The following are summary minutes for the meeting of the City of Las Cruces – Airport Advisory Board on January 16, 2020. The meeting was held at the Las Cruces International Airport, Conference Room, 8960 Zia Boulevard, Las Cruces, New Mexico.

Members Present:
- Ross Palmer, Vice-Chairman
- Wes Baker, Member
- John Darden Member
- Gay Lenzo, Member
- Ted Linnert, Member
- Yvonne Flores, City Council Liaison

Members Absent:
- Dan Privette, Chairman

Others Present:
- Andy Hume, Airport Administrator
- Lori Romero, Airport Admin. Asst. – Recording Secretary
- Hal Kading, Southwest Aviation
- Mike Kading, Southwest Aviation
- Don Jansen, Public
- Laraine Jansen, Public
- DeeDee Irick, Francis Aviation
- Nathan Wilcox, Lynco Flight Services
- Carl Conley, Risk Management Administrator
- Kent Freier, Molzen-Corbin
- Tom Reynolds, Project Manager

1. **Call to Order:** Vice-Chairman Palmer called the meeting to order at approximately 12:32 p.m.

2. **Determination of Quorum and Acknowledgement of Guests:** Vice-Chairman Palmer stated that they have a quorum and that he would like to start with introductions. Guests included Tom Reynolds, Project Manager for the projects here at the airport for the City; Kent Freier with Molzen-Corbin; Nathan Wilcox with Lynco Flight Services; Don Jansen, who is an aviator; Laraine Jansen; Carl Conley who is the Risk Manager for the City; Mike Kading with Southwest Aviation; and Hal Kading with Southwest Aviation. The Board members then introduced themselves as well.

3. **Approval of Meeting Minutes:**
a. **November 21, 2019 Regular Meeting:** Vice-Chairman Palmer asked the Board if they had a chance to look at the minutes; please let him know if they have anything they feel needs to be changed, otherwise he will give them a chance to look things over. He asked if there was a motion to approve the minutes. Board Member Lenzo motioned to approve the minutes; seconded by Board Member Darden. Motion passed unanimously; minutes approved as written.

4. **Action Item:**
   a. **Selection of Chair and Vice-Chair:** Vice-Chairman Palmer stated that Chairman Privette spoke with him about 30 minutes ago and told him that he is no longer able to serve as Chairman due to work requirements. Action item has been requested to be tabled until next meeting by Mr. Hume. Reason for tabling is for everyone to examine their circumstances to see if someone can step up to be Chairman rather than put someone on the spot. Board Member Darden made a motion to table; seconded by Board Member Lenzo. Motion passed unanimously; action item has been tabled until next meeting.

5. **Presentation:**
   a. **Airport Insurance; Carl Conley, Risk Manager for City of Las Cruces:** Carl Conley introduced himself and discussed his role in the City. He went on to explain why everyone needs to be properly insured. One of these reasons includes so that taxpayers are not left "holding the bag", if something goes wrong. He gave examples to include in May 2018 there was a pollution exposure, on 4/2018 there was a near miss with a vehicle that had access to the airfield with a helicopter landing which caused them to do an expensive investigation, on 4/2018 a vehicle with access to the airfield hit a security gate causing damage to the gate that had to be repaired, and on 11/2017 a fence was hit by a tenant of the airport. In most cases, the accidents are handled by the responsible party, especially the small issues.

   Mr. Conley continued to explain that every once in a while, something worse happens. For example, on 11/03/2014, the City received a tort claim notice, which is the first step to a lawsuit. This was for one of the wrongful deaths in the air ambulance crash. Fortunately, because the contractor involved was insured properly, they were able to notify the contractor, who notified an aviation expert, who took care of it for the City.

   Insurance that is requested includes worker's compensation, waiver subrogation, and others found in Chapter 7.5 in the guidelines. Mr. Conley explained worker's comp and gave examples. He then discussed subrogation of use and mentioned that the City wants to make sure those workers are insured and those employers to waive their right to subrogate against the City. Therefore, having the employers take care of their own employees. This is required by any business entity that is operating on City property, no matter where.
Additional insurance requests are airport liability depending on what the operation is and general liability. Vice-Chairman Palmer asked for confirmation that the court laws limit the dollars. Mr. Conley confirmed and then explained that it depends on what it is. Board Member Darden commented that it is 500 and 750. Mr. Conley said yes, it's per loss, so it's 750 for bodily injury and another amount for property damage. He also explained that if there was a maximum loss where everything was capped, it would be $1,040,000, whereas the City asks for $1 million.

