

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

BOARD of DIRECTORS' MEETING
AGENDA

Monday, December 20, 2010 ♦ 9:00 a.m.

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority** – *Councilwoman Thelda Williams, 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** – *John Schroeder, Provost*
5. **Review of Monthly Staff Reports and Updates on:** ♦ **Construction** ♦ **Commercial Service** ♦ **Finance** *Lynn Kusy, Executive Director*
6. **Presentations/Reports:**
 - a) **Gateway Marketing Efforts** – *John Barry, Manager – Business Development*
 - b) **Crownair Aviation Update** - *Casey Denny, Deputy Director*
 - c) **TSA Security Screening** - *Bill Mitchell, Director – Operations and Maintenance*
 - d) **Progress on Purchase of Used Equipment**-*Bill Mitchell, Director –Operations and Maintenance*
 - e) **FY10 Financial Report** - *Dennis J. Osuch, CPA, Larson Allen LLP*
7. **Consent Agenda: Consideration and Possible Approval of:**

Tab A – **Minutes** of Board Meeting held on November 15, 2010.

Tab B – **Resolution No. 10-74**—Authorizing a Two-Year Renewal of an Existing Contract With **Willis of Arizona, Inc.** for Insurance Broker Services for Property, Automobile, Workers' Compensation, Public Officials/Directors/Officers' Liability, and Aviation Liability Insurances Commencing July 1, 2011 at a Cost of \$60,000 (\$30,000 Per Year).

Tab C – **Resolution No. 10-75**—Authorizing a Two-Year Renewal of an Existing Contract With **Willis of Arizona, Inc.** for Employee Benefits Insurance Broker Services Commencing July 1, 2011 at a Cost of \$51,000 (\$25,500 Per Year).

Tab D— **Resolution No. 10-76**— Authorizing **Willis of Arizona, Inc.** to Purchase Workers' Compensation Insurance from USAIG/Wausau Business Insurance for Year Ending December 31, 2011 at a Cost of \$86,578.

Tab E – **Resolution No. 10-77**— Authorizing a Contract with **Frequentis USA, Inc.** for the Purchase of a Voice Switch Software Upgrade for the Air Traffic Control Tower at a Cost of \$102,380.

Tab F - **Resolution No. 10-78**-Authorizing an Amendment to **Jetstrip, Inc.** Lease to Extend Lease Term One Additional Year Commencing January 1, 2011, Payable at \$3,471.21 Per Month.
8. **Board Member Comments / Announcements**
9. **Next Meeting:** Tuesday, January 18, 2011 – 9:00 am
10. **Adjourn**



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

BOARD MEETING

November 15, 2010

AIRPORT AUTHORITY BOARD MEMBERS

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

** Neither present nor represented*

GUESTS PRESENT

Nadine Becker, Barton Malow
Nikki Bernstein, Himovitz Properties
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
Jeffrey Carr, Air Force Research Lab
Michelle Gramley, Town of Gilbert
Ken Halverson, Jetstrip
Keith Hjelmstad, ASU Polytechnic
Larry Kieser, Mesa Police Department
John Kross, Town of Queen Creek
Bill Langer, Langer Group
Kathy MacDonald, City of Mesa
Dr. Lee McPheters, ASU

Floyd Moore, Valle del Oro
LaVonne Morris, City of Phoenix
Carl Newman, City of Phoenix
Richard Reese, Hensel Phelps Construction Co.
Ray Richmond, Crownair Aviation
David Ryan, Crownair Aviation
Christopher Schmaltz, Gust Rosenfeld
John Schroeder, Chandler-Gilbert Community College
Councilmember John Sentz, Gilbert
Jim Stabilito, Willis
Art Thomason, Arizona Republic
Kristy Vargas, Hyatt Place Gilbert
Ulises Velasco, City of Apache Junction

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director
Janice LaVallee, HR Analyst
Bill Mitchell, Director – Operations & Maintenance
Lotus Williams, HR Manager

CALL TO ORDER

The meeting was called to order by Chairwoman Thelda Williams at 9:03 a.m.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

- Councilwoman Williams congratulated staff on a successful terminal grand opening event. Airport Executive Director Lynn Kusy thanked Public Information Officer Brian Sexton for orchestrating the event and thanked the sponsors, Sundt, DWL Architects, and Paradise Bakery.
- Mr. Kusy gave a brochure from Airports Council International – North America to each Board member. He said the brochure includes a calendar of events and noted that the annual conference for board members/commissioners is in Tucson this year.
- Councilwoman Williams recognized Gilbert Councilmember John Sentz.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

PROGRESS REPORTS

ASU Polytechnic – Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation reported that the Polytechnic campus was recently approved for a Ph.D. program in Simulation, Modeling, and Applied Cognitive Science. He said this is the only Ph.D. program administered on the Polytechnic campus. This program is unique - - possibly the only one in the United States - - that combines engineering, computing, and applied psychology. The program will be launched in the fall and funded by external grants.

