
**TUCSON AIRPORT AUTHORITY | Finance and Risk Management Council
Monday, October 9, 2023 | 3:00 p.m. | Remote Only**

THIS ADVISORY COUNCIL MEETING WAS HELD VIRTUALLY, WITH COUNCIL MEMBERS ATTENDING VIA MICROSOFT TEAMS OR TELEPHONICALLY. MEMBERS OF THE PUBLIC WHO COMPLETED A REGISTRATION FORM RECEIVED A LINK TO VIEW THE MEETING VIA MICROSOFT TEAMS OR TO LISTEN TELEPHONICALLY.

1. CALL TO ORDER | ROLL CALL

Chair Overton called the meeting to order at 3:15 p.m.

Council Members Present: Chair Tim Overton, Council Member Mike Hannley, Council Member Rob Draper, and Council Member Angela Gee

**Council Member Hannley attended the meeting via telephone.*

Council Members Absent: Vice Chair Omar Mireles, Council Member Ricardo Platt, and Council Member Tony Penn

Staff Present: President/CEO Danette Bewley, Executive Vice President/Chief Operating Officer Bruce Goetz, Vice President/General Counsel Christopher Schmaltz, Vice President/Chief Financial Officer Kim Allison, Deputy General Counsel Kim Outlaw Ryan, and TAA Clerk Byron Jones

2. APPROVAL OF MINUTES

Motion by Council Member Hannley, seconded by Council Member Draper, to approve the minutes of the Finance and Risk Management Council meeting held on August 22, 2023. The motion carried by the following vote:

Ayes 4 Chair Overton, Council Member Hannley, Council Member Draper, and Council Member Gee

Nays 0

3. PRESIDENT/CEO REPORT

a. State of the Industry | Update

President/CEO Danette Bewley reported that the United States Congress continues to work towards approving a final budget. Included in this year's appropriations are renewal of the Federal Aviation Administration (FAA) Reauthorization Act and continued funding of the Transportation Security

Administration (TSA), both of which are essential elements in the aviation system. Tucson International Airport (TUS) is doing well overall.

4. ACTION ITEM

FY 2024 Operating Budget Amendment | TSA Mandate

Executive Vice President/COO Bruce Goetz and Vice President/Chief Financial Officer Kim Allison presented.

Background:

- The Transportation Security Administration (TSA) has, for the past decade, attempted to shift additional responsibilities for security and their associated costs onto airports. The TAA disagrees with these unfunded mandates and believes strongly that the TSA should continue to be responsible for screening of both employees and passengers. However, the TAA must comply with federal security regulations to maintain its certification as an Airport Operator.
- The new regulation requires the TAA to conduct random screenings of security badge holders who access to the airport's sterile area. These security checks can occur at any door and at any time during a 24-hour period. To meet these requirements, the TAA must hire additional police officers and public safety officers. In addition to salary and benefits, there will be costs related to uniforms, boots, and equipment. The TAA will also need to purchase additional vehicles to transport the employees to the various locations.
- The TSA issued a Notice of Informed Compliance on September 6, 2023, which went into effect on September 25, 2023. Due to the timing of the notice, staff was unable to factor these costs into the FY 2024 budget approved by the Board of Directors.
- Airport Operators have until September 25, 2024, to be in full compliance.

Fiscal Impact:

- There are no changes to the projected revenues as presented to the Board during the FY 2024 budget presentation. An additional line item will be added to the budget specific to the TSA mandate. To raise the revenue necessary to pay for the additional personnel, the landing fee will increase from \$1.50 to \$2.02 per 1,000 pounds maximum gross weight.
- The TAA discussed the landing fee increase with the Airport and Airline Affairs Committee. The airlines recognized the necessity of increasing the landing fee. The budget amendment was also presented to the TAA's Finance and Risk

Management Council, which voted to recommend to the Board that it approve the budget amendment.

Motion by Council Member Hannley, seconded by Council Member Draper, to recommend to the Board of Directors that it adopt a resolution approving an amendment to the FY 2024 Operating Budget in the amount of \$1,101,501 to facilitate compliance with the TSA employee screening mandate effective September 25, 2023. The motion carried by the following vote:

Ayes 4 Chair Overton, Council Member Draper, Council Member Penn, and Council Member Gee

Nays 0

5. ADJOURN

There being no further business to discuss, Chair Overton adjourned the meeting at 3:33 p.m.

PREPARED BY:



Byron Jones, TAA Clerk

Date: December 17, 2024