

REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS

MOHAVE COUNTY AIRPORT AUTHORITY, INC.

Minutes of October 10, 2017

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:00 a.m. MST on October 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 9:08 a.m.

B. ROLL CALL

Directors Present

John Hastings, Jim Zaborsky, Brad Belhouse, Joe Keunen, Lisa McCabe, Jena Morga, and Steve Willett.

Members Present

Denise Berry, Brett Dennis, Jim Dykens, Pat Fordham, George Francuski, Casey Mulligan, Jennifer Portwood, Lance Ross, Frank Sapp, Mary Schramm, Phyllis Smith, Ron Smith, Terri Sponder, and Larry Tunforss.

Staff Present

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

Guests Present

Kate McDonald, Mohave Daily News; John Pynakker, Bullhead Area Chamber of Commerce.

C. PLEDGE OF ALLEGIANCE

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

After the Pledge of Allegiance, Director John Hastings said that Director Lloyd Shires recently passed away. He said that Lloyd Shires was a strong supporter of the Airport and that he traveled to many meetings in support of the Airport's quest for scheduled air service. His support will be missed.

D. APPROVAL OF MINUTES

A motion was made by Director Jim Zaborsky to approve the minutes of the Regular Quarterly Meeting of July 11, 2017; seconded by Director Lisa McCabe. The motion carried unanimously.

E. COMMITTEE REPORTS

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

The Finance & Planning Committee met on Wednesday, September 27, 2017.

a. Year to Date Financial report

In review of the July financial highlights, revenues were slightly ahead of budget, and net income was a little below budget due to increased marketing expenses. Total cash on hand was over \$562,000 with close to \$1,000,000 in total cash. That leaves the Airport in good shape.

b. Capital Expenditures since last meeting

1) Air Traffic Control Tower air conditioner replacement

The cost for the replacement was \$4,450.

2) Gate 10 security camera & associated equipment

The cost for the security equipment for Gate 10 was \$3,000.

c. FAA Projects status

1) AIP 48 - Apron Rehabilitation/Reconstruction of General Aviation, Commercial, and RON Aprons

A recent press release highlighted the grant received by the Airport for these projects. Construction should start in November.

2) AIP 48 - Drainage Master Plan

This continues to be a work in progress.

d. Other Airport Development/Improvements

1) Acquisition of State Land

The appraisal is complete. This is one of several steps for this long-term project.

2) North Airport entrance sign

The sign is currently in production and is expected to be installed in November.

3) Air Traffic Control Tower radio/communication equipment replacement

The Tower Systems Assessment has been completed. The project should be advertised soon.

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

The Real Estate Committee met on Wednesday, September 27, 2017.

a. ParkWest Development Status Report

The biggest issue with real estate development at the Airport Center is that the land cannot be sold; it can only be leased. Many businesses want to own the land that they build on. Currently there are no firm prospects, but ParkWest continues to work with one big box store that is showing interest in the Airport Center.

b. Environmental Cleanup

The first of two remaining open wells was previously approved for a risk-based closure. Recent testing of the second well has detected no change in contaminate levels in the last two months. Since the contamination levels have not increased, a risk-based closure is possible.

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

The Air Service Development & Marketing Committee is meeting regularly to support the Airport staff in promoting American Airlines.

a. Air service marketing update

The Bullhead Area Chamber is doing a series of business walks to promote American Airlines and to recruit more members for the Chamber of Commerce. All new Chamber members are entered into a drawing for an American Airlines gift card provided by the Chamber. This promotion has resulted in about 30 new Chamber members. The Chamber plans to continue the business walks.

MCAA had a booth at the Mohave County Fair. Some volunteers who staffed the booth said it was a great opportunity to combat negative comments about American Airlines, while others did not have any negative comments from people.

Mary Schramm and Meg McDaniel are working with the Chamber of Commerce to market American Airlines to other Chambers of Commerce in the top 10 origination cities.

Everyone is encouraged to use social media to provide positive comments and help market American Airlines.

The Airport participated in the Block Party in Fort Mohave on October 5th. The Airport will have a booth at the St. John's Fall Festival on October 28th, will participate in the Veteran's Day Parade in Bullhead City on November 4th, and will take part in the Bullhead City Boom Box Parade on December 1st.

b. SCASDP Grant/Air Service account status - Director John Hastings

The Airport collected \$530,000 in local pledge money as well as the SCASDP grant for \$750,000 to support new air service.

In the 1st quarter of air service (February, March and April) American Airlines was paid about \$250,000 for revenue guarantee, half of which was reimbursed to the Airport from grant funds.

