



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ
April 19, 2017**

MINUTES

PRESENT: John Celigoy, Chair
Bob Hobbi, Vice Chair (Telephonic)
Brad Berry
John Berry
Cory Little
Kevin Maxwell

ABSENT: Steve Ziomek

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

GUEST: Stacy Howard, National Business Aviation Association

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, announced the hiring of Craig Coates as new Airport Operations Technician.

APPROVAL OF MINUTES

1. Regular Meeting: March 15, 2017

Commissioner Maxwell made a motion to approve the regular meeting minutes of March 15, 2017 as presented. Commissioner Little seconded the motion, which carried by a unanimous vote of five (5) to zero (0). Commissioner Ziomek was absent. Vice Chair Hobbi had not yet joined the meeting via telephone.

PUBLIC COMMENT

Roxanne Newland will speak after the noise complaint agenda item.

REGULAR AGENDA ITEMS 1 - 10

1. Informational Presentation Regarding Privatizing Air Traffic Control

Stacy Howard, National Business Aviation Association, said that the Association was founded in 1947 and has grown to 11,000 member companies. Approximately 17 percent of members are still using single engine propeller driven aircraft, operating throughout the United States and the world. Approximately 92 percent of Fortune 500 companies use business aviation as part of their business models. Business aviation contributes approximately \$150 million to the United States economy. Most business aircraft are manufactured in the United States. The National Business Aviation Association creates a good business environment through communications efforts (print, online media), and provides professional development programs as well as advocacy at local, state and national levels. Business and general aviation provides more than seven percent of Arizona's GDP. Arizona ranks within the top ten for every measure from gross product to jobs and contribution to the overall economy in the state.

The focus for this presentation is FAA reauthorization. The FAA is primarily funded through the Airport and Airways Trust Fund with a 23 percent contribution from the general fund nationally. Funding is derived from fuel, ticket, cargo and international taxes. Periodically, the FAA must be reauthorized and budgeted. The Agency must be authorized periodically to continue in operation. Typically multiyear funding will run five years, but can be two or three years. In 2016, the authorization was very short term, as the FAA is authorized to continue only until September of 2017. The primary reason for the short-term authorization is the controversial issue of separating the air traffic control organization from the FAA and creating a privatized air traffic control system. The privatized corporation would be controlled by special interests and funded through new user fees. Airlines have been pressing for this change for more than 20 years in order to cost shift funding of the FAA and the air traffic control system to users. A fee based system would lead to arbitrary rate increases of rate setting for various services, which would no longer be subject to congressional approval. There is great concern for this potential change beyond user fees. The air traffic control system is a natural monopoly; the new entity would not face competition and would have little oversight. United States airspace is considered to be a national resource, which should not be controlled by special interests. When

implemented in other countries, the results have been limited access to airports, preferred and efficient routes.

Vice Chair Hobbi arrived via telephone at 6:11 p.m.

Airlines currently serve approximately 500 United States airports. Thirty-five of these airports handle 70 percent of all traffic. In addition to higher costs and restrictions to access these airports, the result would be limited access. There would also be a question as to how much investment in air traffic control an airline dominated board would provide for airports other than the top 35. Unlike airlines, general aviation uses all 5,000 public airports. Reliever airports such as Scottsdale and rural airports are important on-ramps to the system. There is potentially concern for adequate access to the system. If air traffic control is turned over to a private corporation, it will take five to eight years to reorganize the FAA under the new system, which will slow down the implementation of NextGen and the modernization of the system. Currently the fuel tax provides adequate funding for the FAA. It is the most funding mechanism because it is collected in advance and is commensurate with use of the system. What is needed is long-term, multiyear reauthorization.

Ms. Howard encouraged Commission members and the public to contact Representative David Schweikert and tell him they are not in favor of a privatized FAA. President Trump endorses a privatized system, which means there will be pressure on the Republican congress to move this initiative forward. The Chairman of the Transportation Committee has vowed to include the privatization proposal in the FAA reauthorization. It is expected that the bill will be published at the end of May or early June.

Ms. Howard invited Commissioners to attend the Association's business aviation conference and exhibition in Las Vegas from October 10th through 12th.

Commissioner John Berry asked about the positions of Arizona's Republican congressmen. Ms. Howard said the Association has a government affairs team in Washington. Many of the congressmen are holding back on voicing positions until they review the language of the bill. There was not enough Republican support last year to remove the initiative from Committee. Commissioner John Berry commented that General Dynamics made a significant effort to push this through in the 1990's. Ms. Howard said that in the past, business aviation and general aviation has been able to defeat the initiative. There is more concern this year, as the airlines are contributing significantly more to the campaign.

Vice Chair Hobbi expressed concern for how privatization would impact the community. Ms. Howard said one of the concerns is that currently the FAA is obligated to go through a public input process when they make major changes to the airspace or flight paths. Under a privatized system, this may not be required.