Board Member Darden asked how they define tenants because there are transient tenants. Mr. Conley explained that the tenant is someone who is in a facility. A person operating an aircraft is an aircraft liability, not a general liability. If they rent a shade hangar temporarily, they are not asked for anything. Aircraft based are required to have aviation liability. Mr. Hume added that if there is a lease agreement to be on the airport, then that's what is being looked at as being a tenant. Board Member asked if he is still considered a tenant when he sublets a hangar from another person. Mr. Hume responded that he would need his aircraft insurance but the person he is subletting from is the tenant.

Board Member Darden clarified that he is uncertain about whether someone is considered a tenant if they are subletting a hangar from someone else and therefore have to get an additional policy. Mr. Conley explained that it is the City's tenants that need the additional policy so if the person is the tenant of the person subletting, they don't need the additional policy. Only the person who is the tenant to the City needs the additional policy. He went on to explain that the only way insurance will add the City on as an additional insured if there is a contractual reason to do so.

Mr. Hal Kading expressed dismay that the people based at the airport need to have the insurance but those flying in for a short time don't. Mr. Conley explained that they can only control insurance requirements with people the City are contracting with and it is to keep the taxpayers from having to pay for damages they shouldn't have to pay for.

City Council Liaison Flores asked if they wanted all commercial people to have workers comp but what about third party liability. Mr. Conley said yes, there is. He gave an example of a worker tripping on a bad piece of sidewalk on City property. If the company that is his employer issues a waiver of subrogation and the insurance company can't recover what they paid for, the employee has a right to a third-party claim and can sue the City for that deal. What would happen in that case is the insurance company would send that employee or his attorney a notice of subrogation.

Mr. Conley continued on to explain the aircraft liability and how it is for people based here. He explained that if someone takes their airplane out and hits someone else, then the City can be sued because it's on their property. Therefore, they want to make sure there's coverage. Builder's risk is only for
contracts between the City and a contractor who's building a facility or working on a structure here for us. Property replacement is in a standard general liability policy which is usually up to $100,000. Mr. Conley suggested that they either increase the amount or purchase a separate property replacement insurance to cover whatever the cost of the building they have is. Auto liability is required for the maximum you can get on a personal auto liability. He mentioned that state minimum requirements are $25,000, $50,000 and $100,000.

Mr. Conley finished by explaining about commercial exposures and how the coverage needs to be specified as either any auto or owned autos, non-owned autos, and hired autos. Hired autos are their employee's autos. Mr. Hume interjected that as Mr. Conley stated earlier the minimum statutory requirements for the state are significantly less than these. He asked for clarification that what Mr. Conley is saying is the City is setting a higher standard for anyone who has access to the airfield. Mr. Conley agreed with the statement and explained it a little bit further. If someone is parked in the parking lot, they don't have any requirement, but if they're driving around underneath helicopters landing, they do.

Vice-Chairman Palmer commented that he had asked before and no one had a $1 million combined limit. Mr. Conley commented that most commercial policies are written at $1 million. He went on to add that his recommendation is that most people should also have a personal umbrella. There was more discussion regarding the difference between being a commercial vehicle and just parking next to their hangar. Mr. Conley clarified that unless they are a business driving on the airport, they only need a 250/500 and 250 for property damage. Vice-Chairman Palmer asked how the airport is going to keep up with the non-employee people. Mr. Conley responded that it would be through the lease agreement. Board Member Darden asked if they park next to a hangar, if a parking attendant would be coming around to ask for their insurance papers to make sure they have the correct one. Mr. Hume responded that it will be handled like with the hangar owners, where every year they need to provide the most updated version of their liability insurance. Therefore, with the new security system and keys to get in, they will request an updated policy and the people will need to provide an annual update of said policy. Mr. Hal Kading asked what the City is going to do when the place is deserted because of being bound to drive half an acre away.