Chandler-Gilbert Community College – Provost John Schroeder reported that the College is closing the Avery entrance for a few days in November to install new water lines.

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

Mr. Kusy provided highlights from the October staff reports:

- Mesa celebrated the opening of Ray and Hawes Road extension.
- Noise report: 21 noise calls (five from Mesa, three from Gilbert, two from Queen Creek, two from Santan Valley, one from Queen Valley).
- Gateway's Airport Capital Improvements Program has been submitted to FAA. Projects for FY2012 include expansion of the fuel farm, expansion of the passenger terminal Phase II, and reconstruction of Taxiway P.
- Financial: September's gross margin was up 24 percent over last year. Operating expenses showed year-to-date operating loss of \$168,000. October's preliminary financial report shows a positive on the operating budget.
- Operations: Passenger count for September was 55,784 compared to 34,505 in September last year. An increase of 58 percent.
- Commercial operations: 441 in September

PRESENTATIONS:

Economic Impact Study Results - *Dr. Lee McPheters, Arizona State University*

Dr. Lee McPheters provided an update on an economic impact study being done by ASU. He said a draft report has been completed, and he wanted to share the results. Dr. McPheters said the study was done last in 2008. Following FAA guidelines, the study compares the dollar value of economic activity on the Airport, the dollar value of visitor spending, jobs associated with this economic activity, and job earnings and revenues.

His preliminary numbers show:

- Over 40 employers and over 880 jobs are on the Airport; a 40 percent increase of on-airport employment.
- Seventy-five percent of on-Airport jobs are private sector jobs.
- Visitors continue to increase, enplanements are over 340,000. Two thirds of enplanements are visitors. Visitor spending exceeded \$60 million.
- There are over 1,000 jobs in the service area supported by air visitor spending.
- On any given day 4,600 air visitors are in the area.
- 2,000 jobs related to the presence of the Airport. These numbers are up substantially from two years ago in spite of a struggling economy.

Dr. McPheters hopes to have the final report done within the next six weeks and will provide copies to the Board.

Employee Benefits Package for 2011 – *Lotus Williams, HR Manager*

Human Resources Manager Lotus Williams provided an overview of the calendar year 2011 employee benefits package including medical, dental, vision, employee assistance plan, life, short term disability, and flexible spending account administration. The cost of the benefits package for 2011 is estimated to be \$859,259. The employer's portion of this cost is \$737,036 and employee's estimated portion is \$122,223. Ms. Williams reported that the current medical plan market trend is 11 to 14 percent. The renewal premium rates for our current United Healthcare plans were quoted at a 9.5 percent increase, and Willis of Arizona, the Airport's insurance broker, negotiated the percentage increase down to 5 percent.

CONSENT AGENDA - Consideration and Possible Approval of:

Tab A – Minutes of Board Meeting held on October 18, 2010.

Tab B – Resolution No. 10-66 – Authorizing a Memorandum of Agreement with **Mesa Convention and Visitors Bureau** to Host a Hotel Information Board Inside the Passenger Terminal Baggage Claim Area.

Tab C - Resolution No. 10-67 – Authorizing an Amendment to a Car Rental Concession Agreement with **The Hertz Corporation** Increasing Their Floor Space at a Revised Monthly Rate of \$704.85, to Increase the Number of Rental Spaces to 26 at \$780 Per Month, and to Add the Use of the Airport's Car Care Facility at \$1,420 Per Month, For a Total Monthly Cost of \$2,904.85 Effective December 1, 2010.

Tab D - Resolution No. 10-68 – Authorizing an Amendment to the Car Rental Concession Agreement with **Enterprise Leasing Company of Phoenix** to Increase their Monthly Floor Space at a Revised Monthly Rate of \$683.95, and to Increase the Number of Rental Car Spaces to 26 at a Monthly Cost of \$780, for a New Total Cost of \$1,463.95 per Month Effective December 1, 2010.

