



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Operations Center
15255 N. Airport Drive, Scottsdale, AZ
Wednesday, August 15, 2018**

MINUTES

PRESENT: John Celigoy, Chair (telephonic)
Cory Little, Vice Chair
John Berry
Larry Bernosky

ABSENT: Brad Berry
Kevin Maxwell
Liz Kaplan

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

GUESTS: John Mansfield, West Star Aviation
Chad Adams, West Star Aviation
Pike Kelly, AcroPro

CALL TO ORDER

Chair Celigoy called the meeting to order at 5:00 p.m. He appeared telephonically and noted that Vice Chair Little would be running the meeting at the physical location.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Vice Chair Little led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director, stated that he is confident that the next Commission meeting will take place in the new building. Substantial completion is anticipated for the end of the month. The restaurant is hoping to move their kitchen equipment by the end of the month as well.

There is currently public information circulating of a potential third fixed base operator coming on board. The City is still in discussion with the existing tenant that has leaseholds regarding requests for assignment. Upcoming negotiations will address what the new entity is looking for. The conversation is in the early stages. If staff comes to an agreement with the entity, they will bring the lease deal to the Commission for recommendation to Council.

Vice Chair Little asked about the general location of the existing leases on the Airport. Mr. Mascaro said they involve the Greenway shades and hangars and the Air Commerce Center facility. They are owned by the same entity, Murphy Ventures.

In response to a question from Commissioner John Berry, Mr. Mascaro stated that they are a national operator, but not a large national company.

APPROVAL OF MINUTES

1. Regular Meeting: May 16, 2018

Commissioner Bernosky made a correction to a motion, where he was cited as both the maker and seconder.

Commissioner Bernosky made a motion to approve the regular meeting minutes of April 18, 2018 as presented. Commissioner John Berry seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Chair Celigoy	Aye
Vice Chair Little	Aye
Commissioner Larry Bernosky	Aye
Commissioner Brad Berry	Absent
Commissioner John Berry	Aye
Commissioner Kaplan	Absent
Commissioner Maxwell	Absent

Motion was carried by a vote of 4-0. Commissioners Brad Berry, Kevin Maxwell and Liz Kaplan were absent.

PUBLIC COMMENTS

There were no public comments.

REGULAR AGENDA ITEMS 1 - 8

1. Ratification of Airport Aeronautical Business Permit for Premier Air Center, LLC dba West Star Aviation to Conduct Aircraft Maintenance and Repair Services at the Scottsdale Airport

Carmen Williams, Management Analyst, stated that West Star Aviation is subleasing hangar space at the Signature hangar facility on the west side. They have four large MRO operations as well as four satellite operations in Colorado, Illinois, Tennessee and Missouri. They have met the requirements of the permit. Company representatives John Mansfield and Chad Adams were present to answer questions.

Vice Chair Little asked about space to be used in the hangar. Mr. Adams stated it is 3,400 square feet. They specialize mainly in Dassault other business jet aircraft. They will be doing some inspections and repair work (line maintenance). A mobile team is based here.

Commissioner John Berry made a motion to approve the Airport aeronautical business permit for Premier Air Center, LLC dba West Star Aviation. Commissioner Bernosky seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Chair Celigoy	Aye
Vice Chair Little	Aye
Commissioner Larry Bernosky	Aye
Commissioner Brad Berry	Absent
Commissioner John Berry	Aye
Commissioner Kaplan	Absent
Commissioner Maxwell	Absent

Motion was carried by a vote of 4-0. Commissioners Brad Berry, Kevin Maxwell and Liz Kaplan were absent.

2. Ratification of Airport Aeronautical Business Permit for AcroPro, LLC to Conduct Mobile Aircraft Maintenance and Repair Services at the Scottsdale Airport

Ms. Williams stated that AcroPro's clients are primarily a small niche group of aircraft. They have met the requirements of the permit. Company representative Pike Kelly was present to answer questions. They specifically work on piston aircraft. The mobile business typically serves local customers in the Valley and in Arizona. The typical customer owns three or four aircraft and has one or two unusual aircraft.

