MINUTES

AIRPORT COMMISSION
THURSDAY
October 10, 2024

FLAGSTAFF AIRPORT
6200 S. PULLIAM DRIVE
AIRPORT CONFERENCE ROOM
1:00 P.M.

To participate in the meeting click the following link

Join the Meeting Online

1. **Call to Order**

2. **Roll Call**

NOTE: One or more Commission Members may be in attendance telephonically or by other technological means.

THOMAS WADDELL, CHAIR, Present
GAIL JACKSON, VICE CHAIR , Present
ROBERT CARPENTER, Present
ROBERT HANOVICH, Not Present
ANDREW SHOUSE, Present
DAVID STEINER, Not Present
KOLBY WHITE, Not Present

City Staff: Deborah Harris, Council Member; Heidi Hansen, Economic Vitality Director; Brian Gall, Airport Director; Adam Miele, Programs Manager; Claire Harper, Airport Communications Manager; Tim Skinner, ARFF/Ops Manager; Miciela Sahner, Adminstratrive Specialist/Recording Secretary

a. New Commission Member Introduction & Commission Guidelines

Airport Commission facts:

- The Airport Commission consists of seven appointed community members, airport staff, the Economic Vitality Director and a Council representative.
- We meet on the second (2^{nd}) Thursday of every month, unless there is a cancellation ahead of time or the meeting is rescheduled, but we will give plenty of notice for that, usually a week or more depending on the circumstance.
- Meetings are hybrid format which means we meet in person in the airport conference room and also have the availability to join online through teams.
- A reminder email is sent out the week before the meeting and it includes the upcoming agenda for the meeting as well as the previous meetings minutes.
- Quorum is required for the Commission meeting to take place and quorum is the attendance of four or more of the Commission members either in person or virtually.Confirmation of attendance is requested by noon on the Tuesday previous to our Commission meeting to ensure enough time to give notice of cancellation if quorum is not met.
- The Airport Commission agenda may vary but a couple items that will be addressed consistently are the airport's staff reports, FBO report from Wiseman, updates on our grants and projects, and a communications and business update.
- Additional topics can be brought forward at the end of the meeting or by email, but please make sure to only discuss once they have been formally placed on the agenda.

The airports 2 new commission members introduced themselves:

- Robert Carpenter has lived in Flagstaff off and on for 15 years and recently retired from the Navy.
- Andrew Shouse is originally from Tucson but had lived in Flagstaff since 2006 and is a business advisor for a company called Thrive which works on small business software, marketing services, social media, and websites.

3. PRELIMINARY BUSINESS

A. Public Comment/Participation/Input
Items presented during the Public Participation/Input portion of the agenda cannot be acted upon by the Commission. Individual members of the Commission may ask questions of the public but are prohibited by the Open Meeting Law from discussion or considering the item among themselves until the item has been officially placed on the agenda.

None

B. Announcements
Reconsiderations, Changes to the Agenda, and other Preliminary Announcements.

None

C. Approval of Minutes: September 12, 2024
Staff Recommendation: Review and approve the minutes as submitted.

Item tabled until next month.

D. City Council Updates

Councilmember Harris was unable to join. No Council update provided.

4. STAFF REPORTS

A. Airport Operation Updates

Our enplanements are tracking very closely this year to 2023; both years were significantly lower than 2021 and 2022 but that was to be expected as we lost United Airlines back in October of 2022 and the airline pilot shortage became more prevalent. We should see an increase over the next few months due an increase in flights including one to Dallas, one to Phoenix and the new L.A.X. route.

Operations are still trending higher than the last couple years; although unfortunately, total operations are challenging to track due to the vastly different users that use the airport at various hours of the day and night and the lack of tracking equipment we currently have. As a reminder, enplanements track paying passengers boarding a commercial flight and total operations track every takeoff and landing on the airfield.

Parking revenue is a newer slide in our staff reports. You can see September is down compared to this time last year, most likely due to the lower number of commercial flights we had. We are expecting that to jump quite a bit in October, due to the additional flights we see starting up this fall. The City's general fund was used to cover construction and we are using the revenue of the paid parking system to pay back that loan.

