

SUMMARY MINUTES OF THE REGULAR MEETING OF THE COTTONWOOD AIRPORT COMMISSION OF THE CITY OF COTTONWOOD, ARIZONA, HELD **JULY 6, 2016 @ 4:00 PM** AT THE COUNCIL CHAMBERS, 826 N. MAIN ST., COTTONWOOD, ARIZONA.

### **ROLL CALL**

Roll call was taken as follows:

#### **Commission Members Present**

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

#### **Staff Members Present**

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

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

Chairman Moeny led the Pledge of Allegiance.

### **APPROVAL OF MINUTES**

Motion was made by Bill Wade to approve minutes for June 1, 2016 meeting, Bill Tinnin second. All approved.

### **CALL TO THE PUBLIC –**

No comment from the public.

### **BRIEF SUMMARY OF CURRENT EVENTS**

*Brief Summary of events is presented by - Morgan Scott, Development Services Operations Manager:* The FAA has confirmed the final ruling on the aeronautical use of the airport, and staff believes this is in favor of all local users. Basically, it allows other activities to be conducted in the hangars as long as it does not hinder any primary aeronautical use. Last night, City council approved the contract to construct the airport apron. We are now waiting on the final approval from the FAA, when we have that in place we can sign the contract, sit down with the contractor, and schedule a date for the public meeting. At least two weeks lead-time will be given before construction is to begin. There will be a chance to ask questions at the public meeting. Morgan stated he would obtain all the composite data information and get to Vernon Reed. Mr. Reed was concerned with the quality of the resurfacing that had been completed throughout the city. Bill Wade asked if the tenants needed to move their Airplanes, if there is an arrangement with Sedona Airport to be able to host tenants without being charged. Morgan stated he would have all the answers to the questions at a later date.

## OLD BUSINESS

**Review of Airport Finances** – Bill Wade had several questions and concerns. Morgan directed him to Rudy in the Finance Department.

Larry Minch stated he had talked to Rudy about the financials – Rudy advised Larry that it was an exchange of benefits, Public Works Rent of Airport property for Morgan’s time that he puts into the airport. Of the \$94,000 in rental income for the airport listed on the financial statement, Larry stated he pays approximately 2.5% and Jan Thompson pays almost 3 %. This is just for two hangars.

**AOPA annual meeting in Prescott** – September 30 – October 1<sup>st</sup>. Vernon Reed stated that Prescott reported 250 aircraft have registered and they are expecting a total of possibly 300 – 350 to attend. Chairman Moeny would like to have a meeting with the Chamber of Commerce to look at venues in Cottonwood. Bill Wade stated AOPA had sent an email out that day regarding the event. On the website, they have a “what to do in Prescott” and would like to add Cottonwood to the site. Vernon Reed stated we should advertise the low fuel prices and what Cottonwood has to offer.

**Airport Operations Policy**- Vernon Reed had distributed a version he drafted. Vernon is trying to capture everything in one document that can answer any questions for local and visiting pilots. Vernon would like to see it posted to the website as well as in the Airport terminal. Ron Krumm would like to have it on the Airport website as well. Bill Wade requested an email version that they can redline. Bill stated several guidelines that were developed for the Airport are outdated and feels they need to be looked at possibly updating. Bill would like to set a date for the first review of comments in three weeks from today’s date. This would be to have comments in by July 27<sup>th</sup> for the next review. Vernon Reed asked when the final draft is completed, if it would then go to council. Morgan stated it would go to City Attorney first.

## NEW BUSINESS

**Grant Chart Review** – Morgan has no new update. He would like to see this updated monthly, but the emphasis lately has not been on the Airport.

**New Commission Members** – This item has not been to City Council and it will have to be tabled until it has.

**Review Committee Members for Lease Study** - Morgan stated that they have started putting a list of members together. The first one is a consultant, C & S - Cory Hazelwood. He will be a paid member of the committee. Steve Horton will be a non-voting member of the committee. Bill Simms is the Attorney that represents the City’s insurance pool. Bill would represent the city should a claim be filed. Chairman Jim Moeny volunteered, Council Member Terrance Pratt volunteered. Council requested two non-aviation members of the public. Morgan stated it would be good to have one that understands business, real estate law, contract law. Judd Wasden, local businessman and realtor was chosen. Phil Rosen was chosen; he had served on the HOA board at Cottonwood Ranch and would represent the local citizen. Phil does not reside inside the corporate boundaries of the city. The council requested to have a Hangar owner on the committee. Morgan stated they were looking for someone who wasn’t actively involved, less emotionally tied to it and less financially invested to it. He reached out to Eric Brunner who did not respond. Morgan contacted Mark Millar. City staff would be City Manager; Doug Bartosh,

Steve Horton (would be a non-voting member), and Morgan Scott would complete the Committee.

