

LAWTON METROPOLITAN AREA AIRPORT AUTHORITY
AIRPORT AUTHORITY MEETING
MINUTES
June 21, 2005

The meeting was called to order at 9:00 a.m. by the Chairman, Larry Benson. The agenda along with the time and place of the meeting was posted in accordance with State Law.

PRESENT:

Larry Benson, Chairman
Carey Johnson, Jr., Vice-Chair
Stanley Haywood, Secretary (arrived late)
Cassandra Lawson-Johnson, Asst. Secretary
Jack Johnson, member
George Moses, member
John Direnzo, member

ABSENT:

Steve Gilkeson
Richard Campbell

ALSO PRESENT:

Barbara Whittington, Airport Manager
Pat Hurley, Administrative Asst.
Ray Cunningham, Regional Air
Chuck Wade, Airport Attorney
Tim Snyder, Regional Air

The roll call confirmed that a quorum was present.

OLD BUSINESS

a) **Minutes** - Benson asked for additions and/or corrections to the minutes of the Airport Authority meeting of May 24, 2005.

MOTION BY C. Johnson, SECOND BY Lawson-Johnson, to approve the minutes of the meeting on May 24, 2005. AYES: Benson, C. Johnson, Lawson-Johnson, J. Johnson, Moses, Direnzo. NAYES: None. MOTION CARRIED.

REPORTS FROM MANAGERS OF AIRPORT BUSINESSES

a) **American Eagle** – No report given.

b) **Regional Air**- No report given.

c) **TSA** – No report given.

d) **Lawton Air Traffic Control Tower**- No report given.

e) **Fort Sill Transportation** – Ray Jude reported that they will be moving almost the entire group of the III Corp Artillery soldiers between now and December. Jude said there will be a lot of wide body aircraft. Jude also, reported that there were some planners from Washington at the airport last week, doing some preliminary work on military projects planned at the airport. Jude said his understanding was that there will be three separate projects, building structures, lengthening of the runway and parking aprons for C-5 and wide body aircraft. Jude said that the group was impressed with the facility and the hospitality. Moses asked were this project was in the planning and budgeting process. Moses asked if this was an approved major construction program. Jude said it is approved as far as Ft Sill was concerned. Jude said the money is there but, there are details to work out concerning the land.

LEASING COMMITTEE (Carey Johnson, Committee Chair)

a) **Regional Air** – C. Johnson said the leasing committee has been busy working on the FBO lease and is after many months pretty much complete as is what our proposal is to the FBO operator. C. Johnson the committee was commissioned to negotiate with Regional Air, which is what they have been doing. C. Johnson said the committee started with revising the Minimum Standards to provide a good base to work with and then started the lease. C. Johnson said the current proposed document is a compromise on many points with Regional Air. C. Johnson said the committee wanted to make clear some things that had not been clear in the past concerning the responsibilities of maintenance. C. Johnson said the Authority clearly has taken on some aspects of maintenance, such as the hangar roofs and some structural items in the hangars, but we also made clear what the FBO will have to maintain. C. Johnson said the committee tried to set some standards for the level of maintenance, based on our engineer's report. C. Johnson said he is trying to give the Authority a synopsis of this lease, but we are not bring this as an action item since Regional Air hasn't accepted the final proposal yet. C. Johnson said this lease is for the four large hangars and the associated ramps, and turns the t-hangars over to the Authority. The lease also has taken on the replacement and repair of the pumps at the fuel farm. C. Johnson said following the last meeting we incorporated most of the suggestions they had and now we are negotiating the issue of rent. C. Johnson said we believed we've compromised. C. Johnson said they wanted a number, we wanted a number, we've hit something in the middle and have submitted that to them.

C. Johnson said in addition to the lease there will be some side agreements, one of them being a moratorium on increasing the fuel flowage fee until December of 2006. The new lease makes it clear that fuel flowage is not an aspect of rent, but rather an obligation on the fuel provider to collect on behalf of the Authority. Another side agreement has to do with an oil storage tank we all discovered during this process and any environmental liability associated. C. Johnson said when we agreed to take back the t-hangars, we have taken on some catch up maintenance obligations based on our engineer's report. Johnson estimated that it could cost around \$10,000.00 and would need to be done post hast if this agreement is signed by Regional Air. Johnson said that the Authority will need to spend some money not just on the t-hangars, but on the door repairs and roof repairs. C. Johnson said the proposed rent is a 15-20% increase from the existing lease depending on what the value of the t-hangars actually is. C. Johnson said it is a very reasonable increase since the rent has not increased in a very long time. C. Johnson said that he believes we have reached a fair and reasonable lease. Johnson asked for questions or comments. Moses asked if the language about security and TSA regulations was new. C. Johnson

said it was and the lease goes so far to say, that if a fine is assessed by their actions, it would be theirs to pay.

