



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ
February 15, 2017**

MINUTES

PRESENT: John Celigoy, Chairman
Bob Hobbi Vice Chair (Telephonic from 6:03 to approximately 6:27 p.m.)
Brad Berry
John Berry
Cory Little (Telephonic)
Kevin Maxwell
Steve Ziomek

STAFF: Sarah Ferrara, Aviation Planning & Outreach Coordinator
Gary Mascaro, Aviation Director
Chris Read, Airport Operations Manager
Carmen Williams, Management Analyst

Guests: Andreas Plunke
Carlos Spillari, AvSource, LLC
R. Glenn Williamson, Canada Arizona Business Council

CALL TO ORDER

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

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Chair Celigoy led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director, provided a status of the terminal area redevelopment project. New renderings have been developed. The project is currently in the Development Review Board stage with a meeting scheduled for tomorrow to review preliminary comments. The engineering team has been working on the development documents. City Council approved the ability to fund the shade structure as long as the nonprofit group meets the funding requirements. The anticipated timeline for taking down this building and closing the parking area and Aviation Business Center is June. Permitting is being submitted via two packages. The first package includes the hangars and the utilities. In a month, a second set of plans will be submitted for permitting for the Aviation Business Center. Construction will commence in June or July. The anticipated opening date is June or July of 2018.

In response to a question from Commissioner Ziomek, Mr. Mascaro said there have been no changes to the overall footprint.

Vice Chair Hobbi joined the meeting telephonically at 6:03 p.m.

APPROVAL OF MINUTES

1. Regular Meeting: January 18, 2017

Commissioner Maxwell made a motion to approve the regular meeting minutes of January 18, 2017 as presented. Commissioner Ziomek seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Little had not yet arrived.

PUBLIC COMMENT

Mr. Andres Plunke discussed his concerns with noise levels. He moved to a residential area in the southeast portion of the Airpark three years ago. The recent increase in noise level intensity has reached unacceptable levels. He acknowledged that FAA controls most of the noise abatement procedures, however he asked for consideration in helping to reduce the noise levels. He cited a recent weekend with the fighter jets taking off at the airport. The noise frightened his children and horses. He suggested takeoffs be directed to the north portion, rather than the south. He also suggested limiting helicopter traffic over the southwest portion.

REGULAR AGENDA ITEMS 1 - 9

1. Presentation about the Wings and Wheels Event

R. Glenn Williamson, CEO & Founder, Canada Arizona Business Council said that the event included 1,000 people, five hangars, 15 business aircraft, 14 military aircraft, 20 high performance cars, 30 sponsors, two cross-border charities, five Harleys, the government of Canada and the City of Scottsdale at a cost of \$150,000. The three hour event, which took place during the Barrett-Jackson and the RM auctions, was possible thanks to 1,500 volunteer hours. Three hundred jet buyers unique to the area came to the event. By all accounts, the event was very successful. Since then, several of the participating partners have received phone calls reflecting the realization that the Airport has the wherewithal to manage a busy situation where a new jet is brought in. The event donated \$10,000 to U.S. Vets and \$10,000 to Canadian Vets.

2. Discussion and Possible Action Regarding Application for Airport Aeronautical Business Permit for AvSource, LLC to conduct Aircraft Maintenance and Repair Services

Carmen Williams, Management Analyst, stated that AvSource is seeking ratification of an airport aeronautical business permit to conduct aircraft maintenance and repair services at the Airport. The company was formed in 2008 and provides on-call AOG air crane avionics and engine support to manufacturers in the NetJets fleet. AvSource has leased office space in the Ross Aviation north building. They have met the requirements of the aeronautical business permit and have submitted the proper documentation. Carlos Spillari, Lead Technician, was present representing AvSource, LLC.

In response to questions from Chairman Celigoy, Mr. Spillari said that AvSource operates under Mechanic A&P. The company currently has two staff members at its Scottsdale location and is in the process of hiring two more staff, depending on demand.

Chairman Celigoy asked whether AvSource is specifically a sub to NetJets. Mr. Spillari said that NetJets is the main client, with 99 percent of its services provided to NetJets. However, they are capable of providing services to other companies.