B. FBO Updates

Orville Wiseman was unable to join but staff informed the new commissioners on the FBO and their role at the airport.

The FBO is the fixed base operator and is sort of the fueling station at the airport. They also provide other services such as ground handling of aircrafts, aircraft maintenance, the base for those folks that are transient aircraft that are coming in that are not flying through the terminals. Orville is also very active in the community, hosting various events in his hangar space .

C. Project and Grant Updates

The airport is continuing work on construction for the new SREB facility which will be dedicated to our snow removal equipment, other operational equipment, and maintenance equipment. Currently most of it is packed in at the fire station as well as a few other locations including various hangars as part of our grant assurance for when we purchase this equipment is we have to keep it under a roof. The facility is going to be located between the fire station and our air traffic control tower and will be approximately 25,000 square feet and have seven (7) bays including a maintenance bay which will be a huge asset to staff and our Fleet Department in order to do preventative maintenance on our equipment.

We are at the 60% mark with the design and have selected a contractor which has been Council approved. The FAA has been notified and we are working on getting a guaranteed maximum price at this time. We have no less than six (6) state and federal grants that are being put towards this project and we still have some funding gaps, but we are meeting with our ADO to determine our path forward. Next month we should have more information as to where we are and what our steps forward is going to be.

The construction should not hinder airport operations there may be some impact to the car rental storage lot as well as the service road to the traffic control tower, so we'll need to find a way to make sure that those folks can get to work in the morning and the car rentals have enough place to park their vehicles. Additionally, there is one piece of equipment that has to be relocated as part of this project, it's the ASOS or automated service observation system, which is a weather monitoring device owned and operated by the FAA. It will be relocated and as part of the relocation we might see some temporary taxiway closures, but they'll be minimal and won't close the airfield.

The second main project we have is regarding our cafe and visitor center express that will be going in, in the old cafe area. We have schematic in place and have completed our negotiations with the contractor. Currently, this project is in the hands of our procurement and legal departments to generate the contracts. There is an approximate 8-week lead time on that storefront, so once they get all the parts, pieces, and the equipment in, we're looking at a duration of about 3 weeks to get it all installed and up and running for us.

This storefront will hold a micro-visitor center which will have all kinds of souvenirs, last minute travel items and more including grab and go alcoholic beverages. We are still in the work to get our RFP, request for a proposal, out for our micro-market which will also be in this area. For those that don't know, a micro-market is a walk-up area where food items and beverages will be available for you to pick up, scan and go; if you have traveled around you have probably seen them at other airports. One of the biggest challenges with the cafe was the hour of operations and having staff available to run a restaurant, this micro-market will be full automated so it will be available to all passenger, all day.

D. Communication and Business Updates

Service to LAX begin this Saturday10/12/2024, it is a weekly, seasonal service based on Australian tourism coming to the Grand Canyon. This will be the fullest flight schedule we have seen since United left as we will up to three (3) Dallas Fort Worth fights a day, five (5) Phoenix fights a day and the single LAX on weekends.

Ads for all flights, specifically the LAX route are running on buses as well as at NAU, and the Daily Sun. We were featured an article in the Flagstaff Business News in September about our fall schedule taking off.

We are continuing talks with United; they are currently waiting to make a decision about coming back to Flagstaff until they hear from the FAA on the Small Community Service Development Program grant, we applied for. This grant can be used for a variety of mechanisms to try to help airports gain new air service; in our case it would be used to as minimum revenue guarantee for the airline and advertising support to make sure the routes are successful. Currently we are servicing the southern region and it would be a huge benefit to move north, bringing back the Denver route as it did show up as our #1 market in our passenger demand analysis. Later this month staff will be attending the TakeOff North America 2024 air service development conference in Green Bay and should be able to provide you with more updates.

5. INFORMATIONAL ITEMS

a. FLG Air Traffic Control Tower

JD Scurnopoli, the tower manager, joined the airport commission this month and presented on a brief introduction of the Air Traffic Control Tower.

