

# **REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS**

## **MOHAVE COUNTY AIRPORT AUTHORITY, INC.**

### **Minutes of July 11, 2017**

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:00 a.m. MST on July 11, 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 9:00 a.m.

#### **B. ROLL CALL**

##### *Directors Present*

John Hastings, Jim Zaborsky, Lloyd Shires, Mark Clark, Lisa McCabe, Steve Willett, and Joe Keunen.

##### *Members Present*

Denise Berry, Jim Dykens, Pat Fordham, George Francuski, John Doc Holladay, Michelle Keunen, Ardie Lauxman, Meg McDaniel, Lance Ross, Frank Sapp, Mary Schramm, Phyllis Smith, Ron Smith, Tom Sockwell, Terri Sponder, and Larry Tunforss.

##### *Staff Present*

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

##### *Guests Present*

There were no guests at this meeting.

#### **C. PLEDGE OF ALLEGIANCE**

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

#### **D. APPROVAL OF MINUTES**

1. Regular Meeting Minutes April 18, 2017
2. Annual Meeting Minutes April 18, 2017

A motion was made by Director Jim Zaborsky to approve the minutes of both the Regular and Annual Meetings of April 18, 2017; seconded by Director Lloyd Shires. The motion carried unanimously.

After the vote, Director Steve Willett had a question about Brett Dennis who was an MCAA applicant in April. Director Willett stated that he was not sure Brett Dennis was on the Laughlin Town Advisory Board as stated in the April Board Meeting minutes. Mr. Dennis was not there to clarify this. It was noted that (per the Authority bylaws,) Authority members can also be elected officials, but if Brett Dennis in fact was *not* on the Advisory Board, the wording would be changed. By unanimous vote, the minutes would remain approved pending any corrections, if necessary. (The minutes were later corrected to read, "Bret was the co-chair for the Laughlin Town Advisory Board *Community Development Committee...*" per the recording of the April Board Meeting.)

#### E. COMMITTEE REPORTS

##### 1. Finance & Planning Committee – Director Joe Keunen

The Finance & Planning Committee met on Thursday, July 6, 2017.

###### a. Year to Date Financial report

In review of the May financial highlights, total cash on hand was over \$1.08 million. That leaves the Airport in good shape.

###### b. FYE 6/30/18 Budget Proposal - Summary review and possible action by the Board to adopt the FYE 6/30/18 Budget

The Committee and MCAA's CPA recommended that the Board approve the FY18 proposed budget as presented at the Committee meeting. A motion was made by Director Lloyd Shires to approve the budget; seconded by Director Joe Keunen. The motion passed unanimously.

###### c. Capital Expenditures since last meeting

###### 1) Airport security system upgrade

The security surveillance system was upgraded at a cost of \$17,000, which included a new head-end system and a few new cameras.

###### 2) Utility vehicle replacement

A new utility vehicle was purchased for \$5,500, replacing an aging golf cart with a vehicle that is more heavy-duty.

###### d. FAA Projects awaiting grant funding

###### 1) General Aviation Apron Reconstruction

###### 2) Commercial Apron Rehabilitation

3) Pavement Reconstruction - Airline RON Apron

4) Drainage Master Plan

The three construction projects have been advertised; the bid opening is scheduled for late July. The Drainage Master Plan should begin during the 4<sup>th</sup> quarter.

e. FY18 – FY23 Projected Airport Capital Improvement Projects (ACIP)

The Committee reviewed and recommended for Board approval the FY18 – FY23 ACIP developed by Airport staff along with their contracted engineering and planning consultants. It was noted that in FY18, the two projects planned are land acquisition (pending appraisal results) and the Taxiway Alpha sealcoat. Director Jim Zaborsky motioned to approve the ACIP; seconded by Director Lloyd Shires. The motion carried unanimously.

f. Discuss and take possible action on Resolution 1707-01, Amendment to Rates and Fees: Increase the annual fee for Airport Miscellaneous Operating Permits and Self-Fueling Permits from \$500 to \$750.