Tab E - Resolution No. 10-69 – Authorizing an Amendment to the Car Rental Concession Agreement with **Enterprise Leasing Company of Phoenix, LLC (dba Alamo/National)** to Increase Floor Space at a New Monthly Rate of \$683.95 Effective December 1, 2010.

Tab F - Resolution No. 10-70 - Authorizing Willis of Arizona, Inc. to Purchase Employee Benefits Insurance from Various Vendors for Plan Year January 1 Through December 31, 2011.

Tab G - Resolution No. 10-71 - Cancelling Policy #4502 - Designated Cargo Area.

Tab H - Resolution No. 10-73 - Authorizing AOS No. 10-03 Amendment 2 with Kimley-Horn and Associates, Inc. to Provide Additional Inspection and Construction Administration for the Alpha Apron Expansion Phase II Project at a Cost Not to Exceed \$50,847.

Mayor Lewis noted that the October 18 minutes should reflect the next Board meeting date as November 15.

Mayor Lewis moved to approve the Consent Agenda, with a correction to the October 18 minutes. Mayor Barney seconded the motion. The motion carried unanimously.

EXECUTIVE SESSION: *The Board may hold an executive session pursuant to Arizona Revised Statutes Sections 38-431.03.(A)(3), (4), and (7), for discussion or consultation for legal advice from the attorneys of the Board; for discussion or consultation with the Board attorneys in order to consider its position and instruct its attorneys regarding the Board's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation; and for discussions or consultations with designated representatives of the Board in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property.*

Chairwoman Williams asked that the Executive Session be postponed pending a staff report on Resolution No.10-72 – Crownair.

Mr. Kusy provided an overview of IWA Holdings/Crownair lease status. He said Crownair entered into a lease agreement with the Airport Authority, and earlier this year the lease was modified to downsize the project. Staff recently received another request to downsize the project. The applicant has not met the time guidelines in the lease and staff recommends finding the applicant in default and terminating the lease.

Deputy Director Casey Denny said the original project lease dates back to March 2008 for a large maintenance repair station, with additional expansion for storage hangars. There was no progress on the initial lease for two years. Staff renegotiated with Crownair due to the economy, restructured the project, and added additional time. Mr. Denny said there had been a default in lease payments and Crownair didn't meet specific milestones.

Staff does not feel that the project represents what the Board originally approved/intended. Discussions have taken place as to whether the applicant would consider another site on the Airport. He said the current site consists of two parcels approximately 6.5 acres each, which was originally planned to be a service center, but the project has been downsized and the focus has changed to primarily a maintenance and storage facility.

Councilwoman Williams introduced Mr. David Ryan representing Crownair Aviation. Mr. Ryan stated that Gateway staff was "the most professional staff" that he had dealt with. He said that Crownair has spent more than \$350,000 in design and marketing. Crownair has two tenants who have signed letters of intent and are ready to build pending architect's schedule.

Mr. Ryan stated that Crownair wishes to continue the project, but they did not want to build on 12 acres based on speculation in the current economy. He said he respects staffs' opinion to terminate the lease, but wanted to be on record that they would like to continue the project in some manner.

Mayor Smith asked about the possibility of a revised project on a different site at the Airport. Mr. Ryan responded that it would offer some challenges for their potential tenants. He said the tenants would be spread out over the acreage and he prefers to build on the current lot.

Councilwoman Williams asked about Crownair's lease payment status. Mr. Denny responded that they were in arrears, they sent a check, but the Airport Authority did not accept it. Mr. Denny also noted that new drawings for a different concept would take another 30 to 60 days.

Mayor Smith reiterated that there are better uses for the specific property. He concurred on terminating the formal relationship with Crownair and moving forward with another site for them, if possible.

Councilwoman Williams cancelled the Executive Session with concurrence from all Board members. Mayor Smith and Councilwoman Williams said she hoped that staff continues to work with Crownair to find a suitable solution.

CONSIDERATION AND POSSIBLE APPROVAL OF:

Resolution No. 10-72 - Authorizing Termination of a Property Lease Agreement with IWA Holdings, LLC (Dba CrownAir Aviation).

