

Phoenix-Mesa Gateway Airport Authority  
5835 S. Sossaman Road ♦ Mesa, Arizona 85212

**BOARD of DIRECTORS' MEETING**

**AGENDA**

Monday, March 15, 2010 ♦ 9:00 a.m.

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority** – *Mayor Art Sanders, 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*
  - b) **Chandler-Gilbert Community College** – *no report*
5. **Review of Monthly Staff Reports and Updates on:** ♦ **Construction** ♦ **Commercial Service** ♦ **Finance** *Lynn Kusy, Executive Director*
6. **FY09 Financial Report** – *Dennis Osuch, LarsonAllen LLP*

**Consideration and Possible Approval of:**

7. **Minutes** of Board Meeting held on February 16, 2010.
8. **Resolution No. 10-04** – Adopting Fiscal Year 2011 **Budget** in the Amount of \$32,156,142.
9. **Resolution No. 10-05** – Approving Authorization of Services No. 10-08 with **Dibble Engineering** for Design of a Foam Basin for Hangar 1084 at a Cost Not to Exceed \$66,445.74.
10. **Resolution No. 10-06** – Approving Authorization of Services No. 10-1002 with **Dibble Engineering** to Design an Expansion of the Fuel Farm at a Cost Not to Exceed \$135,826.85.
11. **Board Member Comments / Announcements**
12. **Next Meeting:** Monday, April 19, 2010 – 9:00 am
13. **Adjourn**





**MINUTES OF THE  
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**

**BOARD MEETING**

**February 16 2010**

**AIRPORT AUTHORITY BOARD MEMBERS**

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

*\* not present*

**GUESTS PRESENT**

Brian Amarel, Hensel Phelps Construction	Kathy MacDonald, City of Mesa
Roc Arnett, East Valley Partnership	Floyd Moore, Valle del Oro
Nadine Becker, Barton Malow	Jim Peterson, City of Phoenix
Russ Brandt, Blue Chip Land Corp.	Richard Reese, Hensel Phelps Construction Co.
Jeffrey Carr, Air Force Research Lab	Scot Rigby, City of Mesa
Samantha Dewarf, Arizona State University	Christopher Schmaltz, Gust Rosenfeld
Kevin Eckels, Barton Malow	John Schroeder, Chandler-Gilbert Community College
Dr. Keith Hjelmstad, ASU Polytechnic	Peter Sterling, East Valley Partnership
Helen Hollands, ASU Polytechnic	Jim Walsh, Arizona Republic
Larry Kieser, Mesa Police Department	Paul Womac, Phoenix Fire Department
Johannes Kurz, Gateway Ambassador	
Larissa Leitner, Arizona State University	

**AIRPORT STAFF PRESENT**

John Barry, Manager – Business Development  
Casey Denny, Deputy Director  
Doug Drown, Manager – Budget & Financial Planning  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Lynn Kusy, Executive Director  
Bill Mitchell, Director, Operations & Maintenance

## CALL TO ORDER

The meeting was called to order by Chair Sanders at 9:02 a.m.

## AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

Airport Executive Director Lynn Kusy presented a five-year service award to John Barry, Manager – Business Development.

## COMMENTS FROM THE PUBLIC

Mr. Roc Arnett, President of East Valley Partnership, announced the upcoming publication of a new magazine, Gateway to the East Valley, which features healthcare, tourism, education, and aviation in the East Valley. Mr. Arnett also announced the formation of a consortium to support aviation and aerospace in the area. He noted a \$3 billion aerospace industry exists in the East Valley.

## PROGRESS REPORTS

- **ASU Polytechnic** – Dr. Keith Hjelmstad reported on several ongoing projects at ASU Polytechnic including work on Vermont Mall, residents' halls, and recreation facilities. ASU President Michael Crow spoke at a recent East Valley Partnership event. Dr. Hjelmstad said their new faculty searches have been very successful, and that ASU is “not a regional draw, but a regional asset.” Dr. Hjelmstad introduced Helen Hollands, Director of Advancement.
- **Chandler-Gilbert Community College (CGCC)** – Provost John Schroeder reported on construction at CGCC including utility work, an entrance street, and the upcoming ground breaking for Bridget Hall. Mr. Schroeder also mentioned the 14<sup>th</sup> Annual Southwest Aviation Maintenance Symposium will take place next month. He said an interim parking solution is in place for the Symposium.