C. Johnson said the committee proposed this as a five year term and Regional wanted a longer term. C. Johnson

said reasoning was that there are some major deficiencies in the infrastructure for general aviation, the facilities really aren't worthy of a city of our size and with the growth we expect. C Johnson also said with the arrangement of the facility, customers are not able to access the business easily. C. Johnson said the leasing committee felt like that was a cost of the Authority was going to have to face The reason we went for five years is that we need to solve that problem on our own and we couldn't expect Regional Air to do it. C. Johnson did say that we included a conditional five year option, but if we rebuild the FBO within the first 5 years we could give the FBO a 6 months written notice and go out for RFP's for the new facility.

C. Johnson said he didn't believe that this was an action item. Wade said representatives from Regional Air were present and asked if they had comments. Snyder said that there was some wording that their attorney wanted to clarify with Wade. Snyder said that he wanted to address the economic issue; he said that they proposed \$3,500.00 and the committee proposed \$4,500.00. Snyder said that he wanted to point out that the status of the airport has changed and Regional has lost revenue from the loss of the fueling business from the American Eagle Maintenance Facility and the terminal operations which does not take on the fuel that they use to. Snyder said that they have lost ramp space that was given to Sterling and they have had one instance already we they had to divert aircraft because there was no were to put them, that may not be a major factor, but it will be a factor. Snyder said in the future we are looking at the phase out of the T 37's with more fuel efficient aircraft, so they will not be

making fuel stops. Snyder said that they have lost a considerable amount of business in the last five years. Snyder said what they have to plan their business on a 12,000 gallon a month fuel sales, since the military portion could be a temporary thing. Haywood asked how Regional Air was marketing their business. Snyder said the aviation business is not one you can really market directly. Snyder said that they are listed in the directories that private pilots have, but 95% of their business is military or commercial which would not be affected by advertising. Snyder said that corporate business comes when they need to, "if Goodyear is going to land here. then they will land here". Haywood said that topic came up during the leasing meeting. C. Johnson said he thought Regional Air has done a great job of catering to the military business, but in his personal opinion, he thought that there is opportunity to advertise to general aviation. C. Johnson said he doesn't use paper guides anymore, the internet is the resource he uses when he is planning a cross country flight. C. Johnson said there is a particular site they he and a lot of others use and Lawton is not even listed on it. C. Johnson said there are some opportunities to cater to the general aviation customer that is not being used.

b) Sterling Lease –C. Johnson said the lease has been in Sterling's hands for some time, Neil Anderson apologized and said that he had been really busy, but will get it back for the next leasing committee.

c) Betty's Airport Café -C. Johnson said the committee met with Betty Albert and got some initial discussions done. The committee will be looking at a draft lease at its next meeting.

d) Lawton Golf Center – C Johnson said this tenant has two leases one for land, one for building and the committee wants to combine them.

e) IBC Bank (ATM lease) -C Johnson said this was a work in progress.

DEVELOPMENT COMMITTEE (Cassandra Lawson-Johnson, Committee Chair)

a) AIP 20 – Taxiway Reconstruction and Lighting Project - Lawson-Johnson said the project will be complete by July 1st.The electrical contractor is finishing the taxiway lighting. Lawson-Johnson said the next

construction meeting will be held June 23, 2005 at 10:00 a.m. at the Airport Conference Room.

C. Johnson asked about the status of renaming Taxiway A north to Taxiway F. Whittington said it is done, when the new guidance signs were installed. J. Johnson said he toured the new taxiway, when he went out with the military personnel and it is beautiful.

b) FY 05 project- Design Phase of the GA Area Reconstruction and the Drainage Project.

