

PRESCOTT CITY COUNCIL  
WORKSHOP  
TUESDAY, MAY 12, 2009  
PRESCOTT, ARIZONA

MINUTES of the Prescott City Council Workshop held on May 12, 2009 in the City Hall Council Chambers, 201 South Cortez, Prescott, Arizona.

◆ CALL TO ORDER

Mayor Wilson called the Workshop to order at 2:00 p.m.

◆ ROLL CALL

PRESENT:

Mayor Wilson  
Councilman Bell  
Councilman Lamerson  
Councilwoman Lopas  
Councilman Luzius  
Councilman Roecker  
Councilwoman Suttles

ABSENT:

None

1. Presentation on economic impact and importance of the Prescott Airport.

Mr. Norwood stated that it has been awhile since they had given an update to the Mayor and Council and Mr. Willis would go over what is going on. He said he knows that the Mayor and Council place this as a high priority and it is widely seen as the economic engine. He said that the economic climate is much different today than it was in 2000. It is a huge asset to the community and he has heard them all say how important it is.

Chief Willis thanked the City Council for their support and direction. He said that today they would get a flavor of what the City does and what really happens. He mentioned that Laurie Hadley also had a hand in putting this together and he thanked her for that.

Chief Willis showed a PowerPoint presentation that included:

- ▶ History
- ▶ Photos
- ▶ Currently
- ▶ Economic progress

- ▶ Worldwide Connections
- ▶ Emergency Services
- ▶ How the Prescott Airport is managed

Councilwoman Suttles asked if they had to bring in an Emergency Director, because it had always been the Airport Manager before. Mr. Norwood said that they had an Airport Manager and an Assistant Airport Manager in the past. Mr. Vardiman took over the Airport Manager position and they did away with a position and Chief Willis spends a portion of his time at the airport in addition to the Communications Center and the Fire Department. Councilwoman Suttles reconfirmed that the spot had to be covered. Mr. Norwood said yes.

- ▶ What does it take to keep the airport operating?
- ▶ What does Federal Aviation Administration require?

Councilman Luzius asked if they provided personnel training for fueling even though Legend does that. Chief Willis said that they had to meet a standard and they have to insure that they go through a drivers training program.

- ▶ To maintain Federal Aviation Administration standards in:

Councilman Lamerson asked if the grass mentioned in the first slide also needed to be watered. Chief Willis said that it did not because it was natural grass in the infield areas around the taxiway. The grass cannot get over a certain height to block signage or lights.

Councilman Lamerson asked how large the aircraft was that Chief Willis referred to. Chief Willis said that it was a 76 passenger aircraft that Horizon flies in and out of the airport.

Mayor Wilson asked if the test that they would be doing in the Fall for a larger aircraft emergency would be big enough. He said that the second time Senator McCain came in he wanted to use a plane larger than the airport would actually handle. He finally switched to a smaller plane.

Chief Willis said that it involves the number of passengers. He said that they have the fire fighting capability for a larger aircraft. What they will be stretched on is their system to treat half of those patients. The real issue will be with the hospital system.

- ▶ TSA Mandated Security

It is huge impact to their staff with four personnel to implement these unfunded mandates, and to get security at the gate when commercial aircraft comes in and out. They have submitted to TSA for a grant for law enforcement coverage for the next three years.

Councilman Lamerson asked if the requirements would be different if they had a 28-30 person maximum capacity airplane. Chief Willis said that they would.

Councilman Lamerson asked what the largest number of passengers was that they have had going in or out of Prescott. Mr. Vardiman said that throughout the fall they had a series of days in the October/November time frame where they were emplaning 44-56 passengers out of Prescott.

- ▶ What we Do
- ▶ What businesses call our airport home
- ▶ Regionally recognized aircraft maintenance service providers
- ▶ Government and other operators

Councilwoman Suttles asked how they pay for where their stay. She is sure that the Civil Air Patrol is volunteer. Regarding the Forest Service and Department of Public Safety – she asked if they had designated spots and if they do a rental or have a credit. She also wondered how they get charged.