Mayor Lewis moved to approve Resolution No. 10-72. Mayor Smith seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS

Follow up items for the December Board meeting:

1. Mayor Smith requested a follow up on Crownair's status.
2. Councilwoman Williams requested a staff presentation on what staff is doing to recruit new business and another commercial carrier.
3. Mr. Kusy will provide a report on Transportation Security Administration security screening, in response to a letter from Congressman Oberstar.

NEXT MEETING

Monday, December 20, 2010 – 9:00 am.

ADJOURN

The meeting adjourned at 9:56 am.



PhxMesa **Gateway** Airport

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

Action Item

RESOLUTION NO. 10-74

To: Board of Directors
From: Doug Drown, Manager – Budget & Financial Planning
Through: Casey Denny, C.M., C.A.E., Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Insurance Broker Services – Willis of Arizona, Inc.
Date: December 20, 2010

Proposed Motion:

Approve Resolution No. 10-74 authorizing a two-year renewal of an existing contract with Willis of Arizona commencing July 1, 2011 for insurance broker services for property, automobile, workers' compensation, public officials/directors/officers' liability, and aviation liability insurances commencing July 1, 2011 for a total cost of \$60,000 (\$30,000 per year)

Narrative:

On May 19, 2008, following a competitive procurement process, the Board approved a three-year agreement with Willis of Arizona, Inc. to provide broker services relating to property, automobile, workers' compensation, public officials/directors/officers liability, and aviation liability insurance coverages for the Airport for a fee of \$30,000 per year. The agreement allowed for renewal of the contract for up to two years with room to renegotiate the fees for the extension(s).

Willis has agreed to continue their services for another two years with no increase in rates and staff recommends extending their current contract through July 1, 2013 for a total fee of \$60,000 (\$30,000 per year).

Fiscal Impact:

This contract is subject to the appropriation of funds in the FY12 and FY13 budgets.



PhxMesa **Gateway** Airport

RESOLUTION NO. 10-74

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 obtain insurance broker 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 authorizes a two-year renewal of an existing contract with Willis of Arizona for insurance broker services for property, automobile, workers’ compensation, public officials/directors/officers’ liability, and aviation liability insurances commencing July 1, 2011 for a total cost of \$60,000 (\$30,000 per year). This Resolution also authorizes the Chair or Executive Director to execute such contracts, 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 20th day of December 2010.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



PhxMesa **Gateway** Airport

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Action Item

RESOLUTION NO. 10-75

To: Board of Directors
From: Lotus K. Williams, P.H.R., Manager - Human Resources
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Insurance Broker Services (Employee Benefits)– Willis of Arizona, Inc.
Date: December 20, 2010

Proposed Motion:

Approve Resolution No. 10-75 authorizing a two-year renewal of an existing contract with Willis of Arizona, Inc. for employee benefits insurance broker services commencing July 1, 2011 for a cost not to exceed \$51,000 (\$25,500 per year).

Narrative:

On May 19, 2008, following a competitive procurement process, the Board approved an agreement with Willis of Arizona, Inc. to provide broker services relating to employee benefits insurance coverages for the Airport for a fee of \$25,500 per year. The agreement allowed the Airport Authority to renew the contract for two successive one-year renewal terms with room to renegotiate the fees for the extension(s).

Willis has agreed to continue their services with no increase in rates and staff recommends renewing their current contract with Willis through July 1, 2013 at a cost of \$51,000 (\$25,500 per year).

Willis will provide broker services for employee benefit insurance products without accepting commissions except for MetLife group supplemental life insurance, where commissions cannot be excluded from the billed premium due to MetLife's state product filing requirements. Willis will be eligible to receive commissions for the MetLife group supplemental life policy in addition to the annual fee listed above. Willis agrees to reduce the annual fee (\$25,500) by the amount of commissions that were received in excess of \$2,550 from the prior plan year. In the event of future insurance premiums where commissions cannot be excluded, Willis agrees to reduce their annual fee by similar terms.

