

**REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS
MOHAVE COUNTY AIRPORT AUTHORITY, INC.
Minutes of July 12, 2016**

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:00 a.m. MST on July 12, 2016 at the Bullhead Area Chamber of Commerce, 1251 Highway 95, Bullhead City, Arizona.

A. CALL TO ORDER

Director John Hastings, President, called the meeting to order at 9:03 a.m.

B. ROLL CALL

Directors Present

John Hastings, Jim Zaborsky, Lloyd Shires, Brad Belhouse, Lisa McCabe, Jena Morga, Kevin Murphy, Steve Willett.

Members Present

Mark Clark, Connie Davis, Jim Dykens, Patricia Fordham, John Holladay, Joe Kuenen, Matt Laughlin, Meg McDaniel, Jennifer Portwood, Lance Ross, Frank Sapp, Mary Schramm, Phyllis Smith, Ron Smith.

Staff Present

Jeremy Keating, Airport Director; Tim Bannon, Assistant Airport Director; Wendy Brooks, Administrative Assistant.

Guests Present

John Gallagher; Sarah Weber, reporter for KLBC TV2; MCAA applicants: Riley Frei, Ardie Lauxman, Scott Neal, Terri Sponder, Larry Tunforss, Ray Williams.

C. PLEDGE OF ALLEGIANCE

Director John Hastings, President, led in the reciting of the Pledge of Allegiance.

D. APPROVAL OF MINUTES

A motion was made by Director Jim Zaborsky to approve the minutes of the Regular Meeting and the Annual Meeting both held on April 12, 2016, seconded by Director Steve Willett; the motion carried unanimously.

E. APPOINTMENT DISCUSSION AND VOTE FOR VACANT BOARD POSITION

Per the MCAA By-laws, when there is a vacancy on the Board, the Directors fill that vacancy for the remainder of the term by appointing an Authority member. Director Chris Barton resigned

as an MCAA Director in May due to her new job. Director John Hastings recommended that MCAA Member Mark Clark fill the vacancy. Mark has been a member of the Authority since 2004 and is a former Director. Director Hastings asked if there were any other suggestions for the vacant position. No other suggestions were made. Director Jim Zaborsky motioned that the Board appoint Mark Clark to the vacant seat on the Board of Directors, seconded by Director Lisa McCabe; motion carried unanimously.

F. DISCUSS AND TAKE POSSIBLE ACTION TO APPROVE NEW MEMBERSHIP APPLICATIONS

Director John Hastings explained the attendance policy for Mohave County Airport Authority Members. Members are required to attend at least half of the meetings each year or they can be automatically terminated. In addition, anyone who has been a Member of the Authority for six months is eligible to be elected to the Board of Directors.

Each of the applicants introduced themselves and shared their interests in becoming a member of Mohave County Airport Authority. All voting members of the Authority participated in a verbal vote regarding each applicant's membership.

1. J. Tyler Carlson – was not present and he will be considered for membership at the October Board meeting.
2. Riley Frei – Riley stated that he is a 20-year resident of Mohave County. His passion is improving the community. Riley has worked for the local schools for six years. He stated that successful schools are a critical component to the overall success of communities. Director Hastings asked for a verbal vote; the vote in favor of Riley Frei becoming a Member was unanimous.
3. Arden (Ardie) Lauxman – Ardie has lived in the area for seven years and is the Chief Financial Officer at Mohave Electric Cooperative. He has owned small businesses and partnerships and has always been active on various boards. Ardie is also a strong advocate in the community for the Airport. Director Hastings asked for a verbal vote; the vote in favor of Ardie Lauxman becoming a Member was unanimous.
4. Scott Neal – Scott is the Assistant Fire Chief for Bullhead City Fire Department and has lived in Bullhead City for four years. His interest in being on the Authority is both personal and professional in that he lives in Bullhead City and he has collaborated with Airport Fire Chief David Diego as well as Airport Director Jeremy Keating on various training projects. Director

Hastings asked for a verbal vote; the vote in favor of Scott Neal becoming a Member was unanimous.

5. Terri Sponder – Terri and her husband, Ed, are local Real Estate agents. They have lived in the area for four years and are on a number of other local Boards in the community. Because Terri is often asked by newcomers about flights to and from the Airport, she wants to be involved with the Airport and be able to communicate about the current air service situation. Director Hastings asked for a verbal vote; the vote in favor of Terri Sponder becoming a Member was unanimous.

6. Larry Tunfors – Larry has been a local resident for 36 years. He is a previous a member of the Authority and is retired from the fire department. Larry is also on a few other local Boards in the community. Director Hastings asked for a verbal vote; the vote in favor of Larry Tunfors becoming a Member was unanimous.

7. Raymond (Ray) Williams – Ray has been a resident in the area since 2005. He does accounting for small businesses. Ray sees the Airport as a vital component to the community for tourism. Director Hastings asked for a verbal vote; the vote in favor of Ray Williams becoming a Member was unanimous.

G. COMMITTEE REPORTS

1. Finance & Planning Committee – Director Brad Belhouse, Treasurer

a. Year to Date Financial report.

The Finance & Planning Committee met on July 7th. The Financial YTD report through May showed revenue of \$196,000 and net income of \$45,000, both ahead of budget. Through 11 months of the Fiscal Year, the Airport is \$240,000 ahead of net budgeted income. Director Brad Belhouse stated that the Airport is in good shape from a liquidity and financial position with operating capital and cash reserves of over \$1,000,000.

b. FYE 6/30/17 Budget Proposal – Summary review and possible action by the Board to adopt the FYE 6/30/17 Budget.