In response to a question from Vice Chair Little, Mr. Pike confirmed that they are OEM authorized. Mr. Pike is also a contract employee for DillonAero.

Commissioner Bernosky made a motion to approve the Airport aeronautical business permit for AcroPro, LLC. Commissioner John Berry seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Chair Celigoy	Aye
Vice Chair Little	Aye
Commissioner Larry Bernosky	Aye
Commissioner Brad Berry	Absent
Commissioner John Berry	Aye
Commissioner Kaplan	Absent
Commissioner Maxwell	Absent

Motion was carried by a vote of 4-0. Commissioners Brad Berry, Kevin Maxwell and Liz Kaplan were absent.

3. Insurance Requirement Update from Risk Management

Katie Callaway, Risk Management Director, stated that the City renews its insurance, including for the Airport, every July 1st. The Airport is different in that the liability is purchased separately. The Airport insurance liability is \$200 million, purchased through AIG, who has been the carrier for many years. The Airport property is lumped in with the City's property policy of \$500 million. The Airport's workers' compensation portion is included with the City's main policy with Safety National. The Airport has enjoyed an excellent loss record. There were only \$90,000 in claims over 27 years. Most of the damage claims involve someone running into a fence or gate. The workers' compensation claims have been very minor, with no claims in many years. The City raised the liability limit to \$300 million in 2014/15 to accommodate the Super Bowl traffic. When renewing the next year, it returned to a limit of \$200 million. They have continued to carry the \$200 million limit for the last four years and AIG has renewed at the identical premium of \$23,900 per year. They are working with Airport administration and the City Attorney's Office to continue to contractually transfer risk. They did a construction risk transfer for construction of the new buildings. Next week, the new terminal building will be placed on the permanent property policy. They will be working to contractually transfer risk on any of the new tenants for the new terminal building, including the restaurant.

Commissioner Bernosky asked whether the new hangars increase the liability cost. Ms. Callaway stated that placing the new hangars onto the property policy only increased the premium by \$100 annually. There is over \$800 million in value on the property policy.

4. Discussion and Input Regarding Quarterly Noise Complaint Summary Report

Sarah Ferrara, Aviation Planning & Outreach Coordinator stated that for the quarter, there were 35 repeat complainants and 31 new complainants. For the first quarter, there 39 repeat complainants and 34 new complainants. Total number of complaints is trending lower than last year. Complaints by location are generally similar to last year. It was notable that one individual called 539 times.

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

Ms. Williams stated that the list reflects the two new aeronautical business permits just approved. On the Airpark side, there was one cancellation for hangar leasing services.

6. Discussion and Input Regarding the Monthly Construction Report

Chris Read, Airport Operations Manager, stated that the Terminal Area Project is at 70 percent, based on invoicing. The hangars have been completed.

Mr. Read reviewed photographs of construction progress. The Alpha Taxiway Project is 90 percent complete, to be finished next week.

In terms of the Delta Ramp Project, it is hoped that the grant will be received in the next couple of weeks before presentation to City Council.

7. Discussion and Input Regarding Monthly Operations Report for May, June and July, 2018

Chris Read, Airport Operations Manager, reviewed based aircraft, IFR and total operations. There was a slight dip in IFR compared to last year, however they remain up slightly at 1.8 percent from 1.7 percent. Alerts were relatively modest, especially considering the report reflects three months of activity. Incidents and enforcement actions were also modest. For the U.S. Customs Report, the new fiscal year has begun and as such, the numbers are low. Revenue totals \$23,525 with 47 total uses. U.S. visit uses totaled 16, likely reduced because of slower travel in summer months. Total revenues for the past fiscal year ending June 30th was \$626,275 with 1,108 uses. Total PPR for calendar year 2018 thus far are 31.