## EXECUTIVE DIRECTOR'S REPORT - Review of Monthly Staff Reports and Updates on: Construction ♦ Commercial Service ♦ Finance ♦ - *Lynn Kusy, Executive Director*

Mr. Kusy provided highlights from the December-January staff report as follows:

- A one-million passenger celebration was held the first week in January. Board members and representatives from Allegiant Air, FAA, TSA attended.
- Hall of Fame pitcher Ferguson Jenkins visited the Airport to promote the Fergie & Friends celebrity baseball game March 17 at HoHoKam Stadium.
- Dick Dykas and Jaime Duran of FAA's Western-Pacific Region toured the Airport. They are our primary contacts for the Airport Improvement Program and Military Airports Program – our major sources of capital funding.
- The Arizona Airports Association sponsored the annual Aviation Day at the Capital. Several Legislators and Governor Brewer attended the event.
- We expect FY2010 revenues to be about \$1 million under budget, so expenses are being reduced accordingly. The most significant cuts are being made in supplies and materials, contractual services, training and travel. As of the end of December, our operating loss is about 5 percentage points worse than budget (about \$87,000). The January report shows us at about \$62,000 ahead for the year.

- January fuel deliveries topped 1 million gallons. Allegiant received 646,669 gallons, a 47 percent increase from January 2009. Allegiant operated 229 commercial departures for the month.
- Government fuel deliveries were 267,243 gallons, a 42 percent increase over January 2009.
- Real estate occupancy remains at 55 percent. Staff continues to focus on leasing our vacant facilities, with special emphasis on our largest buildings. Boeing continues to occupy buildings 1090 and 1095 on a month-to-month basis.
- The economy has also affected four tenants with land leases where construction has not yet started. Staff is in discussion with each regarding default and termination or renegotiation to delay development until the economy improves.
- The 25,000-square-foot passenger terminal expansion is underway.
- Taxiway Bravo is complete.
- Infrequently, Allegiant experiences “frost delays” due to frost on the wings of aircraft parked overnight. These delays set the entire schedule back, costing Allegiant thousands of dollars. Therefore, Allegiant will be implementing a modest de-icing plan, which is being reviewed to assure compliance with environmental and safety requirements.
- Director Bill Mitchell represented the Airport at the U.S. Contract Tower Policy Board meeting. FAA is renewing Serco’s contract to operate our tower and they are reviewing our request to expand hours of operation. We hope to expand our hours from 16 to 20 hours per day.
- Auto parking peaked January 2 at 94 percent occupancy.
- December enplaned passenger count was 32,563 and total passenger count was 65,520, up 53 percent from December 2008.

**DISCUSSION:** Executive Director’s Annual Review

Mayor Sanders said the Board met to discuss the Executive Director’s annual review at a previous Board meeting. He asked Mr. Kusy to provide a summary of the past year.

Mr. Kusy said he felt the three major highlights of fiscal year 2009 were: 1.) the growth of passenger service, 2.) the adoption of the new Airport Master Plan, and 3.) the completion of seven new buildings (all but one were financed with private capital).

Other noteworthy highlights for the year were:

- Allegiant Air passenger service increased to include 15 destinations.
- 462,000 passengers were handled (a 95 percent increase over FY08) without adding staff.
- Allegiant loaned the Airport \$3 million to construct the passenger terminal annex.
- Expanded parking and installed an automated toll system, generating almost \$600,000.
- Concession and rental car revenues were \$354,000.
- Airport Master Plan was completed and adopted in March.
- The private sector completed six new buildings.
- Chandler-Gilbert Community College completed their hangar/classroom.
- Seven buildings represented over 300,000 square feet of new space, over \$37 million in new investment, and created several hundred new jobs.
- The Airport began collecting a \$4.50 Passenger Facility Charge. This is used to reimburse the Airport Authority for capital expenditures made in previous years.
- Gateway celebrated its 15<sup>th</sup> anniversary.
- Operating revenues were up about 4.5 percent over FY 2008 while operating expenses were less than 1 percent over FY 2008.

