

APPROVED MAY 17,2023



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING**

**Scottsdale Airport Aviation Business Center
Stearman/Thunderbird Meeting Room
15000 N. Airport Drive
Scottsdale, Arizona
Wednesday, April 19, 2023**

MINUTES

PRESENT: Charles McDermott, Chair
Peter Mier, Vice Chair
Larry Bernosky
Ken Casey
Michael Goode
David Reid
John Spalj

STAFF: Gary Mascaro, Aviation Director
Carmen Williams, Aviation Finance & Administration Manager
Sarah Ferrara, Aviation Planning & Outreach Coordinator
Chris Read, Assistant Aviation Director-Operations

GUESTS: Rickie Ramey, Turbine Engine Specialists
Paul Woodford, Legacy Jets
Alex Day, Detail Boys, LLC

CALL TO ORDER

The meeting was called to order at 5:01 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director, briefed the Commission on the April 18, 2023, City Council meeting. During the City Manager's report, Airport staff showcased the Airport's emergency drill video and preparedness details. In addition, the Aviation Department's contracted engineer presented the result of the Airport's sustainability efforts while completing airfield projects at the Airport.

1. Regular Meeting: October 26, 2022

COMMISSIONER CASEY MADE A MOTION TO APPROVE THE REGULAR MEETING MINUTES OF MARCH 15, 2023, AS PRESENTED. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, REID AND SPALJ VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

PUBLIC COMMENT

There were no public comments.

REGULAR AGENDA ITEMS 1-10

1. Discussion and possible action regarding application for Airport Aeronautical Business Permit for Turbine Engine Specialists, Inc., to conduct aircraft maintenance and repair services at Scottsdale Airport

Carmen Williams, Aviation Finance & Administration Manager, provided an overview of the Fort Worth based company which has acquired office space at the Atlantic Aviation building. They have met all requirements of the permit. Program Director, Rickie Ramey, was present representing the company. Mr. Ramey gave a brief history of the company and an overview of operations. The company currently has 23 technicians and operates nationwide, with plans for expansion to Europe.

COMMISSIONER CASEY MADE A MOTION TO APPROVE THE APPLICATION FOR AN AIRPORT AERONAUTICAL BUSINESS PERMIT FOR TURBINE ENGINE SPECIALISTS, INC., TO CONDUCT AIRCRAFT MAINTENANCE AND REPAIR SERVICES AT SCOTTSDALE AIRPORT. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, REID AND SPALJ VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

2. Discussion and possible action regarding application for Airport Aeronautical Business Permit for Legacy Jets to conduct aircraft charter/management services at the Scottsdale Airpark

Ms. Williams stated that Legacy will be conducting charter operations with an Eclipse EA500 aircraft based at Southwest Jet Center. They have acquired office and hangar space. They have met all the requirements of the permit. Owner, Paul Woodford, was present representing the

company and discussed plans to add aircraft to operations. In response to a question from Commissioner Bernosky, Mr. Woodford stated that the business primarily conducts charter services.

VICE CHAIR MIER MADE A MOTION TO APPROVE THE APPLICATION FOR AN AIRPORT AERONAUTICAL BUSINESS PERMIT FOR LEGACY JETS TO CONDUCT AIRCRAFT CHARTER/MANAGEMENT SERVICES AT SCOTTSDALE AIRPARK. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, REID AND SPALJ VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Discussion and possible action regarding application for Airport Aeronautical Business Permit for Detail Boys, LLC to conduct mobile aircraft washing services at the Scottsdale Airport

Ms. Williams stated that the company is based in Scottsdale and have met the requirements of the permit. Owner, Alex Day, was present to answer any questions. Mr. Day responded to questions regarding operations involved in the dry washing process.