8. Discussion and Input Regarding Financial Report for April and May, 2018

Ms. Williams concentrated on the May report. Revenues through the end of May were \$3.9 million and expenses were \$2.8 million. For the May monthly comparison to last year, revenues were \$476,000, higher than last year. Expenses totaled \$129,000, lower than last year. In terms of the Aviation Fund Cash Balance, at the end of May, 2018, the balance is at negative \$557,000. This is because they are using CIP funds to pay for the terminal redevelopment funds. This placed the CIP balance at negative \$10 million. However, in June the CIP fund was replenished with a reimbursement of \$12 million, so the fund has returned to a normal amount.

The accounts receivable aging report is blank this month because the accounting department is working on year-end write-offs of any delinquent accounts. The good news is that the Airport has no accounts to be written off.

In May, 2018, jet fuel accounted for 70 percent of total fuel flowage. AVGAS was 3.1 percent and Airpark fuel flowage was 26.4 percent. Compared to last May, fuel flowage is behind 7.3 percent, however overall year-to-date, they are ahead by 0.9 percent over last year.

Commissioner Bernosky asked for confirmation that Airpark fuel is all jet fuel. Ms. Williams stated that there is very little AVGAS fueling in the Airpark.

Vice Chair Little asked whether the City performs an assessment of how fuel flowage may increase as a result of bringing in a third FBO. Mr. Mascaro stated that the operator would be asked to complete a questionnaire, based on qualification and experience. One of the questions would be what their anticipated additional fuel volume may be at the Airport.

9. Discussion and Input Regarding Public Outreach and Planning Projects

Ms. Ferrara addressed the Next Gen/Phoenix Metroplex. Next step is the FAA announcement of public outreach related to the flight path changes. Staff has not yet been informed of any meeting announcements.

In order to celebrate the 1,000th customs aircraft milestone, several photographs were taken and a press release issued.

Listserv notices continue to be sent out on construction updates and community news. The Airport will not be showing at the NBAA this year, however they will be showing at the Schedulers and Dispatchers event in San Antonio in January of 2019.

Vice Chair Little asked about the plans for opening of the new facility (i.e. soft opening versus public opening). Ms. Ferrara said a public event is planned for November 3rd from 3 to 6 p.m. The restaurant and bar will sponsor food.

In terms of noise outreach, staff has met with residents who have concerns regarding some of the flight path changes.

For community outreach, Ms. Ferrara was invited to speak at the Sunrise Rotary Club. Staff also monitors property development through the Planning Department to keep track of projects within the Airport Influence Area. One project was listed for May, four for June and five in July, all within Scottsdale.

Pilot briefing is anticipated to be scheduled in mid-October to be held in conjunction with the FAA Air Traffic Control Tower representatives with a focus on noise abatement.

In terms of the voluntary curfew program, there were a total of five complaints for the three month period.

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

Gary Mascaro, Aviation Director, stated that there is one update related to the engineering contract bid award, which was approved on consent of Council in June. In terms of aviation-related items to the Planning Commission, DRB or City Council which may have impacts to the Airport with height, taxi lane access or noise sensitive uses, the Council approved the Crossroads East Project in June. Staff is still waiting to hear on other projects, such as the

CrackerJax site. Wolff Legacy was approved on consent. There will likely be an additional project added next month related to potential development at Scottsdale Road and Thunderbird.

11. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting schedule and Commission Item Calendar

Mr. Mascaro noted that several items for discussion are being agendaized for September and October.

PUBLIC COMMENT

There were no public comments

FUTURE AGENDA ITEMS

No action taken.

ADJOURNMENT

Vice Chair Little called for a motion to adjourn.

Commissioner x made a motion to adjourn. Commissioner x seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Chair Celigoy	Aye
Vice Chair Little	Aye
Commissioner Larry Bernosky	Aye
Commissioner Brad Berry	Absent
Commissioner John Berry	Aye
Commissioner Kaplan	Absent
Commissioner Maxwell	Absent

Motion was carried by a vote of 4-0. Commissioners Brad Berry, Kevin Maxwell and Liz Kaplan were absent.

The meeting adjourned at approximately 5:47 p.m.

SUBMITTED BY:

eScribers, LLC