- I participated as past president of Arizona Airports Association, I serve on the executive committee of the Southwest Chapter of the American Association of Airport Executives (AAAE), I am an appointed member of the AAAE Policy Review Committee, and I serve on several committees: the Airport Legislative Alliance, Regulatory Affairs, and Airline Economics and Air Service, and I serve on the Board of Directors of the East Valley Partnership.

Mayor Smith said that this has been an exciting year. He said the Airport is “coming to fruition in a big way” and he complimented Mr. Kusy and staff. He said it was most satisfying is to “...silence all the naysayers of the Airport.” This year was the “tipping point that pushes us to advance further, in spite of the economy.”

Mayor Lewis added that he recently toured Sky Harbor Airport facilities. He said that Sky Harbor’s staff was very complimentary of Gateway’s team. Mr. Kusy noted that Gateway relies on Sky Harbor staff and it continues to be a positive relationship.

Mayor Sanders reported that the FY 2007 passenger count was just under 20,000, compared to FY 2009 at 462,060 passengers.

#### **DISCUSSION:** FY2011 Preliminary Budget Discussion

Mr. Kusy said staff has worked hard to keep things in balance. He gave credit to Doug Drown and acknowledged the Airport’s Leadership Team for their work on the FY11 budget preparation. Mr. Kusy said the final budget will be brought back to the Board at the March meeting.

Mr. Drown gave a PowerPoint presentation of the proposed FY11 budget which included major assumptions, revenues and contributions, aeronautical and non-aeronautical revenues, member contributions, spending allocations, planned grant and non-grant capital projects, planned customer facility charge projects, and authorized staffing levels.

#### **CONSIDERATION AND POSSIBLE APPROVAL OF:**

Mr. Schmaltz, Gust Rosenfeld LLC, suggested that the Board consider the resolutions individually.

**Minutes** of Board Meeting held on December 14, 2009.

**Resolution No. 10-01** – Approving Authorization of Services No. 10-06 with **Dibble Engineering** to Complete a Study of the East Area Drainage Master Plan for a Total Cost of \$280,703.14.

**Mayor Smith moved to approve the December 14, 2009 Minutes and Resolution No. 10-01. Mayor Lewis seconded the motion. The motion carried unanimously.**

**Resolution No. 10-02** - Authorizing an Agreement for Engineering Services (Agreement #C-2010002) with **Dibble Engineering**.

**Mayor Lewis moved to approve Resolution No. 10-02. Mayor Smith seconded the motion. The motion carried unanimously.**

**Resolution No. 10-03** – Approving Authorization of Services No. 10-1001 (under Agreement #C-2010002) with **Dibble Engineering** for Design of the West Terminal Remote Parking Lot for a Total Cost Not to Exceed \$288,701.50.

**Mayor Smith moved to approve Resolution No. 10-03. Mayor Lewis seconded the motion. The motion carried unanimously.**

### **BOARD MEMBER COMMENTS**

Mayor Sanders expressed his appreciation for the Airport and staff for the partnership with our member governments and for having Phoenix on board.

### **NEXT MEETING**

Monday, March 15, 2010 – 9:00 am

### **ADJOURN**

The meeting adjourned at 9:45 am.



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## Action Item

**RESOLUTION NO. 10-04**

**To:** Board of Directors  
**From:** Doug Drown, Manager – Budget and Financial Planning  
**Through:** Casey Denny, Deputy Director  
 Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Budget for Fiscal Year Ending June 30, 2011  
**Date:** February 26, 2010

**Proposed Motion:**

Approve Resolution No. 10-04 adopting the budget for the fiscal year ending June 30, 2011 in the amount of \$32,156,142.