2. Updates on the Navigable Air Space Obstruction Initiative

Jennifer Keyen, Aviation Intern, stated that the Initiative came about as a result of the updates to the Airport Master Plan. This update process revealed a number of obstructions surrounding the airport. Phase 1 of the project revealed 180 obstructions penetrating various imaginary surfaces around the airport. Most were trees, followed by buildings and light poles, also 19 transmission towers, high road elevations, antennas and a fence. With the help of the consulting company contracted to assist with the Master Plan Update, many of the obstructions

were given identification numbers. Ms. Keyen began interning for the Airport after all but 69 obstructions had been identified and/or mitigated. Most were deemed negligible according to Title 14 of the Code of Federal Regulations.

Much of the process included issuance of correspondence to property owners. For those with encroaching trees, owners were requested to top off the trees. Images and height recommendations were provided. As evidence of completion, owners are requested to submit photographs and receipts from landscapers.

For those with building violations, there is a FAA process by which obstructions are addressed. Light poles and transmission towers were addressed with city, state and utility companies. Communication has been initiated with ADOT regarding light poles. Transmission tower mitigation is still pending. The FAA provides an aeronautical study number for each case. Property owners are asked to share this and any correspondence with Airport administration.

As a summary of progress, 19 trees were addressed, with 13 being mitigated. For buildings, the process is completed with 12. Five are with the FAA and two are pending. Three poles located on Airport property have been filed with the FAA and await decision. Twenty-two poles were located along the north Pima Freeway. Communication was sent to the ADOT representative yesterday. A suitable contact for transmission towers has not yet been determined.

Chair Celigoy asked for confirmation that transmission towers include both high tension power lines and cell towers. Ms. Keyen could not confirm that they are cell towers. Chair Celigoy asked whether relief is expected from the high tension power lines along Scottsdale Road. Ms. Keyen said she believes there will be a solution.

Mr. Mascaro said that the Master Planning Process includes evaluation to determine any obstructions causing a hazard to airspace. Typically they do not represent a hazard. However, the current process is follow up to ensure checks and balances.

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

Carmen Williams, Management Analyst, said there were four cancellations. Airport cancellations included Aero Jet Services and William Freuchtnicht's Mobile Aircraft Maintenance and Repair. For the Airpark, cancellations include Vertical Aviation and Alta Visa Radiology.

4. Discussion and Input Regarding Quarterly Noise Complaint Summary Report

Sarah Ferrara, Aviation Planning & Outreach Coordinator said the report covers the period from January 1st through March 31st, 2017. Total complaints were 3,072, which is less than last quarter, which totaled 3,519. Final Four generated approximately 113 complaints. Total complainants was 205. Regional complaints totaled 64. Local complaints were 2008 with 178 complainants. Commissioner John Berry noted that six complainants lodged 2,000 complaints and approximately 30 percent of complaints were military-related.

Vice Chair Hobbi asked about the comparison to the same quarter last year. Ms. Ferrara said it is difficult to compare the numbers. There were significantly less complaints from the same

quarter last year. However, when the report is compared, there were two people with over a hundred complaints. This quarter, five people have lodged 4,389 complaints.

Chair Celigoy asked whether the 2004-2006 statistics were consistent with high operation volumes pre-recession. Ms. Ferrara concurred with the statement, noting that was also commensurate with the noise compatibility study. Chair Celigoy noted that after that time, the numbers plummeted to just hundreds before increasing substantially again. He questioned whether the complaints are correlated to the rise and prevalence of social media communication and the website since that time. Ms. Ferrara said she supposes there is much more awareness shared through social media. However, in reviewing the grid, there are concerns generated at a rate of 85 percent of complaints from certain areas. Sky Harbor's flight path changes also increased awareness.

Chair Celigoy stated that ATC control zone around Scottsdale Airport include significant helicopter traffic going from west to east and the NCOS Sheriff's Department flying Bell 407s at 500 feet or below on patrols twice per day as well as in response to distress calls.

Chair Celigoy asked whether there is indication that communities are banding together and doing call trees. This coordination results in an increase in numbers of complaints. Ms. Ferrara could not verify any coordination, however there are social media tools can be used by neighbors for communication and sharing of information.

Chair Celigoy asked whether Airport or City staff have jurisdiction over pilots requesting to exit or enter Scottsdale's Airport. Mr. Mascaro said Airport and City staff do not have this control, which is under the purview of the FAA.

Commissioner Maxwell referred to the earlier comment that 30 percent of complaints are in regards to military activities. Ms. Ferrara said that refers to a specific grid area. Confirmation that a complaint is military-related is generally derived from the description or comments received.

Commissioner Maxwell asked whether there is advantaged notice or knowledge of military operations. Ms. Ferrara said that staff sometimes receives a courtesy call, however no official notice is required of the military.