After the 2nd quarter of air service (May, June and July) American Airlines was paid about \$350,000.

For the 3rd quarter of air service (August, September and October), the Airport anticipates paying American Airlines about \$300,000.

The Airport has spent approximately \$200,000 of Airport funds for marketing to date.

After forecasting the numbers over the next several months, Director Hastings believes that by the end of July 2018 the Airport will still have approximately \$115,000 to work with. Director Hastings said people should not listen to anyone who says that American Airlines will discontinue flights any time soon.

c. Volaire Air Service Conference, October 16-18 - Director John Hastings

Airport Director Jeremy Keating and MCAA President John Hastings will attend the Volaire Air Service Conference, meeting with five air carriers in attendance. The Airport has a 2-year contract with American Airlines; however, American Airlines can cancel the contract if the numbers are not satisfactory or if the airline decides to use their equipment elsewhere. "Plan B" would give the Airport the opportunity to secure scheduled air service from another airline using any remaining grant funds should American Airlines cancel their contract.

F. AIRPORT DIRECTOR REPORT – Jeremy Keating, Airport Director

1. Airport staff update

a. New Airport Fire Fighter

Brant Shaw started as a Fire Fighter a couple of weeks ago. He is a former engine operator with the National Park Service.

b. Airport Operations Duty Manager

This is a new position at the Airport. Jeremy Keating will be interviewing candidates over the next couple of weeks.

2. Airport Improvement Magazine

The Airport Improvement Magazine is a popular industry magazine that included the Laughlin/Bullhead International Airport's runway extension in a great article of the September issue. Airport Director Keating said he has a copy of the magazine if anyone is interested in reading the article.

3. Full Scale Disaster Exercise October 25

Twenty more volunteers are needed. Check-in time for the exercise is 9:30 a.m. Waivers for the exercise are available at the Airport's Administration office.

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

Compared to 2016 activity, commercial landings, enplanements and deplanements were up due to American Airlines. RON fees were slightly down from last year. Jet A fuel flowage was also down from last year due to the U.S. Navy not returning to IFP to conduct training. The café revenue was up from last year also due to American Airlines.

The Airport staff is hoping the Navy will once again use IFP for training in January 2018.

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

The MCAA President said that per MCAA By-laws, the Board of Directors could appoint a replacement for Director Shires at the current meeting, but it has been decided that a replacement will not be chosen at this time. Directors were encouraged to submit names for a replacement to Director Hastings so that a new Director could be appointed at the January Quarterly MCAA Meeting.

MCAA By-laws require that a new MCAA Secretary be appointed right away. President John Hastings asked if any Director would like to volunteer for the position. Director Steve Willett volunteered. Director Willett will fulfill the position of Secretary until MCAA officer elections are held in April 2018.

H. CALL TO PUBLIC – Director John Hastings, President

Director Hastings asked if anyone had any questions. General Member Pat Fordham asked if American Airlines could report the number of passengers from Lake Havasu City and Kingman. Director John Hastings explained that American Airlines is not able to provide a detailed analysis of passengers yet. Pat also asked if Kingman Airport has made any effort to get scheduled air service. Director Hastings said that Kingman Airport had scheduled air service in the past, using a much smaller aircraft, but they lost that service when their grant money ran out.

General Member Phyllis Smith asked why American doesn't cut the number of flights to only two or three days per week, as she believes that more people fly on Fridays and Mondays and the plane might be full if American has fewer flights per week. Director Hastings explained that the passenger count for some airlines is often higher or lower on certain days. However, the American Airlines passenger count at IFP has been consistent on a daily basis. If American Airlines wanted to cut back flights, it is not known which day would be best to cut flights.

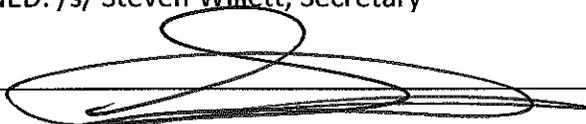
I. NEXT REGULAR BOARD MEETING

The next MCAA Board meeting is scheduled for Tuesday, January 9, 2018 at 9:30 a.m. (MST), at the Bullhead Area Chamber of Commerce building.

J. ADJOURN REGULAR BOARD MEETING

Director Jim Zaborsky motioned to adjourn the meeting; seconded by Director Lisa McCabe. The meeting was adjourned at 9:56 a.m.

SIGNED: /s/ Steven Willett, Secretary



1/9/18
(Date signed)