

DRAFT SUMMARY MINUTES OF THE REGULAR MEETING OF THE COTTONWOOD AIRPORT COMMISSION OF THE CITY OF COTTONWOOD, ARIZONA, HELD JANUARY 7, 2008 AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

Chairman Gradijan called the meeting to order at 6:30 p.m.

Chairman Gradijan took roll call as follows:

Commission Members Present

Aleck Gradijan, Chairman
Margaret Austell, Commission Member
James Moeny, Commission Member
Lawrence Minch, Vice Chairman
Bill Tinnin, Commission Member
Donald Thompson, Commission Member
Allyson Waak, Commission Member

Commission Members Absent

(none absent)

Staff Members Present

Tim Costello, Public Works Director
Trudy Elkins, Acting Administrative Coordinator, Public Works
Casey Rooney, Economic Development Director
Michelle D'Andrea, Attorney from Mangum, Wall, Stoops and Warden, P.L.L.C.

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Chairman Gradijan.

APPROVAL OF MINUTES

Mr. Gradijan asked for comments and approval of the minutes of the regular meeting of the Airport Commission on December 3, 2007.

Mr. Minch agreed that the minutes were accurate as presented but requested discussion regarding his concerns about the content of several items in the minutes, especially the 30 day notice for special events. He expressed his concern that 30 days notice is too short of an amount of time. Discussion followed on whether or not to discuss this under an agenda item. It was agreed that Mr. Costello would create an agenda item for the next meeting.

Ms. Waak questioned a statement on Page 4 of the minutes regarding the date of when to set an agenda item to consider the extension of the FBO amended operations agreement. After general discussion, Mr. Costello stated November 2008 would be the estimated date to place that agenda item on the meeting agenda.

Mr. Tinnin moved to approve the minutes of the regular meeting of December 3, 2007. Mr. Moeny seconded the motion. The motion passed unanimously.

BRIEF SUMMARY OF CURRENT EVENTS

Mr. Costello reported that the updated wait list for hangar and covered tie-down space is complete. The covered tie-down wait list now has 14 names on the list. Of the 14 names, 9 are common with the hangar list. The hangar wait list has 18 names, 9 are common with the covered tie-down list. New applications for both wait lists are still being taken.

Ms. Austell asked if the commissioners could have copies of the lists. Mr. Costello replied to the affirmative but he would need to check with counsel about removing possible private information such as phone numbers.

Mr. Costello reported that the local Civil Air Patrol painted the "Cottonwood" text at the airport in November. He commended them for doing a very good job.

Mr. Costello asked Chairman Gradijan to update the Commission on his efforts to file a GPS instrument approach for the Cottonwood airport. Mr. Gradijan reported that the FAA has acknowledged his formal request for a GPS runway 32 instrument approach. Mr. Gradijan stressed the importance of a published procedure for landing since this is often required by corporate entities.

UNFINISHED BUSINESS

Discussion of potential hangar sites on the west access road

Mr. Costello used a projected layout of the airport from the Airport Master Plan to discuss potential hangars on the west access road. The hangars would be one-sided box style hangars with one door opening onto the taxiway. Hangars would be placed on the existing access road and would be positioned on the edge of the existing paved taxiway. Grade condition is good. Hangars would be approximately 45' x 45'.

Mr. Costello listed potential issues: 1) this plan is not in the Airport Layout Plan previously approved by the FAA. The airport plan would need to be modified. 2) The new hangars would end the use of the access road, which was paid for with grant money. There may be a conflict with the requirements of the grant.

General discussion followed on possible re-routing of the access road around the new hangar site. Mr. Costello stated that the land west of the six foot fence is owned by the city but leased to a private entity. Mr. Costello has discussed use of the leased land for the access road and the lessee is amenable to this. The land is currently developed as a

mini-storage facility and open acreage, but will probably be divided into lots by the lessee in the future.

Mr. Gradijan reassured Mr. Prigge, owner of Skydive Sedona, that any changes to the access road would not hurt his business at the airport. Mr. Costello stated that any changes should be planned to meet FAA approval.

Mr. Minch asked if the hangars could be moved closer to the taxiway to allow for at least a 12' road behind them. Mr. Costello stated a retaining wall may be needed to support that road.

Mr. Tinnin questioned the level of grade at the west access road. Mr. Costello replied the grade is unlevel and would need to be addressed. Mr. Tinnin asked why the City is not using the other hangar site already approved by the FAA. Mr. Costello commented on the necessity for 13 feet of excavation for the uneven grade at the original T-hangar site in the 5 year plan.

