

REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS

MOHAVE COUNTY AIRPORT AUTHORITY, INC.

Minutes of July 14, 2020

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:30 a.m. MST on July 14, 2020 via conference call due to Covid-19.

A. CALL TO ORDER

Director Steve Willett, Interim President, called the meeting to order at 9:00 a.m. MST.

B. ROLL CALL

Directors Present

Steve Willett, Interim President; Joe Keunen, Treasurer; Jena Morga, Interim Secretary; Denise Berry; Arden Lauxman; Blake Segal, Ray Winslow

General Members Present

Scott Neal; Lance Ross; Frank Sapp; Phyllis Smith; Ronald Smith; Terri Sponder

General Members Absent:

Brett Dennis; Pat Fordham; John "Doc" Holladay; Michelle Keunen; Meg McDaniel; Casey Mulligan; John Pynakker; Mary Schramm; Jeff Tipton; Larry Tunforss

Staff Present

Jeremy Keating, Airport Director; Kellen Shireman, Airport Assistant Director, Wendy Brooks, Administrative Assistant; Dan Hugo, ARFF staff.

Guests Present

Gene Newman, Accountant; Brandon Bull, Johnson and Bull Accounting; Dave Parks, Signature Flight Support

C. PLEDGE OF ALLEGIANCE

Director Steve Willett, Interim President, led in the reciting of the Pledge of Allegiance.

D. APPROVAL OF MINUTES

1. Regular Meeting Minutes of January 14, 2020

A motion was made by Director Ardie Lauxman to approve the minutes of the Regular Quarterly Board of Directors Meeting of January 14, 2020, seconded by Director Jena Morga; the motion carried unanimously.

E. INTRODUCTION OF NEW STAFF

- Assistant Airport Director, Kellen Shireman

Jeremy Keating introduced Kellen Shireman, the new Assistant Airport Director. Kellen shared that he has worked in aviation for 11 years, the last seven at Chicago O'Hare.

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

- Jacalyn Mazzeo – Fort Mohave, AZ

Jackie Mazzeo's membership application has been tabled until the next meeting because she was not able to participate in the conference call.

A. COMMITTEE REPORTS

1. Finance & Planning Committee

The Finance & Planning Committee met by conference call on Thursday, July 9, 2020.

a. Year to Date Financial report – Ardie Lauxman, Director

Revenues as of May 31, 2020 were \$276,479. Revenues less Depreciation was \$116,500. Operating Cash at \$468,333, Restricted Cash funds at \$343,354, and investment reserves at \$391,381, for a total cash of \$1.2 million. The liabilities including Accounts Payable and the Deferred Revenue were approximately \$428,000.

b. Audit contract proposal for FY20, 21, & 22 – Reviewed by Finance & Planning committee and recommended for Board approval

Mr. Gene Newman was previously asked by the Board to provide a three-year audit proposal. Mr. Newman's proposal includes increasing his staff, rather than joining with the firm in Dallas as he previously considered. The audit fee for FYE 6/30/2020 is \$20,750. For FYE 6/30/2021, the fee will be \$28,500, with the increase being due to implementation of new reporting requirements and hiring an audit manager. The fee for the third year ending 6/30/2022 will be \$29,500.

Director Ardie Lauxman motioned that the Board accept the 3-year proposal for FYE June 30, 2020, 2021, and 2022. Director Joe Keunen seconded the motion; the motion carried unanimously.

c. Investment Portfolio Report

Investments are valued at \$401,797. Back in March with a week's worth of decreases in the market overall, the value of the Airport's investment also decreased, but has since rebounded to a little higher value than pre-covid values.

d. FAA Cares Act grant- AIP 54 - Jeremy Keating, Airport Director

The Airport applied for and accepted the Cares Act grant, labeled as AIP 54. The Cares Act grant works like the construction grants in that the Airport has to spend money first then submit documents for approval. Once approved, grant money is released to the Airport to help with operational expenses. The grant has helped keep airport staff

employed. There is a maximum amount of \$3.8 million available and there is a 4 year-time limit.