1) Amendment # 8 to the Engineering Fees – Lawson- Johnson said the Authority needed to consider Amendment # 8 to the engineering contract. Lawson-Johnson said that these fees were reviewed and approved in the independent analysis. Lawson-Johnson said the engineering fees are for the design of the general aviation area is \$157,600.00 and the design for the maintenance building is \$39,650.00. Lawson-Johnson said we will need the approval of the Authority on this amendment.

MOTION BY C. Johnson, SECOND BY J. Johnson, to approve amendment # 8 for Horizon Engineering Contract for fees of \$157,600.00 for design plans of the General Aviation Area and \$39,650.00 for the maintenance building. AYES: Benson, C. Johnson, Haywood, Lawson-Johnson, J. Johnson, Moses, Dizenzo. NAYES: None. MOTION CARRIED.

2) Drainage Project – Lawson-Johnson said the bid opening on this project was held June 9, 2005 at 2:00 p.m. Lawson-Johnson said there was only one bid in the amount of \$820,582.60 from Ace Construction. Lawson-Johnson said this bid was significantly above the engineer's estimate of \$580,000.00. Lawson-Johnson said the engineer feels that a lower bid can be achieved. Lawson-Johnson said it is the recommendation of the engineer that this bid is rejected and the project re-advertised.

MOTION BY HAYWOOD, SECOND BY MOSES, to reject all bids and re-advertised the drainage project. AYES: Moses, DiRenzo, J. Johnson, Haywood, Benson, C. Johnson, Lawson-Johnson. NAYES: None. MOTION CARRIED.

3) Fuel Facility Request – Lawson-Johnson said the fuel tank bids were opened June 15, 2005. Lawson-Johnson said there were two bids received, Petroleum Marketers in the amount of \$126,400.00 for a complete tank system with electrical and installation cost included and Garsite in the amount of \$63,072.00, which is the cost of the tanks and freight, but not site prep and installation. Whittington said the committee will need to consider these bids and bring a recommendation to the Authority. Moses said that since the Garsite bid didn't include the installation so it would be unresponsive. Whittington said that Garsite called her and said that they only built tanks and asked if she wanted a price for a tank only. Whittington said she told them to submit it anyway.

J. Johnson said he wanted to remind the Authority that this fuel farm expansion was based on need stated by the FBO, which was generated from an anomaly in fuel flowage he sustained for one month. J. Johnson said "we are operating normally again, as we have in the past, around 50,000 a month which is "doable" with the current equipment". J. Johnson said he felt that the Development committee needed to spend some time looking into this before taking action. J. Johnson cautioned the Authority on jumping into doing something that is based on a one time occurrence that has driven this request.

4) Sterling Project –

Hangar Painting - Lawson-Johnson said this project is scheduled to start at the end of this month.

Parking Lot Project - Lawson- Johnson said the engineer was asked to revise the plans and add a west side parking lot and entrance.

AIRPORT MANAGERS REPORT (Barbara Whittington)

1) Airport Operations – Whittington said that enplanements are up

2) Financial Reports – J. Johnson said that he has been asked what the members are actually approving when they are approving the financial reports. J. Johnson said the manager is providing the members a budget tracking report, which is done monthly that compares the actual incomes and expenses to the budget. J. Johnson said this report will not be for audit purposes and that the accountant is doing the reports for the audit. J. Johnson also said the members are actually approving the expenses found on the purchase order list each month.

Whittington directed the members of the financial statement on the right side of the folder. Purchase Orders were in the amount of \$27,170.72 from the operating account and \$667,489.57 in Capital Improvements. Account balances were as follows: Operating Account balance (Per reconciliation) \$29,257.73, Money market Account (per reconciliation) \$174,493.06, Invested in c.d., \$150,000.00 plus accumulating interest, Imprest Fund (per reconciliation) \$265.49, PFC's (per reconciliation) \$57,888.00, Capital Improvements (per reconciliation) \$33,077.72.

MOTION BY MOSES, SECOND BY J. JOHNSON, – to approve the financial reports and expenses on the purchase orders as submitted. AYES: Benson, C. Johnson, Haywood, Lawson-Johnson, J. Johnson, Moses, Drenzo, Campbell, Gilkeson. NAYES: None. MOTION CARRIED

NEW BUSINESS

There being no further business, the meeting was adjourned.

Larry Benson, Chairman