There was more discussion regarding the average car policy numbers versus what they are requesting. Mr. Conley commented that to increase the insurance would probably result in 10% to 15% a year. Board Member Lenzo asked if her husband drives his car onto the airport does that mean he has to increase his liability as well. Mr. Conley clarified that insurance companies will not give different limits for different cars. Mr. Hume requested that as the insurance requirements for the cars have caused confusion he and Mr. Conley can go back to the matrix and see if there is a way to make it clearer. Mr. Conley continued to explain the other coverages needed such as pollution.
Mr. Conley went on to the question part of the presentation. Mr. Freier asked if they need owner’s protective liability. Mr. Conley responded that owner’s contractor’s protective is really only needed for a project. He also explained what it means to have an owner’s contractors protective. Vice-Chairman Palmer asked if there was a minimum amount of employees where you’re not required to have workman’s comp. Mr. Conley responded that it depends on the type of business. He said that if there are three or more people, including the owner, they have to have workman’s comp. Board Member Baker commented that in October they had a fly in event and that everyone wants more flying demonstrations and such. He said the insurance they had specifically prohibits that. He asked if it’s possible to get a one-time insurance policy for a fly in. Mr. Conley said there might be, but it would have to be through a specialty company. Mr. Hume said it would need to be more of an airshow rather than a fly in. Mr. Conley suggested finding an outside contractor that puts on airshows to do one.

Board Member Darden asked about Board member liability. Mr. Conley said that most Boards should have directors’ and officers’ coverage. Mr. Hume asked for clarification on if it matters whether it is a City authorized Board versus a private Board. Mr. Conley said he will have to research that.

6. Discussion Items:
   a. Airport Manager’s Report and Project List:
      Mr. Hume began discussing the Airport Manager’s Report by pointing out the ILS upgrades under projects which is currently going on and the ILS will continue to be off until the FAA has completed their calibration flights which is expected to be done by the end of February.

      Mr. Hume will be going to Santa Fe at the end of the month for the Aviation and Aerospace Day. He mentioned that last year he had a lot of benefits with meeting members of the legislature. They are requesting about $1.5 million this year of capital outlay and hope to be successful. They are working with Molzen-Corbin to put together a flyer to leave with the members of the legislature.

      Mr. Hume then moved on to discuss the updates for the gate system and security updates. Gate 4 and Gate 1 are done, Gate 2 is about 80% done and Gate 3 is where the majority of the work lies. The project is expected to be completed between mid to late February. Mr. Hume further explained that Gate 1 will have entry with the cards and keypad while still having the sensor in place for exit as well as Gate 2. However, Gates 3 and 4 will have key cards to go in and out. Vice-Chairman Palmer asked how they will account for people showing as on the premises but not there. Mr. Hume responded that the feeling on it is that it won’t happen too often, and they won’t advertise that people can do that. Vice-Chairman Palmer pointed out that people getting fuel at the hangar may drive out the Southwest gate with a sensor as its closest to where they pay their bill.
Board Member. Lenzo asked about the rationale for having some exits with cards rather than sensors. Mr. Hume responded that it is to understand coming and going in case of emergency. Board Member Lenzo interjected a comment that she would like to go through everything on the report line by line. Others feel that it’s not necessary. Board Member Lenzo continued on the previous question by saying that she doesn’t like the key out and feels it’s unnecessary. Mr. Hume mentioned that they will be adding RFID readers for the tenants which will act like the sensors for the gates.

Board Member Lenzo inquired about the training for the security measures. Mr. Hume explained that the training program will be online. Each session will be about 20 to 25 minutes with quizzes through them. There will be two that will be necessary for non-commercial tenants. Those include the driving in the non-movement areas and general airport security training.

City Council Liaison Flores asked Mr. Hume to discuss the process and update on the municipal code. Mr. Hume explained that at the meeting in November 2018, the Board recommended approval of Chapter 7.5, the aviation chapter, to City Council. Now that there is clarification of insurance, Mr. Hume will send it to the legal department to begin the review, address any questions, and then bring it to City Council as a typical ordinance process. City Council Liaison Flores asked for clarification on whether it will be reviewed as liability for Board Members or if the code section will refer entirely to Board duties. Mr. Hume responded that the chapter is specific to airport operations with commercial insurance and he is not sure about Board insurance.

