



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING  
Scottsdale Airport Aviation Business Center  
Stearman/Thunderbird Meeting Room  
15000 N. Airport Drive  
MEETING HELD ELECTRONICALLY  
Scottsdale, Arizona  
Wednesday, May 18, 2022**

**MINUTES**

**PRESENT:** Charles McDermott, Chair  
Peter Mier, Vice Chair  
Larry Bernosky  
John Berry  
Ken Casey (telephonic)  
Cory Little  
Rick Milburn

**STAFF:** Gary Mascaro, Aviation Director  
Carmen Williams, Aviation Finance & Administration Manager  
Chris Read, Assistant Aviation Director-Operations  
Sarah Ferrara, Aviation Planning & Outreach Coordinator

**GUESTS:** Chris Kesler, Support Manager-Airspace & Procedure, FAA  
Ashley Pehl, Air traffic Manager (SDL)

**CALL TO ORDER**

The meeting was called to order at 5:00 p.m.

**ROLL CALL**

A formal roll call confirmed the presence of Commissioners as noted above.

## **AVIATION DIRECTOR'S REPORT**

Gary Mascaro, Aviation Director, congratulated Chair McDermott for receiving the Corporate Director of the Year Award from the Arizona Airports Association.

1. Regular Meeting: April 20, 2022

VICE CHAIR MIER MADE A MOTION TO APPROVE THE REGULAR MEETING MINUTES OF APRIL 20, 2022 AS PRESENTED. COMMISSIONER BERRY SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, BERRY, CASEY, LITTLE AND MILBURN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

## **PUBLIC COMMENT**

There were no public comments.

## **REGULAR AGENDA            ITEMS 1-10**

1. Discussion and information by the Federal Aviation Administration (FAA) on aircraft departure delay mitigation at the Scottsdale Airport

Chris Kesler, Support Manager-Airspace & Procedure discussed trends in major growth in general aviation activity of approximately 28 to 32 percent. Last year's levels, in particular, were unprecedented. He acknowledged that there are not currently available tools for managing these issues in smaller airports. The FAA is currently working to develop mitigation tools to prevent a repeat next year. They will work with FBOs in terms of confirmed and anticipated reservation levels. The stats will be communicated with the command center. One of the goals is to balance throughput, arrivals and departures.

In response to a question from Commissioner Little, Mr. Kesler stated that the challenges do not relate to manpower, but are more systemic, in terms of traffic management in and out of the Airport.

Ashley Pehl, Air traffic Manager (SDL), stated that based upon conversations with Albuquerque Center, the Command Center and up to the national level, there seems to be increasing acknowledgment of the demand and volume levels. A single runway can likely handle 50 to 55 operations with smaller aircraft. As larger aircraft are included, the capacity is reduced. Capacity is further reduced once IFR is in the mix, as this is not just runway separation, but is terminal in routes, including approach control and spacing into the entering structure. All traffic is mixed in with Sky Harbor, Gateway, Deer Valley, Falcon Field and other airports.

Ms. Pehl stated that in conversations with Albuquerque Center and National, total operations are actually down. In 2019, totals were 193,375 and last year was 168,644. However, IFRs were 49,779 for 2019 and for 2021, totaled 61,546. There has been discussion to pull back on arrivals during periods of large events. In January through March, extensive delays took place Sundays after large events for craft looking to depart. FAA staff is looking at tools to manage arrivals,

particularly on Sundays from November through March. They are also meeting with FBOs to share scheduling details. There is a goal to get controllers on the same page with the use of able procedures.

Mr. Kesler stated that they will be using the Command Center, NBAA and other organizations that can reach out to customers and encourage them to make reservations during high traffic time windows. Having controllers utilize able procedures and managing inbound versus outbound demand with FBOs should serve to mitigate some of the delays during the upcoming busy season.

Commissioner Little asked about other airports with similar issues. Mr. Kesler cited Van Nuys and Teterboro, which have high volumes of corporate aviation.

