

DRAFT SUMMARY MINUTES OF THE REGULAR MEETING OF THE COTTONWOOD AIRPORT COMMISSION OF THE CITY OF COTTONWOOD, ARIZONA, HELD JUNE 2, 2008 AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

Chairman Gradijan called the meeting to order at 6:05 p.m.

Chairman Gradijan took roll call as follows:

Commission Members Present

Aleck Gradijan, Chairman
Margaret Austell, Commission Member
James Moeny, Commission Member
Bill Tinnin, Commission Member
Donald Thompson, Commission Member

Commission Members Absent

Lawrence Minch, Vice Chairman
Allison Waak, Commission Member

Staff Members Present

Douglas Bartosh, City Manager
Tim Costello, Public Works Director
Barb Herrick, Administrative Coordinator
Casey Rooney, Economic Development Director

PLEDGE OF ALLEGIANCE TO THE FLAG

Chairman Gradijan led the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Gradijan asked for comments and approval of the minutes of the regular meeting of the Airport Commission held on May 5, 2008. There were no comments. Ms. Austell moved to approve the minutes and Mr. Tinnin seconded the motion. The motion carried unanimously.

BRIEF SUMMARY OF CURRENT EVENTS

Mr. Costello addressed the commission with an update on the self-fueling station. He indicated that the system has been up and running for 5 weeks and he reported on the rate of the fuel sales. Mr. Costello stated that during the month previous to the installation of the self-fueling system 2,400 gallons of fuel was sold. He went on to say that 4,600 gallons of fuel was sold the month after the installation. In observation, he felt that some of the increase could possibly be seasonal, but the low fuel rate also played an important role. Mr. Costello informed the commission that we have purchased a new load of fuel, and the new

price of fuel is \$5.18 a gallon. Even though the price is not the lowest in northern Arizona, it is one of the lowest.

Mr. Costello also informed the commission that he met with a representative of FAA that was here to look at the airport in response to Mr. Gradijan's letter regarding instrument approach. The representative said everything was looking good and he left paperwork to be filled out. The paperwork was related to qualifying for the instrument approach, and it was said that we wouldn't have any problems qualifying. Regarding the environmental review, the FAA will let us do the review.

Mr. Gradijan noted that the self-fueling station does not have a cover over it yet. Mr. Costello informed the commission that it should be complete in about 30 days.

CALL TO THE PUBLIC

Karl Priggee addressed the commission and indicated that through observation the rollers on the fuel hose have been broken twice. He felt that it needs to be more user friendly.

Mr. Gradijan felt that there probably would be a short learning curve in the training. He also inquired about the credit card limit and if it will be increased.

Mr. Costello followed up on Mr. Priggee's comments regarding the rollers on the fuel hose, and stated that the spring tension has been eased and the installer is also sending us a "rubber-ball" part that will fit on the end of the hose.

On increasing the credit card limit, Mr. Costello noted that he had talked to Rudy Rodriguez regarding the issue. Mr. Rodriguez talked to the computer maker, QT, and they recommended not increasing the limit. The current limit is \$250 on fill-up option. If someone used a debit card it would put a hold of \$250 on the person's account for 48 hours regardless of the sale amount. Because of the possibility of increased complaints, they suggested we do not increase the limit.

Mr. Priggee wanted the commission to be aware of an incident in which a plane was abandoned in front of the fuel pump and no one was around.

Mr. Gradijan stated that he would talk to Mr. Green about the situation.

UNFINISHED BUSINESS

Airfield Upgrade – Bid Results

Mr. Costello informed the commission that we received eight bids for the electrical upgrade project. The bid includes the base bid and also an alternate bid

that would include painting the beacon tower. The low bidder was Rural Electric for the amount of \$177,082. Mr. Costello stated that Z&H Engineering has worked with Rural Electric and they made a positive recommendation for them. They are also below our budget of \$260,000. The FAA has given us the date of June 30, 2008 to submit the grant.

Mr. Gradijan wanted to know what would be done with the excess money. Mr. Costello informed the commission that we will not lose the money. He explained that the money is referred to as a non-primary entitlement and we can use it as we see fit as long as it is in the ACIP (Airport Capital Improvement Program). The money will be available for future grants. Our account has \$425,000 in it and the money will remain for future projects.

Mr. Gradijan also inquired if the bidder has posted a surety bond for the work. Mr. Costello stated that the requirements associated with the bidding and with a federal grant requires several bonds to be posted.

Ms. Austell asked if we have worked with any of the other companies that placed a bid. Mr. Costello indicated that we have worked with N.J. Shaum, and they were the original installers of the system.