Vice-Chairman Palmer introduced Councilor Flores as the airport's liaison to City Council. DeeDee Irick introduced herself as general manager for Frances Aviation. Vice-Chairman Palmer asked if it would be possible to get the Airport Manager’s Report earlier so they can have time to read it beforehand. Mr. Hume said he will address that in his schedule. He then moved on to announce that he is now on the Board of Directors for the New Mexico Airport Managers Association. He feels it will be a wonderful opportunity to have southern New Mexico represented on that Board.

Mr. Hume went on to discuss two big projects. They are finishing the contract and will move into requisition and POs for the terminal apron as well as the perimeter fence. The projects together total $3.8 million and both are funded by the FAA with matches from the City and the State of New Mexico DOT. The perimeter security fence should be starting within the next 30 days, while the terminal apron project should be started in early March. The terminal apron project will be constructed by Morrow Construction and the perimeter fence will be constructed by L&J out of Anthony, New Mexico. City Council Liaison Flores asked if the money was from the $1.1 million of New Mexico capital outlay they received. Mr. Hume confirmed that it was approved in fiscal year 2019 and are using the funds now in fiscal year 2020. Mr. Hume commented that they requested the $1.1
million and received that amount.

Mr. Hume continued on to discuss the EDA grant. The project is on its way with data mining and analysis. It is also in line with two of the City Council's goals for 2020: re-establishing air service and achieving 20,000 enplanements. There will be surveys coming out and this will be looked at from a business, tourist, and general user perspective. Mr. Hume encouraged everyone to stay in touch with the project. The timeline for a draft report is mid to late March which will also coincide with a site visit from the contractors.

Mr. Hume commented that while there are still some striping that needs to be finished, the road rehabilitation project is finished. He is also working with Kent to time all the striping that needs to be done so everything will be done at once. Board Member Darden mentioned that Morrow Construction did striping with the City and suggested they can get certified to do the striping on the airfield. Mr. Hume explained that he posed that to Mr. Morrow when they met, and they do not actually do the striping but rather subcontract the striping out. They typically use R-Squared for striping and they will not do airports. Mr. Freier explained that they have state pricing agreements for these and there are only two companies who will bid for those. Mr. Hal Kading asked what difference it makes that a taxiway isn't striped. Mr. Hume replied that they asked that of FAA and their input was, until the striping is done the taxiway is closed. Mr. Hume clarified that Delta won't be open until striping is finished. He said that he will follow up and see if he can get a different opinion on using Delta without striping. Mr. Hal Kading commented that in Kansas they purchased equipment and did their own painting. Mr. Hume said he will look into that.

Mr. Hume continued discussing the snapshot of upcoming task orders which he's working with Molzen-Corbin on. The most important are the task orders that go along with the terminal apron project and the 2018-24 and 25 which are the first steps to take in order to look at extending runways 8-26 and 12-30. Two projects asked for from the legislative appropriation for this coming session is the runway 12-30 environmental assessment and also funding for the design which will be approximately $250,000. Both environmental assessments can go on at approximately the same time and begin advancing the process of extending the runways. Mr. Hal Kading asked about the terminal apron construction. Mr. Hume explained that these are only the engineering and project management task orders with Molzen-Corbin.

b. **Hangar Usage Policies and Inspection Procedures:** Mr. Hume began a brief rundown of where they are with the hangar usage policies and inspection procedures. Mr. Hume has received public input, spoke with Mr. Hal Kading on his concerns, and the policies and procedures have been reviewed by the Fire Marshal. The policies and procedures have been available at the October 24th and November 21st meetings of the AAB as
well as this one and he has received written input from five or six people. Mr. Hume went on to explain that it does not require a recommendation from the Board, as it is an operational document, but he wanted to let the Board and the airport community know that unless there are final comments that can't be addressed at the meeting, he will sign it and send out a final draft to everyone. It will then be put into effect on February 1st. He further explained that there can be adjustments made to the policies in the future, if need be. City Council Liaison Flores asked for clarification regarding why the Board is not required to give a recommendation on it. Mr. Hume explained that from an operational perspective, the Board reviews it and provides recommendations.

