



**MINUTES OF PUBLIC MEETING OF THE  
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY  
BOARD OF DIRECTORS | MAY 15, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, May 15, 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 Jenn Daniels, Gilbert  
Mayor Jeff Serdy, Apache Junction  
Lt. Governor Robert Stone, Gila River Indian  
Community\*  
Mayor Gail Barney, Queen Creek  
Vice Mayor Thelda Williams, Phoenix  
Mayor John Giles, Mesa

*\* Neither present nor represented*

**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  
Tony Bianchi, Airport Planner  
Veronica Lewis, HR Director

**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 9:00 a.m. (Mayor Jenn Daniels)

**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 \$2,177,515, a 98% increase compared to FYTD17.

The Enterprise Resource Planning System (ERP) Phase I including organizational financials, capital projects, and point of sale modules is nearing completion, with a go-live date of July 1, 2018. Phases II & III of the project are also underway with a go-live date of January 1, 2019. Phase II addresses Human Resources and Payroll, and Phase III addresses inventory, asset management and a new work order system.

Two years ago, Passenger Facility Charge (PFC) funding was used to extend a portion of Taxiway Charlie. In FY19, PMGAA will use Federal Aviation Administration (FAA) Airport Improvement

Program (AIP) grants to complete the project. When complete, Taxiway Charlie will provide additional aeronautical land development opportunities.

Improvement projects for both S. Sossaman Road and the Hourly Parking Lot are underway and designed to address heavy congestion that occurs at various times throughout the year. This project will lengthen the queuing area on S. Sossaman Road, changing some intersection signalization, and adding a new entrance way to the Hourly Parking Lot.

Capacity expansion for the Airport's checked baggage handling system is underway in the passenger terminal. These projects will ensure we maintain enough capacity in our infrastructure to make sure the process remains efficient for our customers.

PMGAA is conducting preliminary land use planning on the 700 available acres located on the eastside of the Airport. Planning includes highest and best land uses and preliminary infrastructure needs. In June, the Board will receive a presentation on the conceptual land use to-date.

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

PMGAA Airport Planner Tony Bianchi provided a brief update to the Board on the Airport Master Plan Update. Mr. Bianchi discussed key plan elements, Technical Advisory Committee, Stakeholder Advisory Committee, HOA & Neighborhood outreach efforts, utilization of social media, and the project website.

Mayor Serdy asked why Scottsdale Airport is not included in the Stakeholders group. Mr. Bianchi described the focus of the airports located closest to Gateway Airport.

Mayor Barney asked if PMGAA staff has connected with Pinal County. Mr. Bianchi stated Gateway Airport has been involved with the recent San Tan Area Plan with Pinal County. Their final land use plan will be compatible with the Airport. Staff from Gateway Airport is also involved with the military use project with Pinal County, as well as protecting the Rittenhouse site as a potential location for the relocation of the Airport Surveillance Radar (ASR).

Mr. O'Neill added that the Airport Master Plan Update will serve as a blueprint for development for the next 10-20 years, and it is the Authority's experience that these types of master planning initiatives need to include active participation from neighboring communities and key stakeholder groups in order to be successful.

#### **5. Consent Agenda**

a) **Minutes** of the Board Meeting held on **March 20, 2018**.

b) **Resolution No. 18-11** - Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration or other Federal agency, State of Arizona, Arizona Counties, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2018 and June 30, 2019.

- c) **Resolution No. 18-12** - Authorizing the Executive Director/CEO and/or delegate to negotiate and execute a contract with **Felix Construction Company** to complete Phase 3 of the Fuel Storage Facility Renewal Project at a cost not to exceed \$303,500.
- d) **Resolution No. 18-13** - Authorizing the Executive Director/CEO to execute such contracts and amendments that assign Ground Lease #2003-004 for property located at 6335 S Downwind Circle, Mesa AZ 85212 to **SGP Mesa, LLC** and extend the Ground Lease termination date approximately 10 years from October 31, 2043 to October 31, 2053.

**Mayor Gail Barney moved to approve the Consent Agenda. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.**

**Consideration and Possible Approval of:**

- 6. **Resolution No. 18-14** - Authorizing the **Denver Series of Lockton Companies, LLC** under the terms of its existing Insurance Broker/Risk Management Consulting Agreement with the Authority to purchase specific lines of insurance on behalf of the Authority for the period July 1, 2018 through June 30, 2019 at an aggregate premium cost not to exceed \$482,253.

Mr. Chuck Odom provided a briefing to the Board that indicated a 12% reduction over last year, and a recommendation of three new coverages - Cyber, fiduciary liability for 457 plan and pollution liability.

**Mayor Gail Barney moved to approve Resolution No. 18-14. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.**

- 7. **Resolution No. 18-15** - Authorizing **USI Insurance Service LLC** to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers, consisting of a 12-month renewal July 1, 2018 through June 30, 2019 with an estimated plan cost of \$941,144 for the fiscal year.

Veronica Lewis provided a briefing to the Board on the process of proposing the benefit plans, and the request for PMGAA to contribute \$1,350/year towards HSA subscribers.

Vice Mayor Williams asked if long-term disability was offered. Ms. Lewis replied yes, through Arizona State Retirement System.

Mayor Daniels asked how the contribution amount for HSA was calculated. Ms. Lewis replied that it is half of the cost for the deductible amount. For HSA, it is \$2,700 annual deductible, and traditionally, half has been contributed by the organization for those enrolled.

