

REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS

MOHAVE COUNTY AIRPORT AUTHORITY, INC.

Minutes of January 10, 2017

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:30 a.m. MST on January 10, 2017 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 9:32 a.m.

B. ROLL CALL

Directors Present

John Hastings, Jim Zaborsky, Brad Belhouse, Mark Clark, Lisa McCabe, Jena Morga, and Kevin Murphy.

Members Present

Delman Eastes, Patricia Fordham, Riley Frei, John Holladay, Joe Kuenen, Ardie Lauxman, Casey Mulligan, Lance Ross, Mary Schramm, Phyllis Smith, Ron Smith, Terri Sponder, Larry Tunforss, and Ray Williams, Jr.

Staff Present

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

Guests Present

MCAA applicant George Francuski; Gene Newman

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 held on October 11, 2016, seconded by Director Lisa McCabe; the motion carried unanimously.

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

Director John Hastings asked MCAA applicant George Francuski to share about his interest in being an MCAA General Member. George said he has lived in Kingman for 36 years. He taught school and later he was hired by American Airlines as a corporate instructor, teaching reservation agents and the sales support staff. He retired from American and later came out of retirement to work for Great Lakes Airlines in Kingman, where he worked for two years. George said while working for Great Lakes, he

saw how important a well-managed airport is to an air carrier, and he saw how difficult it was to try to get businesses to come into the community once air service was lost. He looks forward to working with the Airport Authority. A motion was made by Director Jena Morga to accept George Francuski as an MCAA member, seconded by Director Jim Zaborsky; motion was carried unanimously.

F. COMMITTEE REPORTS

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

The Finance & Planning Committee met on Thursday, January 5, 2017.

a. Year to Date Financial report

After the first five months of the fiscal year, net income is \$28,600 ahead of budget and current operating cash is over \$480,000. With over \$411,000 in reserve, the Airport's cash position is over \$900,000. As of November, the Airport is in a good position from both operating and cash positions.

b. FY16 Audit Presentation – Gene Newman. Discussion and possible action to accept the FY16 Audit Report.

Gene Newman said there were four audit reports: General Financial opinion, Governmental Financial opinion, Federal Financial opinion, and the PFC opinion. All four reports were good. The income was up from the previous year, and the basic financial statement showed an increase in income and a decrease in expenses over the previous year. The fixed asset account increased due to the capitalization of AIP projects 41, 42 and 45. Gene said that he appreciated the cooperation he gets from the MCAA staff. Director Brad Belhouse motioned to accept the Audit Report, seconded by Director Jena Morga; motion passed unanimously.

c. Audit Contract for FY17 – Summary review and possible action to accept Mr. Newman's proposal and authorize the MCAA President to sign the Agreement.

Director Brad Belhouse stated that Mr. Newman's proposed FY17 audit contract is the same as the FY16 contract, with no cost increase, and he motioned that the President sign the contract. Motion was seconded by Director Jena Morga; the motion passed unanimously.

d. Capital Expenditures since last meeting

- Air traffic Control Tower Security Fence

The project is complete, with a final cost of \$72,000. This project was necessary to comply with FAA regulations.

e. FAA Current Projects in Progress

- AIP 47 – Runway & Taxiway Extension Construction (Phase 2)

The bulk of the work was completed in the 4th quarter, which included a 2-week runway closure. The runway was re-opened on time and flights resumed December 23rd. The project is on budget and is expected to be completed in February.

f. FAA Projects awaiting grant funding

There are a few projects waiting for grant funding which include the final phase of the General Aviation Apron Reconstruction, the Commercial Apron Rehabilitation, and the RON apron. The plan is to complete these projects during CY17.

g. ADOT Grant Reimbursement payment deferrals

In December, the Airport received the first reimbursement check from ADOT with plans to be fully repaid by the end of 2017. Director John Hastings' cash flow projection suggests that the Airport's cash balance could get down to about \$200,000 to \$250,000 after funding projects that will later be reimbursed.

h. ADEQ Reimbursement Program

The Airport qualifies for reimbursements and the required applications have been submitted.

i. American Airlines

1) Terminal preparation

There are many things being done in Terminals A and B to prepare for American Airlines' flights. (Details were discussed later in the Airport Director's report.)

2) Marketing

John Hastings will speak more about this in the Air Service Committee report.

j. Other Airport Development/Improvements

1) Acquisition of State Land

This is going to be a long, ongoing project to prepare the Airport for an expansion of the terminal.

2) North Airport entrance sign

The project was awarded to YESCO and construction will begin soon.

3) Air Traffic Control Tower radio/communication equipment

Air Traffic Control Tower equipment will be replaced later in the year.

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

The Real Estate Committee met on Thursday, January 5, 2017.

a. ParkWest Development Status Report

Charlie Boyd and John Rehling were both at the Committee Meeting. They are still working on getting a big box store and some other smaller stores to come to the Airport Center.

b. Environmental Cleanup

The Airport is waiting for a response from ADEQ regarding the application for a risk-based closure recently submitted.

c. ADEQ Reimbursement Program

Along with ADEQ reimbursement for the clean-up process addressed by Director Brad Belhouse in the Finance and Planning Committee meeting, the Airport has also applied for reimbursement for closure expenses. It will not be known if the Airport is approved until the end of 2017.