Morgan stated that the committee would be getting together in the next few weeks.

Bill Wade stated that the most important people that should be part of the committee would be some finance people that have experience in handling hanger loans.

Bill mentioned that the gentleman that just completed the analysis / appraisal on the one hangar brought forth the fact that there is an issue with why the leases were not set up for 40 years leases. Morgan stated that he could ask the council to include the mentioned entities.

Larry Minch – wanted to know why Mark Millar was the only shareholder involved when he was on a 100-year lease that was not on the airfield. There are six hangars on the airport that are the significant participants in the lease issues, and then stated that 3 of the hangars actually have the 40-year leases and 3 of the hangars have the 25-year leases. He thinks for all fairness that at least one of the on airport leaseholders should be invited to sit and have a vote on the committee, and not someone who pays \$1.00 per square foot per year. That equals to \$440.00 per acre. Larry stated he pays 50 times that. The people on the airport are the most invested people in what you are trying to accomplish. He stated if he was the one that was paying \$440.00 an acre, he wouldn't want to change anything. He wants to go on record stating that it would be extremely unfair to leave the committee members as is.

Bill Tinnin and Jim Moeny agreed with Mr. Minch. Morgan stated that due to the invested interest is why they were not included. He mentioned that the Airport Commission has not been included in the cost of the fuel due to this. Jim Moeny stated that the discussion is over these individuals' properties and he believes they do have a vested interest.

Tim Elinski - He stated when he made the motion in council; the intension was to have one of the hangar owners that were on the airport that had the vested interest serve on the committee, although the minutes would not reflect that. He stated that the common goal is to have the Airport run as effective and equitable as possible.

He stated he did not recall as a council member putting any city staff on the committee in the motion he made. He asked Morgan who was included. Morgan went over the list. He stated that it has not been specified if the City Manager will have a vote. Tim stated that possible further direction from the council maybe needed.

Bill Wade - he would like to see the legal recourse in possibly terminating all leases and issuing new leases. He believes the question will come up over and over. He would suggest that they need get outside council to look into this.

Tim Elinski stated he believes that the council wanted to remove Steve Horton from this committee and get a new set of eyes on this. Tim stated he personally does not disagree with Steve's stand on the gift clause, but would like to see another attorney look into it. He is aware Steve would be involved in the process, just not to serve on the committee. Tim does not recall making the motion to put Steve Horton on the committee.

Bill Wade stated he does not disagree with the City Attorney's legal opinion – although when a mistake of this magnitude with a contract is made – there should be a way to obtain alternatives and he does not see the city attorney forthcoming with any resolution.

Bill Tinnin - suggested that the city staff should not have any voting position, only for knowledge and commentary should be allowed on the committee.

Larry Minch - asked if any on field hangar owners would be invited to the committee meetings. Morgan stated that per the councils direction, one hangar owner will be on the committee, Larry confirmed that the hangar owner mentioned previously, Mark Millar was the one chosen. He reminded the commission that Mark was an off airport leaseholder. Jim Moeny stated he strongly disagreed with Mr. Scott in not having a leaseholder that is on the Airport a part of the committee. He stated all stakeholder's and all voices should be present and allowed to speak at the committee meetings. Chairman Moeny went on to say; by choosing Mr. Millar, the city is disenfranchising all the major shareholders in this issue and encourages the city to rethink the addition of the leaseholders.

Airport Commission would like to recommend that all voices be heard on this issue at the committee meetings. All members agreed.

**Clarification on Ordinance that initiated the Airport Commission** - Ron Krumm asked this item be placed on the agenda. He stated that Morgan had sent him an email containing this information and he has no further questions.

### **Adjournment**

A motion to adjourn was made by Bill Tinnin, 2<sup>nd</sup> by Bill Wade, all approved. Meeting adjourned.