



WISCONSIN LEGISLATIVE COUNCIL

AIRPORT AUTHORITIES

Room 411 South, State Capitol
Madison, Wisconsin

December 4, 2006
10:00 a.m. – 12:15 p.m.

[The following is a summary of the December 4, 2006 meeting of the Special Committee on Airport Authorities. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

Call to Order and Roll Call

Chair Stone called the meeting to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Jeff Stone, Chair; and Public Members Rich Abelson, Jason Bittner, Terrance Kurtenbach, Dick Richards, George Torres, Terry Witkowski, and Dan Wruck.

COMMITTEE MEMBERS EXCUSED: Sen. Jeff Plale; Reps. Mark Honadel, Fred Kessler, and John Townsend; and Public Member James White.

COUNCIL STAFF PRESENT: Ronald Sklansky, Senior Staff Attorney; Scott Grosz, Staff Attorney.

Approval of the Minutes from the October 25, 2006 Meeting

Mr. Richards moved, seconded by Mr. Abelson, to approve the minutes of the October 25, 2006 meeting. The motion carried on a voice vote.

Description of Materials Distributed

Ron Sklansky noted the distribution of Memo No. 2, *Airport Governance Options*, and Memo No. 3, *Comparison of Airport Authority Legislation*. Memo No. 2 outlined several options for the structure of airport governance and whether each option would require new legislation in order to be implemented. Memo No. 3 compared selected airport authorities around the country. Enclosed in Memo No. 3 was a chart that provided comparison of those authorities. The data organized by the chart

related to airport authority board membership, powers and duties, formation requirements, and obligations between the airport authority and local governments.

Scott Grosz described Memo No. 4, *Members of Airport Authority Boards*. Memo No. 4 supplemented the chart enclosed in Memo No. 3 with details on the membership of airport authority boards. For each authority in Memo No. 3, Memo No. 4 noted the number of members on the board, residency requirements, and the appointment rules for board members.

Discussion of Committee Assignment

Chair Stone explained that the November 15, 2006 meeting was cancelled because several planned speakers were unable to attend. He stated his goal was that the committee would use the December 4, 2006 meeting to attempt to reach consensus on elements of potential airport authority legislation. Chair Stone acknowledged that a decision on whether airport authorities should be mandatory or permissive likely would not be reached. He suggested that the committee focus on other elements of airport authorities.

Chair Stone suggested that the committee use the chart enclosed in Memo No. 3 to guide its discussion. After passing over the first item on mandatory versus permissive authorities, the committee discussed the next two items on the chart: whether a local referendum must approve an airport authority and if authority legislation must specify a timeframe for asset transfer. Chair Stone noted, and Mr. Bittner agreed, that local referenda were uncommon and should not be included in legislation proposed by the committee. The committee also reached the conclusion that legislation need not specify a timeframe for asset transfer. After noting that no committee members had strong feelings otherwise, Chair Stone suggested that the committee shift its discussion to the presence of elected officials on an airport authority board.

Mr. Sklansky noted that several states require the presence of elected officials on authority boards. The committee engaged in discussions on the region that should be represented by local officials. Committee members suggested various measures, including the Milwaukee 7 group for Mitchell International Airport and regional planning commissions in general. Chair Stone reminded the committee to think in general terms rather than focus on Milwaukee and Mitchell International Airport. The committee then discussed the appropriate size for an airport authority board. Chair Stone and Mr. Kurtenbach suggested that a small board of seven to nine members would be ideal. Mr. Torres suggested that the size of the board should depend on the size of the region that utilized the airport. Mr. Abelson noted that his views on board size depend on the powers granted to the board.

Mr. Kurtenbach suggested a seven-member board for all Wisconsin airport authorities, composed of two local government appointees, one appointee of the mayor of a representative city in the authority's jurisdiction, two appointees that rotate between smaller communities in the authority's jurisdiction, and two appointees of the Governor. The committee discussed whether these members should be elected officials. Mr. Witkowski stated the importance of the presence of representatives, elected or not, from municipalities that abut an airport. After hearing of potential difficulties with use of regional planning commissions, Mr. Wruck suggested that "catchment" areas of airports could provide a suitable region for purpose of board membership.

Chair Stone suggested the use of the catchment area for the governor appointees in Mr. Kurtenbach's model. Mr. Kurtenbach agreed and suggested expansion to a nine-member board. Noting conflicts of interest, the committee precluded the idea of airline representation on airport authority boards.

Next, the committee considered the powers available to a board. The committee generally agreed that revenue bonding and eminent domain powers were necessary to the operations of an airport authority. Several committee members offered input with regard to taxing authority. Mr. Torres suggested an authority should be able to levy taxes in order to handle emergencies. Mr. Kurtenbach suggested that an authority should be financially independent and therefore should not be afforded taxing authority. The committee discussed the role of revenue bonds as a financing resource. Mr. Wruck noted that small airports currently depend on local taxes and would not benefit from an airport authority that lacked taxation authority. The committee considered and dismissed allowing small airport authorities to have taxation authority. The committee reached consensus that taxing authority was not necessary for an airport authority.

The committee moved to the issues of compensation for local investment and assumption of airport contracts and liabilities. The committee generally agreed that an airport authority would be required to assume existing liabilities including bond debt and labor contracts. The committee did not agree on compensation for local investment. After resolving confusion over what the issue encompassed, the committee members shared their views. Mr. Torres suggested that Milwaukee County should be compensated for investments it made during Mitchell International Airport's infancy. Other members disagreed and raised questions of how to value those investments. Some members suggested the investments could be valued by the prices suggested in analyses of sales and leasing options for Mitchell Field. Chair Stone noted that a sale is unlikely at this time due to federal airline consent requirements. Chair Stone noted that the state and federal governments also have made recent investments in Mitchell International Airport.

Mr. Kurtenbach strongly advocated against sales and leasing options for airport governance. He noted the substantial public interests in airports and that sales and leasing options run counter to those interests. Chair Stone agreed. He noted that sales and leasing options were a Milwaukee County Board proposal and they would not be considered by the Special Committee.

The final issue discussed by the committee was policing authority. The committee agreed that airport authorities should have the ability to appoint a police force or to contract for police services.

Chair Stone asked the Legislative Council staff to prepare draft legislation representing the issues on which the committee reached consensus. Mr. Sklansky reviewed the decisions the committee reached. Chair Stone instructed committee members to review the portions of draft legislation prepared by Legislative Council staff and to bring amendments on the remaining issues to the next meeting.

Other Business

There was no other business considered at this time.

Plans for Future Meetings

The next meeting of the Special Committee will be held on *Tuesday, January 16, 2006, at 10:00 a.m., in Room 411 South, State Capitol, Madison.*

Adjournment

The meeting was adjourned at 12:15 p.m.

SG:jal