

TOWN OF PAYSON  
AIRPORT COMMISSION  
Monday, September 9, 2013, 6:30 PM  
Town Council Chambers

**A. CALL TO ORDER:** Chairman Jim Hunt called to order the duly posted Airport Commission meeting at 6:30 p.m. in the Payson Town Council Chambers.

**B. Pledge of Allegiance**

**C. Roll Call**

Jim Hunt, Bill Day, Dick Garmon, Jon Barber, Dan Nyhus, Bob Pearson, and Robert Henley were present.

**Staff:** LaRon Garrett, Assistant Town Manager, Tim Wright, Town Attorney, and Ray Law, Airport Coordinator, were present.

**Others Present:** Six members of the airport community were present.

**D. Public Comments - Comments concerning items not on the agenda.**

Chairman Hunt asked for any comments from the public on items not on the Agenda. There were no comments.

**E. Minutes**

The minutes from the July 18, 2013 meeting were presented for approval. Member Nyhus pointed out three corrections that were needed. A motion for the minutes to be accepted as corrected was made by Member Henley and seconded by Member Nyhus.

**Approved 7-0**

**F. Items for Discussion/Possible Action**

1. Leases for the Restaurant and Fueling FBO services

Mr. Garrett informed the Commissioners that a Request for Proposal (RFP) for the Restaurant Lease had been put out and would close on September 27. Member Henley asked why the RFP was required since at the last meeting he thought the restaurant lessees were going to be given an extension. Mr. Garrett responded that the Town Council had approved him to enter into negotiations with the Annabels. He and the Annabels had not been able reach a suitable agreement, so based on a mutual decision, they agreed that an RFP would be created and sent out. The Annabels would then put in a proposal for the restaurant operation. Chairman Hunt asked if there was further discussion on the Restaurant RFP, then moved on to the Fueling RFP.

Member Barber announced that due to a conflict of interest, he would recuse himself for this portion of the discussion and move to the audience seats. Mr. Wright gave an overview of the statute on Conflict of Interest to the Commission and referenced a summarized handout for the members. Chairman Hunt asked Mr. Garrett to talk about the two Fueling RFP responses that had been reviewed. Mr. Garrett stated that two responses had been received and reviewed, one from the Oldenkamps, offering a self-service fuel operation and one from CAVU Aviation, dba Payson Aviation, continuing a full service operation. The responses had then been reviewed by himself, Member Garmon, and Mr. Law, and they had ranked the proposals according to the criteria established in the Fueling RFP. Mr. Garrett provided a handout to the Commissioners summarizing what each proposal offered. Chairman Hunt stated his thoughts on the two proposals and that one had not given any dollar amounts at all, while the other had committed to specific dollar amounts for fuel flowage and ground lease square footage cost. Mr. Garrett went over the criteria and the ranking numbers for each proposal. Chairman Hunt asked for comments from the members. An hour long discussion continued with each member giving their opinion about the proposals. Members Pearson, Henley, and Nyhus voiced concerns about the loss of full service fuel and how it might affect the airport image. Member Garmon said he agreed about the services the airport needed, but that the correspondence received from Payson Aviation indicated that they couldn't make it profitable under the present conditions and arrangements. Vice-Chairman Day stated that he thought that the best case would, of course, be to have both full serve and self-serve fuel. A discussion continued between Members about the desired level of service. Chairman Hunt stated that it was apparent to him in the correspondence received from Payson Aviation that the current structure was not profitable and that the "TBD" in the monetary areas of the proposal was to negotiate essentially no flowage fee and no rental and still charge

as much or more for the fuel in order to make it profitable. Chairman Hunt went on to say that the Oldenkamp's proposal said that they would give a specific flowage fee and also invest in the airport infrastructure by installing new systems that the Town will eventually own. He stated that no matter how you score the proposals, if you consider which one is stronger, more profitable, and has a future for the airport, then the self-serve proposal is the one to choose. He was disappointed that some of the issues brought up now were never brought up three months ago when this process was started. Member Henley stated that he was surprised that the Commission members did not get to see the final Fuel RFP before it went out. Chairman Hunt responded that it was reviewed by some members and that regardless, there had been many opportunities to bring up these issues previously.

Chairman Hunt then asked for public comments. Mr. Jim Garner read a handout that he had provided to the Commission members at the beginning of the meeting. There were many good points brought up that would affect the self-serve installation and that might be short comings of being only self-serve. Mr. Garner felt that perhaps the Town should reject the self-serve proposal and either re-bid it or sit down and negotiate with the two respondents. Mr. Jon Barber (who was sitting in the audience) came up next. He stated that he is speaking on behalf of the Oldenkamps and that he had recused himself because if the Oldenkamp's proposal won, he would be overseeing all the construction and installation of the self-serve facility and then assisting them in overseeing the operations following that. He went on to say that the proposal submitted was a minimum and that if and when the college does come in that full service could come back if it could be profitable. Mr. Barber continued, saying that another benefit of self-serve was fuel being available 24 hours a day and that personnel would be on-call 24 hours to assist with fueling. He said that the Oldenkamps have already discussed the possibility of providing trucks in the future or even for forest fire support if needed. Mr. Barber also stated that the fuel tanks will still retain the capability to fill fuel trucks. He reminded the Commission that the Oldenkamps have spent a lot of time to put this proposal together to ensure Payson Airport's needs are met and that they are investing \$140,000 to \$150,000 of their own money into the project, so they have a lot on the line. He also reminded the Commission that the infrastructure will become Town property at the end of the lease which will be a benefit to the airport. A discussion continued about the features proposed in the self serve area. Commission members asked other questions which were answered by Mr. Barber.

