



**Williams Gateway Airport Authority
BOARD MEETING**

5835 S. Sossaman Road ♦ Mesa, Arizona 85212

Monday, March 16, 2009 ♦ 9:00 a.m.

AGENDA

1. **Call to Order: Williams Gateway Airport Authority – Mayor Scott Smith, Chair**
2. **Awards, Guest Introductions, and Announcements**
3. **Comments From the Public:** *(Members of the public may comment on any item of interest. Arizona Open Meeting law does not permit the Board to discuss items not specifically on the agenda.)*
4. **Progress Reports:**
 - a) **ASU Polytechnic – Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation**
5. **Review of Monthly Staff Reports – Updates on: Construction ♦ Commercial Service ♦ Finance ♦ Economic Stimulus Program * - Lynn Kusy, Executive Director**
6. **Consideration and Possible Approval of Minutes of Board Meeting** held on February 17, 2009. *
7. **Consideration and Possible Approval of Resolution No. 09-04 – Authorizing a Contract with Regional Pavement Maintenance of Arizona, Inc. for Pavement Maintenance Services at a Cost of \$111,979.44. ***
8. **Consideration and Possible Approval of Resolution No. 09-05 – Adopting member government contributions for fiscal year 2009-2010.**
9. **Consideration and Possible Approval of Resolution No. 09-06 – Adopting Budget Package for Fiscal Year 2009-2010**
10. **Board Member Comments / Announcements**
11. **Next Meeting:** Monday, April 20, 2009 – 9:00 am
12. **Adjourn**

** attached*



MINUTES OF THE WILLIAMS GATEWAY AIRPORT AUTHORITY

BOARD MEETING

FEBRUARY 17, 2009

AIRPORT AUTHORITY BOARD MEMBERS

Mayor Scott Smith, Mesa
Mayor Art Sanders, Queen Creek
Councilwoman Thelda Williams, Phoenix **
Mayor Steve Berman, Gilbert
Lt. Governor Joseph Manuel, Gila River Indian Community

*** neither present nor represented*

GUESTS PRESENT

Bryan Amarel, Hensel Phelps Construction Co.	Ken Halverson, KMH Holdings
Nikki Amberg, City of Mesa	Dr. Keith Hjelmstad, ASU Polytechnic
Roc Arnett, East Valley Partnership	Larry Kieser, Mesa Police Department
Ken Beckwith, Cessna	Johannes Kurz, Gilbert Resident
Andre Bonser, East Valley Tribune	Floyd Moore, Valle del Oro
Chris Brady, City of Mesa	Jim Peterson, City of Phoenix
Scott Butler, City of Mesa	Scot Rigby, City of Mesa
Jeff Carr, Air Force Research Laboratory	Christopher Schmaltz, Gust Rosenfeld
Shane Dille, Town of Queen Creek	John Schroeder, Chandler-Gilbert Community College
Tamie Fisher, City of Phoenix	Pat Tennant, ASU Polytechnic
	Paul Womack, Phoenix Fire Center

AIRPORT STAFF PRESENT

Sam Cruz, Business and Properties Specialist
Casey Denny, Deputy Director
Doug Drown, Director of Financial Planning & Budgeting
Walter Fix, Director of Planning and Special Projects
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director
Marian Russey, Grants and Procurement Manager
Brian Wallace, Business Systems Analyst

CALL TO ORDER

The meeting was called to order by Chair Smith at 9:04 a.m.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Airport Executive Director Lynn Kusy presented 10-year service awards to Sam Cruz and Brian Wallace, and a 15-year service award to Marian Russey.

COMMENTS FROM THE PUBLIC

There were no comments from members of the public.

PROGRESS REPORTS

- ASU Polytechnic – Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation, reported the University is under extraordinary financial stress resulting from recent budget cuts. Dr. Hjelmstad shared the following financial impact:
 - \$88 million has been cut in fiscal year 2009;
 - loss of 550 staff positions and 200 faculty positions;
 - a hiring freeze;
 - 10-15 day furlough of all 12,000 employees; and
 - substantial reorganization of administrative units.

Dr. Hjelmstad noted that the 2010 budget is unknown, but the Polytechnic campus could possibly be put in jeopardy. He said the reorganization includes moving some programs to other campuses. Some programs have been merged and some have been “disestablished.” He noted that all students will be able to complete their degrees. Dr. Hjelmstad said he “remains optimistic” and that spring enrollment is up 8 percent over fall’s enrollment.

Mayor Smith expressed concern about some of the programs moving to different campuses. He said ASU Polytechnic needs to continue to offer leadership. He also said he hopes the changes are temporary. Mayor Berman added that others have interpreted a “lack of concern” by the public, but he reassured Dr. Hjelmstad that the member governments are concerned. Mayor Sanders stated that ASU is of major importance, both publicly and personally.