Mr. Gradijan stated that he approved Mr. Costello's recommendation. Mr. Gradijan made a motion to move forward with the recommendation and submit to council. Mr. Moeny seconded the motion and it passed unanimously.

Mr. Gradijan inquired as to when the work would begin. Mr. Costello indicated that the grant needs to be awarded by the end of the month, and the construction time is 60 days. Mr. Costello estimated the work to be complete by October.

Mr. Gradijan was concerned about the airport lighting during the construction phase. Mr. Costello felt that the lighting would not be disrupted, and the runway will not be closed.

Mr. John Altizer asked Mr. Costello would the city's share of the grant be based on the total grant amount or on the amended grant amount. Mr. Costello stated that the city's share would be based on the actual amount spent. The city's share would be 2 ½ % of the bid amount plus other grant eligible expenses.

Zoning in the vicinity of the airport

Mr. Gradijan indicated that at the last meeting it was suggested that a footprint be established around the airport and work with the city's Planning and Zoning Commission. A meeting is scheduled for Thursday morning that includes Mr. Costello, George Gehlert and Mr. Gradijan to do some preliminary work. Mr. Gradijan contacted AOPA to gather additional information. Mr. Gradijan stated

that the regulation that basically covers the issue is Part 77, and it would be a good guideline to start with.

Ordinance for fees

Mr. Costello informed the commission that there is an item on the agenda for tomorrow night's council meeting. The item is a resolution to adopt the new tie-down fees and the permit for the tie-downs. The new rates will be effective July 1, which is the beginning of the quarter for billing. Regarding other fees that were mentioned in the Operations and Procedures Manual, staff is working on it because some members of staff feel it would be a good idea to adopt the Operations and Procedures Manual as ordinance. The other method of enforcement was to pull the fee items out of the manual.

Financial Report

Mr. Altizer addressed the commission and stated that there was only one item. He stated that because the meeting is held at the first of the month, many charges have not been accumulated yet. Mr. Altizer stated that he received information from Rudy Rodriguez regarding the drainage upgrade at the airport. The expenditures for the work were \$4,840. Mr. Altizer stated that the income from fuel sales was about \$115,000, and the cost of the gas was about \$64,000. Mr. Altizer asked Mr. Costello if he knew how many gallons were pumped into the tank. Mr. Costello stated that the amount was 7400 gallons.

Mr. Gradijan inquired as to the status of the landing site for the hang gliders. Mr. Costello stated that the site is basically ready. He went on to say that there were really two jobs in one. A cut was done on the hill for clearance of the helicopter pad, and the material was then used to fill the valley. The site should be usable now.

Mr. Bartosh directed the commission back to the ordinance issue and he stated that the preference of the city attorney is to approve the whole document. They feel it is much more legally sound to approve the whole document, and that is the direction we prefer to go with. Mr. Bartosh noted that it would make it more legally defensible.

Mr. Gradijan stated that before he made any comments, he would like to have Mr. Minch present because he is adamantly opposed to the idea. Mr. Gradijan commented that he felt that the manual as it is written is now in force minus anything relative to fees.

Mr. Bartosh stated that it could easily serve the purpose that is needed in terms of advisement. As far as being officially adopted by the council, it has not been.

Mr. Costello stated that he felt the manual is more like guidelines.

Mr. Gradijan stated that because we are just finding out about this, we should digest it for another 30 days.

NEW BUSINESS

Addition of Covered Tie-downs

Mr. Gradijan explained that the need for additional covered tie-downs are obvious based on our waiting list for covered tie-downs and requests from the public as to when we are going to add more covered tie-downs. It has also been discussed as to the future location of the covered tie-downs. Based on how the airport is laid out, Mr. Gradijan stated that he feels that any new covered tie-downs should be built in front of the existing city-owned T-hangars. Mr. Gradijan went on to say that he went to R & M Steel and supplied them with the basic dimensions of our existing tie-downs and asked for a price for the steel. The bid he received for the steel was for \$51,900. The only difference being the bid was for 36 feet wide and ours is 40 feet wide. Based on Mr. Gradijan's personal experience with his own hangar, he stated that he felt a good ballpark estimate would be \$75,000 for 12 units. Using the \$85 monthly revenue from tie-down rental, it could be amortized in six years and three months.

Mr. Gradijan felt that if we were to move in this direction, we should qualify the people on the wait list. He also noted that we might have to get permission from the FAA. Mr. Costello stated that he talked to our project manager and he didn't indicate that it would be insurmountable, and he felt much better with it being a city facility than a private facility.

