

MINUTES OF THE MEETING OF THE AIRPORT COMMISSION OF THE CITY OF COTTONWOOD, ARIZONA, HELD ON WEDNESDAY, FEBRUARY 1, 2023, 6:00 P.M., AT THE COTTONWOOD COUNCIL CHAMBERS LOCATED AT 826 N. MAIN STREET, COTTONWOOD, ARIZONA

I.-II. Chairman Moeny called the meeting to order at 6:00 p.m. Roll call was taken as follows:

COMMISSION MEMBERS PRESENT

Jim Moeny, Chairman
Bill Wade, Vice Chairman
Ron Baird, Commission Member
Tim Pebler, Commission Member

COMMISSION MEMBERS ABSENT

Vernon Reed, Commission Member

STAFF MEMBERS PRESENT

Jeff Tripp, Airport Manager
Rosa Cays, Customer Service and Reservations Specialist, Recorder

Chair Moeny kindly reminded the commissioners to press their microphone buttons when speaking for better amplification and recording quality.

III. PLEDGE OF ALLEGIANCE

Chairman Moeny led the Pledge of Allegiance.

IV. APPROVAL OF MINUTES OF DECEMBER 7, 2022; NO MEETING HELD IN JANUARY 2023

Commissioner Pebler made a motion to approve the minutes; Commissioner Baird second the motion. Minutes were unanimously approved.

V. NEW BUSINESS

1. Appointment of Airport Commission Chair

Mr. Tripp stated that Chair Moeny and Vice Chair Wade's terms had ended. Mr. Pebler nominated Mr. Moeny to a second term; Mr. Baird second the nomination. Chair Moeny asked for a vote and he was unanimously elected to a second term.

2. Appointment of Airport Commission Vice Chair

Mr. Baird nominated Mr. Wade to a second term, and Mr. Pebler second the nomination. He was unanimously elected to a second term.

VI. ITEMS FOR DISCUSSION

[Because this agenda item was addressed as one discussion, the minutes are all contained in this first section.]

1. Airport Manager's Report

Vice Chair Wade had questions about the two RFPs for the FBO and how serious the applicants were. Mr. Tripp shared background on the two companies and described them as viable. He said they are aware of the insurance requirements and that the RFP will still be issued nationally.

Vice Chair Wade then brought up the mechanic issue and said he had been doing a lot of work on it. He said insurance companies he has contacted warned him to differentiate between an FBO and a mechanic; that many FBOs do not have insurance coverage for mechanics. Vice Chair Wade said his point is that the airport doesn't need an FBO that doesn't have a mechanic. Mr. Tripp acknowledged this and said that every type of business has to have the appropriate type of insurance based on what operations they provide and that they have to meet the minimum insurance requirements.

Vice Chair Wade then inquired about the process used to determine fuel pricing. He told Mr. Tripp that he needs to be cautious of antitrust violations; that he cannot go out and ask what everyone's charging and

base pricing on that. Mr. Tripp asked the vice chair if there has been an issue. Vice Chair Wade replied that there was no issue, that he was just giving Mr. Tripp a prewarning. Commissioner Pebler asked how else would fuel pricing be determined. Chair Moeny said for decades they would start with the base/wholesale price and add a standard amount to that—and avoid exposure to antitrust. Vice Chair Wade suggested basing the price on a percentage, to which Mr. Tripp replied, “We have a percentage formula,” then explained how often loads are bought and that he is quite mindful of costs, taxes, overhead to build in to the price, and profit margin. Mr. Tripp said Cottonwood wants to be competitive within the market.

Vice Chair Wade referred to Item 6 from the airport manager’s report and asked if IKG Air was the same company as Native Air. Mr. Tripp said it was a separate company and that they had recently purchased a helicopter and fixed wing aircraft and approached the city about setting up operations. He said the “ball is in their court.”

2. Airport Operations and Noise Abatement Report

3. Fixed Base Operator RFP

4. RFPs for private hangar development

Chair Moeny inquired about the private hangar development and asked if the engineers are working on “getting us east of the fence line.” Mr. Tripp said they have done preliminary work and can relocate the primary windsock and segmented circle to the east side of the field. Once this is designed, they can begin construction this year and allow Mongini to continue with removal of the remainder of the hill.

5. Requirements for aviation mechanics

Vice Chair Wade stated the airport’s rates for insurance are too high—“excessive” and “unrealistic.” and that he has been told \$1 million in coverage for a mechanic is common, rather than \$5 million in coverage. He suggested a meeting with the risk manager and city manager to see if adjustments can be made. He said they may be able to entice a mechanic to work at the airport if the insurance rates are lower.