The FY17 proposed budget has revenue at \$2.3 million and a net income of \$525,000, before interest expense. The projected revenue is lower than FY16 due to the upcoming December runway closure for the completion of the runway extension project. The

proposed budget does not include Navy revenue as it is unknown if the Navy will return again next year for training exercises. On the expense side, FY16 had a lot of movement of staff. The FY17 proposed budget reflects a full staff of 16 employees with an increase in the cost of wages over FY16. The increased cost of medical insurance has also increased expenses. Director Belhouse motioned that the Board accept the proposed budget for FY17, seconded by Director Jim Zaborsky; motion passed unanimously.

c. Capital Expenditures since last meeting

1) Terminal Electrical upgrade

The Terminal Electrical upgrade was completed on June 13th. The cost was \$100,000. The upgrade will provide the terminal with power during outages.

2) Airport Fire Fighting Vehicle Rehabilitation

The fire truck rehabilitation was completed on June 10th at a cost of about \$97,000. This back-up fire truck will enhance the safety of the Airport.

3) Paint striping machine - \$9,700.

4) Airport Operations vehicle purchase - \$32,000.

5) Airport Fire Fighting SCBA air pack replacements - \$9,300.

d. FAA Current Projects in Progress

- AIP 46 - Runway & Taxiway Extension Construction Phase 1

Phase 1, which includes earth and groundwork for the runway extension, will be completed in a few weeks.

e. FAA Projects awaiting grant funding

- Runway & Taxiway Extension Construction Phase 2

Phase 2 is expected to be funded this quarter and work is anticipated to begin by September.

f. FY17 – FY22 Projected Airport Capital Improvement Projects (ACIP)

This 5-year plan, including the current Runway Extension project as well as other projects, was reviewed by the Committee and recommended for approval. Director Brad Belhouse motioned to approve the ACIP, seconded by Director Jim Zaborsky; motion carried unanimously.

g. Other Airport Development/Improvements

1) Acquisition of State Land

The State Land Acquisition is ongoing and will take some time to be completed.

2) Security fencing upgrade for Air Traffic Control Tower

Plans & specs have been sent out to contractors.

3) North Airport Entrance Sign

The Airport is in the early stages of planning for a new sign.

2. Real Estate Committee – Director Jim Zaborsky, Vice President

a. ParkWest Development Status Report

The Committee met on July 7th. Stewart Jean reported to the Committee that ParkWest is still working on bringing more businesses to the Airport Center. He hopes to have more information by the next Board meeting.

President Hastings added that ParkWest is considering financing the construction of buildings at the Airport Center once an anchor store has been identified.

b. Environmental Cleanup -

The Airport changed environmental consultants for the Airport Center cleanup. This has been an ongoing cleanup of an empty lot at the center. There are two remaining wells with contamination levels slightly above standards. Because testing has shown a steady decrease in the number of contaminants, there is a possibility of applying for a Risk-Based Closure with ADOT in the near future.

3. Air Service Development & Marketing Committee – Director John Hastings, President

a. No committee meeting was held this quarter

b. Small Community Air Service Development Program Grant update

The US department of Transportation announced grant awards on June 30th. The Airport was awarded a \$750,000 grant for the purpose of securing scheduled air service.

c. Sixel Air Service Conference, October 16-19

Jeremy Keating, Airport Director, and MCAA President John Hastings will meet with air carriers during the conference to discuss air service.

H. AIRPORT DIRECTOR REPORT – Jeremy Keating, Airport Director

1. Annual Airport Liability Inspection

Airport Director Jeremy Keating and Assistant Director Tim Bannon spent a day in June with the Airport's insurance company risk inspector. She was very pleased with the safety conditions of the airport.

2. Annual Part 139 Inspection

This inspection is completed annually for all commercial service airports. The FAA looks at signs, markings, lighting, and documentation. The Airport staff did a great job of making sure everything was in good shape for the inspection, which contributed to the Airport passing with no discrepancies.

3. New charter carrier operating at Airport under contract with Harrah's

Harrah's is now using Elite Airways instead of Via Airlines. Elite's aircraft offer more seats for Harrah's passengers. Harrah's continues to use Sun Country Airlines as well.

4. Recognition of National Aviation Day at the Airport, Saturday morning, August 20.

The Airport will celebrate National Aviation Day Saturday, August 20th from 8:00 a.m. to 11:00 a.m. The public is invited to come to the Airport to see the aircraft on display. The event is free; there will be breakfast items and coffee available.

5. Operational Activity Report – Tim Bannon, Assistant Airport Director

Assistant Airport Director Tim Bannon reviewed the operational activity figures for January through the end of June of this year compared to the figures of 2015. Commercial landings are up by 7% from last year while enplanements are about the same. Operations are down by 20% mainly due to the fact that the US Navy spent one month less time here doing training than they did last year. Airline overnight parking fees, Jet A fuel flowage and rental car revenue show minimal change.

I. NEXT REGULAR BOARD MEETING

The next Regular Board Meeting will be held at 9:00 a.m. (MST) on Tuesday, October 11, 2016, at a location to be announced later.

J. PRESIDENT'S REPORT – Director John Hastings, President

Jack Penning will give a presentation about air service after the Board Meeting is adjourned.

President Hastings strongly encouraged everyone to stay for the presentation.

K. ADJOURN REGULAR BOARD MEETING

Director Jim Zaborsky motioned to adjourn the meeting. Director Steve Willett seconded; the motion carried unanimously. The meeting adjourned at 9:42 a.m.

SIGNED: /s/ Lloyd Shires, Secretary



Lloyd Shires

10/19/16
(Date signed)