The basics:

- There are three main types (ratings) of air traffic controllers. Within each type, different roles may be defined to address specific aspects of traffic demand, or the airspace served.
- Tower Controller is a person that provides air traffic control service at and in the vicinity of an aerodrome.
- Approach Controller is a person that provides air traffic control for departing and arriving flights. They are the link between the tower controllers and the area controllers.
- Area Controller (sometimes called en-route controller) is a person that normally serves the flights during the cruise phase.

The Flagstaff airport falls under Tower Controllers; we have two different staff positions, our local control and ground control/flight data control. The local control is the person that talking to people in the air and our ground control talks to anyone going to or from the runway on the ground and flight data controller is pretty much going to be the secretary in the tower handling flight strips, clearances, coordinating with the external facilities and stuff like that. There are currently 4 employees which are allowed to work a max of 10 hours per shift.

The tower is staffed 6AM-9PM April to September and 7AM-7Pm October-March. Operations still go on even when the tower is not staffed, at that time there is a system for pilots to use and announce their intentions over the radio. Most towers have a radar display which we do not so instead we have 3 pairs of binoculars looking out the windows to observe 4.3 miles to the north and up to 9.6 miles south although we are proposing a change to make it 4.3-mile circle all the way around. Since there is no internal radar services that we can provide, we are serviced by P50 TRACON based out of Phoenix Sky Harbor and they provide the radar services any aircraft receiving air traffic control vectors.

b. Airport Budget Overview

The City is at the beginning of budget season which lasts 8-9 months and it's time for the airport to start our budget discussions.

In the airport's case, we are an enterprise fund which has the intention of being self-sustaining which

means it is not generally supported through general fund revenues, rather through revenue sources here at the airport itself. These revenue sources include items like fees, leases, and license agreements that makes up a bulk of the airport's budget. The intent is for that to make up 100% of our budget now but the airport is not quite there yet. The airport also receives support from various grands which generally go towards capital improvements or capital purchases.

The airport has a Capital Improvement Planning which is a five-year program that looks at the capital improvement needs for the airport and that covers everything from new buildings to purchasing a new equipment. This plan is developed yearly in conjunction with our airport Master plan, which is updated about every 10 years or so, and is reviewed by the FAA and the Arizona Department of Transportation annually.

From a funding standpoint, our five-year plan shows a funding shortfall from the revenue the airport's earning to the expenditures the airport is experiencing; this nothing new as it has been historically true and has relied on some support from the General Fund. We have over 30 unfunded maintenance projects that are currently on our list right now which includes everything from pavement maintenance in the hangar and shade area, things like roof repairs on our hangars, roof repairs to our ARFF station, equipment maintenance and replacement, lighting retrofitting in the terminal and much more.

In order to address this issue, we are working with state and federal lobbyists as well as our Grants and Contracts team in order to secure more funding and we are looking at various other options to bring in revenue. This includes our 32-acre project which includes the Northern Arizona Technology Park in which we recently entered agreement with a developer who's looking to develop that site, they have a couple years of deferred rent where they're going to be allowed to pursue development of that area and then they'll start paying us rent. We have also seen a demand from private developers for potentially building private hangar space along the airport or other businesses, but all of this will take time to plan, rezone and develop.

Some smaller but equally important items include terminal concessions we mentioned with the visitor center and micro-market, updating our parking costs, and charging for times which we haven't in the past such as security badging. Over the next few months, we will be bringing in some more charts and slides and begin discussions on fees and rates and comparing them to other airports across the state and across the region. We ask the commission and even the public to advocate to the City for the airport when it comes to providing funding until we manage to become a more self-sustaining enterprise fund. We can't speak at the state level but at a city level are the dollars that airports make in revenue are protected by federal regulations, so it is important that we start bringing in additional sources.

6. TO-FROM AIRPORT COMMISSION MEMBERS

Director Hansen wanted to inform the commission of the annual Tourism and Economic Vitality meeting which will go over the BBB tax and all the great success the airport and the entire division has had over the past year.

7. ADJOURNMENT

Moved by Gail Jackson, **seconded by** Robert Carpenter
Vote: 4 - 0 - Unanimously