**Mayor John Giles moved to approve Resolution No. 18-15. Vice Mayor Thelda Williams seconded the motion. The motion was carried unanimously.**

- 8. **Resolution No. 18-16** - Authorizing a facility lease with **Mesa SkyBridge, LLC** for the facility located at 6229 S Sossaman Road. The lease term is three years, commencing on June 1, 2018, with two (2) one-year extension options, payable at a monthly rate of \$18,616.04.

Mr. O'Neill indicated the lease of the hangar is the next step in SkyBridge Arizona's continued development. SkyBridge Arizona will use the hangar as a temporary facility for the Unified Cargo Processing Program. The pilot program will begin with export of goods from known shippers, but hopes to expand quickly once the Standard Operating Procedures (SOP) for the new bilateral program are finalized.

**Mayor John Giles moved to approve Resolution No. 18-16. Vice Mayor Thelda Williams seconded the motion. The motion was carried unanimously.**

**9. Resolution No. 18-17 - Amending the Board of Directors Procurement Policy.**

The updates to the Policy were made to maintain federal compliance and complete some housekeeping items, including clarification on what is considered public records.

**Councilwoman Thelda Williams moved to approve Resolution No. 18-17. Mayor Gail Barney seconded the motion. The motion was carried unanimously.**

**10. Resolution No. 18-18 - Authorizing an Amendment 1 to the Master Development Agreement with Mesa SkyBridge, LLC for the Gateway Aerospace Park generally located at the southeast corner of Sossaman Road and Velocity Way. The effective date of this Amendment 1 is June 1, 2018.**

Adjustment to the insurance requirements, specifically the pollution insurance. Insurance would pay out to remediate the site and file reimbursement with the federal government. PMGAA is proposing that Mesa SkyBridge, LLC take the lead on the procurement of the policy.

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

**11. Discussion on PMGAA Bylaws, Joint Powers Airport Authority Agreement, and PMGAA Procurement Policy.**

PMGAA Board members had a discussion regarding the PMGAA Bylaws and the Joint Powers Airport Authority Agreement (JPAAA). Chairwoman Daniels had asked that the two documents be included on the Agenda for discussion because the PMGAA Bylaws had not been reviewed since 2002 and both documents may be outdated. Chairman Daniels asked PMGAA legal counsel Snell & Wilmer, LLP questions regarding the authority of the PMGAA Board in making changes without reopening the JPAAA.

Snell & Wilmer Attorney Jill Casson Owen stated that she would need more time to provide a written legal opinion; however, at first glance, it appears the Bylaws and JPAAA were structured in a manner that all parties agreed the only one employed by the PMGAA Board would be the Executive Director.

Additional time would be necessary to determine whether there is language in the JPAAA that would allow the Board to directly employ someone other than the Executive Director.

Chairwoman Daniels agreed and recognized the sensitivity of reopening the JPAAA, but noted that PMGAA is currently not in full compliance with the document. Chairman Daniels gave the example that the JPAAA requires PMGAA to provide an annual report to the Arizona Legislature, something

PMGAA has not done since the early 2000's. Chairwoman Daniels asked for the Board's thoughts on how to move forward, as the JPAAA has significant importance to what we do.

Mayor Giles agreed that it is appropriate to review the documents to remind us all of our obligations and to see if we've outgrown some provisions. Citing questions that had already been raised about the use of the PMGAA Procurement Policy, and that the City of Mesa had volunteered their City Auditor to offer an opinion regarding compliance, Mayor Giles suggested that the Board wait until the Procurement Policy review had been completed, then adding that he supports and encourages the Board to continue the conversation.

Mayor Daniels asked if the decision from Senior Staff to provide an audit should be ratified in order to allow this audit process to continue. Mayor Giles reiterated that for the good of the order, the City of Mesa is volunteering the service and is not seeking payment.

Mayor Daniels inquired if Senior Staff discussed a timeline and or how the report will be presented to the Board. Mr. O'Neill indicated he had a meeting scheduled with the Mesa City Auditor this week and will develop a timeline on presenting the findings. He committed to update the Board via email.

Chairwoman Daniels asked PMGAA legal counsel several questions regarding the authority of the Board outlined in the PMGAA Bylaws and the JPAAA. Ms. Casson Own indicated that she would provide her legal opinion regarding Chairwoman Daniels' questions in writing by the June PMGAA Board meeting.

Mayor Daniels offered a few modifications she would like to address in the documents, but deferred further discussion until the PMGAA Procurement Policy review was completed. Chairwoman Daniels asked that each Board Member review the Bylaws and JPAAA for discussion at the next meeting.

Mayor Giles added that the Bylaws addressed PMGAA Board approval of the Procurement Policy. Perhaps there's a less complicated way to amend the process without opening the Bylaws and JPAAA.

**12. Board Member Comments/Announcements.**

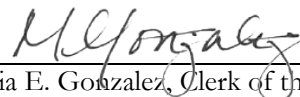
There were no comments/announcements.

**13. Next Meeting:** Tuesday, June 19, 2018 at 9:00 a.m.

**14. Adjournment.**

The meeting adjourned at 9:44 a.m.

Dated this 19<sup>th</sup> of June, 2018.



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Maria E. Gonzalez, Clerk of the Board