Commissioner Ziomek referred a question to staff. The Commission and Airport limits the FBOs because of the inability to provide a viable business for more than two companies. He asked whether maintenance companies are similarly limited. Mr. Mascaro clarified that the Commission and staff cannot limit business activity at the airport. The FAA is very clear that the market must decide. The reason why there is not a third FBO is due to lack of land. Efforts are made to ensure a quasi-level playing field. There are minimum operating standards in place approved by the FAA many years ago. For this specific business, requirements include higher insurance, office space, common area use space, and use of a hangar facility. There is an agreement in place with Ross Aviation to do this.

In response to a question from Chairman Celigoy, Mr. Mascaro confirmed that there is no requirement for the entity to be based locally. Technically, if the company has a lease agreement with the airport, they are locally based.

Chairman Celigoy asked whether services for NetJet are already being done onsite in Scottsdale. Mr. Spillari confirmed that for the past two and a half weeks, services have been provided. NetJet has a contract with Signature, however, due to hangar space issues, AvSource has completed repairs of a couple of aircrafts in the Ross hangar. AvSource is taking the work that Signature is not able to provide. The fleet is large enough to support both businesses.

Commissioner Maxwell made a motion to approve the Airport aeronautical business permit for AvSource, LLC to conduct aircraft maintenance and repair services. Commissioner Ziomek seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

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

Ms. Williams stated that there is one Airport business permit application cancellation from June Bonesteel Ground School Training. Ms. Bonesteel has been unable to conduct operations for several months. However, when she is ready to reopen, the permit may be reactivated.

4. Discussion and Input Regarding the Monthly Construction Report

Chris Read, Airport Operations Manager, reviewed progress photographs for the power vault and rotating beacon relocation project. The erosion protection project phase 2 will begin next week. The estimated completion is three to four weeks. An added project, the terminal apron reconstruction project involves reconstruction of the light aircraft apron in front of the terminal building, in order to support the heavy aircraft that will be used in the hangars for the Terminal Area Redevelopment Project. It is hoped that the grant will be received from the FAA to start building this summer.

5. Discussion and Input Regarding the Monthly Operations Reports for January

Mr. Read stated that in comparison to the same time last year, there is a spike in both total and IFR operations with the total at 11.2 percent and IFR at 9.7 percent.

There was an alert on January 2nd, which was reported in the media and involved a Hawker 800XP, whose nose gear collapsed upon landing. The incident shut down the Airport for a few hours. There were no enforcement actions for January.

For U.S. Customs FYTD, the total is \$332,025. Total uses for the month were 129. Total uses FYTD are 574. There were 15 flights for the month. The nationality of travelers is as follows: Mexican: 21, British: 3, Italian: 2, Canadian: 1, French: 1.

For the revenue comparison FYTD, last year was \$246,525, versus this year, \$332,025. The total uses last year was 439 versus this year, 574. There were 6 PPRs for 75,000 pounds plus operations in the first month of the year.

Commissioner Maxwell commented on the significance of the increase year over year. Mr. Read stated that it has much to do with Ms. Ferrara's marketing program.

Vice Chair Hobbi left the meeting at approximately 6:27 p.m. (telephone disconnected).

6. Discussion and Input Regarding Financial Reports for December, 2016

Ms. Williams stated that revenues are slightly less than \$1.8 million, which exceeds the budgeted forecast by four percent. Expenses total just over \$1 million.

In terms of the aircraft rescue and firefighting truck discussed during the last meeting and the resulting \$900,000 variance, staff was advised by fleet services that the order will be placed this year. This means that the total budgeted amount of \$900,000 must remain in the FY budget. The truck will be delivered six to eight months after the order date.

For the December monthly comparison to last year, the budget is 47 percent ahead in revenues. Part of the reason for the large variance is a fuel flowage payment that was posted in January of 2016 rather than in December 2015. Areas of higher revenues include U.S. Customs and the

aeronautical business permit fees, transient aircraft landing and parking fees. Expenses in December were slightly higher compared to last year, but on track with the budget.

The fund cash balance is broken down into operating funds and CIP funds. As of 12/31/16, the operating budget is at \$8.8 million. The accounts receivable aging report provides a status of all tie-down accounts, leases and access permit fees.

For December of 2016, Airport jet fuel was approximately 73 percent of the total fuel flowage. Avgas was 2.7 percent and Airpark fuel flowage was at 24.2 percent. Compared to December of 2015, fuel flowage is up 86 percent. However, the primary reason is the receipt of the fuel flowage payment that was posted in January 2016 rather than December 2015 as noted above. The YTD compared to last FY shows an increase of nearly 30 percent in fuel flowage.