Vice Chair Hobbi asked about the general premise of complaints. Ms. Ferrara said that at the current time, more complaints involve nighttime and early morning operations. Most residents are very reasonable, aside from a very few who seek extreme measures. Most complaints ask about reasonable efforts that can be made to help alleviate some routine traffic over homes.

Vice Chair Hobbi asked whether more community outreach programs would be helpful. Ms. Ferrara said that the City of Scottsdale has a very robust noise abatement program, originating from public studies and public input. The program concentrates on reinforcing mitigation efforts, such as visual assistance tools for pilots as well as pilot briefings and resident outreach. Other aspects of the program include working closely with the FAA and the tower.

Commissioner Little asked whether pilot briefings provide a measurement of how many take-offs instructors at schools are responsible for on a monthly basis compared with the totals. Mr. Chris Read, Airport Operations Manager, said that the flight training activity in the airport typically falls under local operations. On a monthly basis, they represent approximately one-

third of local operations. During the past month, there were 5,000 local ops with 1,700 from flight schools. Ms. Ferrara said that pilot briefings will be opened up to all operators for the next meeting.

Chair Celigoy invited Roxanne Newland to provide her comments. Ms. Newland introduced herself as a resident of Grayhawk. Residents have noticed a significant increase in noise. She provided a retrospective report for purpose of illustration from 2013 to 2016. The study shows a significant increase in the number of flights, not all coming from Scottsdale. Some come from Deer Valley, Phoenix, Mesa and other airports. The report indicates a 71 percent increase in the number of flights, with the most dramatic increase in the last year. The noise is causing sleep problems. The report shows a 222 percent increase in numbers specifically during the voluntary curfew period. Residents have observed that flights are coming in at lower altitudes with a funneling effect in terms of noise concentration.

Ms. Newland expressed appreciation to Ms. Ferrara and Mr. Mascaro for facilitating a meeting with Don Curtis of the FAA to discuss the community's concerns. There is agreement that there is an increase in traffic. The question is what can be done. As a resident, she wants the Airport to be economically viable. It is also important to note that there are many residents not currently submitting complaints, but who are very concerned about the traffic. On a positive note, the City of Scottsdale's Aviation Department is responding to complaints. Residents are seeking dialogue, ideas and strategies to be better neighbors. The community would like to see the FAA go back to prior traffic pattern requirements. Greater enforcement of curfews is requested, simply so that citizens can sleep. The community is also requesting an updated noise study.

Commissioner John Berry asked whether the main complaints involve departure flights. Arrival flights are higher. Ms. Newland acknowledged that the data is available, however was not specifically looked at for this comparison.

Chair Celigoy said transient air traffic is often associated with the Airport, even when there is no relationship. As soon as aircraft is airborne, it is under control of the FAA. Mr. Mascaro commented that the program implemented by Ms. Ferrara is above and beyond what many airports do. He was unaware of any other airport that sends out voluntary curfew letters.

Chair Celigoy noted that FBOs enter into long-term agreements with the U.S. Government and Department of Defense. The City has no jurisdiction to turn these aircraft away.

Vice Chair Hobbi said that it is important that the public is aware of steps being taken to represent their interests. There are a huge number of people who economically depend on the Airport's activities and success. It is important to note that a sector of the community hears the same noise and interprets it as freedom, capitalization and success.

Commissioner Maxwell suggested exploring any technology-related solutions available to assure the public that everything is being done possible to ease the noise issues.

5. Discussion and Input Regarding the Monthly Construction Report

Mr. Read discussed projects underway, including the power vault and rotating beacon relocation project. Completed work for March includes masonry, steel, doors, and beginning electrical work. The transient apron reconstruction project is currently out to bid. The taxiway A

reconstruction project has changed little from last month with anticipation of a possible grant offer from the FAA. The new operations center building has received LEED certification from the Green Building Council.

6. Discussion and Input Regarding Monthly Operations Reports for March

Mr. Read said that the monthly operations report reflects healthy numbers compared to last year. Operations numbers for total and IFR are in the positive range over last year. There were three Alert 2s. There were three fuel spills at Ross Aviation Ramp, due to pilot error with valve switching. Enforcement actions reflected typical levels. For U.S. Customs, the FYTD revenue is \$461,400. Total uses for the month was 129. Total uses FYTD is 799. U.S. visit uses for the month totaled 17. There have been twelve 75,000 pound + PPRs for the calendar year.

Commissioner Little asked about the significant increase in revenue for customs. Mr. Read said this relates to the work of two agents seven days a week, plus great marketing and outreach by Ms. Ferrara.