VICE CHAIR MIER MADE A MOTION TO APPROVE THE APPLICATION FOR AN AIRPORT AERONAUTICAL BUSINESS PERMIT FOR DETAIL BOYS, LLC, TO CONDUCT AIRCRAFT MOBILE WASHING SERVICES AT SCOTTSDALE AIRPORT. COMMISSIONER CASEY SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, REID AND SPALJ VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

4. Discussion and possible action regarding application for Airport Aeronautical Business Permit for Aviation.One Jet Maintenance, LLC, to conduct aircraft maintenance and repair services at the Scottsdale Airport

Ms. Williams stated that in addition to performing aircraft maintenance and repair services, the company performed AOG maintenance on all types of aircraft. They have met the requirements of the permit and have acquired space at Signature Private Hangars. Robert Archer, Director of Maintenance, was present representing the company. Mr. Archer stated that the company is based out of Falcon Field. They plan on servicing 135 customers and specialize in large cabin aircraft.

COMMISSIONER CASEY MADE A MOTION TO APPROVE THE APPLICATION FOR AN AIRPORT AERONAUTICAL BUSINESS PERMIT FOR AVIATION.ONE JET MAINTENANCE TO CONDUCT AIRCRAFT MAINTENANCE AND REPAIR SERVICES AT SCOTTSDALE AIRPORT. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, REID AND SPALJ VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

5. Discussion and input regarding Monthly Operations Report

Chris Read, Assistant Aviation Director-Operations, reported that based aircraft total 409, compared with 465 last year. Operations are down 8 percent overall. IFR operations year to date

are down by 13.1 percent. There were two Alert 2s and one Alert 3 for the period. The Alert 3 involved collapsed nose gear on a Beech 58 during landing. One of the enforcement actions involved a fuel spill. When a fueler causes a spill while fueling, this becomes both an incident as well as an enforcement action. Revenue for U.S. Customs was \$126,825, 218 uses and 24 U.S. visits. Revenue for fiscal year to date is \$896,550 compared to \$848,000 for the same period last year. Uses for March were decreased compared with last year, however overall uses are up fiscal year to date. There were 46 PPRs for the calendar year.

Commissioner Casey noted the decrease in based aircraft, commenting that there is more hangar space available at local airfields than in previous years. Mr. Mascaro added that based aircraft are trending larger, which means fewer aircraft will fit in the hangar space.

6. Discussion and input regarding Airport and Airpark Aeronautical Business Permit additions, revocations and cancellations

Ms. Williams referenced the Commission packets for the latest updates, which includes the four permits included on today's agenda. There were no cancellations for the month.

7. Discussion and input regarding the proposed Aviation Enterprise Fund Five-Year Financial Plan for FY23/24-FY27/28.

Ms. Williams presented the five-year plan, noting that the Airport is a city enterprise fund, meaning that it generates revenues to cover its own expenses. She provided an overview of the planning timeline and process. The five-year plan has been submitted to City Council for consideration. Any significant changes that ensue during the process will be reviewed with the Commission. The proposed operating expenses budget is \$3.91 million, representing a 5.8 percent increase over the current fiscal year, primarily due to out of budget items, such as increased U.S. Customs labor fees and contractual service fees. A one-time replacement of 18 security cameras is included. There are no changes to full-time staff. Debt service for the Aviation Business Center started in 2017 and is \$1.7 million each year for 20 years.

Commissioner Reid asked for clarification on out of budget items. Ms. Williams stated that the target budget looks at current years and takes out one-time purchases. Exceeding the target budget is referred to as an out of budget package. Funding from out of budget items also comes from revenues generated by operations.

Ms. Williams reviewed revenues, noting a 17.3 percent overall increase for next year with a total budget of \$9.7 million. For the five-year forecast, increases are derived from several areas, including jet fuel sales tax, FBO and Airpark fuel flowage, transient parking, fixed revenues, customs activity, and permit fees.

Commissioner Goode asked about increasing the fuel flowage fee of 10 cents per gallon. Ms. Williams stated that the rate was increased approximately three years ago from 8 cents. Mr. Mascaro stated that the FAA asks airports to run like a business, which is why the Airport is an enterprise fund within the City. One of the rules is that the enterprise charges fees to cover costs. The goal is not to make a profit, but to cover costs over the term.

In response to a question from Commissioner Reid, Ms. Williams stated that the FBOs set their own fuel prices.

Ms. Williams noted that there are no proposed changes to rates and fees this year. The top three categories for revenues in Fiscal Year 2021/2022 were tenant rents, Airport/Airpark fuel and U.S. Customs fees. Overall, positive revenues are projected for the five-year planning period, with revenues covering all expenses in the capital program as well as any planned large purchases. The Airport continues to build up a healthy reserve fund. Potential upcoming capital projects include the parking lot project and land purchases.