Financial Impact:

This contract is subject to the appropriation of funds in the FY12 and FY13 budgets.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 10-75

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 obtain insurance broker services for employee benefits;

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 authorizes a two-year renewal of an existing contract with Willis of Arizona for employee benefits insurance broker services commencing July 1, 2011 for a cost not to exceed \$51,000 (\$25,500 per year). This Resolution also authorizes the Chair or Executive Director to execute such contracts, 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 20th day of December 2010.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY

Willis

11201 N. Tatum Blvd.
Suite 300
Phoenix, AZ 85028

Lotus Williams
Human Resources Manager
Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, AZ 85212

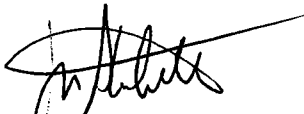
December 1, 2010

Dear Ms. Williams,

This letter is to serve as confirmation that Willis is agreeable to authorizing a two-year extension to the existing employee benefits broker services contract with Phoenix-Mesa Gateway Airport Authority. Willis will provide broker services for employee benefit insurance products without accepting commissions except for MetLife group supplemental life insurance, where commissions cannot be excluded from the billed premium due to MetLife's state product filing requirements. Willis will be eligible to receive commissions for the MetLife group supplemental life policy in addition to the annual fee listed above. Willis agrees to reduce the annual fee (\$25,500) by the amount of commissions that were received in excess of \$2,550 from the prior plan year.

Thank you for the continued opportunity to serve Phoenix-Mesa Gateway Airport Authority. Please contact me if you have any questions.

Sincerely,



Jim Stabilito
Vice President
Willis Employee Benefits

Action Item

RESOLUTION NO. 10-76

To: Board of Directors
From: Doug Drown, Manager – Budget & Financial Planning
Through: Casey Denny, CM, CAE, Deputy Director
Re: 2011 Workers' Compensation Insurance – Willis of Arizona, Inc.
Date: December 1, 2010

Proposed Motion:

Approve Resolution No. 10-76 authorizing the Airport's insurance broker, Willis of Arizona, Incorporated, to purchase workers' compensation insurance on behalf of Phoenix-Mesa Gateway Airport Authority from USAIG/Wausau Business Insurance for the year ending December 31, 2011, at a cost of \$86,578.

Narrative:

Our insurance broker, Willis of Arizona, Inc., has submitted their recommendation for workers' compensation insurance for the 12-month period beginning January 1, 2011. The cost is \$86,578, compared to \$81,206 for 2010. Costs are based on estimated payroll amounts. At the end of the insurance period, the premium will be adjusted to reflect the actual payroll for the year. The proposed insurance coverage is through USAIG/Wausau Business Insurance, our current carrier.

Broker Fee:

No broker fees are included in the above cost. In May 2008, the Board approved a three-year agreement for General Insurance Broker Services with Willis of Arizona, Inc. at a cost of \$30,000 per year. This fee pays for our broker's efforts in regard to workers' compensation and a variety of property and business insurance coverages.

Insurance Rates and Changes in Coverage:

Our experience modification factor increased this year to .82 from .80. The experience modification factor reflects the amount of claims against our policy. This still reflects a good safety record and results in an 18 percent reduction from standard premiums.

The estimated workers' compensation insurance premium is up 6.6 percent from last year (before dividends). Our estimated payroll for 2011 is two percent more than the 2010 estimate, which accounts for part of the increase in premium. The remainder is primarily due to the increase in our experience modification factor and increases in rates for two out of three of our workers' compensation categories.

USAIG and its related company, Wausau, have historically paid a dividend to their customers based on claims experience, effectively reducing the premiums. The dividend was \$7,333 in 2009, and is expected to be \$5,278 in December of 2010. While the dividends are not guaranteed, recent dividends have been about six percent of the original premiums.

One other carrier quoted this coverage and offered higher premiums with no dividend. Other carriers declined to quote, indicating that they did not think their prices could compete with the existing carrier.

Because the workers' compensation insurance is for the calendar year, half of the premium is included in the current fiscal year's operating budget and half will be included in the FY 2012 budget. The premium amount before dividend is \$8,782 (11 percent) more than budgeted for FY11, which was based on the more favorable .76 experience modification factor in effect at that time.

Attachment

RESOLUTION NO. 10-76

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 obtain workers’ compensation insurance coverage;

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 authorizes the Airport insurance broker, Willis of Arizona, Inc., to purchase workers’ compensation insurance on behalf of Phoenix-Mesa Gateway Airport Authority from USAIG / Wausau Business Insurance for the year ending December 31, 2011, at a cost of \$86,578. This Resolution also authorizes the Chair or Executive Director to execute such, with 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 20th day of December 2010.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



PhxMesa **Gateway** Airport

Phoenix-Mesa Gateway Airport
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Action Item

RESOLUTION NO. 10-77

To: Board of Directors
From: Ron King, Technical Services Manager
Through: Bill Mitchell, Director-Operations and Maintenance
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Air Traffic Control Tower Voice Switch Software Upgrade – Frequentis USA, Inc.
Date: December 20, 2010

Proposed Motion:

Approve Resolution No. 10-77 authorizing a contract with Frequentis USA, Inc. for the purchase of a voice switch software upgrade for the Air Traffic Control Tower in the amount of \$102,380.