Mr. Gradijan asked if there was federal or state money available for this undertaking. Mr. Costello noted that ADOT does have a low-interest loan program, and hangars are one of the things that they fund. Another item that was mentioned was fuel farms. Both of the items are not grant eligible.

Mr. Gradijan stated that we should investigate and fine-tune the numbers and see what kind of funding we can get. He also suggested that we find out how the council feels about it, and then move forward.

Ms. Austell mentioned that maybe we could also have electric available. Mr. Costello stated that this could be considered. After additional discussion, Mr. Gradijan asked Mr. Costello to set the wheels in motion.

Maintenance of Existing Covered Tie-Downs

Mr. Gradijan discussed the condition of the existing covered tie-downs and noted that the fascia boards need attention and painting of the entire structure would be beneficial.

Mr. Costello suggested that we might be able to paint it in the next fiscal year, which would be after July 1.

Updating Publications such as the Airport Directory

Mr. Costello informed the commission that the Airport Facilities Directory is updated every 56 days and that gives us many opportunities to update the information. As a result of a recent inspection, the FAA representative updated the directory after his inspection. Mr. Costello stated that some of the information to be changed will be the result of the electrical upgrade project.

Considerable discussion regarding the need to update the Brown Book (small airplane book) and other commercial publications took place. It was suggested that everyone should make suggestions of who needs to be contacted. It was also mentioned that the fuel prices should be kept up to date. Mr. Costello noted that Angie Luna makes the changes immediately when fuel prices change to AirNav.com.

Date and time change for meeting

Due to a conflict with classes, Ms. Austell requested a change of meeting times. Unfortunately, she stated that NAU changed the class times, and she did not have any updated class schedule information to make any decision changes at this time.

Mr. Gradijan noted that from conversations at the last meeting, everyone was in agreement to move the meeting day from Monday. The commission members had further discussion about moving the meeting day to Thursday.

Mr. Altizer suggested the meeting date be moved to at least the second week of the month, and then financial information might be more readily available to him.

After discussion, Mr. Gradijan suggested we table the discussion until next meeting when we have all commission members present.

Airfield Electric Upgrade – Construction Management Contract with Z&H Engineering

Mr. Costello presented a proposal from Z&H Engineering for construction management of the electrical project. The biggest portion of the money goes to a full-time observer that will be here the entire time the contractor is working. Because we have a federal contract, there are many requirements that have to be met, and this is one of them.

Mr. Costello informed the commission that he wanted to present the proposal to the commission before presenting to council. He went on to say that we have a long-standing relationship with Z&H Engineering and he would like the commission to recommend acceptance of the proposal.

Mr. Moeny made a motion to accept the proposal and move forward and it was seconded by Ms. Austell. The motion was passed unanimously.

Review of Candidates for the Airport Commission Seat that is vacating in July 2008

Applications from three candidates were passed out to commission members by Mr. Costello. He went on to say that the position vacating will be for Don Thompson, and the opening will occur on July 1. The three candidates for the position are: John Altizer, Dave Cobb and Karl Priggee. Mr. Costello noted that basically, the ordinance states that members of the commission are selected and appointed by the council. There are two categories of commission members and they are; members with aviation knowledge (5 members), and two are residents of Cottonwood and they are not required to have aviation knowledge.

Mr. Gradijan noted that the commission needs to make a recommendation to the council.

The commission members took a few minutes to review the applications. After reviewing, Mr. Gradijan asked if any of the applicants present would like to speak.

Karl Priggee addressed the commission and stated that he has worked on everything from grass strips to international fields operating singles to 747's. He also said that he has training in airport planning and he stated that anything that he did would be in the best interest of the airport and the city for its future growth.

John Altizer stated that he has done a lot of work toward the foundation of the commission and he has numerous years of airport and aviation experience. He said that he felt that his record stands.

Mr. Gradijan asked for comments from the commission members. Mr. Tinnin suggested that all applications be passed to council. Each commission member was then polled and the results were five votes for Mr. Altizer and one vote for Mr. Priggee.

Mr. Gradijan noted that Mr. Altizer was endorsed by five members and Mr. Priggee received one endorsement.

FUTURE AGENDA ITEMS

Before setting any future agenda items, Mr. Gradijan formally thanked Mr. Thompson for his time and service to the commission.

1. Elect a new chairman

ADJOURNMENT

A motion to adjourn the meeting was made by Ms. Austell. Mr. Tinnin seconded the motion and the motion passed unanimously. The meeting was adjourned at 7:15 p.m.