For U.S. Customs operations, total revenue is \$500,806 with expenses at \$315,005 for an estimated net revenue of \$185,801. Expenses include items such as overtime and labor for customs agents as well as utilities, office space costs, international garbage collection and custodial services.

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

Sarah Ferrara, Aviation Planning & Outreach Coordinator, stated that staff continues to stay in the loop regarding NextGen and the Phoenix Metroplex projects. Just recently, comments were submitted to the FAA on behalf of the Airport. These focused on collaboration with the Airport to seek input from impacted and surrounding community members before projects are announced.

In terms of media and social media, staff continues to post via online venues such as Twitter. This is the height of the season with the Barrett-Jackson event, with much media interest. Staff is working on a press release to announce closure of the Zulu Caffe and car rental agencies due to the terminal area redevelopment project. Ms. Williams added that Hertz will be leaving at the end of February. However, Enterprise has indicated they would like to stay on for at least another month and possibly longer.

Listserv announcements are sent as necessary. The last one was in regards to Final Four reservations.

In terms of noise outreach, staff had a meeting with the FAA ATCT manager regarding military procedures to help mitigate noise impacts for residents.

Staff is working to schedule a tour for a local Rotary Club which has expressed interest in a tour of the airport and its history.

Staff continues to monitor property development, especially with noise sensitive uses around the airport. Four projects listed in the Planning & Zoning report are within the Airport Influence Area. Ms. Ferrara stated that she was contacted by the City of Phoenix regarding a proposal for development on Acoma and Scottsdale Road. This is within the City of Phoenix, but is within the 55 DNL contour. As a result, Mayor Lane submitted a letter to his Council Member about the project with the Airport's concerns. The Aviation Director sent an email to the Planning Department as well. It listed the various stipulations generally required by the Airport and that the City of Scottsdale does not allow residential development in the 55 DNL contour. No

response has been received as yet. Mr. Mascaro clarified that the City of Scottsdale cannot say it does not allow residential development in the 55 DNL contour. Development may be allowed, however, it is not supported.

In terms of voluntary curfew, noise complaints are matched with operations between the hours of 10 p.m. and 6 a.m. and voluntary curfew letters are sent out. It is not a restriction, but a request for cooperation. There were 20 voluntary curfew letters sent in January. Since that time, there were seven additional, for a total of 27 curfew letters.

Chair Celigoy asked for a refresher, inquiring as to whether the voluntary curfew information is on the website. Ms. Ferrara confirmed this. Chair Celigoy stated that the information includes description of the airfield, the runways, frequencies, point of contact information, Airport remarks, including PPR requirements for weight, military activity, voluntary noise abatement. This information also feeds the Department of Defense counterpart or IFR or FVR supplemented. The same information is included for any military pilots that plan to do a cross-country flight into Scottsdale.

Chair Celigoy asked about the terms for the government contract fuel agreement. Mr. Read stated that he does not know the terms. Chair Celigoy stated that a main reason they come to the Airport is due to very good rates from the FBO that is contracted through the U.S. Government. He added that he assumes this same language also feeds the voluntary curfew letters. Ms. Ferrara stated that this is correct. Chair Celigoy said that this also implies that the aircraft cannot be turned off. They can navigate and operate freely. Mr. Mascaro confirmed this statement to be true. Commissioner Ziomek commented that he does not believe it is the military personnel who violate curfew.

Ms. Ferrara continued with the marketing program, stating that staff exhibited at the NBAA. The main focus for promotion at the event was to talk about reservations for the Final Four. There were over 2,800 attendees and staff collected approximately 150 leads.

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

Mr. Mascaro commented that the report had not changed significantly since last month.

9. Discussion and possible action to modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

There were no comments.

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

Commissioner Ziomek asked to add a presentation on the renewal of the Seventh Day Adventist Flight School.

Commissioner Maxwell made a motion to invite the Seventh Day Adventist Flight School to provide a presentation during the Commission's March, 2017 meeting. Chair Celigoy seconded the motion, which carried by a vote of six (6) to zero (0). Vice Chair Hobbi was no longer present.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at approximately 6:45 p.m.

SUBMITTED BY:

eScribers, LLC