7. Discussion and Input Regarding Financial Reports for January

Ms. Williams said that through the end of February, YTD revenues are just under \$2.7 million, exceeding budget by 11 percent. Expenses are at \$1.3 million through February. This is approximately \$1 million under the budget. The fire truck continues to cause the variance. Fleet Service obtained a quote for the new truck and is moving forward with issuing the purchase order at a cost of \$500,000. Delivery is eight to ten months out. Commissioner Brad Berry noted that the original price was \$900,000 and asked for clarification on the difference. Mr. Mascaro said that the original request several years ago was for a truck that exceeded the requirements of the aircraft. This was subsequently adjusted accordingly. The budget difference will remain in the budget coffers.

Ms. Williams addressed the February monthly comparison to last year. Although revenues are approximately five percent shy of last year, they did exceed the budget by \$88,000 for the month. Areas of higher revenue include Customs operations, transient aircraft landing, parking fees and tenant rents. Expenses were lower compared to 2016. At the end of February, the Aviation Cash Fund Balance was at \$8.67 million. The accounts receivable aging report is healthy.

In February, Airport jet fuel accounted for 71 percent of the total gallons pumped. AVGAS was 2 percent. Airpark fuel flowage was 27 percent. Compared to February of last year, fuel flowage is higher for jet, slightly lower for AVGAS, but overall year-to-date shows an increase of 16 percent.

Mr. Mascaro said that the City Manager launched the proposed budget based on the recommendations of the Commission brought forward a couple months ago. Over 150 requests for additional full time employees were made this year. The City Manager approved just nine positions, one of which was an Airport position.

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

Ms. Ferrara said in regards to NextGen and Phoenix Metroplex, oral arguments were heard on March 17th. There has not been a summary of the hearing as yet. Senators Flake and McCain sent correspondence to the FAA seeking a response to the 2017 National Defense Authorization Act provision which states the FAA should review flight pattern changes after February 2012 and determine if these had a significant negative impact.

Staff continues to use Twitter for social media outreach. An article appeared in the Scottsdale Independent on the terminal area redevelopment project. Listserv notices were sent out on the Run the Runway event and Final Four reminders.

For noise outreach this month, one email was exchanged with a resident as well as a meeting with Ms. Newland. The new noise application was launched internally and externally.

The fifth annual Run the Runway event was held on April 8th. Ms. Ferrara played a brief video highlighting the event.

Ms. Ferrara will be giving a presentation on the Airport tomorrow to the Scottsdale 101 Group.

Ms. Ferrara reported that there were four planning and zoning projects for March.

She stated that in March, 16 voluntary curfew letters were sent. This has decreased from previous months.

Mr. Mascaro commended Ms. Ferrara's invitation to speak at the American Association of Airport Executives national convention regarding community and customer outreach.

9. Administrative Report from the Aviation Director or Designee Regarding the Status of Pending Aviation-Related Items

Mr. Mascaro said City Council approval was given for the bond issuance for the Aviation Terminal Area Redevelopment on consent. The plans are to bring the Terminal Area Redevelopment Phase 1 Package 1 to the Transportation Commission followed by presentation to Council on July 5th.

Staff is going tomorrow to the Development Review Board for the Terminal Area Reconstruction, being listed on consent. Plans are done for Package 1, which go for permitting tomorrow. The contractor is beginning work to calculate the cost for Phase 1. Phase 1 includes everything except for the Business Center Building and construction. Phase 2 is the Aviation Business Center Building.

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

Chair Celigoy made a motion to move the June 21st scheduled meeting to June 19th at 2:00 p.m. Vice Chair Hobbi seconded the motion, which carried by a unanimous vote of six (6) to zero (0). Commissioner Ziomek was not present.

Mr. Mascaro said that he appreciates the adjustment, as the Terminal Project package must be submitted to the City Clerk's office the following morning.

Commissioner Brad Berry asked for clarification that this will involve a vote to move forward with approval of JE Dunn on the project. Mr. Mascaro confirmed that this will be one of the agenda items. Commissioner Brad Berry said that his company provides contracting services to JE Dunn, including budgeting and bidding on this project. With this said, he asked whether he would need to recuse himself from the vote. Mr. Mascaro said that if Commissioner Brad Berry is a successful bidder as a subcontractor, he would be required to recuse his vote.

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

Vice Chair Hobbi asked about previous discussions regarding inviting Ross Aviation to present information on its fuel management training program. He noted that the report given today noted three additional spills at Ross Aviation. Chair Celigoy said that the fuel incidents reported today included incidents of pilot error. Ross Aviation previously attended a Commission meeting to discuss issues with fuel self-service, not fuel spills. Mr. Read said that it is important to address the fuel spillage situation. He will be meeting with the line management at Ross to take a close look at their fueling program and help them develop a plan to further reduce the chances of fuel spills. He will report on the findings to the Commission at an upcoming meeting.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at approximately 7:45 p.m.

SUBMITTED BY:

eScribers, LLC