**MEMBER GOVERNMENT CONTRIBUTIONS**

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

Mesa	\$ 1,700,000	43.4 %
Phoenix	1,300,000	33.2 %
Gila River	450,000	11.5 %
Gilbert	350,000	8.9 %
Queen Creek	120,000	3.1 %
<b>Total Member Contributions</b>	<b>\$ 3,920,000</b>	<b>100%</b>

**KEY ASSUMPTIONS**

- Passenger enplanements will increase from 229,000 in the fiscal year ended June 30, 2009 (FY09) and 333,000 projected in FY10, to 425,000 in FY2011. This is a 26% increase over projected FY10.
- Facilities vacated by Boeing will return to productivity by the end of calendar 2010.
- Fuel volume will be up 16% from projected FY10 to 13.6 million gallons.
- Inflation rate will average 3%.
- Salaries will be frozen for a second year.
- The number of employees (full time equivalents) will be unchanged.
- Member government contributions will remain the same as last year.
- FAA will provide \$13.1 million in new grants. ADOT will provide no grant funds.

**SUMMARY HIGHLIGHTS**

- Operating Revenues (net of cost of sales): \$11.1 million, up \$1.3 million (13%) from the projected FY10 level.
- Operating Expenses before depreciation: \$12.5 million, up \$800,000 (7%)
- Capital contributions (earned capital grants) are expected to decrease by 12% to \$14.7 million, but grant amounts could vary in either direction at the discretion of Congress and the granting agencies. The reduced amount is well within normal fluctuations for expected grants, which lately have averaged about \$15 million per year.

**REVENUE HIGHLIGHTS:**

- Fuel sales, auto parking, rental car, concessions, and landing fees will all increase with Allegiant’s expanded flight schedule.
- Non-aeronautical lease revenues will remain weak.
- Auto parking rates will increase by an average \$1.00 per day.
- Rental car percentage fee will increase from 5% to 6% (already negotiated).
- Percentage fees charged to airport concessionaires will generally increase from 5% to 12% (already negotiated).

	<u>Increase from Projected FY10</u>	
Aircraft Parking	\$ 20,000	7%
Flowage Fees	\$ 40,000	7%
Landing Fees	\$ 190,000	43%
Aeronautical Leases (hangars, terminal)	\$ 300,000	54%
Fuel Sales	\$ 50,000	5%
Aeronautical Services (including fuel upload fees)	\$ 130,000	4%
Concessions	\$ 40,000	54%
Non-aeronautical Leases (land, other buildings)	\$ (20,000)	-1%
Auto Parking Fees	\$ 330,000	32%
Rental Car Fees	\$ 210,000	42%
Non-aeronautical Services	\$ 100,000	-11%

**Landing Fees** will be up due to increased passenger aircraft activity and a modest increase in the landing fee rate, and because FY11 will be the first full year of these fees for Allegiant.

**Aeronautical Leases** reflect an assumption that we will lease hangar 1084 (our largest) by November 2010.

**Aeronautical Services** includes increases in fuel storage and upload fees, primarily related to the increased Allegiant passenger flight activity. This increase is partially offset by a downtrend in government fueling.

**Non-aeronautical Leases** are expected to be down due to Boeing vacating the remainder of their facilities this spring and the lead time needed to re-lease the facilities.

**Concessions, Auto Parking, and Rental Car** fees will all be up due to increased passenger aircraft activity and increased fees.

**EXPENSE HIGHLIGHTS:**

- Operating expenses before depreciation will increase by \$810,000 (7%) compared to the projected 2010 expenses.
- Salary freeze
- Costs of cooperative advertising for new airlines are not included, since revenues from such new service are not included.