Mr. Gradijan asked Mr. Costello the legal requirements for the size of the road. Mr. Costello stated the minimum dimension of a fire lane is 20 feet (with no parking allowed in the lane.). Mr. Costello noted the main expense in building a road behind the hangars would be the cost of the retaining wall. Mr. Gradijan asked Mr. Costello to talk with the lessee about use of the edge of the leased land to reroute the existing access road.

General discussion followed about the effects of rerouting the access road, relocating the Skydive business, and maintaining access to the areas now served by the access road. Mr. Christopher Bull, member of the public, asked the Commission to consider the original reason the access road was funded. Since the road was financed by taxpayer money, he questioned the expense to taxpayers of rerouting the road or changing it in a way that would negate the original intent in the Master Plan of building the access road. Mr. Costello reported the original intent of the plan was to provide a separation between air-side use of the airport and the land-side use.

Mr. Gradijan suggested tabling the discussion until the next regular meeting of the Commission when more input would be available from Mr. Costello regarding exact dimensions of space available for the options discussed and results of additional discussion with the lessee of the land area south of the access road. The suggestion for tabling the discussion was unanimously approved.

Consideration of the draft Bylaws

Mr. Gradijan asked for comments. Mr. Minch commented on Page 2, Article IV, Section 3. A. He requested the sentence be revised to "The Chair and Vice-Chair shall be elected by a vote of the commission members at the July meeting of the Airport Commission."

Mr. Minch commented on Page 3, Article V, Section 2, the phrase “which are intended to provide legal counsel to the Commission.” He questioned whether or not this limited the definition of Executive Session. Ms. D’Andrea suggested deleting the phrase.

Mr. Minch suggested rewording Page 3, Article V, Section 6, first sentence, to read “Any Commission member may place an item on a future agenda.”

Mr. Minch noted a spelling correction on Page 4, Article V. Section 10, “Robert’s Rules of Orders” should be “Robert’s Rules of Order.”

Mr. Minch requested definition of the word “meeting” on Page 4, Article VII, Section 1. He suggested the wording “Airport Commission meeting” to clarify the term.

Mr. Gradijan made a motion to have staff adjust the Bylaws according to Mr. Minch’s suggestions and add the Bylaws as an agenda item for the next Airport Commission meeting. Mr. Minch seconded the motion. The motion passed unanimously.

Consideration of the draft Operations and Procedures Manual

Mr. Gradijan noted that the draft manual is still undergoing changes and will continue to be revised. Mr. Gradijan suggested tabling the agenda item until the next meeting of the Airport Commission. Mr. Minch made a motion to table the agenda item until after the Operations and Procedures Manual Subcommittee meets to make revisions. Mr. Moeny seconded the motion. The motion passed unanimously.

Mr. Gradijan asked the commissioners to study the current draft of the manual over the next two weeks and submit changes to Mr. Costello for consideration at the next meeting of the Operations and Procedures Manual Subcommittee. The meeting date for the Operations and Procedures Manual Subcommittee will be January 24, 2008 at 8:30 AM at the City of Cottonwood Public Works Department conference room. It was agreed that the meeting is open to the public. An agenda for the January 24 meeting will be posted.

Discussion of fuel tank agreement with Mr. Larry Green

Mr. Gradijan noted the importance of providing jet fuel at the airport. He reiterated the problem of having a privately owned jet A fuel tank at the airport for which the city is receiving no rent or fuel provisions.

Mr. Minch suggested a letter be drafted to invite Mr. Green to come to the next Airport Commission meeting in order to give Mr. Green an opportunity to describe his understanding of the verbal agreement made with the city. Mr. Minch asked Ms. D’Andrea for her opinion on the legality of verbal agreements. Ms. D’Andrea responded that a verbal agreement is the same as a written contract unless the agreement is skewed too much toward one of the parties involved. Ms. D’Andrea stressed the importance of talking to Mr. Green for his input regarding his understanding of the agreement.

Mr. Minch commented that agreements have a beginning, middle and end. He questioned the end point of the verbal agreement. General discussion followed addressing the length of time Mr. Green has had the fuel tank and the extent of payments Mr. Green is making to the city. Mr. Costello reported that Mr. Green is paying rent for his hangar but not for the fuel tank. Ms. Waak asked the cost of the retaining wall paid for by Mr. Green. Mr. Costello replied that the invoice amount for the wall is \$2700.

Mr. Tinnin asked Mr. Costello if he would supply his notes on the agreement to Ms. D'Andrea. Mr. Costello agreed to give Ms. D'Andrea a copy of his notes.

Mr. Minch made a motion to invite Mr. Green to the next meeting of the Airport Commission and to table further discussion of the agenda item until the next Commission meeting. Mr. Tinnin seconded the motion. The motion passed unanimously.