Mr. Tripp explained that the insurance rates for mechanics depend on the level of maintenance work they’re doing, and that major work requires higher coverage. He added that comparable airports have the same insurance standards. Vice Chair Wade said he would still like to debate it. Mr. Tripp reminded Vice Chair Wade of what former city manager Ron Corbin suggested months ago: that the commission put together a fact-based proposal, which could then be taken to city council. He said the more bolstered the argument, the better chance of influencing a change. Vice Chair Wade reiterated that he would still like to meet with the risk manager, city manager, and Mr. Tripp to discuss the risk factors. Mr. Tripp replied that they would still need to come up with a proposal to sway a council decision, not just have a meeting to debate the insurance standards. He said having done this type of work at multiple airports using the same insurance standards, he is not seeing anything in Cottonwood that would induce the city to lower the standards. He reminded Mr. Wade that the city also needs to protect itself in case of liability, hence the insurance requirement.

Vice Chair Wade said an onsite mechanic cannot afford to work at the Cottonwood airport with the current insurance costs—there’s simply not enough business. He said a mobile mechanic is needed, someone who serves other local municipalities and can serve pilots in Cottonwood. Mr. Wade sees this as the only alternative at this point. Mr. Tripp said he had just made this pitch to Cutter Aviation, whose prices would unfortunately be higher than the two mechanics who had been working at the airport out of their trucks over the years who will not fulfill permit requirements. Vice Chair Wade said a distinction needs to be made between routine maintenance and emergency repairs. He also said mechanics are coming on to

the airport and not going through Mr. Tripp, who said he was aware of this. He reminded Mr. Wade that as a city employee, his role is to enforce the rules enacted by the city “in an equal and fair manner.” He clarified again that it’s not that mechanics are not allowed at the airport; it’s that the city has to protect itself from litigious situations. Mr. Tripp gave examples of FAA rules that allow pilots to do maintenance on their own planes but also allow airports to establish rules regarding operations. He returned once again to the idea that if the commission wants to reduce the airport standards, they would need a fact-based argument to convince council, e.g., show where other airports are doing this. Vice Chair Wade said he did not disagree with Mr. Tripp but that alternatives are still needed and need to be discussed and considered.

Mr. Tripp explained that he needs the commission’s support. He suggested putting together a working group to address this. Chair Moeny said he would pursue this.

6. Airport Commission projects & goals for CY2023

Moeny asked the commissioners to each make a list of 2023 commission goals and projects and submit them to him in the next couple of weeks to discuss at the March commission meeting.

Vice Chair Wade returned to a previous item and said he had one more question for Mr. Tripp: If he hired a high school kid to wash his plane, would that kid have to have \$1 million in insurance? [NOTE: No, hiring a kid to wash his plane would not be a commercial operation; hiring a business to wash his plane would be considered a commercial operation]. Mr. Tripp replied that as a city employee, his job is to protect the airport from a risk management point. If something goes wrong, the city invariably gets the blame. Mr. Wade gave an example of hiring someone to sweep his hangar floor and said he wanted to address each item and debate it. Mr. Tripp reminded him that a fact-based presentation to city officials that would support his arguments would improve the chances of changing policy.

VII. FUTURE AGENDA ITEMS

Commissioner Pebler suggested something to Chair Moeny, but it was not picked up by the microphone or recorder.

Vice Chair Wade thought an important agenda item would be the removal of dirt by Mongini. He said the project has been going on for a long time and perhaps needs parameters set. Mr. Tripp said he would review the original agreement and also mentioned the progression of work that needs to take place before the removal of dirt. Mr. Tripp said he would check with Mr. Mongini and see if he has a time frame in mind of when he expects to be done. He also commented how much work the small crew has accomplished. Mr. Wade asked if dirt was leaving the site. Mr. Tripp said no, that it is being used in other areas of his private development operations. Vice Chair Wade concluded that the city is storing the dirt for him; Mr. Tripp clarified that Mr. Mongini is leasing the property and pointed out the benefits to both parties. Mr. Wade agreed and said a deadline was needed.

A member of the public asked a question from her seat; Chair Moeny asked her to step up to the podium to use the microphone.

The Cottonwood resident asked about Mr. Mongini’s project and the square footage of the property. Mr. Tripp explained what is airport property and what part is leased to the private sector. He also showed her the map on the screen and pointed out where Mongini leases land. The lady and Mr. Tripp continued the discussion.

VIII. CALL TO THE PUBLIC

Chair Moeny read aloud the ARS regarding the Call to Public, then called upon Mr. Dan Westphal of Cottonwood Ranch.

Mr. Westphal said he wanted to “bring context” to a couple of sections of Mr. Tripp’s Airport Operations and Noise Abatement report and shared his observations. He said there may be instances of complaints that don’t actually get counted. He said he would be following what happens with IKG Air.

A second gentleman had requested to speak, but had left the meeting.

Vice Chair Wade asked if he could suggest another future agenda item and suggested producing a helicopter handbook. Mr. Tripp reminded him that he had been working on it in conjunction with the other guide, but had to put it aside as he was working on other matters. Now that another medivac is in the picture along with the potential IKG Air, he agreed with Mr. Wade that the helicopter manual would be a timely project.

IX. ADJOURNMENT

Commissioner Pebler moved to adjourn; Commissioner Baird second the motion. The regular meeting adjourned at 6:38 p.m.