Lt. Governor Joseph Manuel was introduced as a new Board member representing the Gila River Indian Community. Lt. Governor said it was an honor and pleasure to be a part of the Board and he looks forward to helping things move forward.

- Chandler-Gilbert Community College (CGCC) – Provost John Schroeder reported that CGCC was named for the third year in a row to the President’s Higher Education Community Service Honor Roll. He noted that 2,100 CGCC faculty members, staff, and students donated over 80,000 hours to the community.

Engel Hall grand opening is Monday, February 23.

The new hangar facility grand opening will be Wednesday, March 11, just prior to their Annual Maintenance Symposium.

A bid opening for the fire sciences and general studies building remodeling is today.

Enrollment is up about 4.5 percent at the Williams campus for spring.

EXECUTIVE DIRECTOR’S REPORT Executive Director’s Report –Updates on:

Construction ♦ Commercial Service ♦ Finance ♦ 2010 Budget ♦ Economic Stimulus Program

♦ Review of Monthly Staff Reports - Lynn Kusy, Executive Director

Mr. Kusy provided highlights from the staff reports:

- Gallons of fuel delivered up 5.8 percent over December of last year
- Mayor Smith appeared in a television commercial about flights at Gateway
- 10 callers made 23 noise complaint calls (one person made 8 calls)
- Last week's Allegiant Air conference was well attended and Lynn and Casey had good interaction with other airport personnel throughout the Allegiant system
- Hawker Beechcraft submitted expansion plans to City of Mesa
- Revenues are down 14 percent
- Expenses are down 11 percent. In total for the year we are at \$35,000 negative compared to budget
- Staff is managing expenses to balance the decrease in revenues which are due to real estate and reduced general aviation flying
- Gateway handled 357,000 passengers for calendar year 2008
- Staff expects 30,000 enplanements in March
- Allegiant's load factor is over 92 percent
- 37 percent of all Allegiant's ticket sales are initiated in the Phoenix-Mesa area without any advertising in this market
- John Barry will attend Network 2009 in March and will meet with six airlines

Mr. Kusy gave a PowerPoint presentation which provided highlights of calendar year 2008, and outlined the draft FY 2010 operating and capital budgets. Mr. Kusy said staff will bring the budget back to the Board for discussion in March.

Mayor Smith commented that it is better to compare the draft 2010 budget figures to the projected 2009 figures rather than the adopted 2009 budget, especially where the projected figures differ substantially from the budget. Mr. Kusy assured the Board that staff carefully analyzes expenditures to date and anticipated expenditures when developing budgets for future years.

CONSIDERATION AND POSSIBLE APPROVAL OF MINUTES of Board Meeting held on December 15, 2008

CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 09-01 – Approving Authorization of Services with DWL Architects & Planners, Inc. for a Code Study for Hangar 24 in the Amount of \$34,498.59

Mayor Berman moved to approve the minutes of the December 15, 2008 Board meeting and Resolution No. 09-01. Mayor Sanders seconded the motion. The motion carried unanimously.

CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 09-02 – Recommending Approval of Amendment #1 to the Amended and Restated Joint Powers Airport Authority (JPAA) Agreement Dated May 22, 2006 to Officially Change the Name of the JPAA to Phoenix-Mesa Gateway Airport Authority.

Mayor Berman moved to approve Resolution No. 09-02. Mayor Sanders seconded the motion. The motion carried unanimously.

INFORMATION ITEM: Food and Beverage RFP (no discussion)

NEXT MEETING:

Monday, March 16, 2009 – 9:00 am

ADJOURN

The Board adjourned the meeting at 9:53 am.



**Phoenix-Mesa Gateway Airport
 Airport Administration**
 5835 South Sossaman Road
 Mesa, Arizona 85212-6014
 Telephone: 480-988-7600
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www.phxmesagateway.org

Action Item

RESOLUTION NO. 09-04

To: Board of Directors
From: Casey Denny, Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Pavement Maintenance Services – Regional Pavement Maintenance of Arizona, Inc.
Date: March 16, 2009

Proposed Motion:

Approve Resolution No. 09-04 authorizing a contract with Regional Pavement Maintenance of Arizona, Inc. for pavement maintenance services at a cost of \$111,979.44.

Narrative:

WGAA’s Maintenance & Technology department is responsible for the maintenance and repair of the Airport’s runways, taxiways, ramps and road infrastructure. The FY09 budget for these services is approximately \$260,000. The table below lists three pavement maintenance projects scheduled for the current fiscal year.