There was discussion regarding having an update prior to Super Bowl and Phoenix Open. Mr. Mascaro stated that FAA staff have confirmed that they would return to provide an update on plans.

There were two requests to speak on this item.

Scott Casey introduced himself as manager at Pinnacle Aviation, a large tenant at Scottsdale Airport with over 20 aircraft. They do charter as well as private management haul of jets. From an operator's perspective, there has been a significant increase in volume and demand, which leads to the delays. Most impacted days are Sundays and busiest time periods from late January to beginning of March. While most of the conversation during this agenda item is in regards to arrivals, the departure delays have also been a major factor. Contributing factors this year include compounding effects of a one- to two-hour delay at Scottsdale, which prevented getting into the destination airport. For peak days with mountain destinations, there is no way to get passengers from transportation to the alternate airport. This led to a need to limit schedule and commerce to one flight a day.

Douglas Young introduced himself as President of the Arizona Business Aviation Association and stated that the delays discussed during this meeting affect not only Scottsdale Airport but throughout the Valley. The Association would appreciate FAA staff coming to speak with their membership as well.

Mr. Mascaro shared his appreciation with the FAA for its recognition and ensuing efforts to address the conditions detailed in this discussion. He also commended the FBOs for responding to his request to meet with the FAA and discuss ideas. Plans include working with the tower to provide them more information sooner in order to address arrival processes.

Chair McDermott acknowledged not only the inconvenience to aircraft but also impacts to business from a growth perspective.

Commissioner Little stated that there is an opportunity for private industry to step in to find solutions. Mr. Mascaro concurred. In addition to AZBA, he has been in contact with NBAA and their representative Philip Baron, who has expressed an intent to help however possible, particularly in terms of sharing information with private businesses.

Commissioner Casey said he is impressed at the response to concerns stated both by the Airport and the FAA. When word spreads regarding delays at Scottsdale, flight activity moves to Deer Valley or other airports. He discussed the staffing (particularly with ground controllers) and delay

issues following the most recent Barrett-Jackson event and thanked everyone involved in finding solutions. Ms. Pehl addressed some of the challenges with staffing and training. They are working to put long-lasting processes in place, particularly for times following major local events and for the period from November through March. Discussion ensued regarding the importance of education in terms of the volume data. Reaching a threshold of 60 to 70 percent of people making reservations will also go far for planning and coordination.

Mr. Mascaro stated that an update on all related progress will be provided in the fall.

In response to an attendee question, Mr. Mascaro stated that Scottsdale will not undertake a slot program, as it is such a massive undertaking. The one exception will be during Super Bowl on Sunday and Monday. There will be a push to encourage reservations.

2. Discussion and possible action to modify the Airport Minimum Operating Standards, Article 6, Fixed Base Operators, Section 6-7, Monthly Aeronautical Business Permit Fee.

Carmen Williams, Aviation Finance & Administration Manager, presented a minor revision to the standards, which addresses the monthly aeronautical business permit fee for FBOs. In summary, the FBOs will report monthly fuel flowage to the City and will collect an additional one cent per gallon to help build a buffer throughout the year. At the end of the year, the buffer will be used to offset all other services, such as hangar shade leasing services, flight training or charter. It will help to offset the annual reconciliation.

COMMISSIONER BERNOSKY MADE A MOTION TO MODIFY THE AIRPORT MINIMUM OPERATING STANDARDS, ARTICLE 6 FIXED BASE OPERATORS, SECTION 6-7 MONTHLY AERONAUTICAL BUSINESS PERMIT FEE. COMMISSIONER BERRY SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, BERRY, CASEY, LITTLE AND MILBURN, VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Airport Advisory Commission considers recommending to the City Council adoption of Resolution No. 12487 Authorizing Contract No. 22PB019 in the amount of \$4,544,080.00 with J. Banicki Construction, Inc., to construct Taxiway "A" north and run-up area improvements at Scottsdale Airport.

