



June 1, 1010

Mr. John Halikowski, Director  
Arizona Dept of Transportation  
206 South 17th Avenue -Mail Drop 100A  
Phoenix, AZ 85007

Dear Mr. Halikowski,

I am writing to express my objection to the planned \$6.5 million fund sweep of the State Aviation Fund that the legislature targeted for ADOT's Equipment Fund.

Over the last two months, Jennifer Toth, John McGee, Melissa Wynn, and Mike Klein of your staff have met with members of the Arizona Airports Association (AzAA) regarding the latest round of fund sweeps. We very much appreciate their openness and directness in working with us. We also understand the incredible strain the State is in and recognize that cuts are needed from all areas.

However, the legislature directed this latest \$6.5 million sweep at ADOT's Equipment Fund, not the State Aviation Fund. It is our understanding that the Equipment Fund is an internal fund used by ADOT to repair equipment and charge actual costs back to the associated budget units. Apparently, there are insufficient monies in this fund to comply with the required sweep, so ADOT is tasked with locating another internal source. It has been explained to us that there is no other choice than to use the State Aviation Fund.

Our objection to this action is based upon the fact that ADOT is currently delaying payments to airports across the state for grants issued in past fiscal years. It is inappropriate to transfer funds out of the State Aviation Fund to meet a budget obligation imposed on an unrelated fund prior to repaying ALL outstanding reimbursement requests.

In addition, the legislature targeted an internal service fund of ADOT unrelated to the State Aviation Fund. If there is insufficient monies in the targeted fund, any State Aviation Fund monies used to cover the legislative sweep should be considered temporary and paid back over time. It was noted that as an internal service fund, there never would be a sufficient balance to re-pay the State Aviation Fund. However, we encourage ADOT to increase the rate base charged to the users of the fund in order to, over time, generate funds sufficient to re-pay the State Aviation Fund.

We truly understand the critical situation the State is in and appreciate the work you and your staff are doing for all modes of transportation. But as the advocate for airports in the State, and as long as aviation infrastructure needs are not being met, we must object to the use of any aviation funds being diverted for non-aviation uses.

As always, I am open to discussing the situation further at your convenience and can be reached at 480-988-7608 or [cdenny@phxmesagateway.org](mailto:cdenny@phxmesagateway.org).

Respectfully,

Casey Denny  
President - Arizona Airports Association

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Phoenix-Mesa Gateway  
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