c. Aviation Fuel Storage, Dispensing & Handling Guidelines: Mr. Hume explained that the fuel storage guidelines is to be a comprehensive document addressing all fuel storage dispensing and handling scenarios. He went on to say that the bulk of it will be surrounding larger fuel storage operations, but it also goes into fire safety, corrosion issues, and things that weren't addressed much in the previous document. Staff has provided a copy of the draft to both FBO's prior to the meeting for review and comment. Mr. Hume will send it out via e-mail after the meeting and requests any written comments be submitted within the next two to three weeks. He would like to bring it back to the Board in February.

d. FY 2021 Airport Budget: Mr. Hume stated the direction from City administration to all departments is to reduce the general fund expenses by 3%. He broke up in three sections the budget for the airport from general fund. He went on to explain that he not only has to reduce the 3% but also make up for the 7.6% increase that went to personnel. He continued to show that there is a total operations reduction of 8.6% in order to use operations to offset the bulk of the increase in personnel. One of the two items that Mr. Hume is holding firm on is maintenance and repairs with the $175,000.00 budgeted. The professional and technical services were reduced by $20,000.00. Mr. Hume added that he will be asking for a special project to move onto survey phase four which would be above and beyond what is requested in the general fund budget.

Minor equipment has been reduced from $4,000.00 to $1,000.00 as there are no computer upgrades coming this year and all tools have been replaced or fixed within the last two years. Mr. Hume is also requesting a significant decrease in travel. He only kept the required conferences that need to be attended such as the New Mexico Airport Manager's Quarterly meetings and FAA Southwest Conference. He is also going to continue his certification program for the International Economic Development Council.

Mr. Hume continued to the last item which is infrastructure. He commented that they have been very diligent about repairing and as such don't need any major equipment or stock for the year. He commented that they met the requested reduction by 3.1%. Vice-Chairman Palmer asked why there
are two infrastructure fees. Mr. Hume explained that the $138,889 is the City's match for the terminal apron project. Board Member Lenzo asked what falls under the purchased services generally. Mr. Hume gave an
e example of the Wings and Wheels fest.

**e. Airport Action Plan and CIP:** Mr. Hume explained that the CIP is the tool that they use to implement the projects that are needed to accomplish. He went on to say that he has taken roughly five sources of information and combined them into one. He went on to discuss the projects they intend to take on this year, such as the drainage master plan and airport infrastructure improvements. The columns show where the various funding sources are coming from.

Mr. Hume continued to explain the two portions to the CIP. He stated that the City Council has already established what is going on in 2020, which is what staff is following although amendments can be requested for various reasons. He explained that those have to go to City Council because this is an ordinance. Mr. Hume continued explaining details of the CIP and requested that the Board focus on the City's fiscal year.

Mr. Hume pointed out the projects for 2021 that will be taken to City Council for approval. City Council Liaison Flores asked if Mr. Hume will go to Council in the spring. Mr. Hume confirmed he will be at the Council meeting in May. He went on to explain that when the Council approves it, it will become the next funded year and then they move on to 2022 and 2023 and so on. Mr. Hume mentioned that this year they do not have the funding to do rehabilitation projects which is why they're in 2022.

Mr. Hume talked about how they will need to find other funding sources for the projects on the aprons. Therefore, he cannot bring them forward to City Council for 2021 because there is no money to do them. He explained that there are usually six planning or outer years that follow the current funded year. Projects can move in and out of these because they're not approved by City Council yet. Some are based on when they think they're going to approach the FAA for funding, some are based on how they prioritize projects that they ask New Mexico DOT for funding, and some are prioritized asking the City through the Capital Improvement Project for funding.

Mr. Hume is presenting it to the Board to receive feedback if there is a project someone believes must be done quicker than the rest and he will give consideration through the budget process. He cannot guarantee funding for it, but if there's something on the list that needs to be moved up, he would like to be told.

Vice-Chairman Palmer asked regarding a rehab of runway 4-22 in 2025, he believed it was discussed a couple years ago and it was decided that they would move that closer to the current time. Mr. Hume said the issues with
runway 4-22 is that it is not eligible for federal funding. Therefore, if they do the project, the City would be on the hook for $1.5 million. The likelihood of funding that sooner rather than later, is low which is why it’s prioritized in 2025 for now. Vice-Chairman Palmer added that it is a favored runway. He also asked if there are any plans to continue to maintain that runway. Mr. Hume explained that that goes along with the other part of item six echo of the airport action plan.