Narrative:

Frequentis USA, Inc. installed the existing voice switch in the Air Traffic Control Tower (ATCT) in February 2000. At that time, the voice switch had not yet been approved by the FAA. Frequentis USA, Inc. has since received FAA approval for their new version and is currently installing this version in FAA towers across the country.

Conversion to the new voice switch version will allow tower automation products to share a compatible user interface. Currently, ATCT operators utilize incompatible software and monitor systems to conduct operations. Frequentis USA, Inc. will upgrade the existing software and equipment to offer each ATCT operator/station one monitor that possesses all mission critical applications. The new approved voice switch version will provide ease of use, increased work flow and work space, more efficient operations, and reduce the chance of human and system error.

Since the voice switch upgrade will utilize existing Frequentis USA, Inc. equipment, Frequentis USA, Inc. is the sole source provider of this upgrade.

Fiscal Impact:

This contract is funded in the FY11 Non-Grant Capital Funds as Software Upgrade to Tower Voice Switch – Project 563.

Attachment

RESOLUTION NO. 10-77

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 a contract with Frequentis USA, Inc.;

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 a contract with Frequentis USA, Inc. for the purchase of a voice switch software upgrade for the Air Traffic Control Tower at a cost of \$102,380. This Resolution also authorizes the Chair or Executive Director to execute such contract, 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 20th day of December 2010.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY

9017 Red Branch Road., Ste102
Columbia, MD 21045-2106
Tel: 301 657 8001 Fax: 301 657 8002
email: frq-usa@frequentis.com
<http://www.frequentis.com/usa>

October 15, 2010

Mr. Ron King
Manager Technical Services
rking@phxmesagateway.org
Phoenix-Mesa Gateway Airport
6263 S. Taxiway Circle
Mesa, AZ 85212

Subject: Proposal Number 2010_01067; Mid life upgrade of voice communication system for Phoenix-Mesa Gateway Airport ATC Tower

Dear Mr. King,

We are pleased to have the opportunity to provide you with a quotation for the voice communications system upgrade at Phoenix-Mesa Gateway Airport for a VCS3020X Release IVSR (FAA configuration).

The upgrade includes new 4 operator positions with an optional extra position, new interface cards modules and core redundant core switch.

Please direct all questions to Mr. Dieter Eier, VP Business Development, at 301-379-7227, email: dieter.eier@frequentis.com.

Sincerely,



Dieter Eier
Vice President Business Development
phone (301) 3790 7227
email dieter.eier@frequentis.com

ROM - 3020X Voice Switch Upgrade – FAA IVSR Configuration					
		Units	Extended Price without Discount	Discount	Price after Discount
CLIN001	Phoenix-Mesa Gateway Airport Voice Switch Upgrade				
CLIN001a	Hardware	1	\$128,146	40%	\$76,888
	(4) positions (each: 1 Touch Entry Device with integrated Processor, 1 loudspeaker, 1 jack panel for 2 head/handsets), - Interface cards for (15) radios, - Interface cards for (7) landlines, (2) intercom (Door, Gate) - Interface cards for (3) Door Openers (Cab/Entrance/Gate) - TMCS PC (built into rack) with Monitor, KB, Mouse Drawer				
CLIN001b	Installation and Acceptance Test	1	\$ 10,470	40%	\$ 6,282
CLIN001c	Train the trainer: User and Maintenance Training on site during installation trip	1	\$ 8,300	40%	\$ 4,980
CLIN001d	Program Management, Quality Management	1	\$ 7,400	40%	\$ 4,440
CLIN002	Essential Spares Parts Package - Discounted Price (1) position, (1) radio card for (2) primary or backup radios, (1) FXS line card (BCB), (1) FXO line card (BCA), (1) 4-wire card (ERIF)	1	\$ 16,317	40%	\$ 9,790
<i>NOTE: This quote assumes the possible reuse of existing VCS3025 cabinet, power supplies, interface card carriers, various controller board.</i>					
TOTAL without Discount					\$170,633
Total after Discount					\$102,380