Project Number	Pavement Area	Area (square feet)	Scope	Price
625	Runway 30C & Taxiway K	941,725	Crack repair and apply sealer	\$ 100,831.20
N/A	Terminal Lanes	39,500	Apply sealer and restripe	\$ 6,190.39
N/A	Tower parking lot	12,000	Apply sealer, install wheel stops and striping	\$ 4,957.85
			Total	\$ 111,979.44

WGAA has an Intergovernmental Cooperative Purchasing Agreement with Dysart Unified School District #89 (DUSD) that allows access to DUSD contracts. Regional Pavement Maintenance is a vendor selected under DUSD contracts. The contract period is through June 30, 2009. Regional Pavement Maintenance will provide all services to meet scope under Dysart Unified Contract IFB Award #0506-018.

These projects are included in the FY09 major maintenance program and funded by the FY09 operating budget.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 09-04

WHEREAS, the Williams Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into a contract for pavement maintenance services;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Williams Gateway Airport Authority as follows:

The Williams Gateway Airport Authority Board of Directors hereby approves a contract with Regional Pavement Maintenance of Arizona, Inc. for pavement maintenance services at a cost of \$111,979.44. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Williams Gateway Airport Authority this 16th day of March 2009.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



**Phoenix-Mesa Gateway Airport
Airport Administration**
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Action Item

RESOLUTION NO. 09-05

To: Board of Directors
From: Doug Drown, Director of Financial Planning and Budgeting
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Fiscal Year 2009-2010 Member Government Contributions
Date: March 10, 2009

Proposed Motion:

Approve Resolution No. 09-05 adopting member government contributions for fiscal year 2009-2010.

Narrative:

The proposed member government contributions are the same as last year.

	FY2009	FY2010
Mesa	\$ 1,700,000	\$ 1,700,000
Phoenix	1,300,000	1,300,000
Gila River	450,000	450,000
Gilbert	350,000	350,000
Queen Creek	120,000	120,000
TOTAL Member Contributions	\$ 3,920,000	\$ 3,920,000

The proposed budget will be presented for Board consideration in April 2009.



PhxMesa **Gateway** Airport

RESOLUTION NO. 09-05

WHEREAS, the Williams Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to adopt the FY 2009-2010 member government contribution schedule;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Williams Gateway Airport Authority as follows:

The Williams Gateway Airport Authority Board of Directors hereby recommends to the members of the Airport Authority that the proportion of the local share of the Operating and Capital Budgets to be provided by each member be: Mesa - \$1,700,000, Phoenix - \$1,300,000, Gila River Indian Community - \$450,000, Gilbert - \$350,000, and Queen Creek - \$120,000.

Passed and adopted by the Williams Gateway Airport Authority this 16th day of March 2009.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY

Action Item

RESOLUTION NO. 09-06

To: WGAA Board of Directors
From: Doug Drown
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Draft Budget Package for Fiscal Year 2009-2010
Date: March 10, 2009

Proposed Motion:

Approve Resolution No. 09-06 Budget Package for Fiscal Year 2009-2010.

Narrative:

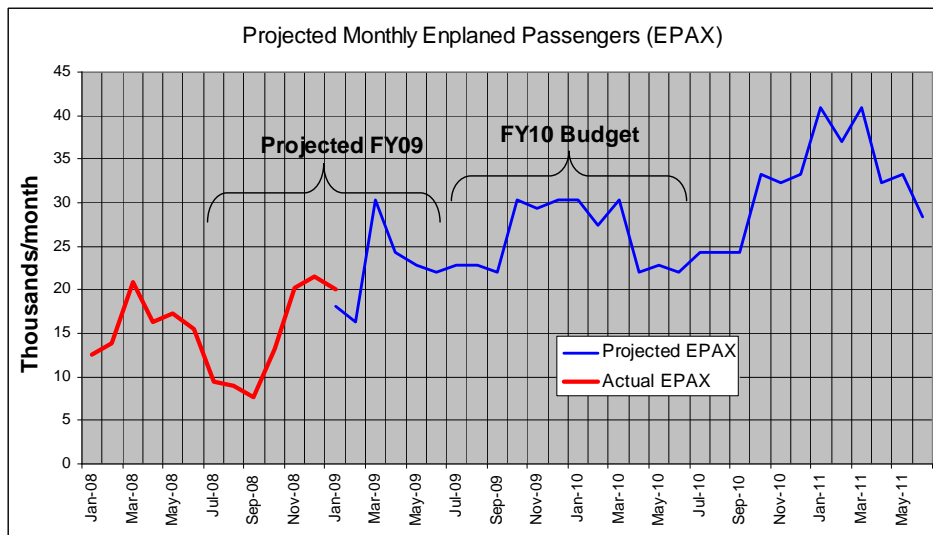
MEMBER GOVERNMENT CONTRIBUTIONS

We are proposing member government contributions of \$3,920,000, the same as last year.