- e. FY2021 Proposed Budget - Reviewed by Finance & Planning committee and recommended for Board approval

Although the proposed budget shows a deficit for the year due to COVID, the Cares Act funding will cover the deficit. The Finance and Planning Committee recommends for the Board to accept the FY 2021 Proposed Budget. Director Joe Keunen recommended that the Budget be approved, seconded by Director Steve Willett; the motion carried unanimously.

- f. Capital Expenditures – Jeremy Keating, Airport Director

- 1) Airport Fire Station hot water heater - \$4,310

The hot water heater quit and was causing some bad leaks at the fire station, so it needed to be replaced.

- 2) Airport Fire fighter turnout gear - \$9,872

Turnout gear needs to be replaced every 10 years. This was an item that was in the budget for this year.

- g. Current FAA & ADOT projects - Jeremy Keating, Airport Director

- 1) FAA AIP 51 - Airport Master Plan – in process

This will take about a year to finish, as it goes through the different steps including public meetings and working with the FAA. The next meeting will most likely be scheduled in August and will probably be held as conference calls.

- 2) ADOT Westside RSA drainage improvements design – environmental review

The Environmental review will take about 6 months.

- 3) ADOT General Aviation Wash Rack design & construct – in design

The wash rack will be on the General Aviation apron and will be available for use by General Aviation tenants. Once started, the construction will take about 6-8 months to complete.

- h. FAA/ADOT Projects awaiting grant funding

- Terminal Access Road & Drainage Construction- FY 21 AIP 53 – waiting on grant

This was already put out for bid, and the Airport is waiting for the FAA to approve the bid. Bids were higher than expected and the FAA is looking for extra money to cover the difference between the bid and what the FAA was able to approve.

i. FY22 – FY26 Projected Airport Capital Improvement Projects (ACIP)

This is revised every year with updated ACIP projects.

j. Other Airport Development/Improvements

- Airport security access control & video management system upgrade

This is scheduled to start next week. The system needs to be updated in order to remain in compliance with TSA regulations.

2. Real Estate Committee – Ardie Lauxman, Director

The Real Estate Committee met by conference call on Thursday, July 9, 2020.

- Park West Development Status Report

There are leads and a little interest in the Airport Center, but nothing solid.

- ADOT HWY 95 median project – Jeremy Keating, Airport Director

ADOT is still proceeding forward with a proposed median from in front of the Airport Center all the way down Highway 95 to 7th Street. ParkWest is helping the Airport with ongoing discussion with ADOT. The goal is to convince ADOT not to put the median in certain locations that would inhibit customers' access to future businesses at the Airport Center. Director Ardie Lauxman asked that Jeremy Keating keep the Board updated on the negotiations so that, if necessary, the Board can help get community support for ADOT to change their plans.

3. Air Service Development & Marketing Committee – Lance Ross, Chairman

There was no Air Service Development & Marketing Committee meeting. However, Chairman Lance Ross prepared a brief report. Lance commented on how Airlines are reducing air service levels rather than increasing them. Airports who still have active air service negotiations are doing so with healthy incentive programs. As usual, Airlines, not Airports, are in the pilot's seat when it comes to Air Service development. The Harrah's Casino charter flights started back up here in July and the Riverside Resort is scheduled to re-start charter flights in October due to pre-planned renovations. Lance noted that some airports were not as fortunate; Wendover Airport has suspended its air service program indefinitely with no flights, either scheduled or charter.

Jack Penning, the Airport's consultant from Volaire Aviation, continues to stay on top of potential opportunities for any possible scheduled air service.

B. EXECUTIVE SESSION REPORT – Jeremy Keating, Airport Director

1. Discussion on airport food & beverage RFP and associated lease

At this time, the Board agreed to not go forward with any decisions at this time.

