



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | October 16, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, October 16, 2018, beginning at 8:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River Indian
Community
Mayor Gail Barney, Queen Creek
Mayor Thelda Williams, Phoenix
Mayor John Giles, Mesa
Mayor Jenn Daniels, Gilbert

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

Guests Present

Keith Belden, Morrison-Maierle
Jamie Bennett, Town of Queen Creek
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
René Guillen, Town of Gilbert
Chris Hacker, Mead & Hunt
Ken Halverson, Jetstrip/KMH
Fred Himovitz, HPI

Brian Howard, CEI
John Lewis, East Valley Partnership
Jim McCauley, USI
Pearl Meza, City of Phoenix
Warde Nichols, Arizona State University
Bryant Powell, City of Apache Junction
Steve Reeder, Kimley-Horn
Tim Reifeiss, Paradies Lagardère

1. Call to Order at 9:02 a.m. (Mayor Jeff Serdy)

2. Call to the Public.

There were no public comments.

3. Executive Director's Report

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. Fiscal Year-to-Date (FYTD) Net Operating Income is \$378,406, a 26% decrease compared to FYTD18 due to early service contract payouts. PMGAA continues to exceed the budget expectations and control its expenditures.

PMGAA Update:

- PMGAA will have a VIP visit on Friday. President Trump is expected to arrive between 6-7 p.m. at International Air Response at the south end of the Airport. This event is not sponsored by PMGAA. Staff has been actively involved with the Trump campaign, the Secret Service and Mesa Police to develop necessary plans to ensure safety and security at the event.

- U.S. Congress passed the FAA Reauthorization Bill which is great news. The Bill does not include the \$2M cap for Airport Improvement Program (AIP) Entitlement Discretionary Funding for the construction of contract Air Traffic Control Towers. PMGAA, the City of Mesa and the Board has been working on this effort for several years. Executive Director O'Neill extended his appreciation to Mayor Giles and Scott Butler of Mesa for their efforts on this initiative.
- Taxiway Construction Project has been underway for a month. The project is adjacent to the 700 acres and will finish Taxiway Charlie on the eastside of the Airport, providing a significant benefit of aviation infrastructure for development of the 700 acres.
- South Sossaman Road and Hourly Parking Lot Improvements are important infrastructure projects designed to enhance roadway capacity and improve vehicle flow on South Sossaman Road and around the passenger terminal. A new entrance into the Hourly Parking Lot will greatly reduce congestion along the terminal's arrival and departure curb. The project was strategically phased to avoid traffic impacts during construction and will be completed prior to the Thanksgiving Holiday travel period.
- Air Service Development - Executive Director O'Neill was invited to United Airlines Headquarters in Chicago to meet with the schedule planners and route developers on October 31st. PMGAA has an exceptional incentive package to mitigate the risk of startup. PMGAA has a strong market and believe that PMGAA could have plenty of activity to Denver and beyond without impacting operations at Sky Harbor.

4. **Presentation: Airport Master Plan Update.**

PMGAA Airport Planner Anthony Bianchi provided a brief update to the Board on the Airport Master Plan aviation forecasts. A project website (www.pmgaaamasterplan.com) was established and as the study progresses, materials and info will be added. Facility requirements and Development alternatives work are underway. Committee Meetings and Public Information Meetings will occur in November 2018.

5. **Consent Agenda**

Mayor Thelda Williams requested that Item 5-b be removed from the Consent Agenda for a separate discussion and action.

- a) **Minutes** of the Board Meeting held on **September 18, 2018.**
- c) **Resolution No. 18-45** - Authorizing an operating agreement with **WestJet** for commercial air service at the Airport.
- d) **Resolution No. 18-46** - Authorizing the Executive Director/CEO to execute an operating agreement with **Flair Airlines, Ltd.** for commercial air service at the Airport.
- e) **Resolution No. 18-47** - Authorizing the Executive Director/CEO to execute an operating agreement with **California Pacific Airlines** for commercial air service at the Airport.
- f) **Resolution No. 18-48** - Authorizing the purchase of airfield pavement maintenance with **Regional Pavement Maintenance of Arizona, Inc.** in an amount not to exceed \$254,248.22.

- g) Resolution No. 18-49** - Authorizing the procurement of computer equipment from **Dell** not-to-exceed \$61,835.91.

Mayor Thelda Williams moved to approve the Consent Agenda, excluding Item 5-b. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

- 5b. Resolution No. 18-41** - Authorizing an amendment to the **PMGAA Procurement Policy**.

Mayor Williams directed staff to include a limit of \$50 to § (1)(b)(3) of the Procurement Policy to help define the term “minor”, and in § (8)(b) to add language indicating Board Members are to be notified by staff prior to issuing an RFP, to avoid contact with bidders. Chief Financial Officer added that a procedural adjustment would be made to include the \$50 limit.

Mayor Thelda Williams moved to approve Resolution No. 18-41. Mayor John Giles seconded the motion. The motion was carried unanimously.

- 6. Resolution No. 18-50** - Authorizing an additional \$8,108,463 for the **FY19 Capital Budget**.

Mayor Gail Barney moved to approve Resolution No. 18-50. Mayor John Giles seconded the motion. The motion was carried unanimously.

- 7. Resolution No. 18-51** - Authorizing the Executive Director/CEO to execute such contracts and amendments that assign Ground Lease 1998-001 for the property located at 6305 S. Sossaman Road, Mesa 85212 to **Koon-Boen, Inc., LLC** and extend the Ground Lease termination date approximately 10-months from February 28, 2048 to December 31, 2048.

Mayor John Giles moved to approve Resolution No. 18-51. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

- 8. Resolution No. 18-52** - Authorizing a contract with **DPR Construction** to provide Final Construction Services for the Bag Make-up Expansion Phase 2 Project CIP 1047 in an amount not-to-exceed \$608,700.

Mayor Jenn Daniels moved to approve Resolution No. 18-52. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

- 9. Resolution No. 18-53** - Authorizing a contract with **DPR Construction** to provide Final Construction services for the Baggage Claim Expansion Phase 2 Project CIP 1004 in an amount not-to-exceed \$519,500.

Mayor Thelda Williams moved to approve Resolution No. 18-53. Mayor John Giles seconded the motion. The motion was carried unanimously.

10. Discussion on Recovery of Water Damage to Air Traffic Control Tower.

Executive Director O'Neill reminded the Board of an unfortunate incident that occurred in the Control Tower consisting of water damage, which uncovered some asbestos and mold issues. The cleaning company responsible for the damage was not addressing the concerns timely. Staff requested an emergency allowance of \$700,000 from the Board to imitate cleaning and restoration of the control tower, and that PMGAA would seek full restitution from the cleaning company and their insurance upon completion of the project. Chief Financial Officer Odom reported that all expenditures for this project (minus legal fees) were reimbursed completely.

11. Board Member Comments/Announcements.

There were no comments/announcements.

12. Next Meeting: Tuesday, November 20, 2018 at 9:00 a.m.

13. Adjournment.

The meeting adjourned at 9:46 a.m.

Dated this 20th day of November, 2018.



Maria E. Gonzalez, Clerk of the Board