The Committee reviewed and recommended for Board approval Resolution 1707-01. Airport Miscellaneous Operating Permits are paid by vendors such as the Airlines and the Self-Fueling Permit fee is paid by TriState Careflight. If approved, the fees would be increased next year as well. The Airport researched comparison fees and found that other airports charge as much as \$1500 per year. Director John Hastings recommended Board approval of the Resolution, followed by reexamination every year. Director Joe Keunen motioned to approve the Resolution; seconded by Director Mark Clark. The motion passed unanimously.

g. ADOT Grant Reimbursement payment deferral status

Full reimbursement of all deferred payments has been received.

h. ADEQ Reimbursement Program update

In 2016, an application for reimbursement for eligible environmental cleanup costs was submitted to the ADEQ. The Airport's consulting firm was paid \$15,000 to complete the application. In June, approximately \$111,000 was received for the reimbursement.

i. SCASDP Grant status update

Three reimbursement requests have been submitted to the Department of Transportation (DOT): one for start-up expenses, one for marketing expenses, and one for the revenue guarantee.

j. Other Airport Development/Improvements

1) Acquisition of State Land

The appraisal process has begun. It is expected to be completed within the next month.

2) North Airport entrance sign

Final FAA approval is expected soon. Once received, construction should begin toward the end of summer.

3) Air Traffic Control Tower radio/communication equipment replacement

The current system and equipment is being assessed. Once completed, the project will be advertised for bids. It will take 4 to 5 months for the selected contractor to build and install the system.

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

The Real Estate Committee met on Thursday, July 6, 2017.

a. ParkWest Development Status Report

With no new tenants lined up, construction of a strip center to accommodate four small businesses is being considered. The current focus is on businesses with products and services not available online. ParkWest would like to make an offer to a national retail store that is too good to refuse, which may attract other tenants to move in as well.

The City of Bullhead City currently has tax incentives to attract new businesses that are set to expire. The Bullhead City Council will vote in November on whether or not to extend these incentives.

b. Environmental Cleanup

The first of two remaining open wells was recently approved for a risk-based closure. Recent testing of the second well has shown a drop in contamination levels. If the numbers remain low on the next test, a request for a risk-based closure will be submitted to ADEQ.

c. ADEQ Reimbursement Program

This was previously discussed in the Finance and Planning Committee report.

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

The Air Service Development & Marketing Committee met on Thursday, July 6, 2017. The report was given by Director Lisa McCabe and Director John Hastings.

a. Air Service by the numbers

The American Airlines load factors are still running below 50% and they need to be 75-80%. The SCASDP grant funds will cover another 1.5 years of guaranteed revenue, so there is time to increase the numbers. It is expected that June through September will be low and October through December will have increased numbers.

b. Air service marketing update

There have been extraordinary efforts to advertise and market the new service. Airport staff members have even gone door-to-door talking to local businesses. Additional marketing includes digital marketing and local advertising. Most of the \$220,000 the Airport committed for advertising has been spent, with another \$50-60,000 committed to be used. The Board previously approved the use of \$400,000 for advertising. With marketing help needed, Director Lisa McCabe is recruiting new Air Service Committee members. Director John Hastings stressed that in the long run every member of the Authority has a role to play in promoting the Airport and air service.

c. Who is promoting the air service?

The resorts are advertising heavily for American Airlines. On Wednesday, July 12<sup>th</sup> Airport Director Jeremy Keating is scheduled to do an interview on TV2 which will include a demonstration of how to book a flight using the American Airlines website.

d. SCASDP Grant status update

This was previously discussed in the Finance and Planning Committee report.

F. AIRPORT DIRECTOR REPORT – Jeremy Keating

1. Airport staff update

a. Airport Operations Supervisor position

This is a new position at the Airport. Advertising is underway and interviews will begin soon.

b. Custodian position

The Airport has two really good custodians but is having a difficult time finding a third.

2. FAA Annual Part 139 inspection

The FAA conducts annual inspections to make sure that all of the rules and regulations are being followed. For the second year in a row, the Airport passed the inspection with “No Discrepancies”. The credit goes to Tim Bannon and staff for their hard work ensuring that everything was ready for the inspection. Having no discrepancies is almost unheard of and the inspector had not seen a no discrepancies inspection before coming to this airport.