	<u>Increase from Projected FY10</u>	
Communications & Utilities	\$ 70,000	11%
Contractual Services	\$ 180,000	8%
Insurance	\$ 40,000	14%
Personnel Costs	\$ 150,000	2%
Repair & Maintenance	\$ 190,000	27%
Supplies & Materials	\$ 100,000	18%
Other	\$ 80,000	17%

The increase in **Communications & Utilities** costs mostly relates to utilities for the new terminal expansion, which is expected to be in use starting in November 2010.

**Contractual Services** costs are up due to a variety of increases, each \$20,000 or less. Most are restoring portions of the cuts made to accommodate the reduced revenues in FY10.

**Insurance** is expected to be up due to added assets to be insured (e.g., terminal expansion) and an expected “hard market” in the insurance industry resulting in expected rate increases of 10% or more.

**Personnel Costs:** The budget includes a second year of salary freeze, with no merit increases, cost of living adjustments, or market adjustments.

After cutting \$290,000 from **Repair & Maintenance** to help balance the budget in FY10, we are restoring \$190,000 of it, most of it in pavement repairs, but also including an increase of \$60,000 in building repairs.

**Supplies and Materials** reflect restoration of \$100,000 of the \$190,000 cuts made in FY10 to help offset the shortfall in revenues. This 18% increase must be considered in view of the expected 27% increase in enplaned passengers (EPAX).

The \$80,000 increase in **Other** expense reflects partial restoration of training and travel cut in FY10.

**CAPITAL ALLOCATIONS**

- Total capital allocation: \$17.7 million
- Grant awards anticipated: \$13.1 million
- Airport capital investment: \$4.6 million
- Most of passenger facility charges (PFC’s) go for debt service on the Allegiant loan, so only a small portion is available for capital projects.
- Non-grant projects: \$3.4 million

The capital allocation reflects new funding of projects. In many cases, the spending of those funds will occur over multiple fiscal years.

The \$300,000 for contingencies is in addition to contingency amounts included in the individual projects. It is for projects that will be needed in FY11 but are unforeseen at this time.

**PERSONNEL BUDGET**

- No change in the number of authorized positions (109)

Attachments:

Proposed Budget, Aeronautical Revenues, Non-Aeronautical Revenues,  
Member Contributions, Capital Project Allocations, Personnel Staffing Summary



**RESOLUTION NO. 10-04**

WHEREAS, the Phoenix-Mesa 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 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

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

**Approve Resolution No. 10-04 adopting the Fiscal Year 2011 budget in the amount of \$32,156,142.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 15th day of March 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

**Phoenix-Mesa Gateway Airport Authority**  
**Proposed Budget**  
**Fiscal Year Ending June 30, 2011**

	<b>FY09 Actual</b>	<b>Projected FY10</b>	<b>FY11 Budget</b>	<b>% Change from Projected FY10</b>
<b>Revenues &amp; Contributions</b>				
Aeronautical Revenues	\$ 6,020,775	\$ 6,224,963	\$ 6,953,453	12%
Non-Aeronautical Revenues	2,975,046	3,628,198	4,178,642	15%
CFC's	214,723	314,918	504,325	60%
PFC's	712,993	1,421,454	1,864,414	31%
Other Non-Operating Revenues	268,018	261,305	348,518	33%
Capital Grants - FAA	8,470,000	8,913,850	13,078,462	47%
Capital Grants - ADOT	319,485	392,470	-	-100%
Member Government Loans	4,009,360	3,920,000	3,920,000	0%
Loan from Allegiant Air	3,000,000	-	-	-
Capital Carryover	224,729	607,243	1,555,983	156%
<b>Total Revenues &amp; Contributions</b>	<b>\$ 26,215,127</b>	<b>\$ 25,684,400</b>	<b>\$ 32,403,798</b>	<b>26%</b>
<b>Spending Allocations</b>				
Communications & Utilities	\$ 585,160	\$ 639,045	\$ 712,214	11%
Contractual Services	1,652,143	2,310,605	2,485,992	8%
Insurance	266,755	313,516	357,790	14%
Personnel Compensation & Benefits	6,900,710	6,717,389	6,862,538	2%
Repair & Maintenance	751,861	716,824	907,767	27%
Supplies & Materials	612,709	556,573	658,901	18%
Other	459,042	451,884	530,273	17%
Non-Operating Costs	365,904	450,957	562,277	25%
Grant Capital Projects	9,012,380	9,540,895	13,766,802	44%
Non-Grant Capital Projects	4,630,166	2,363,280	3,383,928	43%
Customer Facility Charge Capital Projects	214,723	314,918	573,672	82%
Principal payments on financings	392,599	1,089,650	1,353,988	24%
<b>Total Spending Allocations</b>	<b>\$ 25,844,150</b>	<b>\$ 25,465,537</b>	<b>\$ 32,156,142</b>	<b>26%</b>
<b>Net</b>	<b>\$ 370,977</b>	<b>\$ 218,863</b>	<b>\$ 247,656</b>	

