



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING  
Scottsdale Airport Terminal Lobby  
15000 N. Airport Drive, Scottsdale, AZ  
June 15, 2016**

**MINUTES**

**PRESENT:** Brad Berry, Chairman  
John Celigoy, Vice Chair  
William Schuckert  
Steve Ziomek (telephonic)

**ABSENT:** Ken Casey  
Bob Hobbi

**STAFF:** Katie Callaway, Risk Management Director  
Sarah Ferrara, Aviation Planning & Outreach Coordinator  
Gary Mascaro, Aviation Director  
Chris Read, Airport Operations Manager

**CALL TO ORDER**

Chair Berry called the meeting to order at 6:00 p.m.

**ROLL CALL**

A formal roll call confirmed the presence of Commissioners as noted above. Chairman Berry thanked Commissioners Schuckert and Goode for their service.

**PLEDGE OF ALLEGIANCE**

Chairman Berry led the meeting in the pledge of allegiance.

## **AVIATION DIRECTOR'S REPORT**

Gary Mascaro, Aviation Director announced the hiring of Ms. Carmen Williams from Phoenix Mesa Gateway Airport and stated that she would be present at the next Commission meeting. In addition, a frontline airport operations technician has been hired to fill an overnight shift. An airport operations technician recently resigned.

Terminal area redevelopment full design is swiftly proceeding. All survey work has been completed. Meetings have been conducted with business partners to determine wants and needs. A preliminary concept should be completed within the next 30 days. It will then go through a public process via the Development Review Board.

## **APPROVAL OF MINUTES**

### 1. Approval of Minutes

Regular Meeting: May 18, 2016

Vice Chair Celigoy made a motion to approve the minutes of the May 18, 2016 regular meeting as presented. Commissioner Ziomek seconded the motion, which carried by a vote of four (4) to zero (0). Commissioners Casey and Hobbi were absent.

## **PUBLIC COMMENT**

There were no public comments.

## **REGULAR AGENDA            ITEMS 1 - 9**

### 1. Discussion and Possible Action Regarding Risk Management Insurance Update

Katie Callaway, Risk Management Director stated the insurance program is a self-insured program covering \$2 million per loss with in excess of \$50 million additional coverage. This program is primarily for City operations. It provides a small amount of coverage in the excess policy for the Airport. However, Airport operations are excluded. Instead they are included under the Airport operations liability policy. The Airport operations liability policy covers operations for liability, including construction to some degree. Worker's compensation for the Airport is included with the rest of the City employees with Safety National. Safety National is also a self-insured program, where the insured pays the first \$1 million of every claim and then buys excess layers of liability coverage for worker's compensation.

Property coverage is a blanket property policy for the entire City. There has been a recent move from the Builder's Risk coverage on the new building to main property schedule. A summary of losses at the Airport reflects an impressive safety record. A recent event included damage to the security gate by a drunk driver, in which the Airport was able to collect the damages from the driver. In reviewing premiums the Airport pays for its separate liability operations policy, there was an increase in liability limits previously to cover the Super Bowl. This has been reduced back to \$200 million. The premium amount is stable at \$23,900 per

year. The FBOs in regular leases all have insurance requirements and indemnity agreements, where the operators basically provide insurance coverage and indemnification for the City as well as themselves for all of their operations. In addition, there is a transfer of risk in construction projects that are ongoing as well as in the design agreements and architect agreements that have been executed for some buildings. The construction agreement includes property insurance, which is the builder's risk to cover the building while it is under construction. Contractual transfer coverage is required for those who apply for permits to use the Airport. Limits of liability insurance have been set out for businesses to provide to the Airport as well as indemnity agreements.

Vice Chair Celigoy referred to the construction risk and asked whether the Airport would assume additional risk once construction commences or whether this transfers to the contractors. Ms. Callaway stated that the contract requires that the contractor indemnify and insure the City. Subcontractors are subject to the same indemnity and insurance provisions.

In response to a question from Chair Berry regarding limits of liability, Ms. Callaway stated that the builder's risk property coverage is for the total cost of the construction project and requires additional coverage for temporary structures such as scaffolding and equipment. Liability is \$5 million. There is an architect and engineer contract as well.

2. Discussion and Possible Action to Adopt Ordinance No. 4268 to Amend Chapter 5, Aviation, of the Scottsdale Revised Code, Section 5-358, "Noise Attenuation Requirements," Revising "(a)" Relating to Noise Attenuation Measures

Sarah Ferrara, Aviation Planning & Outreach Coordinator stated that the amendment essentially reverts to former language in the Chapter 5 Aviation Code related to noise attenuation measures. Recent updates to Chapter 5 of the Code have been completed. In seeking improvements and conferring with the City Attorney's Office, guidance was provided to revert back to the former language.

In response to a question from Commissioner Ziomek, Ms. Ferrara noted that the language requires that internal noise levels must be below the exterior noise levels by 25 decibels. A Commissioner asked about the maximum decibel allowable for exterior noise in AC2 and 3. Mr. Mascaro stated that AC2 are development zones, which protect the Airport (55 DNL) contour. These should be reduced by 25 decibels.

Commissioner Schuckert asked for confirmation that that the ordinance requirements were "doable." Mr. Mascaro replied that the requirements are possible, as they have been followed in the past. He added that there are building materials which will allow the 25 decibel decrease.

In response to a question from Vice Chair Celigoy on why the change was made in the first place, Ms. Ferrara stated that it was felt the change would more readily align with the building code. However, the building code did not provide adequate specificity.

Commissioner Schuckert asked about the verification process. Ms. Ferrara replied that verification was handled through the inspection process.

Vice Chair Celigoy made a motion to Adopt Ordinance No. 4268 to Amend Chapter 5, Aviation, of the Scottsdale Revised Code, Section 5-358, "Noise Attenuation Requirements," Revising

“(a)” Relating to Noise Attenuation Measures. Commissioner Schuckert seconded the motion, which carried by a vote of four (4) to zero (0). Commissioners Casey and Hobbi were absent.

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

Ms. Ferrara stated that cancellations include Solairus Aviation and Phoenix Heli Support.

4. Discussion and Input Regarding the Monthly Construction Report

Chris Read, Airport Operations Manager, stated that a certificate of occupancy was received for the Airport Operations Center Building. Personnel will be moving into the space as final systems and punch list items are completed. All submittals for the pull box replacement project are in and work will commence shortly. The two projects, reconstruction of Taxiway A and power vault & rotating beacon relocation project have been separated. This is in order that the power vault & rotating beacon project can be completed first in the event that funding is not received for the Taxiway A project.

5. Discussion and Input Regarding Monthly Operations Reports for May

Mr. Read reviewed based aircraft report totals, noting that there is not much change from last year. There was one Alert 3, which was minor with no damage and no injuries. For enforcement actions, there were some written notifications (N.O.V.). Although first time offenses, written warnings had to be issued in regards to parking violations where owners or operators were not present. For U.S. Customs, revenue fiscal year to date totaled \$463,900. Total uses per month were 77, with total uses fiscal year to date at 828 and U.S. visits at 15.

Commissioner Ziomek noted that the report used to include both revenue and expenses for Customs. Mr. Read agreed, stating that previous reports included anticipated expenses. Upon reevaluating the report, staff questioned the value of the information. Commissioner Ziomek commented that it was helpful to have information regarding the profitability for Customs. Profitability was the motivating factor for adding a second customs agent. Mr. Mascaro stated the previous reports reflected only anticipated revenues and costs. Customs is making enough money to cover its costs with a modest amount remaining. The final budget closeout will take place in July and the Commission will be provided with revenue and expense reports.

6. Discussion and Input Regarding Financial Reports for April

Mr. Mascaro stated that for fiscal year to date, the budget is up five percent or \$167,000. Monthly revenues are up approximately three percent month over month comparing 2015 to 2016. Expenses are up slightly. Account receivables are as expected. Fuel flowage is down overall 2.7 percent, however, up overall on the fiscal year, 2.7 percent. Fuel flowage from the Airpark is up nearly 12 percent.

In response to a question from Commissioner Schuckert, Mr. Mascaro stated that there is not a breakout from Landmark on the self-fueling. However, this can be requested, if there is interest.

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

Ms. Ferrara provided a list of updates. Highlights included:

- A listserv announcement was sent out on the vacancies from the Airport Advisory Commission as well as application information. Thus far, two people have submitted applications.
- One email was exchanged with a resident regarding noise concerns in the past month.
- The City Manager and Aviation Director, Gary Mascaro, held a meeting with the Phoenix resident who had previously put forth a petition regarding noise concerns.
- Staff is developing ideas for the grand opening open house. A date has not yet been set.
- Two projects within the Airport Influence Area were included in the planning and zoning reports.
- Six voluntary curfew letters were issued in May.

Mr. Mascaro noted that the Phoenix Metroplex process has been suspended by the FAA in evaluation of the airspace. City of Phoenix Sky Harbor spearheaded the suspension effort and collected all the necessary signatures. The letter stated that Scottsdale Airport and Sky Harbor needed a seat at the table prior to the process proceeding. In addition, community outreach should be performed.

8. Discussion and Input Regarding Status of Aviation Items to City Council

Mr. Mascaro reviewed approved items, including the construction contract for preconstruction design phase services as well as the just approved recommendation for approval by the Commission with regard to the noise attenuation.

Ms. Mascaro discussed One Scottsdale, the DMB mixed use development, which includes residential, commercial and retail. The project is located north of Henkel off of Scottsdale Road. The Airport Advisory Commission voted 6 (six) to zero (0) to recommend approval of the project with a recommendation of no residential above 60 feet. This was presented in the City Council report. At the meeting, this was discussed with the City Council approving the project by a vote four (4) to three (3), however the approval did not include the recommendation to prohibit residential from 60 to 90 feet. The applicant is pursuing noise attenuation of what would be required in an EC2, where the project is listed in an EC1. The density was reduced from 1,366 units down to 900 units. The City Council recommended more owner occupancy of at least 20 percent. On June 21st, this portion of the agreement will go back to City Council for a vote.

Ms. Ferrara stated that three cases with noise sensitive uses would be ready to come before the Commission in the near future, including the Crossroads Project.

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

Mr. Mascaro stated that the CMAR contract is scheduled to go before the City Council on August 30th on consent, which means that the Airport Advisory Commission should meet prior to that time for recommendation. After discussion, Commissioners agreed on a preference to meet on July 20th, as scheduled. No formal scheduling action is required at this time.

**PUBLIC COMMENT**

No members of the public wished to address the Commission

**FUTURE AGENDA ITEMS**

No agenda items were added.

**ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 6:47 p.m.

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