

# ***COUNCIL DECISION REQUEST***

SUBJECT: PRAA Funding a Portion of Airport Grants

MEETING DATE: 5-11-10

PAYSON GOAL: NEW:            EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: LaRon G. Garrett, Pub. Wks. Dir. AMOUNT BUDGETED: \$0

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED: \$0

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED: \$0

  
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EXHIBITS (If Applicable, To Be Attached): Copy of Letter from PRAA

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## **POSSIBLE MOTION**

I move that the Town of Payson accept the offer from Payson Regional Airport Authority to fund the ADOT portion of any airport related grants the Town receives for fiscal year 2010-2011 and agree to reimburse the Payson Regional Airport Authority said amount if and when the Town receives those funds from ADOT.

## **SUMMARY OF THE BASIS FOR POSSIBLE MOTION:**

Typically when the Federal Aviation Administration (FAA) offers a grant to a municipal airport in Arizona the FAA grant reimbursed the Town for 95% of the cost of the project. Then the Arizona Department of Transportation Multimodal Planning Airports Division (ADOT) reimburses the Town 2.5% of the project and the Town, as sponsor, is responsible for the remaining 2.5% of the project.

With the current economic conditions in the State of Arizona, the State Legislature has basically removed all funds from ADOT. ADOT will still agree to reimburse the Town for 2.5% of the project. However, there is no commitment as to when that reimbursement will occur. It may be several years before they are able to fund the grants. Because of this issue, if the Town accepts a grant from the FAA, the Town would end up carrying ADOT's share until sometime in the future when ADOT is able to pay.

Staff is currently working with the FAA to secure grants for projects totaling \$2,798,000. The FAA grant, once accepted, will reimburse the Town 95% of the cost, or \$2,658,100. This would leave a balance of \$139,900. Under normal circumstances, ADOT would also reimburse the Town for 2.5% of the total cost or \$69,950 and the Town would ultimately end up paying 2.5%, or \$69,950. As I stated in the previous paragraph, ADOT will commit to pay their share but it will be at some unknown time in the future. That leaves the Town needing to budget \$139,900 for the FAA grant match.

With the current economic conditions facing the Town, funds are not available in the current draft budget to cover the \$139,900. The Payson Regional Airport Authority (PRAA), per the attached letter, has offered to fund the 2.5% that would normally be reimbursed by ADOT. That offer also includes a provision that the Town agree to repay these funds to PRAA if and when ADOT reimburses these funds to the Town.

**PROS:** Accepting this funding will allow the currently proposed airport projects to move forward.

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**CONS:** This will place a liability on the Town that will need to be taken care of in the future.

**PUBLIC INPUT (if any):**

**BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):**

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**FUNDING:**

Acct:	Budget:	Available	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

3A: \_\_\_\_\_ Date: \_\_\_\_\_



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LaRon Garrett, Town Engineer  
Debra Galbraith, Town Manager  
Payson Town Council

May 5, 2010

In light of the current budget situation for the Town of Payson the PRAA is willing to fund ADOT's portion of the matching funds required by the FAA for the next years projects at the airport. These funds would come from the PRAA's Airport Improvement Fund and are anticipated to be just under \$70,000.00. This would be done with the provision that a contract is agreed upon between the Town of Payson and the PRAA that when ADOT reimburses the Town that the funds would then be returned to the PRAA's Airport Improvement Fund.

Please let me know how we can assist in accomplishing this.

Jon Barber, President PRAA