Mr. Vardiman said that it depends on the facilities they are using. The United States Forest Service has a master bare ground lease with the City. The Fire Department is using the airport free of charge, in recognition of the benefit they provide them as well as the benefit that they provide the Community. The Civil Air Patrol rents an aircraft storage hangar and had a \$10/yr lease agreement for the use of a Quonset facility. They also make use of the upstairs conference room at no cost. The Air Evac company has a tie down agreement and are subleasing from NorthAir for their office space. The Sheriff's Air Posse rents a hangar facility, the Arizona Department of Public Safety are not based there, but are a frequent user. They fly their Jet Rangers from Flagstaff or Phoenix which land and take on fuel there. The military is a pass through, transient type, as is US Customs and Border Patrol. The Federal Aviation Administration has a long term ground lease with the City for their facilities.

Councilman Lamerson asked, regarding grants, if they would be subject to "aviation money" if they were not qualified as an Essential Air Service airport. Mr. Vardiman said that based on their past usage, they would still be at the same level of federal entitlement dollars, which is \$150,000 annually. But, they would

not rank as high for discretionary funding. For those projects in a year that require more than \$150,000 to do, like a runway extension or a large scale fencing project, they will not be as high in the National priority system for the Federal Aviation Administration if they did not have the Essential Air Service and the commercial airline component. Once they reach the 10,000 passenger enplanements, they will be entitled to \$1 million of annual federal money for construction and improvement of the airport.

▶ Airline enplanement comparison

The service going to Denver is about double of what it was going to Phoenix, and that is two a day, versus one person a day.

▶ A few financial facts

Mr. Norwood mentioned that one point was that it is an enterprise fund. Most Enterprise Funds stand 100% on their own. If there is money needed to balance, they can borrow from the General Fund. The airport is one of the few that the General Fund does pay the grant match. It typifies the support that City Council has given to the airport. It is like the HURF, there may need to be some General Fund dollars to keep it at the level it should be.

Councilwoman Lopas asked, with the entitlement monies and reaching the 10,000 enplanement, if they have to maintain it for a period of years. Mr. Vardiman said that it was a fluctuating basis on a yearly basis. They are based on the calendar year. If they get 10,000 enplanements in 2009 they will have \$1 million worth of entitlement funds for 2010. If they drop back down, they are back to the \$150,000. The goal is to keep above the 10,000. The entitlements can only be used for capital and airport improvement grants through the Federal Government.

Councilwoman Suttles asked if any of the City's Enterprise Funds were paying for what they do. Mr. Norwood said that the water fund was in great shape. The sewer fund was in not so great shape. The sanitation fund was very strong. Golf is doing better than it has done in many years, but it has a \$1.2 million note to pay back to the General Fund.

Councilwoman Suttles asked if there is interest when money is borrowed from the General Fund. Mr. Norwood said there was; the money is paid back with interest.

▶ Council's Goal for the Airport

▶ Efforts to achieve the Goal

▶ Current Challenges

Mr. Norwood said that one element that could drastically improve their maintenance capabilities would be the TSA Grant. It would allow for 3-4 police officers to be out there. If they can get the officers, the maintenance people can go back to what they are supposed to be doing, instead of being TSA people, too. They are hoping to hear about that in the next 60 days.

▶ Current Challenges

Councilman Bell said that he understands the hour staffing before the plane leaves, but wanted to know about the hour after the airplane leaves. Mr. Vardiman explained that due to the nature of airline operations, it is possible for aircraft to leave the gate or get air born and come back. The reason for the hour after the scheduled departure is to provide overlap in case the airline has to come back and deplane.

▶ Current Challenges

Councilman Lamerson asked what happens if they do not do badging. Chief Willis said that they will not be allowed access onto the airport operating area after June 1, 2009.

Councilman Lamerson said that he wanted to know what would happen if the City of Prescott did not implement the badging program. Chief Willis said that they stand to get potential fines and possibly loose air service.