NEW BUSINESS

Review of tie-down fees

Chairman Gradijan reported that there appears to have never been an increase in the tie-down fees at the Cottonwood airport. Mr. Gradijan suggested that fees should be increased to keep up with inflation. Using a calculator on the US Dept. of Labor website, Mr. Gradijan has calculated the amount of fee increase needed to stay even with inflation. By entering the monthly tie-down fee of \$27.00 into the year 1987, the website calculates the inflation-adjusted monthly fee in 2007 as \$49.95. Using the covered tie-down fee of \$67.00, the 2007 inflation-adjusted fee calculates to \$123.96 per month. Mr. Gradijan referred to the staff memo of May 31, 2007 comparing airport tie-down rents in Northern Arizona. He reported that the Cottonwood airport is below market rate for similar airports in the area.

General discussion followed on factors to consider in raising the rates.

Mr. Moeny reminded the commissioners that there had been discussion about lower fuel rates for local pilots but it had been decided not to adjust the fuel rates in favor of adjusting tie-down rental rates instead. Mr. Minch cautioned the commissioners not to penalize lessees who have been paying the same rate for years by suddenly raising the rates by a large amount. Mr. Minch suggested raising the rates in two stages to avoid a sudden increase in rates. Ms. Waak noted that any raise in rates needs to be approved by the City Council.

Ms. Austell noted that many of the other airports listed in the comparison of rates provide more amenities than the Cottonwood airport. She cautioned against matching fees with airports that offer more "perks". She stated the Clark Airport is, in her opinion, the most similar to Cottonwood in amenities. Ms. Austell cautioned that raising the tie-down rates would counter the benefits of keeping fuel prices low. Mr. Tinnin suggested incremental

rate increases by implementing an annual raise in rates that would be tied to the renewal of the annual leases.

Chairman Gradijan asked each commissioner to vote yes or no on adjusting the tie-down rates. All commissioners voted yes on raising the tie-down rates.

Staff member, Casey Rooney, Director of Economic Development, asked the commission to consider how they would explain to the media why the rates were being raised. Mr. Costello replied that the airport services requested are exceeding the budget amount.

Mr. Minch noted that the hangar leases all have escalation clauses. He suggested a similar escalation clause could be used for the tie-down leases. Mr. Minch agreed to bring his ground lease to the next meeting to provide more facts on current lease escalation clauses. Mr. Minch asked Mr. Gradijan to bring a copy of his city hangar lease to the next meeting. Mr. Gradijan agreed. Mr. Costello noted that the current monthly rental rate for an open tie-down is \$27 a month and \$67 a month for a covered tie-down.

Mr. Gradijan suggested that an agenda item be added to the next Airport Commission meeting agenda to consider how much to raise the tie-down rates. The commissioners unanimously agreed.

Mr. Minch made a motion to table further discussion of the raising of tie-down rates until the next Commission meeting. Mr. Gradijan seconded the motion. The motion passed unanimously.

FUTURE AGENDA ITEMS

Consideration of the rule for 30 days advance notice for Special Events.

Consideration of corrections to the draft Bylaws.

Consideration of the draft Operations and Procedures Manual.

Consideration of new rates for tie-down leases.

Discussion of Fuel Tank Agreement with Mr. Larry Green.

CALL TO THE PUBLIC

Mr. Christopher Bull, member of the public, asked to comment on the verbal agreement with Mr. Green. Mr. Bull asked the commission to consider if there are rules in Cottonwood that prevent making verbal agreements. Mr. Minch questioned the legality of the verbal agreement between the former City Manager and Mr. Green since it was

never presented to the City Council. Mr. Gradijan questioned whether the City Manager has the authority to make an agreement without City Council approval. Ms. D'Andrea suggested raising these questions in a setting other than a public meeting. Mr. Gradijan concurred.

Ms. Austell quoted a passage from FAA rules for an FAA funded airport as follows "this covenant enjoins an airport owner from granting any special privilege or monopoly in the uses of public facilities."

Mr. Gradijan asked if there were any more comments from the public. Mr. Carl Prigge, owner of Skydive Sedona at the Cottonwood airport, asked to speak. Mr. Prigge noted that he is currently buying about 50 percent of the fuel at the airfield. He stated he had lost a deal to use a larger aircraft because of the inability to have access to jet A fuel. Mr. Prigge asked Mr. Green about getting jet A fuel from his private fuel tank but Mr. Green stated he was not able to accommodate Mr. Prigge.

Mr. Minch asked Mr. Prigge if he would be willing to make that statement at the next Airport Commission meeting. Mr. Prigge agreed to do so.

ADJOURNMENT

Ms. Austell moved to adjourn the meeting.

Mr. Moeny seconded the motion. The motion passed unanimously.

The meeting was adjourned at 7:59 p.m.