2. Discussion on Airport Center pad proposal

There were also no decisions made on the pad proposal, and ParkWest continues with trying to find future tenants for the Airport Center.

C. AIRPORT DIRECTOR REPORT – Jeremy Keating, Airport Director

1. Covid-19 mitigation efforts

When charter flights stopped, it got busier in the Airport office, as the Airport began working with tenants asking for rent abatement and deferrals. There was a lot of discussion between Board President Steve Willett and Jeremy Keating and between the Airport and Airport Tenants regarding the deferrals.

The Airport was also busy preparing for the return of the charter flights with the installation of social distancing reminders and sneeze guards. The Airport janitorial staff was educated on the CDC recommendations for disinfecting the Airport and have been keeping it as clean as possible for passengers and car rental customers. TSA has come out with more regulations for screening passengers during the covid crisis as well.

2. Manager of Airport Fire & Operations position update

The previous Manager of Airport Fire & Operations left in early March for a position on the east coast. The Airport posted the open position and hopes to have someone in the position within a couple of months. The current Fire Captain, Dan Hugo, has stepped in to temporarily fill the Manager of Airport Fire and Ops position.

3. Operational Activity Report

The numbers for the Operations report were really low due to covid and the temporary cancellation of the charter flights. All the numbers were down from last year including Commercial landings, RON fees, Jet A fuel sales, and café revenue. Airport operations were surprisingly down only 1% since the Airport continued to have General Aviation activity during the crisis.

4. General Aviation Report

The hangars are all full right now. There has been quite a bit of activity with tenants moving out, but the Airport was able to fill the rental vacancies with pilots who were on the hangar

waiting list. There are still eight pilots on the waiting list waiting for a hangar vacancy. A couple of owner-occupied hangars have also been sold and new owners have moved in.

The Airport did some general aviation marketing last year in an industry newspaper called “General Aviation News”; however, the advertising did not produce any additional general aviation activity as anticipated. The Airport has stopped the advertising for now and will look at other marketing opportunities in the future.

The GA Committee meetings have been held about every six months but have been put on hold due to COVID. The Airport will be asking if members of the Committee would be willing to participate in a meeting via conference call soon.

Some of the hangar pilots have been invited to help the Airport review the design plan for the General Aviation Wash Rack project. Ray Winslow, pilot and Board Director, has agreed to help review the plan, and a few of the other GA pilots have given Jeremy some input, which has been forwarded to the project’s engineer.

The Airport is currently trying to resolve a water leak at the south hangars. Epcor has been out to do repairs on the main line.

Signature Flight Support continues to offer a \$.50 per gallon discount for aircraft fuel on the weekends.

The Airport also continues to offer a place for pilots to properly dispose of their used aircraft oil at the Airport’s Fire Station. There will be an oil dump station added to the GA Wash Rack for the pilots’ future use.

D. PRESIDENT’S REPORT – Director Steve Willett, Interim President

Director Steve Willett said he continues to be impressed by the Airport staff and how they help him get done what he needs to get done for the Airport. Steve also said that, given what has happened with COVID-19, he is actually glad the Airport did not start scheduled air service yet because it might have been shut down again during this time, leaving the airport saddled with all it would take to reopen, and may have had a negative impact on community members who had invested in the new air service. The Airport will continue to carefully seek scheduled air service.

E. CALL TO THE PUBLIC

There were no comments from the public.

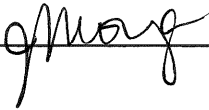
F. NEXT REGULAR BOARD MEETING

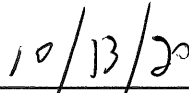
The next Board meeting is scheduled for Tuesday, October 13, 2020 at 9:00 a.m. (MST)

G. ADJOURN REGULAR BOARD MEETING

Interim President Steve Willett adjourned the meeting at 9:50 a.m.

SIGNED: /s/ Jena Morga, Secretary

_____ 

_____ 
(Date signed)