Mrs. Darla Annabel asked Mr. Barber if the airport would be shut down at anytime during the change of fuel operations. Mr. Barber answered it would not. Chairman Hunt asked what the period of construction would be and if there would be a time when there would not be fuel available. Mr. Barber responded that the construction would take 30 to 45 days depending on weather and there would always be fuel available even if it had to be provided by truck temporarily. Chairman Hunt asked Mr. Garrett if the plan had been reviewed and meets standards. Mr. Garrett replied that the civil side of it met standards for structural design. Various questions about the possibility of adding full service continued. Member Garmon moved that the Commission accept the Oldenkamp's proposal and move forward from there with a recommendation to the Council. Vice-Chairman Day seconded the action. Chairman Hunt stated that even though he would like to have full service, they don't have another viable proposal on the table. He said that they know what the self-service proposal says, but they don't know what Payson Aviation would be willing to do. Therefore, other than starting over again, he didn't know what else could be done. Member Henley wondered if there could still be negotiations with Payson Aviation. Chairman Hunt and Member Henley discussed the possibility that the Town Council might not want to lose the full service for the airport's sake. Vice-Chairman Day stated that he was a little conflicted on his feelings about the issue and he wondered if there was still a possibility to extend the current fueling contract to allow for more negotiations. Mr. Garrett responded that Mr. Oswald of Payson Aviation did not want to extend the lease by only a month or two at all. Vice-Chairman Day asked Mr. Barber to confirm that there would be fuel available even if the self-serve equipment was not ready when the old lease expires. Mr. Barber stated that there would be fuel available. Member Pearson asked if the Oldenkamps would be willing to offer both self and full service. Mr. Barber said that the revenue numbers would not support that right now. Chairman Hunt called for a vote on the motion to recommend to the Council to approve the Oldenkamp proposal for the Fuel FBO.

**Approved 4-2**

## 2. Airport Capital Improvement Program, Airport Layout Plan, Future Airport Improvement Requests to FAA and ADOT, Ongoing Environmental Assessment

Mr. Garrett provided two lists to the Commission. One for the original proposed ACIP projects and a second list with the revised ACIP projects that would be grant eligible. The high speed taxi lanes for a B-1 airport were not grant eligible, so that was removed from the list. Also, the signage was combined with the run up areas. New mowing equipment is not grant eligible, but snow removal equipment is. The Commission decided to move the wash rack project to bottom of the list. The finalized list is:

1. Construct Echo Ramp Expansion
2. Design and construct Run-up Areas or Additional Taxiway Connectors to create Run-up Areas and Install Noise Abatement Signage.
3. Install PAPIs on Runway 6.
- 4 Design and construct an access road to the West T-hangars.
5. Relocate fence to include recently acquired property at the west end of the Airport.
6. Design and construct covered parking for snow removal equipment.
7. Replace snow removal equipment.
8. Design and install an aircraft wash rack.

A motion was made by Member Henley and seconded by Member Garmon to accept the finalized list.

### **Approved 7-0**

## 3. Commercial Through the Fence Agreement

Vice-Chairman Day reported on the results of the investigation he and Member Garmon made on whether it is necessary for the Town to have a Commercial Through the Fence (CTTF) Agreement to be in compliance with FAA Grant Assurances. He stated that they could not determine that there was an accurate way to measure the advantages to businesses located on versus off the airport. Since no demonstrable inequities between on and off airport businesses, then there was really no threat to the Grant Assurances and no reason to have a CTTF agreement. Therefore, he and Member Garmon did not recommend going forward with a CTTF agreement. A discussion continued on what the FAA intended with its concern for fairness of CTTF activities. The discussion then turned to businesses in the Industrial Airpark paying for the use of the gate by customers that come to their business. Chairman Hunt proposed that a fee for off airport aviation businesses be considered when the next fee schedule was revised next year. He also suggested that if a competing business license was applied for that it come to the Commission for them to discuss and consider it. Jim Garner commented on some of the statements made by the Commissioners. After a lengthy discussion, Member Henley moved that the Commission request that the Town staff put together a CTTF agreement that contains a fee mechanism that would be presented to the Council in the Spring that would contain a general charge to all aviation businesses whose customers come through the gate from the airport. If they own airplanes, then they are already paying a fee, but they are not paying for their commercial entity. The motion was seconded by Member Nyhus. After some more discussion, a vote was taken.

### **Approved 6-1**

A second motion was then made by Member Henley that the Town develop a written agreement for a through the gate fee for all aircraft that are stored off airport in the non-residential Industrial Airpark. The motion was seconded by Member Barber.

### **Approved 7-0**

## 4. Payson Aerofair

Mr. Law summarized recent actions taken in preparation for the Aerofair. He reported that the planning for it had been a real challenge to get enough vendors and airplanes to participate with the insurance requirements. He has 24 vendors and only about 5 aircraft on display. He is still hoping for more aircraft and volunteers to come forward before Saturday.

### **No Actions Taken**

**G. Management Report and Discussion**

Since Aero Fair was already discussed, no other report was given.

**H. Schedule of future meetings and requests to Staff for the placement of items on future Commission Agendas – No Discussion Permitted.**

The Commission agreed that the next meeting would be held at 6:30 pm on Monday, October 14, 2013. No new agenda items were requested.

**I. Adjournment**

Adjournment motion was made by Member Henley, seconded by Member Garmon. Meeting adjourned at 8:45 p.m.