3. Recognition of National Aviation Day

The 4<sup>th</sup> annual event to recognize National Aviation Day will be held on Saturday August 19<sup>th</sup> from 8:00 a.m. to 10:00 a.m. This is a free event to see the aircraft on display and talk to pilots, as well as a great opportunity to demonstrate to the community how important the airport is.

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

Compared to 2016 activity, commercial landings, enplanements and deplanements were up approximately 8% due to the American Airlines flights. Jet A fuel flowage was down from last year due to the U.S. Navy not returning to conduct training at IFP. The car rental revenue, rental car CFCs and airport operations were also down due the Navy not returning. The café revenue was up 6% probably due to the American Airlines passengers.

G. PRESIDENT’S REPORT – Director John Hastings, President

The MCAA President did not have anything else to add to what he had already shared earlier in the meeting.

H. CALL TO PUBLIC – Director John Hastings, President

General Member Frank Sapp asked if the design of the new Airport Entrance sign was finished yet. Airport Director Jeremy Keating had a copy of the sign design and passed it around for all to see. He said the sign will be 5’ high, 28’ long, and will be solar powered. It will be built at the northwest corner of the north airport entrance.

Director Steve Willett said that when we encounter people in the community who say that the American Airlines prices are too high, often times they have NOT been to the website

themselves; they are only repeating what they heard from someone else. He said everyone involved with the Authority should take on the task of educating local residents about the importance of local air service and share the positive points of having American Airlines service.

Director John Hastings said when comparing flight costs for IFP to PHX, he found that round trip tickets from Yuma or from Tucson to Phoenix are higher than IFP prices. American Airlines' round trip fares between IFP and Phoenix range from \$100 to \$150 but these prices are constantly changing and it depends on how far in advance you purchase your ticket.

General Member Patricia Fordham asked if the local casinos could give prizes of airline tickets. Director John Hastings said the casinos can do that if they want to.

General Member Phyllis Smith suggested that the airport needs a "catchy slogan", something like "Come here and play in the river by day and at the casinos by night."

Director John Hastings said that the Airport cannot advertise area activities; the Airport can only advertise what the Airport does.

General Member George Francuski said he believes that the departure times of the American Airlines flights do not allow for good connection times for many people. He also believes that the size of the aircraft is an issue. Director John Hastings explained that the departure times are subject to the availability of equipment and gates. He said that a long-term solution would be that this air service becomes so successful we get an additional early-morning flight as well as an afternoon flight. However, right now the current times are out of the Airport's control. Director Hastings also said that the Airport will not go anywhere unless these start-up flights succeed.

General Member Michelle Keunen said that she could not book a round trip flight on American to Canada without some difficulties. So she booked her trip to Canada on American and then booked her return flight on a different airline; that way she could support the Airport for at least part of her trip. Michelle said that if people really want to support the Airport and see it succeed, they will find a way to use the air service.

Director Steve Willett also commented that there are different ways to book a ticket to and from our Airport. He said that if American Airlines pushed the flight times to earlier in the

morning, more flight connections would be lost later in the day. No matter what time the airline chooses to have flights, there will always be some flights that do not match up to connecting flights. So looking at different ways to get here is going to be necessary sometimes. Michelle Keunen said all of the local car rental offices have been out of cars for 2-3 weeks. She said people should book a flight instead of trying to rent a car to drive somewhere.

Director John Hastings said there have been comments about the layovers being too long. He said American changed the original times to flights that are a little earlier, which resulted in over 20 more connections than what the original schedule would have provided.

I. NEXT REGULAR BOARD MEETING

The next MCAA Board meeting is scheduled for Tuesday, October 10, 2017 at 9:00 a.m. (MST), at the Bullhead Area Chamber of Commerce building.

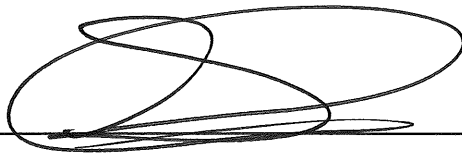
J. ADJOURN REGULAR BOARD MEETING

Director Mark Clark motioned to adjourn the meeting; seconded by Director Steve Willett. The meeting was adjourned at 10:13 a.m.

SIGNED: /s/ Secretary

Steve Willett

Print Name



Signature

10/10/17

(Date signed)