Option					
CLIN003	(1) additional position installed during main installation	1	\$ 14,217	40%	\$ 8,530
	(1 Touch Entry Device with integrated Processor, 1 loudspeaker, 1 jack panel for 2 head/handsets)				

Delivery:	6 months after purchase order is received
Terms:	If not otherwise agreed in writing, Frequentis USA commercial terms apply
Quotation:	Firm Fixed Price valid until December 31, 2010
Warranty:	2 years
Payment terms:	40% at Purchase Order, 40% after Factory Acceptance Test, 20% after Site Acceptance Test



PhxMesa **Gateway** Airport

Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Telephone: 480-988-7600
FAX: 480-988-2315
www.phxmesagateway.org

Action Item

RESOLUTION NO. 10-78

To: Board of Directors
From: John Barry, Manager – Business Development
Through: Casey Denny, C.M., C.A.E., Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Second Amendment to Lease – Jetstrip, Inc.
Date: December 20, 2010

Proposed Motion:

Approve Resolution No. 10-78 authorizing a second amendment to a lease with Jetstrip, Inc. for property located at 7744 E. Velocity Way, to extend the lease term one additional year commencing January 1, 2011, payable at a monthly rate of \$3,471.21.

Narrative:

Jetstrip has leased and operated the former Air Force paint stripping facility since May 1998. Their present lease was renewed in May 2009, and is scheduled to expire on December 31, 2010.

Agreement Term and Rate:

This second amendment extends the lease term through December 31, 2011, while continuing a mutual 90-day advance termination provision approved as of June 1, 2010. This provision enables either party to terminate the lease in the event that economic factors negatively impact Jetstrip's business, or if the Airport Authority is presented with an alternative development opportunity for the facility.

The continuing lease rate is \$3,471.21 per month, or \$6.91 per square foot per year for approximately 6,032 square feet.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 10-78

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 amend a lease agreement with Jetstrip, Inc.;

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 authorizes a second amendment to a lease with Jetstrip, Inc. for property located at 7744 E. Velocity Way, to extend the lease term one additional year commencing January 1, 2011, payable at a monthly rate of \$3,471.21. 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 20th day of December 2010.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

ATTORNEY



Phoenix-Mesa Gateway Airport Authority
Second Amendment to Lease

This SECOND AMENDMENT TO LEASE (“Amendment 2”) is executed to be effective as of the FIRST (1st) day of JANUARY 2011 (the “Effective Date”), by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY** (formerly the Williams Gateway Airport Authority), a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns (“Lessor”), and **JETSTRIP, INC.**, an Arizona corporation (“Lessee”). This Amendment 2 hereby amends that certain Property Lease Agreement (the “Lease”) between Lessor and Lessee dated and effective as of May 1, 2009, and subsequently amended on June 1, 2010, with respect to that certain real property at the Airport located at 7744 E. Velocity Way and also known as Building 1541 (the “Premises”).

WITNESSETH:

WHEREAS, Lessor and Lessee desire to enter into this Amendment 2 in order to modify the Lease; and

WHEREAS, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport (formerly the Williams Gateway Airport) generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 2 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The provisions of SECTION 2, TERM, are hereby deleted in their entirety and replaced with:

Subject to earlier termination as provided herein, the term of this Agreement shall be ONE (1) year, commencing on the Effective Date and terminating on DECEMBER 31, 2011 thereafter (the “Term”). Either Party may terminate this Lease by providing NINETY (90) days advance written notification of the terminating Party’s intent to do so.

2. Lessee warrants and represents to Lessor that: (i)-all necessary actions have been taken to authorize the execution of this Amendment 2 by Lessee; (ii)-the persons who have executed this Amendment 2 on behalf of Lessee are duly authorized to do so; and (iii)-this Amendment 2 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

3. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 2 shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

4. All of the Recitals set forth above are incorporated into this Amendment 2 by this reference.

5. Lessee recognizes and acknowledges that execution of this Amendment 2 shall in no way constitute a waiver by Lessor of any other sums which may be due and owing to Lessor or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 2 as of the date first set forth above.

FOR LESSOR:

**PHOENIX-MESA GATEWAY AIRPORT
AUTHORITY**, an Arizona joint powers airport
authority

By: _____

Name: Lynn F. Kusy

Its: Executive Director

FOR LESSEE:

JETSTRIP, INC., an Arizona corporation

By: _____

Name: Ken Halverson

Its: President