



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING  
Scottsdale Airport Terminal Lobby  
15000 N. Airport Drive, Scottsdale, AZ  
May 13, 2015**

**MINUTES**

**PRESENT:** Steve Ziomek, Chairman  
Ken Casey, Vice Chairman  
Brad Berry  
John Celigoy (telephonic)  
Michael Goode  
Bob Hobbi  
William Schuckert

**STAFF:** Katie Callaway, Risk Management Director  
Sarah Ferrara, Aviation Planning & Outreach Coordinator  
Sara Javoronok, Project Coordination Liaison  
Shannon Johnson, Management Analyst  
Gary Mascaro, Aviation Director  
Chris Read, Airport Operations Manager  
Taylor Reynolds, Long Range Planning

**GUESTS:** Michael Bryant, Arizona Aircraft Interior Design  
Mike Donohoe, TWC Aviation, Inc.  
Ben Waring, Landmark Aviation  
Matthew Wright, Landmark Aviation

**CALL TO ORDER**

Chairman Ziomek called the meeting to order at 6:00 p.m.

**ROLL CALL**

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

**PLEDGE OF ALLEGIANCE**

Chairman Ziomek led the meeting in the pledge of allegiance.

## **AVIATION DIRECTOR'S REPORT**

Aviation Director Mr. Gary Mascaro announced that because the Airport handled the Super Bowl so smoothly, they have been meeting with people in Santa Clara, California to help prepare for Super Bowl 50. Mr. Bidwell of the Arizona Cardinals thanked the Airport, the City and the Airport Advisory Commission.

## **APPROVAL OF MINUTES**

### 1. Approval of Minutes

Regular Meeting: April 8, 2015

Vice Chairman Casey made a motion to approve the minutes of the April 8, 2015 regular meeting. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

## **PUBLIC COMMENT**

Mr. Matthew Wright, General Manager of Landmark Aviation, introduced Mr. Ben Waring, the new line manager, who came from Boeing Field in Seattle.

## **REGULAR AGENDA            ITEMS 1 - 13**

1. Discussion and Possible Action Regarding Application for Airpark Aeronautical Business Permit for TWC Aviation, Inc. to Conduct Aircraft Sales and Services

Management analyst Ms. Shannon Johnson stated that TWC Aviation, Inc. is seeking ratification of their Airpark aeronautical business permit. They conduct aircraft sales, management and charter services. She noted that Mr. Mike Donohoe was in attendance.

Mr. Donohoe said he had agreed to represent TWC Aviation, Inc. This company is based in Van Nuys, California. They do aircraft sales consulting, management of corporate jets and provide charter services. They will have two staff members in the Airpark office. TWC has recently been acquired by Landmark Aviation. However, it will operate independently until April 2016.

In response to a query from Chairman Ziomek, Ms. Johnson said she has not yet received the Arizona aircraft dealer's license for TWC, as this takes a while. She confirmed that the Commission can vote on the application in the meantime, although the company cannot sell any aircraft until they receive the license.

Commissioner Schuckert made a motion to approve the TWC Aviation, Inc. Airpark aeronautical business permit to conduct aircraft sales services. Commissioner Hobbi seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

2. Discussion and Possible Action Regarding Application for Airport Aeronautical Business Permit for Arizona Aircraft Interior Design, Inc. to Conduct Specialized Aircraft Repair Services

Management Analyst Ms. Shannon Johnson stated that Arizona Aircraft Interior Design, Inc. is looking to ratify their permit to conduct specialized aircraft repair services at the Airport. They have met all of the requirements. The major activity of their business is the repair and replacement of aircraft interiors. She noted that Mr. Michael Bryant was in attendance.

Mr. Michael Bryant, President of Arizona Aircraft Interior Design, Inc., said that they have been in business for 40 years and are based at Falcon Field in Mesa. Most of the work is done in their 16,000 square foot facility there. They need the permit to be able to carry out in customers' premises at Scottsdale Airport.

Vice Chairman Casey made a motion to ratify the Airport aeronautical business permit for Arizona Aircraft Interior Design, Inc. to conduct specialized aircraft repair services. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

3. Discussion and Possible Action Regarding Risk Management Insurance Update

Risk Management Director Ms. Katie Callaway presented a summary of the insurance program for the Airport. She noted that they have extremely good loss experience, with just one minor vehicle damage claim in the past year. Although they carried \$300 million in liability coverage for the Super Bowl, the coverage has now been dropped to \$200 million. This is first-dollar coverage with no self-insured layer.

She reviewed that they were able to find coverage for very favorable liability insurance premiums. Last year they paid \$30,000 for the \$300 million coverage. This year the premium is \$23,000 for \$200 million coverage. In earlier years the premiums had been far higher. Ms. Callaway added that it makes sense to stay with the same carrier for several years.