(Budget Basis)

**Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2011**

**Aeronautical Revenues**

	<b>FY09 Actual</b>	<b>Projected FY10</b>	<b>FY11 Budget</b>	<b>% change from Projected FY10</b>
Aircraft Parking	\$ 186,076	\$ 339,700	\$ 364,405	7%
Fuel Flowage Fees	568,849	537,335	577,170	7%
Landing Fees	176,142	440,115	629,364	43%
Lease Income	547,152	547,876	846,180	54%
Products Sold (net of Cost of Goods Sold)	856,445	937,181	988,056	5%
Services Sold	<u>3,686,111</u>	<u>3,422,755</u>	<u>3,548,278</u>	4%
Total Aeronautical Revenues	<u>\$ 6,020,775</u>	<u>\$ 6,224,963</u>	<u>\$ 6,953,453</u>	12%

(Budget Basis)

**Phoenix-Mesa Gateway Airport Authority**  
**Proposed Budget**  
**Fiscal Year Ending June 30, 2011**

**Non-Aeronautical Revenues**

	<b>FY09 Actual</b>	<b>Projected FY10</b>	<b>FY11 Budget</b>	<b>% change from Projected FY10</b>
Concessions Fees	\$ 42,623	\$ 79,298	\$ 122,160	54%
Lease Income	1,906,855	1,903,646	1,880,361	-1%
Parking & Ground Transportation	586,791	1,026,989	1,358,576	32%
Rental Car Fees	300,181	507,183	718,638	42%
Services Sold	138,595	111,081	98,907	-11%
<b>Total Non-Aeronautical Revenues</b>	<b>\$ 2,975,046</b>	<b>\$ 3,628,198</b>	<b>\$ 4,178,642</b>	<b>15%</b>

(Budget Basis)

**Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2011**

**Member Contributions**

	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>
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
<b>Total Local Contributions</b>	<b>\$ 3,920,000</b>	<b>\$ 3,920,000</b>

**Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2011**

**Capital Project Allocations**

<u>Proj #</u>		<u>Project Totals</u>
<b>Grant Projects - Projected Awards</b>		
We make many requests for grants, but actual funding is not assured. Grant funding is budgeted to the extent that we reasonably hope grants will be awarded.		
<b>FAA Projects:</b>		
113	Design Terminal Parking Expansion	\$ 284,000
673	Design Fuel Farm Expansion	200,000
666	Construct Fuel Farm Expansion	2,312,000
487	Construct Terminal Parking Expansion	4,350,000
3	Airfield/Apron Drainage Improvements South Apron Phase 1 & 2	3,620,802
34	Construct Alpha Apron Phase 2	3,000,000
<b>ADOT Projects:</b>		
	None	-
	Total new grant projects	<u>\$ 13,766,802</u>
Due to the financial constraints on the Arizona budget, traditional ADOT funding of matching requirement for FAA grants is doubtful and has been excluded.		
<b>Non-Grant Capital Projects</b>		
various	Project Management	\$ 70,000
594	Increased funding for ARFF Station Relocation	385,000
673	Increased funding for Design of Fuel Farm Expansion	75,000
various	Capital Renewal (Non-recurring improvements or replacements)	650,000
590	800 MHz Repeater Replacement	10,000
754	Used Motor Grader	90,000
569	EOC Improvements	30,000
590	Vehicle Replacements	60,000
669	Design West Terminal Expansion Phase II (30% to 100%)	800,000
450	Construct Lavatory Dump Site	98,000
713	East Terminal Area Planning/Design	175,000
	Finish Vapor Trail Design	55,000
131	Electronic Finger Print Scanning	12,000
757,758	Netware-to-Windows Migration	23,400
494	Feasibility Study for New ATC Tower Cab	100,000
	Terminal Improvements (Family Friendly)	30,000
	Contingency	300,000
	Total new non-grant projects	<u>\$ 2,963,400</u>
<b>Customer Facility Charge Projects</b>		
163	Design Rental Car Area (at former ARFF station)	\$ 60,000
723	Rental Car Return & Ready Lot	440,000
	Contingency	73,672
	Total new CFC projects	<u>\$ 573,672</u>
	Total - New Capital Projects programmed	<u>\$ 17,303,874</u>
	Capital Projects not yet programmed	420,528
	<b>Total Capital Projects</b>	<u><u>\$ 17,724,401</u></u>