▶ Current – Federal funding issues

▶ State Funding issues

▶ 2009 and Beyond

▶ Council Support is needed

▶ Questions

Councilwoman Suttles asked the City Manager what he was going to give up out of the General Fund to take care of the airport. Mr. Norwood said that this is not the year to be asking for a lot from General Fund. They just had a Federal Aviation Administration inspection, and there were about \$200,000 worth of needed capital-related projects to be funded. They will be asking City Council to take \$200,000 from capital improvements fund to ensure that the airport is meeting all of the criteria of the Federal Aviation Administration and keeping up on its maintenance needed. He said that if they can get the TSA grant for those officers it would be a huge shot in the arm.

Councilwoman Suttles said that everyone that is doing their budget is cutting and they have not gone in yet. She said that everything is going to be on that table. If they are looking at this chunk then something else has to be cut.

Mr. Norwood explained that they are not asking for anything new. If they can free up some of the Capital Improvement Dollars, it will make a huge improvement on the maintenance issues out at the airport and secondly, it is an unknown, but they are feeling 50/50 odds on the grant. That will be a huge impact for the operation of the airport.

Councilwoman Suttles asked if the plan was always to put the new officers in at the airport. Mr. Norwood said that they went through two separate grants. One was through TSA and FAA. The other one was a Cops Grant Program that Chief Oaks brought forward through the police department. It was where the first three years was 100% through some of the stimulus money. This is a separate grant.

Mayor Wilson asked Chief Willis to explain why it sounded like he counted on grants for the lighting maintenance and now he could not get the grant and was not in compliance with the regulations.

Chief Willis said that there was a lot of pavement management. They have depended on the state aviation fund to help them out with that. There is not a fund to help them now.

Mayor Wilson said that it sounded like they relied on grants for their maintenance fund and when they got caught short, they did not know where to go. Chief Willis said that trying to balance the budget, they know what the enterprise is, they are on a tight budget that there is no way to maintain lighting and sign panels, etc, and keep the airport open without that extra funding.

Mayor Wilson asked if there was a cost beyond the 50-60 hours TSA mandated hours that they will be incurring. Chief Willis said that they are losing productivity. They have people doing badging that had other functions like being able to work on some Minimum Operating Standards or deal with a new lease – they cannot do that right now. It is not costing them more money, but their productivity and efficiency has gone way down.

Mayor Wilson asked when they would see the Airport Master Plan update. Mr. Vardamin said that they will be through the Federal Aviation Administration process some time around August and then it will be before City Council in September. It is a little delayed because they have been running into significant challenges.

Councilman Roecker said that they had heard for awhile that the new security issues were causing concerns and problems for local pilots and was wondering what was going on with that. Mr. Vardiman responded that in terms of their badging program, there had been a lot of concerns. They are trying to explain the process and make it as easy as possible. To come in and apply for a badge, it is about a 10 minute process. When approved by the TSA to get the badge, it is another 5-10 minutes. They are getting the information out there through Flyprescott.com and working with users associations.

Councilman Roecker asked if there was going to be an annual fee. Mr. Vardiman said that there would be. He said that it was set up as \$20/badge for Airport Rates and Fee schedule. That is not even close to covering costs to do the program. They are working with the users association to look at other alternatives.

Councilman Roecker asked that if John Olsen wanted to take him on a quick flight, how he would get in. Mr. Vardamin said that Mr. Olsen would need to escort him in or Mr. Roecker would have to go through the badge program. There are methods for people bringing in their friends to the airport under an approved escort. Someone who has been issued a badge can escort up to 15 people. An escort is being within the line of site and positive control.

Councilwoman Lopas said that to her the airport serves the community and county and wondered if they should be pursuing an Airport Authority and getting the airport where it should be.

Mr. Vardamin said that it is something that the City Council could consider. It will be a long and involved process.

Mayor Wilson said that it is like the five year grant planning. He thanked Chief Willis and Ben Vardamin.

2. Adjournment.

There being no further business to be discussed, the Prescott City Council Workshop of May 12, 2009, adjourned at 2:50 p.m.

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JACK D. WILSON, Mayor

ATTEST:

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ELIZABETH A. BURKE, City Clerk