Commissioner Hobbi inquired if staff is aware of comparisons with airports around the country. Ms. Callaway said they had investigated this question last year at the Commission's request by checking with some comparable airports including Van Nuys. They found that many are carrying \$200 million in liability coverage, although some smaller airports are associated with major airports and their coverage matches whatever the larger airport is carrying.

4. Discussion and Input Regarding Draft General Plan 2035

Project Coordination Liaison Ms. Sarah Javoronok and Long Range Planner Mr. Taylor Reynolds presented an overview of the Draft General Plan 2035. The 2001 General Plan is currently in effect. The draft plan includes four new elements. Two are State mandated:

energy and neighborhood preservation; and revitalization. The other two are created by the Scottsdale community: Arts and culture / creative community; and healthy community.

He noted that a map of the Airport influence area is included in the new draft plan.

Mr. Reynolds noted that staff had met with the Commission a year ago and received comments which the members of the General Plan Task Force considered. Many comments dealt with the guiding principles, which have since been replaced with a section of community aspirations. The Greater Airpark Character Area Plan includes more specific goals and policies and has been incorporated into the General Plan.

Mr. Reynolds explained that comments received from the boards and commissions this year will be presented to the Planning Commission for their consideration. The Planning Commission will make a recommendation to City Council and the hope is that Council will adopt it in December for ratification by voters in November 2016.

Commissioner Hobbi asked what the City is prepared to do to support the Airport. There is a lot of negativity in the community about the Airport. He felt that references to the Airport's vital role are scattered throughout the draft plan but not fully fleshed out in one place. The Airport is important for tourism, business, employment, and other aspects of Scottsdale life.

Mr. Reynolds noted that the draft plan was created by the Task Force. The City's support is enshrined in the planning goals and policies. The General Plan is a policy document. Commissioner Hobbi clarified that he wants to know what the City is prepared to do to help the public understand the positive role of the Airport. He added that some residents are concerned about noise issues.

Mr. Reynolds said this is more of an implementation question than a question about the plan itself. Ms. Javoronok agreed that the General Plan contains a number of goals and policies that provide support for the Airport. Other documents include the Airport Master Plan and the Greater Airpark Character Area Plan.

Commissioner Hobbi said his concern is that voters may not ratify the General Plan, given the negativity in the community about the Airport. Chairman Ziomek asked staff why the 2011 General Plan was not approved by voters.

Mr. Reynolds said in 2011 voter turnout was low because it was a special election. Some controversial cases that were active at the time were associated with the general plan process. Some were around the Airport and others were in the northern part of the city.

Commissioner Hobbi said he joined the Commission to protect the Airport. He urged that staff go to the City and return to the Commission with specific ideas about support for the Airport and plans to encourage voter acceptance of the General Plan.

Mr. Reynolds said that once the Planning Commission has made a recommendation to City Council and Council has adopted the plan, staff will have nearly a year to get the word out, informing local groups of what is in the plan. He noted that staff cannot advocate for the plan.

5. Discussion and Possible Action to Recommend that City Council adopt Resolution No. 10081 Authorizing Construction Bid Award No. 15 PB 027 for the Construction of the Rehabilitation of Taxiway B

Airport Operations Manager Mr. Chris Read announced that the FAA has just awarded a grant so they will be able to construct the project and replace the lighting with energy efficient LED lighting. The entire project is estimated to take 253 days to complete. An estimated 111 overnight runway closures will be required. These will run from 9:00 p.m. to 6:00 a.m. and will be scheduled in blocks of five to 22 consecutive nights.

Commissioner Goode inquired about LED lighting interfering with the heads-up systems. Mr. Read said he heard that red LED lighting cannot be seen with night vision goggles, so the FAA will not approve red LED obstruction lights. However the FAA has approved the lighting to be installed in this project. Commissioner Goode said apparently the heads-up system, which some aircraft must rely on, works with the heat signature of incandescent lighting. He has heard this is becoming an issue in Europe. Mr. Read said he had not heard about this issue and if it were a problem the FAA would not approve them.

Chairman Ziomek commented that if work starts in July it will continue through March 2016, which will impact events in the busy tourist season. Mr. Read explained that work will start at the north end by Signature. The goal is to complete the first three phases near Signature and the control tower during the slow season. Staff has met with tower staff and reviewed the safety plans that will be in effect during the project. The runway will have to be closed as the FAA does not allow construction within 200 feet of the runway center line when the runway is open.

Vice Chairman Casey suggested closing the runway from 10:00 p.m. to 5:00 a.m. during the summer as people prefer to fly at cooler times of the day. Mr. Read said this has been suggested in the past. He noted that each morning before they can reopen the runway, the contractor has to shore up all open excavations. The next evening, they have to open up all the work in progress before they can get on with the project. Losing two hours each night would add to the length and cost of the project. He added that there are penalties if the runway is not open by 6:00 a.m. He undertook to announce and publicize the first runway closure the Commission as soon as it has been scheduled. Subsequent closures will depend on overall progress on the project, and staff will publicize them as much in advance as possible.