**Phoenix-Mesa Gateway Airport Authority  
Proposed Budget  
Fiscal Year Ending June 30, 2011**

Personnel Staffing Summary

	<u>FY10 Authorized Positions</u>	<u>FY11 Authorized Positions</u>
Full Time Equivalents for Operating Budget	106.60	106.65
Full Time Equivalents for Capital Budget	2.40	2.35
Total Full Time Equivalents	<u>109.00</u>	<u>109.00</u>



**Phoenix-Mesa Gateway Airport**  
5835 South Sossaman Road  
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## Action Item

**RESOLUTION NO. 10-05**

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Authorization of Services No. 10-08 – Dibble Engineering  
**Date:** March 15, 2010

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**Proposed Motion:**

**Approve Resolution No. 10-04 for Authorization of Services No. 10-08 with Dibble Engineering for design of a foam basin for Hangar 1084 at a cost not to exceed \$66,445.74.**

**Narrative:**

Hangar 1084 is approximately 67,591 square feet and serves as an aircraft maintenance hangar and office facility. Due to its size, the hangar has a foam-based fire suppression system. Currently, in the event of a fire, the foam system would extinguish the fire and the foam solution would discharge through an existing storm water drainage system. This creates the possibility for the foam to enter the environment untreated.

This project consists of designing a foam collection and storage basin to temporarily capture the foam. After capture, the foam solution can be tested and disposed of properly, either being hauled away for further treatment or discharged into the sanitary sewer system, in accordance with local environmental codes. After negotiation, Dibble Engineering proposes to complete the design for a total cost of \$66,445.74. Dibble's services will include the engineering design, bid phase services, and limited construction administration services.

Dibble was one of the firms selected to perform professional engineering services through Request for Proposal (RFQ) Solicitation No. 2008006-SOQ for a five-year period commencing on March 17, 2008.

**Fiscal Impact:**

This authorization of services was included in the FY10 non-grant capital budget as Project 664.

Attachments



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-05**

WHEREAS, the Phoenix-Mesa 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 an agreement for design of an aqueous film forming foam basin;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves Authorization of Services No. 10-08 with Dibble Engineering for design of an aqueous film forming foam basin for Hangar 1084 at a cost not to exceed \$ 66,445.74. 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 Phoenix-Mesa Gateway Airport Authority this 15th day of March 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