3. Air Service Development & Marketing Committee – Director Lisa McCabe

The Air Service Development & Marketing (ASDM) Committee met on Thursday, January 5, 2017.

a. Committee meeting summary

In attendance were several of MCAA's Board of Directors, a majority of the Laughlin casino General Managers, and Bullhead City's Mayor and City Manager. President John Hastings reviewed the Air Service Agreement and the marketing agreements. He reported that the Airport is utilizing the in-kind advertising pledges to promote the upcoming American Airlines service. The local media is providing tremendous support.

The stakeholders each shared what their establishment was doing to promote American Airlines' service.

John Hastings explained that MCAA is committed to spending at least \$220,000 for marketing and advertising as required by the DOT grant. Only in-kind pledges for marketing have been used so far. The Airport may buy local ads after February. A New York based digital marketing company will be used to target computers and hand-held devices in various marketing areas.

The Airport has retained a new air service consulting company, Volaire Aviation. Jack Penning, formerly with Sixel Consulting, will continue to be the Airport's consultant through Volaire Aviation.

b. February 16th

The Airport will celebrate American Airlines' inaugural flight into IFP on February 16th. The media has been invited and there will a public viewing area.

G. AIRPORT DIRECTOR REPORT – Jeremy Keating, Airport Director

1. Airport staff update

Typically, MCAA does not have an entire calendar year without staff turnover. In calendar year 2016 there was no staff turnover.

2. Airport tours for local schools and organizations

Calls continue to come in from schools and organizations interested in touring at the Airport. Tim Bannon, Assistant Airport Director, is in charge of the Airport tours and Wendy Brooks, Administrative Assistant, assists him. Airport staff is always happy to talk about what is going on at the Airport, especially with kids.

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

For January 1 to November 30, 2016, commercial landings and enplanements were up slightly. Rental car revenues were down slightly. Airport Operations were down by about 20%, due to the fact that in 2016 Navy training was 30 days less than in 2015. The Navy did not contact the Airport regarding training here this year.

Airport Director Jeremy Keating talked about some things that are being done to promote the new air service. A mobile billboard is being towed around Bullhead City. American advertising has been put up in both terminals and there are new banners in the parking lot. Both Jeremy and Tim have been to Rotary and Kiwanis meetings trying to get the word out about American Airlines. IFP's Facebook page is busy with posts and comments about the new air service. Airport staff will be going to several events, including: Lake Havasu City's Balloon Fest and Winter Fest; Bullhead City's Winter Visitors Expo and Slab-o-Rama; and various Chamber mixers. New Monitors have been installed behind the ticket counter. Soon to be installed are: Kiosks for flight check-ins; a smart phone e-ticket scanner located at the TSA checkpoint; an American Airlines insert at the ticket counter; and a new podium at Gate 3 in Terminal B Hold Room.

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

The Nominating Committee is appointed to gather and narrow down nominations for the Board of Directors seats that will be open in April. The Directors are elected by the General Membership, and then the nine Directors elect the four officers: President, Vice-President, Treasurer, and Secretary. The three Directors with terms expiring in April are Kevin Murphy, Steve Willett and Mark Clark. All three are welcome to stand for re-election.

The Nominating Committee is comprised of the Board President, the Vice President, one additional Director and two General Members. The Board President is responsible for selecting the additional Director and the General Members. If anyone is interested in being on the Nominating Committee, please let John Hastings know.

Nominations must be submitted by February 10th. The Nominating Committee will select who will be listed on the ballot.

I. NEXT REGULAR BOARD MEETING

The next Regular Board of Directors meeting is scheduled for Tuesday, April 11, 2017 at 9:00 a.m. (MST and Nevada time) at the Bullhead Area Chamber of Commerce. The Annual General Membership meeting will immediately follow the Regular meeting. (The meeting was later changed to April 18th.)

Director John Hastings asked if anyone had questions. Mark Clark, MCAA Director and Bullhead City Council Member, said he wanted to mention some things that are going on in the community. The bond for the new athletic center was approved by voters. The center will be built on the south side of Bullhead City and can be used by both Mohave High School and River Valley High School. The Senior Games take place later this month, and the City Council hopes participation will eventually build to about 30,000 people, making the event as large as the River Regatta event. A \$6M grant for a new park near Davis Dam was given to Bullhead City. DOT Foods is bringing its warehouse to Bullhead City, adding 125-175 jobs to the area to start and up to 600 jobs total. Mark said that the city hopes that more companies will also find this to be a good place to do business now that American Airlines is going to provide scheduled air service here.

Director John Hastings reiterated that it is up to us to make this air service a success.

J. ADJOURN REGULAR BOARD MEETING

The meeting was adjourned at 10:41 a.m.

SIGNED: /s/ Lloyd Shires, Secretary



4/18/17
(Date signed)