are as follows:

*Market* – The city’s current compensation program is a market focused plan. A market focused plan does not require any C.O.L.A. (Cost of Living Adjustment) but it does require benchmarking to be established and monitored to ensure the pay plan is competitive with cities competing for our workforce. Cities identified as our benchmarks (or market) are as follows:

- Avondale
- Chandler
- Goodyear
- Surprise
- Tempe
- Peoria
- Goodyear
- Mesa
- Tucson
- Gilbert
- Phoenix

The Human Resources Department conducts a market study on an annual basis comparing our pay ranges with pay ranges for comparable jobs in our benchmark cities. Our practice has been to be within (plus or minus) 5% of the average of the salary ranges reviewed. In the past, overall market adjustments have been made to allow employees to maintain their position within their pay range as the range in the market went up and helped the city stay competitive with the market in order to prevent an increase in employee turnover. There have been no overall market adjustments given to our employees since 2007.

*Merit* – The City’s current compensation program is also a pay for performance plan. This type of plan rewards employees with a pay increase based on their merit, or performance on the job. Performance goals are set annually by both supervisors and their employees and based on the accomplishments of those goals employees can receive a merit increase. There have been no merit increases given to our employees since 2008.

*Step Plan* – The City’s Public Safety represented employees are currently on a separate compensation plan from the non represented city employees. These employees are on a step plan. Market studies are also done with the benchmark cities to determine competitiveness in pay for public safety step plans. Both Police and Fire represented employees can move through their step plans in 5% increments (or steps) based on approval of their negotiated MOUs. Step increases were approved for this fiscal year.

There are also processes through which employees can receive additional pay on an individual basis. Those are as follows:

*Promotions* – A promotion occurs within the organization when there is a vacancy and a competitive recruitment is conducted, if a current City employee is successful in the recruitment and the position applied for is a higher level classification than what the employee is currently in, he/she may receive a promotional pay increase. Promotional opportunities have been occurring in the organization on an ongoing basis.

*Assignment Pay* – Assignment pay can occur in two ways; 1) if a vacancy occurs in a higher level classification than what an employee is currently in and they are asked to take on those higher level duties on a temporary basis until the position can be filled; 2) if an employee is asked to take on a special project for a period of time in addition to the existing duties in their current classification. Assignment pay is temporary and an employee can receive 5% assignment pay for non senior management level responsibilities and 10% for senior level management responsibilities.

*Equity Adjustments* – Equity adjustments may be given to an employee for the following reasons; 1) an employee's job has changed to include higher level duties and responsibilities, this position has been changed to a higher classification and the employee has been given a pay adjustment (equity adjustment) to pay them commensurately with the duties they are performing and to bring their salary in line with other employees having similar, high level duties and responsibilities; 2) a supervisor is found to be making the same or less than the employees he/she supervises and an equity adjustment is given to correct the issue; 3) a newly hired employee is brought into the organization at a higher rate of pay than current employees with similar experience and skills also in the same job and an equity adjustment is given to bring the incumbents up to a pay that is equal to the newly hired employee. We no longer bring employees in at a higher rate than existing employees in the same classification so scenario #3 will no longer occur.

Other types of pay offered through either the City's compensation program or MOU agreements are:

- Stand-by Pay – offered to non exempt employees who must be ready to report to work if called. Stand-by pay is paid at a rate of \$2 per hour.
- Shift Differential Pay – offered to non exempt employees required to work with at least 50% of work hours occurring between 4 p.m. and 8 a.m. Shift differential pay can be up to 60 cents per hour additional pay.
- Bilingual Pay – offered to both exempt or non exempt employees who are required to use their bilingual skills to assist with City services. Bilingual pay can be up to \$35.38 for non-represented employees and up to \$70.00 per pay period for some represented employees.
- Uniform Allowance – offered to employees who are required to wear a uniform on the job. Uniform allowances vary by department.
- Stability Pay – only offered to employees hired prior to May 1, 1992 and is \$800 annually.
- Specialty Pay – offered to represented Public Safety employees and pay varies between the Police and Fire departments.
- Retention/Succession Pay – offered to represented Public Safety employees for purposes of retaining employees long term. Pay varies between Police and Fire.



# CITY COUNCIL REPORT

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Meeting Date: **9/18/2012**  
Meeting Type: **Workshop**  
Title: **CITY MANAGER UPDATE ON GLENDALE CENTERLINE AND THE SINE BUILDING**  
Staff Contact: **Horatio Skeete, Acting City Manager**

## **Purpose and Policy Guidance**

This is an opportunity for the Acting City Manager to provide an update regarding the Glendale Centerline and the city-owned Sine Building.

This is for Council information only. The Acting City Manager and staff are available to answer any questions regarding the information provided.

## **Background Summary**

**Glendale Centerline** – Since the City Council adopted the Glendale Centerline Overlay District in June 2011, the city has been working with property owners, business owners and design consultants on several new development projects and initiatives. This includes the following types of projects: a) Repurposing of existing commercial buildings; b) Construction of new commercial buildings from the ground up and c) Redevelopment/remodeling of existing commercial and residential buildings. Nine projects have been approved and two of the nine have been completed. The two completed projects are:

- Jivemind - This new business is leasing the former Bead Museum building and offers creative services relative to the music and recording industry. Staff has met with the architect, construction plans have been approved and the business is now open.
- Blue Myrtle House – A two story commercial building that the owner plans to operate as a farmers market combined with other retail that compliments the Glendale Centerline. Plans have been approved and the project is completed. The owner plans to be open for business by fall 2012.

**Sine Building** - The city has been working with Glendale Community College (GCC) for the past three years to bring a one of a kind consortium of small business assistance programs to the Sine Building. GCC will lease the building at no cost to house these programs that will provide a wide variety of business assistance to both existing small companies, as well as entrepreneurs wanting to start their own companies.



# CITY COUNCIL REPORT

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Core offerings include:

- Business Service Center including: virtual office incubator to provide technical assistance and training, along with shared space for office, meeting, clerical and other support services;
- Maricopa Community College Job and Career Counseling Services/Program;
- Workforce Development and other community college program coordination;
- Manufacturing Extension Partnership;
- Small Business Development Center Offices; and
- Statewide headquarters of the Procurement Technical Assistance Center.

## **Attachments**

None