PhxMesa Gateway Airport

**AUTHORIZATION FOR PROFESSIONAL SERVICES**  
**DIBBLE ENGINEERING, AOS 10-08**

The signing of this Authorization (Agreement) by the Phoenix Mesa Gateway Airport Authority (PMGAA) and Dibble Engineering (Dibble), 7500 North Dreamy Draw Drive, Suite 200, Phoenix, Arizona 85020, authorizes Phoenix-Mesa Gateway Airport Authority (PMGAA) to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** Hangar 1084 Aqueous Film Forming Foam (AFFF) Basin
2. **SCOPE OF WORK:** Perform and provide design and construction administration services related to Hangar 1084 Aqueous Film Forming Foam (AFFF) Basin. All services are to be performed in accordance with PMGAA Agreement 2008006-SOQ, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by the PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not to exceed, sixty six thousand four hundred forty five dollars and seventy four cents, \$66,445.74 without the expressed written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by the PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, the PMGAA may terminate this contract by providing notice to the contractor of the lack of the availability of funds. The contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
  - PMGAA Agreement C-2008-006-A dated May 29, 2008
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
  - Scope and Fee Proposal dated February 3, 2010

PMGAA and Dibble Engineering acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

**APPROVED FOR PMGAA:**

**ACCEPTED FOR Dibble Engineering:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**Phoenix-Mesa Gateway Airport**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 10-06**

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design & Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn Kusy, C.M., C.A.E., Executive Director  
**Re:** Authorization of Services No. 10-1002 – Dibble Engineering  
**Date:** March 15, 2010

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**Proposed Motion:**

**Approve Resolution No. 10-05 for Authorization of Services No. 10-1002 with Dibble Engineering to design an expansion of the fuel farm at a cost not to exceed \$135,826.85.**

**Narrative:**

Phoenix-Mesa Gateway Airport Authority currently has a Jet A fuel storage capacity of 150,000 gallons and an average daily use of approximately 30,600 gallons. If our fuel supply were interrupted, we could operate for just under five days. The Airport Master Plan suggests a total on-site capacity that provides for an eight-day supply of fuel, however, staff is planning to maintain this minimum five-day supply. With the growth of Allegiant Air, our average daily fuel use will increase, requiring that we increase on-site storage to maintain a five-day storage level.

Staff has negotiated with Dibble Engineering to provide design services for an additional 100,000 gallons of Jet A fuel storage for a lump-sum fee of \$135,826.85.

On February 16, 2010, Dibble was selected to perform professional engineering services for this project through Request for Proposal (RFQ) Solicitation No. 2010001-SOQ.

**Fiscal Impact:**

This authorization of service was included in the FY10 capital budget and will be funded with 95 percent FAA grant, 2.5 percent ADOT grant, when funds become available, and 2.5 percent Airport Authority local match as Project 673.

Attachments



PhxMesa **Gateway** Airport

**RESOLUTION NO. 10-06**

WHEREAS, the Phoenix-Mesa 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 an agreement for fuel farm expansion engineering services;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves Authorization of Services No. 10-1002 with Dibble Engineering to design an expansion of the fuel farm at a cost not to exceed \$135,826.85. 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 Phoenix-Mesa Gateway Airport Authority this 15th day of March 2010.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



PhxMesa Gateway Airport

**AUTHORIZATION FOR PROFESSIONAL SERVICES**  
**DIBBLE ENGINEERING, AOS 10-1002**

The signing of this Authorization (Agreement) by the Phoenix Mesa Gateway Airport Authority (PMGAA) and Dibble Engineering, 7500 N. Dreamy Draw Drive, Suite 200, Phoenix, AZ 85020-4660, authorizes Dibble Engineering to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** South Fuel Farm Expansion Design
2. **SCOPE OF WORK:** Perform and provide engineering design services for design of the expansion of the Fuel Farm Facility. All services are to be performed in accordance with PMGAA Agreement C-2010-002 SOQ, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by the PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not to exceed, one hundred thirty five thousand eight hundred twenty six dollars and eighty five cents, \$135,826.85 without the expressed written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by the PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, the PMGAA may terminate this contract by providing notice to the contractor of the lack of the availability of funds. The contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
  - PMGAA Agreement C-2010-002 SOQ dated February 16, 2010
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
  - Scope and Fee Proposal dated February 19, 2010

PMGAA and Dibble Engineering acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

**APPROVED FOR PMGAA:**

**ACCEPTED FOR Dibble Engineering:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_