Chris Read, Assistant Aviation Director-Operations, stated that this item represents the Airport's next major construction project. Project details were reviewed. The two components include reconstruction of the main Taxiway A and three connector taxiways that lead to the runway. This construction is needed to address underlying pavement issues due to age and to meet new FAA standards for taxiway geometry. The project will also provide for the construction of five new hold bays that can be used by small aircraft while pre-flight runups are performed. This will help reduce congestion for aircraft departing on Runway 21. Funding will include an anticipated FAA grant, to cover 91.06 percent (\$4,137,840) of the construction costs. ADOT will provide a grant of 4.47 percent (\$203,120) The Aviation Enterprise Fund will match 4.47 percent. The project is expected to take 87 calendar days. There will be approximately 40 overnight runway closures to complete work within 200 feet of the runway centerline. If the FAA does not offer the grant this summer, the notice to proceed will not be issued to the contractor.

Commissioner Little asked whether the contractor will have the ability to reprice the project, given the rising cost of materials. Mr. Read stated no such option is available and not allowable by the FAA.

In response to a question from Chair McDermott, Mr. Read stated that a total of two bids were received that were close to the engineer's estimate.

In response to a question from Commissioner Bernosky, Mr. Read stated that the FAA has changed its specifications for geometry of taxiways and the connectors from rounded to straight lines.

COMMISSIONER MIER MADE A MOTION TO ADOPT RESOLUTION No. 12487 AUTHORIZING CONTRACT NO. 22PB019 IN THE AMOUNT OF \$4,544,080.00 WITH J. BANICKI CONSTRUCTION, INC., TO CONSTRUCT TAXIWAY "A" NORTH AND RUN-UP AREA IMPROVEMENTS AT SCOTTSDALE AIRPORT. COMMISSIONER BERRY SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, BERRY, CASEY, LITTLE AND MILBURN, VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

#### 4. Discussion and input regarding Monthly Operations Report

Mr. Read noted the decrease in based aircraft over the same period last year, due to the vacating of the Greenway Shades and Hangars. Operations are down approximately 10 percent, but IFRs are up 1.3 percent from the same period last year and 12.9 percent year to date. There were four alerts.

In response to a question from Commissioner Bernosky, Mr. Read stated that there is a one, two, three, strike policy for enforcement violations, depending on the infraction type.

Mr. Read addressed U.S. Customs, citing a total monthly revenue of \$156,550, total uses of 254 and 18 total U.S. visits. Revenue for fiscal year to date totals \$1,004,550, compared to \$689,650 last year. There were 1,655 operations this year, compared with 1,237 last year. There were 38 PPRs for the calendar year.

#### 5. Discussion and input regarding Monthly Construction Report

This item was removed.

#### 6. Discussion and input regarding Financial Report for March

Ms. Williams stated that the approved budget for revenues was \$4.7 million with actuals at \$6.3 million. The expense budget was \$2.1 million with the actuals coming in under budget by \$5,613. Compared to last year, revenues are higher by approximately \$154,000. This is attributed to transient parking, rents and Customs user fees. Expenses were lower by approximately \$50,000. The Aviation Fund Cash Balance is \$5.8 million as of March 31, 2022. For the month of March, FBO jet fuel sales accounted for 76.2 percent of total fuel. AVGAS was

2 percent. Airpark operators were at 21.9 percent. Fuel totals are up 31 percent over last March. Fiscal year to date totals are up 19.9 percent over last year, or 1.9 million gallons.

7. Discussion and possible action of the Proposed Aviation Enterprise Fund Five-Year Financial Plan for FY 22/23-FY 26/27.

