



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

**BOARD MEETING**

**March 15, 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**

Kent Dibble, Dibble Engineering  
Nadine Becker, Barton Malow  
Russ Brandt, Blue Chip Land Corp.  
Matt Busby, City of Apache Junction  
Shane Dille, Town of Queen Creek  
Kevin Eckels, Barton Malow  
Kristian Hiu, IDS  
Ken Halverson, Jetstrip  
Larry Kieser, Mesa Police Department  
Johannes Kurz, Gateway Ambassador

Bryan Packham, IDS  
Scot Rigby, City of Mesa  
Christopher Schmaltz, Gust Rosenfeld  
Councilmember John Sentz, Gilbert  
Peter Sterling, East Valley Partnership  
Art Thomason, Arizona Republic  
Paul Womack, Phoenix Fire Center  
Floyd Moore, Valle del Oro  
Ken Snyder, Dibble Engineering

**AIRPORT STAFF PRESENT**

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 9:00 a.m.

## **AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS**

Chair Sanders made the following announcements:

- Former Queen Creek Councilmember Gail Barney was elected last week as the new mayor;
- Each Board member received a copy of the annual financial audit;
- Mayor Smith and members of the Mesa Council are in Washington, D.C.; and
- Gilbert Councilmember John Sentz was introduced.

## **COMMENTS FROM THE PUBLIC**

There were no comments from members of the public.

## **PROGRESS REPORTS**

There were no progress reports given.

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

Mr. Kusy began by expressing condolences to the family of the pilot who was killed in Chandler last week, Nazzi Hirani.

Mr. Kusy provided highlights from the February staff report as follows:

- A kickoff meeting for the Northeast Area Development Study was held in February. The nine-month Study is expected to be completed by the end of the year.
- The Assistant Administrator for Security Operations of the TSA visited and toured Gateway. He presented letters of commendation to two Mesa police officers and two Gateway employees.
- A grand opening celebration will be held this week for the Immigration and Customs Enforcement facility.
- Casey Denny and Bill Mitchell attended the Allegiant Air airports conference. Mr. Denny noted that Allegiant is very pleased with the relationship with the community and with the Airport.
- A General Plan amendment has been filed to increase residential development on property at Queen Creek and Meridian Roads. The Airport Authority traditionally opposes additional residential development in that area (Airport Overflight Zone 2). The proposed amendment has other positive aspects for the area, including transportation improvements, but the Airport will oppose the residential development.
- The January financial performance was very good at approximately \$150,000 ahead for the month.
- February fuel deliveries finished at 1,023,000 gallons, an increase of 30 percent over February 2009. Allegiant Air is a major contributor, with 657,000 gallons (51 percent) in February.
- Government and contract sales decreased and retail sales were generally flat.
- February real estate occupancy rate remains at 55 percent, but a slight increase in lead activity has been seen.
- Himovitz Properties began construction on an additional 15,000 square feet to the former "cargo" building. Half of this space has been pre-leased to U.S. Forest Service.
- Hawker Beechcraft's grand opening event is scheduled for April 22.
- While visiting Gateway last week, the TSA Assistant Administrator looked at the new baggage screening machine while he was here. Staff hopes to eventually have four screening machines on site.
- FAA held their annual tower inspection and we passed with no discrepancies.
- 58,000 passengers were handled in January; load factors were 89 percent on scheduled operations.
- Staff expects March of 2010 will be the busiest month ever with 309 scheduled departures and we anticipate handling 45,000 enplaned passengers in March.

## **FY09 FINANCIAL REPORT**

Dennis Osuch from LarsonAllen LLP reported on the fiscal year 2009 audit. Mr. Osuch said his firm looks at the Airport's financial statements as well as major federal programs. They look at internal controls over these items. He said there were no compliance issues or deficiencies and they issued an unqualified opinion on the annual financial report with no deficiencies.

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

**Minutes** of Board Meeting held on February 16, 2010.

**Mayor Lewis moved to approve the February 16, 2010 Minutes. Councilwoman Williams seconded the motion. The motion carried unanimously.**

**RESOLUTION NO. 10-04** – Adopting Fiscal Year 2011 **Budget** in the Amount of \$32,156,142.

Doug Drown, Manager – Budget & Financial Planning, gave a brief presentation on the proposed budget.

Responding to a question from Mayor Lewis about enplanement assumptions, Mr. Drown explained that staff uses the forecast number received from Allegiant Air looking five to six month out. Staff then uses that number to forecast out about 15 to 16 months. Mr. Drown said staff tends to be conservative on forecasting.

Mayor Lewis asked how solid the four grants are. Mr. Denny responded that although staff is confident about receiving the grants, funding can be impacted by Congress acting on the FAA reauthorization bills. Mr. Drown added that Gateway has received an average of \$15 million each year from the FAA over the past few years.

Mayor Lewis reported that Gilbert leadership is very comfortable with the Airport's proposed budget.

Councilwoman Williams added that Phoenix staff is also comfortable with the budget, but asked for clarification on personnel costs, number of positions, the estimated 2 percent increase for FY2011 for salaries and fringe benefits. Mr. Drown responded that an increase for potential health insurance increases at about 10 percent is included. Mr. Kusy added that staff compensation is flat, but fringe benefits might go up but because they are only a small part of the total line item, the total will increase only slightly. Also, because our fringe benefit contracts are bid on a calendar year basis, we know exactly what our costs will be for the first half of the fiscal year.

**Councilwoman Williams moved to approve Resolution No. 10-04. Mayor Lewis seconded the motion. The motion carried unanimously.**

**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.

Mr. Kusy explained a foam basin is needed to capture and collect fire retardant if the hangar sprinkler system is engaged. Hangar 1084 has never had this foam basin system.

**Mayor Lewis moved to approve Resolution No. 10-05. Councilwoman Williams seconded the motion. The motion carried unanimously.**

**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.

**Councilwoman Williams moved to approve Resolution No. 10-06. Mayor Lewis seconded the motion. The motion carried unanimously.**

### **BOARD MEMBER COMMENTS**

Mayor Lewis expressed appreciation for last week's "Fergie and Feller Field" courtyard dedication. Mr. Kusy recapped the event by saying that Bob Feller and Ferguson Jenkins were here at Gateway when the courtyard was dedicated to the two pitchers.

Mr. Kusy reported that he was in Washington, D.C. two weeks ago where he met with FAA officials and staff of Congressmen Flake and Mitchell. He said that the House has passed the FAA Reauthorization Bill several months ago and the Bill is being debated on the Senate floor this week. He said the hope is to have the Bill approved by the Senate by the end of the month and then to the Conference Committee. Mr. Kusy said he encouraged the FAA to fund the Airport Improvement Program, the Contract Tower Program, and expansion of our tower hours.

### **NEXT MEETING**

Monday, April 19, 2010 – 9:00 am

### **ADJOURN**

The meeting adjourned at 9:37 am.