In response to a question from Commissioner Bernosky, Mr. Mascaro stated that the Airport is essentially maxed in terms of total land for operations. However, the capital improvement program does include a request for master planning. With the purchase of a ten-acre parcel in the Airpark, there is the potential for approximately 125,000 to 150,000 square feet of additional hangar space.

Commissioner Reid noted the rising costs in employee compensation and asked about methods for evaluation in this regard. Mr. Mascaro stated that employee compensation falls under the purview of the City Manager. The City Manager has a record of being very supportive of existing staff and will be completing a third comp study to evaluate all positions.

Ms. Williams gave a budget timeline. The budget was released on April 4th and presented to City Council last evening. Tentative adoption is scheduled for May 16th with final adoption June 13th. The new fiscal year begins on July 1st. It is notable that the Airport has been self-sufficient for over 20 years.

8. Discussion and input regarding Monthly Financial Report for February

Ms. Williams stated that the approved budget for revenues was \$5.1 million with actuals at \$6.1 million. Expenses were \$1.9 million with actuals on track at \$3,000 under budget. Compared to the period last year, revenues are up approximately \$4,000 with expenses lower by \$83,000. The Aviation Cash Balance was \$8.4 million as of February 28th. Fuel flowage is 5.7 percent higher than the same period last year. FBOs accounted for 75.2 percent of total fuel, AVGAS was 2.5 percent and Airpark operators were 22.4 percent.

9. Discussion and input regarding Quarterly Noise Complaint Summary Report

There was a total of 11 staff callbacks and 1 email for the quarter. There were 42 total complainants with 12 new for the quarter. For the quarter, there were 473 complaints, compared with 321 last year. A review of the aircraft noise complaint map was provided. It is notable that a single complainant was the source of 253 complaints.

10. Discussion and input regarding Public Outreach Programs and Planning Projects

Serra Ferrara, Aviation Planning & Outreach Coordinator, stated that the FAA Performance Based Navigation Team will be hosting a procedure design meeting on June 7th and 8th and have invited Scottsdale to attend. Three voluntary curfew letters were sent in March. Staff presented at the

Pinnacle Peak Luxury Home Tour meeting to approximately 50 attendees on March 17, 2023. They are scheduled to present an overview of the Airport to the Scottsdale Community Bank shareholder's meeting on April 27, 2023.

11. Administrative report from the Aviation Director, or designee, regarding the status of pending aviation-related items

Mr. Mascaro reported that the lease agreement resolution for hangars was approved by City Council on its consent agenda. There were no major changes to the report on aviation-related items to Planning Commission, Design Review Board or City Council. There is some movement on the Helm Hangar, which may be going before the Development Review Board shortly. The Parque project representatives will be becoming before the Commission in the future regarding a major zoning change request.

Commissioner Goode inquired about departure and arrivals in relation to noise abatement and traffic alleviation. Mr. Mascaro stated that the last update came several months ago, at which time the FAA indicated they would take no formal action without formal approval by the Airport Director, and that he will not sign off on any procedural changes. Commissioner Spalj requested further clarification on this issue. Mr. Mascaro stated that NetJets has requested its own departure and arrival procedures in and out of the Airport. This is not an unusual request from larger companies. The FAA will typically authorize such procedures. However, with the heightened sensitivity at Scottsdale and previous lawsuits, NetJets wanted the City to provide approval in writing to support a possible procedural change. Mr. Mascaro will not provide such written support.

12. Discussion and possible action to modify the Airport Advisory Commission meeting schedule and Commission item calendar

The next meeting is scheduled for May 17, 2023.

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

There were no items added.

ADJOURNMENT

With no further business to discuss, being duly moved by Vice Chair Mier and seconded by Commissioner Casey, the meeting adjourned at 6:24 p.m.

AYES: Chair McDermott, Vice Chair Mier, Commissioners Bernosky, Casey, Goode, Reid and Spalj

NAYS: None

SUBMITTED BY:

eScribers, LLC