	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
City of Mesa	1,700,000	1,700,000
City of Phoenix	1,300,000	1,300,000
Gila River Indian Community	450,000	450,000
Town of Gilbert	350,000	350,000
Town of Queen Creek	120,000	120,000
Total Local Contributions	\$ 3,920,000	\$ 3,920,000

KEY ASSUMPTIONS

- Passenger service will increase from 215,000 enplaned passengers projected in FY09 to 313,000 in FY10. All of these passengers relate to Allegiant's operations.



- Allegiant will base 3 to 4 aircraft at Gateway, with reduced activity in the summer months.
- Inflation will be 3%.
- Salary freeze.

OPERATING BUDGET

First, a few comments about FY09: We are projecting that FY09's operating revenues will be under budget by about \$630,000 (6%). Revenues related to passengers (parking, rental car, and concessions revenues) are expected to be ahead of budget, but most aeronautical revenues will be under budget. About \$400,000 of the FY09 revenue shortfall is due to vacancies related to leases of hangars. Offsetting this, however, we are projecting savings on operating expenses (before depreciation) in FY09 of over \$430,000. These savings are spread through all budget expense lines except utilities. On a cash flow basis, we are projecting a shortfall for FY09 of about \$190,000. We will resolve at least some of this by controlling expenses for the remainder of FY09.

The following bullet points summarize the more significant factors affecting the FY10 budget:

Revenues:

- Revenues (net of cost of sales): \$11.0 million, up \$1.9 million (21%) from projected FY09 levels.
- Allegiant's expanded flight schedule and the increase in passengers served will bring increases in aeronautical services, auto parking, rental car, concessions, flowage and landing fees. Aeronautical Services includes fuel storage and fuel upload fees. Landing Fees will be up due to increased passenger aircraft activity and expiration of an incentive which temporarily waived this fee for Allegiant.
- First full year of parking fees
- Lease revenues remain weak. Aeronautical Leases reflect the assumption that we will lease hangar 1084 starting in November 2009. Land leases coming online are responsible for the increased non-aeronautical lease revenues.
- First full year of passenger facility charges (PFC's). These funds are reimbursing certain capital expenditures from prior years.
- First full year of customer facility charges (CFC's). These funds support capital projects related to rental car operations.

Expenses:

- Operating expenses (before depreciation) increase by \$1,080,000 (9%) over Projected FY09.
- \$375,000 of the increase is ARFF costs required due to our increased passenger flight activity (Contractual Services)
- \$335,000 is new cost of police service (Contractual Services), also related to increased passenger activity.
- Utilities will be up due to the addition of the terminal annex (10,000 SF), increased rates, and increased passenger activity.
- We increased our budget for pavement maintenance by \$155,000, due to ADOT no longer funding pavement maintenance.
- The Supplies and Materials line includes \$150,000 to be able to lease ground service equipment should it be necessary to secure cargo business.

CAPITAL BUDGET

- Total capital budget: \$26.6 million
- Grant awards anticipated: \$23.1 million
- Non-grant projects: \$2.4 million
- Total WGAA capital investment: \$3.6 million
- No money from the federal economic stimulus package
- Due to the State of Arizona's budget problems, we do not expect any money from ADOT for FY10 (for stand-alone grants or matching funds for FAA grants).

The capital budget reflects new funding of projects. In many cases, spending of those funds (and the earning of grant revenues) will occur over multiple fiscal years. Grant funding in the capital budget and Earned Capital Grants in the operating budget will not agree because of these timing differences.

PERSONNEL BUDGET

- No change in authorized positions
- 109 employee full time equivalent positions

Attachments: *Proposed Member Contributions*
 Proposed FY 2009-2010 Operating Budget
 Proposed FY 2009-2010 Capital Budget
 Proposed Personnel Schedule



PhxMesa **Gateway** Airport

RESOLUTION NO. 09-06

WHEREAS, the Williams Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, WHEREAS, the Airport Authority is required pursuant to Arizona Revised Statutes and Section 9 of the Joint Powers Airport Authority Agreement to recommend to the governing bodies of the Airport Authority’s members an operating and capital budget for each fiscal year; and

WHEREAS, the Airport Authority staff has developed a proposed Operating and Capital Budget for Fiscal Year 2010 and has recommended it to the Airport Authority Board for their review and consideration,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Williams Gateway Airport Authority as follows:

Approve Resolution No. 09-06 adopting the fiscal year 2008-2009 operating budget in the amount of \$12,891,661 (before depreciation), the capital budget in the amount of \$26,629,458 (\$3,560,722 in WGAA funds), and authorizing 106.6 staff positions.

Passed and adopted by the Williams Gateway Airport Authority this 16th day of March 2009.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY