

## **ROLL CALL**

Roll call was taken 6:00 pm as follows:

### **Commission Members Present**

Jim Moeny, Chairman  
Bill Wade, Vice Chairman  
Bill Tinnin, Commission Member  
Vernon Reed, Commission Member

### **Commission Members Absent**

Tim Pebler, Commission Member

### **Staff Members Present**

Morgan Scott, Development Services Operations Manager  
Kelly Jobe, Administrative Assistant-Public Works

## **PLEDGE OF ALLEGIANCE TO THE FLAG**

Chairman Moeny led the Pledge of Allegiance.

## **APPROVAL OF MINUTES**

Motion was made by Bill Tinnin to approve the minutes for the February 7<sup>th</sup> meeting, Vernon Reed 2<sup>nd</sup> the motion, all approved.

## **CALL TO THE PUBLIC –**

**Al Gradajin** – stated the grounding cable at the fueling station is way too long. He also stated there is still a lot traffic taking off on runway 1-4 when 3-2 is the favored runway. He feels it is a safety issue.

## **BREIF SUMMARY -**

**Morgan** – Nothing to report

## **NEW BUSINESS -**

### 1. FBO Contract –

**Morgan** – introduced Orville Wiseman, Wiseman Aviation.

**Orville** - presented a power point on his company. He stated he is a native of Southern Arizona and he and his wife started their business in 1999 in Flagstaff which has grown to 3 locations to include Winslow and Gallup. The ownership of the company is an Arizona Corporation that includes himself and his wife. He stated they have a unique skilled set that service all three airports - has held a long term staff members up to 18 years. All administrative duties are handled in Flagstaff to maintain consistency. Wiseman Aviation has assisted in many different wildfires, and supplied them with fuel on demand. They have assisted with the Guardian Medivac flights, and assist their

sister companies in Gallup and Winslow. His company is trained to have skill sets to include hot fueling. All employees are required to attend special industry and onsite training, wear uniforms and to be groomed appropriately. He requires all staff be trained at all locations to keep consistency. He stated he has been offered other opportunities to expand his business, but the fit wasn't what he was interested in. He has personal interests in Cottonwood and feels he can develop at the Airport to provide a high quality service FBO business. There are standardized procedures that will be consistent with Cottonwood. He is proposing to bring in a Jet A fuel truck, and bring in some equipment. He would like to rent the entire Terminal, and put in a galley, new flooring, update the furniture, etc. He stated the Jet A fuel will be bringing more business to the Airport and to Cottonwood. He is looking at staffing the Airport 7 days a week, hours will adjust with the season, open later during summer, close earlier in winter. He will provide after hours on call maintenance services. He stated every one of his businesses have a special branding. He will create a branding for the Cottonwood Airport as well.

**Al Gradajin** – stated he has been to all Wiseman's FBO's and wanted to know what he potential he sees in the Cottonwood Airport.

**Orville Wiseman** – stated he has seen the area develop and change over the last 10 to 12 years and he knows of other airports the same size with quite a bit more activity. He stated everything is intertwined with his other businesses and that he has calculated making money at the Cottonwood Airport within a couple of years.

**Al Gradajin** – stated there was nothing at the Airport when he came here and he likes what Wiseman Aviation does and is looking forward to having him. He thinks this Airport is on the threshold of being great.

**Orville Wiseman** – stated he makes the majority of his profits at all the airports from traveling aircraft, not based aircraft. He will not be jacking up the fuel price to make the locals pay.

**Morgan** – stated the proposed revisions to the lease included the assistance of Phil McClure, Bill Wade & Vernon Reed, Larry Minch and Orville Wiseman who developed the following proposed items:

1. An escalator on the fuel flowage fee – instead of the escalator – we cap the total fees to the city at \$15,000 for the first three (3) years. Morgan stated he calculated everything that the Airport is losing in revenue, which includes the mowing, runway and light checks, fuel, etc., and gaining by Wiseman, the Airport should be slightly ahead.
2. On the insurance – we are looking at eliminating requirement for the environmental impairment insurance as there will be a secondary tank for safety. This was included on the new Commercial Standards that will need to be revised if it is approved not to be required.
3. Adding 50 feet outside on both sides and the back of Hangar B
4. Wiseman providing janitorial services for the terminal and for the restroom at the south end of the airport. It would save the Airport approximately \$1400.00 a year.
5. Key Deposit – modifying the key deposit.
6. Lease would include entire terminal building – as long as public aviation use is not restricted. Morgan is looking into it, grant assurances do allow for it.

**Bill Tinnin** – asked if the Saturday morning coffee would be able to continue.

**Orville** – stated he is not going to chase anyone off – but his concern is that he will spend a lot of money in furniture, flooring and other upgrades, so he would like to have control of the building and would like to maintain control of the facility for security reasons as well as protecting his investment. He is looking at having a conference room, small kitchen, etc. He stated it would be great to have aviation people in there, just would like to have control of the building.

**Bill Wade** – suggested giving Wiseman the whole terminal building to lease, he also suggests waiving the \$15,000 for the first 3 years, so he can start making money right away and would be good and profitable for both him and the airport. The issue that will have to be addresses is the mechanic issue. Most people have gone elsewhere. He stated there is a part time mechanic on the field. He would like to see that all be brought back to the airport and have Wiseman provide that availability of service.

**Orville** – stated he can send a mechanic down when needed, but to have one at the Airport at all times may not be feasible at this time. A good general aviation mechanic is costly and hard to find. He appreciates the offer of the \$15,000.00 be stricken for the first 3 years however, he doesn't think the grant assurances would allow that – and he feels it is necessary to pay and it ensures his commitment to the Airport. He is prepared for the bleed that will take place with the cash flow.

**Morgan** – stated he would like to talk about timing. He stated this is not something to rush into but if the Commission and Wiseman wanted to go over the proposed changes and meet next week, they could vote on it to recommend or not recommend to take to council. It could be on the council agenda for the April 17<sup>th</sup> meeting. The next city council meeting would be May 1<sup>st</sup>. All of these decisions are based upon the answer from the FAA.

**Jim Moeny** – Suggested to put a special meeting together on Wednesday, April 11<sup>th</sup>. At 6 pm.

**Morgan** – asked if there were any questions on the lease, he stated if there were questions or comments, he would like to have those to him prior to the meeting on April 11<sup>th</sup>.

**Bill Wade** – asked if Morgan calculated the savings to the Airport by having Wiseman on board.

**Morgan** – stated according to his calculations, he stated they are about \$15,000. A year

**Bill Wade** – asked if we should get some pilots at the meeting to participate

**Morgan** – stated it would be best to get the lease in front of them now so they can direct any questions or concerns to Morgan prior to the meeting on Wednesday so it will run more efficiently.

**Bill Tinnin** – stated it may be beneficial to have Orville meet the pilots this Saturday.

**Vernon Reed** – stated 80% of the aviation population in the community are there between two locations on that day.

**Larry Minch** - Stated Signature in Bullhead City charged \$40.00 just to land. He stated they surveyed Wiseman aviation and he was pleased how he ran his business. He recommends that the commission give Morgan direction on leasing the whole building. He feels Orville will do a good job.

**Vernon Reed** – feels it would be best to lease the entire building and Wiseman will take better care of it.

**Morgan** - stated he will get the changes made and back to the Commission by the end of the week.

**Orville** – stated he didn't charge any fees for private – but he will charge fees for commercial activity. He will not be taken advantage of, but he will adapt to the environment of the Airport. He will take care of the pilots and will be there to make money.

**Bill Wade** – stated one other issue may come up is the noise abatement problem, the complaints are coming in more and more now, if activity increases,

**Orville** – stated he has the number one ranked golf course at the end of the runway in Flagstaff, and they handle it there. He stated they can have some signs made to suggest approach and take off for noise abatement. He asked if there were any navigation easements were in place around the airport.

**Morgan** – state there are a few for the newer subdivisions were required to have them.

**Jim Moeny** – stated they need to look into left hand traffic.

**Al Gradajin** - stated there should be a small fee for overnight parking. Even if it is \$5.00 a night. He stated we need to look at the traffic pattern.

**Larry Minch** - asked if the parachute company is going.

**Jim Money** – stated there was a jumper on the previous Saturday.

## 2. Annual Budget Summary –

**Morgan** – went through the budget items for Fiscal Year for 2017. He stated staff will put together one for 2014, 15 & 16. In September there will be one presented to the Commission for 2018. He stated the bank charges were over \$11,000 were for the card reader on the fuel tank. He said the \$0.03 raise to the fuel price went to pay that cost. When the fuel is taken over by an FBO, the bank charges will not be the Airports cost anymore. He stated the Liability insurance is a little over \$9,000. That is high due to having to get separate coverage for the Airport.

**Al Gradajin** – asked why the bank charges are so high.

**Vernon Reed** – stated there was a fee to the Airport every time a card is swiped to buy fuel.

**Bill Tinnin** – suggested shopping around for better bank rates, even challenging the current bank fees.

**Bill Wade** – asked if the city negotiates the liability insurance, he doesn't feel that the city does any negotiating.

**Morgan** - The city is in an insurance pool with other cities, but that insurance does not cover Airports. Even with having an FBO, the insurance will remain the same expense for the Airport.

**Bill Tinnin** – stated it is not an awful amount for insurance.

**Jim Moeny** - asked if the utilities included APS and if that also accounted for the solar.

**Morgan** - stated yes, but feels this utility will go down as the new frequency for the AWOS will be used. It only took 2 clicks on the radio to hear the AWOS, everyone Who used 3 clicks, actually turned the lights on.

**Vernon Reed** – stated he would like to volunteer to help with the cost of the WIFI and broadband. He stated Century Link is over charging for the service that is presently at the airport. He will work to find more efficient alternatives for the Airport.

**Bill Wade** – asked if all city departments pay for water and sewer.

**Morgan** – stated yes, that is correct. He broke down some more equipment and operation costs. He stated on the contractual services – were mostly to attorney fees for GLR, Part 16 Complaint, Commercial Standards and Reversion Policy.

**Larry Minch** – stated he is not sure where the amount came from in less than a month for the Part 16 complaint as he didn't file it until then, and Steve Horton recused himself from the matter. Larry said that Sims was not involved in the beginning and he will find it in the minutes when this took place.

**Bill Wade** – questioned if the attorney fees were eliminated and they could sharpen the pencils on a few other expenditures, then the Airport would pretty much break even.

**Morgan** – stated that is correct.

**Bill Tinnin** – asked if the numbers on this form could show a net for the multiple attorneys.

**Bill Wade** – asked for indirect or administrative costs.

**Morgan** – advised there were indirect costs that included finance, legal, IT, HR, Public Works, etc. He stated he estimates that 35 to 40 thousand of that will be going away with a new FBO.

**Bill Wade** – asked what percentage of the indirect costs are part of the Airport budget.

**Morgan** – stated approximately 20 to 25%.

**Larry Minch** - asked if Morgan can show where the trade exists between the 6 acres of Public Works and Morgan's time he puts into the Airport.

**Morgan** – stated no, he cannot.

**Larry Minch** – stated he was advised the city allocated 50 % against Morgan's salary in trade of rent. There should be income from that property.

**Morgan** – stated he hasn't heard that.

**Larry Minch** – asked how the city figures that out.

**Morgan** – stated it is one of the things they are working on.

**Larry Minch** – stated it was a lot of money. He said if it was same he is paying for his hangar, it is almost \$120,000 a year.

**Morgan** – stated based on the appraisal that was done, it would be approx. \$13,000 a year. He stated that is was a different rates because they are different properties.

**Larry Minch** – stated according to the FAA 5190.6b, non-aeronautical use of Airport property should cost more to lease than aeronautical use. That is a huge inequity that the Airport is getting the short end of the stick on and it needs to be looked into.

**Jim Moeny** – stated that it does need to be looked into.

**Vernon Reed** – stated there have been other discussions on taxes that the county is collecting from airport property and the money ends up going to the general fund and not to the Airport budget.

**Larry Minch** – stated it goes back to the 1983 leases. It is a huge confusion. The Public Works property is controlled by the City. The City is controlling both ends of that.

**Vernon Reed** – stated there are land trades in the works that will begin to put the funds back into the Airport fund.

**Larry Minch** – stated the appraisal that Morgan spoke about was based on 1983 prices and they compared the city owned property to pig farms in Benson, Arizona in the middle of nowhere. Also on the last page, it states that the appraisal is a "hypothetical appraisal". Larry stated it had no validity to it at all with that wording alone. Larry stated that Morgan's salary was the offset to the rent on the Public Works property. This whole thing is a festering wound that needs to be addressed. He stated that the FAA may not address this issue in the current complaint.

**Bill Wade** - stated the properties on the east side are being charged a higher rate of property taxes due to it being Airport property. Something needs to be agreed on for the City to get a percentage of that put into the Airport fund.

**Vernon Reed** – agreed

**Larry Minch** – stated there are different tax issues for the east side. The tenants should only be paying taxes on the building, as the city owns the land. The issue is that the City is basing all their amounts on the "hypothetical appraisal". He stated that is a real problem. All this aside, the first thing that needs to be handled is the Public Works property. That property should be paying market value to the Airport and would probably have the Airport budget in the black. He stated the city keeps saying the Airport is losing money, and that they have to raise the rest and has to comply and be self-sustaining. He stated that it would be if the City paid their share.



**Morgan** - stated that the 1983 leases will be the next priority. There was the lease revision, the commercial standards and the new lease for a possible FBO. He stated that the 1983 leases will most likely be a long drawn out process, but it will be next on the list. Morgan continued with the budget presentation. Stated that there was a general fund amount given by the City.

**Bill Tinnin** - asked if it wasn't given by the City, would the Airport be in the red.

**Morgan** – stated yes, but it was not uncommon.

**Jim Moeny** – asked for copies of the budget for the commission.

**Morgan** – stated in September, he will have the number for 2018.

**Bill Wade** – asked if the water and sewer departments were self-sustaining.

**Morgan** – stated yes.

3. Review of Airport Market Study

**Morgan** – stated this is not ready at this time.

**Jim Moeny** – stated this item will be revisited at another meeting.

4. Proposed Fees based on Market Study Recommendations –

**Morgan** – stated this is not ready at this time however looking at the numbers, the Cottonwood Airport's numbers are not that far off.

**Jim Moeny** – stated this item will be revisited at another meeting.

5. Upcoming Expenses –

**Morgan** – stated that the taxiway needs to be crack sealed, the A/C units on the terminal need to be replaced, it is a \$10,000 to \$12,000 cost. The heater in Hangar B keeps failing and will need to be replaced– not now, but needs be in the near future. The gates are constantly needing to be repaired, so that will be an expense. Pavement preservation, looking at 100,000 every 3 to 4 years. Looking at petitioning the FAA for a displaced threshold.

**Bill Tinnin** – stated this was discussed years ago.

**Jim Money** – agrees and stated the night approach straightened out. It needs to be put back on the agenda. He stated there is a bottle neck issue.

**Vernon Reed** - asked about increasing the south end for increasing the threshold.

**Morgan** – showed on the map where 2 to 3 million to add a displaced threshold to the south.

**Vernon Reed** - stated it will have to be reconstructed, as the asphalt is not thick enough.

**Morgan** – stated there may be a possibility the wash can be rerouted and the box culvert can be eliminated. A feasibility study would determine if we need the 500 ft. or should go to 1000 ft.

6. PAPI Update –

**Morgan** – stated that it is up and running and up to date has been inspected.

**Jim Moeny** – verified that it has been changed from 3 to 3.5 degrees. He stated that would help out with the night time IFR approach.

7. Policy on Materials Stored Under T-Shades –

**Morgan** - stated some issues have come up regarding tenants storing materials and some materials that can be blown away. He asked if the commission wants to develop an item in the policy or where they would like to implement it.

**Jim Money** - stated there have been open buckets of oil.

**Vernon Reed** - would it be necessary to create a separate policy or just add it in the permit for parking.

**Jim Moeny** – suggested to add to the Airport rules. He stated it needs to be a container that does not blow away. The lid to the trash can at the self-serve ended up on the north end of the runway. He stated that is a huge liability.

**Vernon Reed** – suggested having a ticket created for Kelly to issue and stick on the windshield when the violation has been made.

**Bill Wade** – suggested to add it to the ordinance.

**Morgan** – stated since the commission is all unanimously in favor, the council will see the importance of the addition.

**Vernon Reed** – stated in most cases it happens when a plane is being worked on. He stated it would be another plus to have Wiseman base at the Airport to observe the

8. Compass Rose –

9. Website Notifications – offering training. -

**Kelly** - Pulled up the Cottonwood Website and showed the Commission where to sign up for any and all City notifications. She stated she would be willing to help anyone sign up and also attend a Saturday morning with the pilots at the Airport Terminal to help anyone get signed up.

**Jim Moeny** – stated it would be a good idea to help the pilots on a Saturday morning. He asked if this was going to replace the email notifications.

**Morgan** – stated eventually he would like to see all notifications go through the website.

**Adjournment**

A motion to adjourn was made by Vernon Reed, 2nd by Bill Tinnin, all approved. Meeting adjourned at 7:50 pm.