Mr. Hume moved on to state that staff feels that it’s time to look at the Airport Master Plan again. He believes that they need to look at how they ensure the financial stability and sustainability of the airport as there are some big questions that the current action plan does not answer and provide direction for the airport manager to implement. City Council Liaison Flores asked if it was the action plan or the master plan. Mr. Hume responded that that’s one of the questions they have. Other airport managers and the FAA recognize master plans but not action plans. He said there’s a lot of improvements that need to be made to the current airport plan so staff will be looking for money to do that. He said they need to ask the question about 4-22 and ask the City Council what they want to do with that runway and if it in fact is a runway that is absolutely needed. Mr. Hume continued discussing the questions that needs to be asked regarding the runways such as perhaps they need parallel 8-26 rather than the 4-22. Vice-Chairman Palmer stated that it depends on the equipment flying in for runway 4-22. Mr. Hume said that one of the things they can do is have a discussion at a future Board meeting on runway 4-22 specifically.

Mr. Hal Kading asked what the definition of the City fiscal year is. Mr. Hume explained that fiscal year 2020 runs from July 1, 2019 through June 30, 2020. Mr. Hal Kading asked what was different with the federal. Mr. Hume answered federal started October 1, 2019 through September 30, 2020. There was more discussions on the fiscal years. Mr. Wilcox commented that there aren’t any monies for future hangar development, specifically t-hangars. He asked if that was a dead issue. Mr. Hume pointed out on page two in 2021 that is one of the items that they’re asking the state for capital outlay money request of $1 million under taxi lane development, design, and construct.

Mr. Hume added that they are working on a task order to design the west side taxi lanes for 2018-22. They will utilize the recommendations made in the current airport plan for hangar alignment and will be designing the infrastructure such as taxi lanes and drainage needed.

7. Public Input: Mr. Hal Kading asked if the Advisory Board could be reconstituted. He believes there is no representation other than it just happens that a couple of them are pilots and he would like there to be representation from the public and businesses. Vice-Chairman Palmer mentioned that he had that conversation with Mr. Hume that other cities boards have a couple pilots, a couple businessmen, and so on. Board Member Darden spoke up saying that Jennifer with the City
attorney spoke in terms of liability and their roles. He suggested the members of the public talk to the Mayor or their Council Member to change the structure of the Board. They continued talking about how long the Board's been set up this way. City Council Liaison Flores stated that everyone applied to be on the Board, and it was reviewed by the City and the Mayor. There was discussion regarding districts and submitting applications. City Council Liaison Flores said she will ask the Mayor regarding the districts represented and whether they need to live in the City to be on the Board. Board Member Lenzo said that there is an opening now and that it would be nice to get a businessperson to fill the spot. Mr. Hume commented that what he's seen in other Boards is that there are usually a couple of specific requirements, but the rest are just people they would like representation from. There was further discussion about what other Boards have as requirements to be on them. Board Member suggested they request the Mayor to review the requirements of the Board to see what can be changed and take it to City Council to make changes. Mr. Hume said that he will send around the section of the ordinance that sets up the Board. Everyone can take a look at it and provide input on whether it should be amended and what suggestions they would make. There was discussion as to whether there are specific reasons as to why the Board was set up the way it was and if it's in the ordinance. Vice-Chairman Palmer urged anyone who wants to be on the Board to apply.

8. Board Member Comments/Suggestions: None

9. Future Presentation/Discussion Items: Mr. Hume asked if there was anything specific the Board would like to bring to the next Board meeting. Vice-Chairman Palmer asked for Mr. Hume to give them the airport manager's report a few days before the meeting as well as some of the other items. Mr. Hume said he will work on doing that. Board Member Darden asked for a presentation about the guard and what's going on with them getting the fuel, the issues on their road, their flight patterns, how they handle the insurance with the City, etcetera. Board Member Lenzo asked if they contribute to the maintenance of the airport. Mr. Hume said he will have to research it and get back to her and will get an update presentation scheduled.

10. Next Meeting Date: February 20, 2020

11. Adjournment: The meeting adjourned at approximately 2:33 p.m.

[Signatures]

Dan Privette, Chairman

John Darden

Approved: 2-20-2020