Mr. Read agreed that the weather can also be a factor in the paving.

Vice Chairman Casey made a motion to recommend approval of Resolution No. 10081 authorizing construction bid award No. 15 PB 027 for the construction and rehabilitation of Taxiway B. Commissioner Hobbi seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Celigoy had dropped from the conference call.

6. Discussion and Possible Action to Modify the Airport Rules and Regulations, Article 5, Section 5-3 [a] - Storage of aircraft fuel trucks, trailers and other aircraft refueling devices.

Mr. Read explained that staff just recently became aware of the need to make this change. The existing rule is that fuel trucks, trailers and refueling devices cannot be parked within 100 feet of a building. However, the lack of space at the Airport makes this challenging for fuel providers.

The National Fire Protection Association (NFPA) recommends a minimum distance of 50 feet. The proposed change will relieve the operators of this burden.

Chairman Ziomek asked about any FAA regulations. Mr. Read said the FAA does not have any requirements. Commissioner Hobbi asked if anyone knows what the national average is. Mr. Read said staff had simply consulted the NFPA recommendations.

Vice Chairman Casey made a motion to approve the recommended modification of Airport Rules and Regulations, Article 5, Section 5-3[a]. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

7. Discussion and Possible Action to Modify Airport and Airpark Minimum Operating Standards, Attachment A - Airport Insurance Requirements

Ms. Johnson stated that the intent of this item is to modify the insurance requirement for specialized aircraft repair services. The current requirement is \$3 million for general liability coverage, \$3 million for hangar keepers liability, \$3 million for products completed and if needed also workers compensation and auto liability. The request before the Commission is to lower the amount to \$1 million per occurrence, \$2 million general aggregate for the liability insurance, \$1 million for products completed, and remove the hangar keepers insurance requirement.

Currently if companies are unable to obtain \$3 million in coverage, staff asks Risk Management to lower the amount of coverage on a case by case basis. Many companies working in this field are not doing mechanical work that would require a higher dollar amount. The proposal is to reduce the requirements across the board. Ms. Johnson noted that Risk Management can require higher coverage amounts if they deem it necessary. The proposed new limits are in keeping with the requirements of other Valley airports, none of which requires hangar keepers or products completed insurance.

Chairman Ziomek asked how Risk Management would know that a company needs higher insurance coverage. Ms. Johnson said if Airport staff realizes that a company is carrying out specialized mechanical repairs, they will advise Risk Management staff. She added that companies are only permitted to do work for which they were approved.

Commissioner Schuckert asked about hangar keepers liability. Ms. Johnson clarified that it is still required for companies leasing out hangars at the Airport. Mr. Mascaro added that specialized aircraft repairs include radios, avionics, instruments, propellers, accessories, upholstery, painting and similar components.

Vice Chairman Casey expressed concern about businesses that are not based at the Airport or Airpark but come to perform one-off jobs for aircraft owners. He would not want this proposed change to encourage operators with no investment in Scottsdale Airport. Mr. Mascaro said it will not. These operators have insurance requirements and are restricted to working on small aircraft that are based at Scottsdale. He elaborated that the fact that so many of the operators are unable to obtain insurance indicates that the current standard is too high. Commissioner Schuckert pointed out that the current high coverage requirements would encourage people to do one-off jobs without complying with any of the requirements.

Ms. Johnson added that many of the specialized aircraft repair companies are coming to the Airport at the request of the FBOs.

Vice Chairman Casey made a motion to approve the Attachment A to the Airport and Airpark Minimum Operating Standards, lowering the insurance requirement as recommended by staff. Commissioner Hobbi seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

8. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations or Revocations.

Ms. Johnson noted the addition of Arizona Aircraft Interior Design to the Airport list, and that TWC Aviation, Inc. was added to the Airpark list. BNR Investments cancelled their hangar/shade leasing permit.

9. Discussion and Input Regarding Monthly Operations Report for April 2015

Mr. Read presented the operations report for April 2015.

Commissioner Goode asked how the expanded U.S. Customs Service is doing financially. Ms. Johnson said they are doing very well. Since the second officer was added they are up 30 to 40 percent compared to last year to date. The expenses are approximately \$221,000 and revenue year to date is at \$414,000.

Chairman Ziomek noted that although Mr. Wright had made a presentation about Landmark's policy on fuel spills at a previous meeting, he is not directly responsible for maintenance.

10. Discussion and Input Regarding Monthly Financial Reports for March 2015

Ms. Johnson presented the monthly financial report for March 2015. Revenues are approximately 18% above their projections. Expenses are about 15% below budget. Revenues are up by 16% compared to March 2014.