Ms. Williams stated that the Five-Year Financial Plan is a forecast tool updated annually. This follows the Airport's capital improvement planning process. The look-ahead is to ensure that existing rates and fees are sufficient to support the Airport's operating and capital improvement needs. Budget considerations include several sources, such as actuals and prior year totals. The goal is to generally stay even on expenses. Also accounted for are any changing conditions that might affect the numbers. Although forecasted revenues and expenses are looked at over a five-year period, the annual budget focuses on the details of the upcoming year. Next year, the proposed operating budget for expenses is \$3.7 million, representing a 7.6 percent increase over last year, primarily due to increases in some out of budget items and increase in U.S. Customs labor fees and contractual services, such as credit card banking fees and transient landing fee commissions. Some one-time items have also been added. There is no change in existing staffing levels. The debt service line for the Aviation Business Center started in 2017 at approximately \$1.7 million each year for 20 years. At the ten year point, they have the option to pay off the debt service in full. CIP transfers out total \$498,000.

Commissioner Little asked about the decision to not increase the number of FTEs. Mr. Mascaro stated that he is a believer in the lean and mean approach. There is currently a great crew and based on current activity, there is more than enough capability to provide high level service. The Airport also receives a lot of support from the City, such as major maintenance work.

Ms. Williams cited a 31 percent increase in revenues for next year and a budget of \$8.3 million. Increases come from evaluating all of the increased activity seen in the past couple of years and updating accounts, such as fuel flowage, transient parking fees, leases, U.S. Customs, rental cars and transient landing fees. There are no changes proposed for rates and fees. For fiscal year 2021 revenues, the total of \$7.5 million breaks down as follows: Rents, Airport and Airpark fuel flowage, U.S. Customs fees, transient landing fees. Overall, there are positive revenues throughout the five-year planning period. The Airport is its own enterprise fund, generating its own revenues and covering its own expenses, meaning that they do not tap into the City's General Fund. Funds are used to pay for non-grant capital projects, such as the box hangars completed over the past year. Revenues are also used to replace heavy equipment and vehicles.

In response to a question from Commissioner Little, Ms. Williams said there is no maximum allowable total to have in the Fund.

Vice Chair Mier asked about the expense figures, given the current inflationary pressures. Ms. Williams stated that they build in an adequate buffer to be able to cover increases in commodities.

Ms. Williams reviewed the upcoming budget approval timeline, with City Council tentatively adopting the budget last night and with final budget adoption on June 7th. The new fiscal year begins June 1, 2022. No changes are expected.

8. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Sarah Ferrara, Aviation Planning & Outreach Coordinator, stated that the FAA is scheduling a pilot briefing forum on May 25th and a listserv will be sent out with the details. She will be participating with a noise abatement presentation.

The Local Runway Safety Action Team annual meeting is scheduled for June 14.

Seven voluntary curfew letters were issued in April.

There was one project listed in the Planning and Zoning reports within the Airport Influence Area.

Listsers notices were sent out regarding upcoming overnight runway closures.

Staff will be exhibiting in Orlando in the October NBAA convention.

Aviation staff participated on a panel regarding marketing at the AZAA conference on May 3rd and a podcast on May 11th. Two additional presentations are scheduled.

9. Administrative report from the Aviation Director or Designee Regarding the Status of Aviation-Related Items

Mr. Mascaro noted that two Airport items were approved in February and May. The Banicki Construction will go to City Council on consent on June 21st.

In terms of Aviation related items to the Planning Commission, Design Review Board, or City Council, there is much action, including a recent meeting with an entity that would like to build a large corporate hangars at the south end of the Airport.

A confirmation date is approaching for the SDL Set Jet to go the Design Review Board as well as the Project Cactus.

10. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

There were no actions taken.

**PUBLIC COMMENT**

There were no public comments.

**FUTURE AGENDA ITEMS**

There were no items added.

**ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 6:31 p.m.

AYES: Chair McDermott, Vice Chair Mier Commissioners Bernosky, Berry, Casey, Little and Milburn

NAYS: None

SUBMITTED BY:

eScribers, LLC