The Aviation Fund cash balance was around \$11.27 million at the end of March. The aged accounts receivable are doing well as there are credit balances in several of the columns.

11. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Aviation Planning and Outreach Coordinator Ms. Sarah Ferrara said they are continuing to plan for the NBAA annual convention. Their booth will be in a great location and the Barrett-Jackson Collector Car Auction is partnering with the Airport.

Last month's issue of the Scottsdale Airpark News included a great article about the Airport Master Plan.

She was interviewed by KJZZ about the changes to the Phoenix flight paths and how they will affect Scottsdale.

The website has been cleaned up and is being updated.

Eight voluntary curfew letters were sent in April.

Chairman Ziomek inquired about noise complaints. Ms. Ferrara said the numbers dropped in April. Chairman Ziomek said that the Commission and the Mayor responded to the individual who had written with noise concerns.

Mr. Mascaro said the Arizona Airport Association (AZAA) has had several meetings about the FAA Phoenix Metroplex process. After some negotiation with the City of Phoenix they came up with a joint letter signed by all the airport directors in the Valley and Tucson, asking the FAA to:

1. Explain Metroplex to the community
2. Give the airports a seat at the table from the predesign phase
3. Significant community outreach afterwards to take public comment

The FAA responded by extending the initial comment period by 15 days.

Ms. Ferrara announced that the City of Phoenix has launched a flight tracking tool called PublicVue which shows details of flights at Sky Harbor.

## 12. Discussion and Input Regarding Status of Items to City Council

Mr. Mascaro noted that City Council unanimously approved the Airport Master Plan at its meeting on May 12, and were very supportive.

The bid award for Taxiway B will be on the consent agenda of the June 2 Council meeting.

The repeal of Amendment A was on the agenda at yesterday's Council meeting and has been continued. Council would like additional public outreach opportunities and for staff to provide a comparison of what was done with Chapter 5 so they can see all the text changes.

Ms. Ferrara elaborated that the text of Chapter 5 was revised a couple of years ago. This is the part of the zoning code that deals with aviation. Staff wanted to make sure that Appendix A aligned correctly with the zoning code. However today the old zoning code currently remains in effect and the proposal is to repeal it as a housekeeping item. One citizen wanted to make sure that the language is as strong as possible to protect the Airport. Some other citizens expressed concerns about removing the citizen review process, which staff were able to address at the Council meeting.

Mr. Mascaro said Council Members were concerned that there had not been enough public outreach to engage citizens, although staff had followed the standard text amendment outreach process in the City. Also Council had received a number of messages from citizens who are concerned about noise. Staff will conduct more public outreach and return to Council with recommendations. Council voted six to one to continue this item with Vice Mayor Milhaven dissenting.

Mr. Mascaro said the Mayor had asked how the Airport Advisory Commission had voted on this issue and he had made it clear that the Commission's vote was unanimous because Commissioners believe that Chapter 5 is stronger than the current zoning code that they are trying to repeal. He reiterated that he is very confident that once they can clarify that the repeal of Appendix A has nothing to do with noise, that City Council will support this. Staff plans another two public outreaches. This involves sending postcards to residents, putting links on the City planning web pages, and on the Airport web page. He noted that only one person attended the two meetings that had been held.

Commissioner Hobbi commented that it seems that noise complaints are insinuated into the debate. He said this is a big problem that will continue to grow unless there are serious discussions about strategy. The Airport and the Commission cannot continue with a reactive strategy. He urged that they need to find and adopt a proactive strategy. He is extremely nervous because there are serious people with serious money forming very serious groups, some of whom want to shut Scottsdale Airport down. He does not know whether the Commission can do anything about this, but he wanted to go on the record again that this is a big problem and will continue to grow if it remains unchecked.

Commissioner Goode asked about installing noise sensors or cameras to track activity. Mr. Mascaro said staff is not aware of any requests for these as yet, although Sky Harbor now has some noise sensors.

13. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

In response to a query from Chairman Ziomek, Mr. Mascaro advised that he did not foresee any special items for the agenda of the June meeting.

Vice Chairman Casey made a motion to cancel the June Airport Advisory Commission meeting. Commissioner Goode seconded the motion, which carried by a vote of six (6) to one (1). Commissioner Schuckert dissented.

## **PUBLIC COMMENT**

No members of the public wished to address the Commission

## **FUTURE AGENDA ITEMS**

Commissioner Schuckert suggested that the Commission should discuss the repeal of Appendix A. He wanted to understand what had happened to cause City Council to vote to continue this item. Mr. Mascaro explained that staff will repeat the full public outreach process to gather community input that will be shared with both the Airport Advisory Commission and the Planning Commission before bringing it back to City Council.

## **ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:35 p.m.

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