

**LAWTON METROPOLITAN AREA AIRPORT AUTHORITY
AIRPORT AUTHORITY MEETING
MINUTES
April 24, 2007**

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

PRESENT:

Stanley Haywood, Chairperson
Cassandra Lawson-Johnson, Vice-Chair
Steve Gilkeson, Asst. Secretary (arrived late)
Richard Campbell, Asst. Secretary (arrived late)
Ernest Godlove, Member
David Aubrey, Member
Carey Johnson, Member

ABSENT:

John DiRenzo, member
George Moses, Secretary

ALSO PRESENT:

Barbara McNally, Airport Manager	Pat Hurley, Administrative Asst.
Kim McConnell, Lawton Const.	Chris Pittman, LaSill Aviation
Bill Tipton, LaSill Aviation	Ray Jude, Fort Sill Transportation
Keith Bridges, Economic Development	Kim Shahan, Parks & Recreations
Chuck Wade, Airport Attorney	

The roll call confirmed that a quorum was present.

OLD BUSINESS

(a) Minutes – Haywood asked for additions and/or corrections to the minutes of the Airport Authority meeting of March 20, 2007.

MOTION BY GODLOVE, SECOND BY MOSES, to approve the corrected minutes of the meeting of March 20, 2007. AYES: Haywood, Lawson-Johnson, Godlove, Aubrey, C. Johnson. NAYES: None. MOTION CARRIED.

REPORTS FROM MANAGERS OF AIRPORT BUSINESSES

a) American Eagle – Davis inquired about the Airline incentive program. Godlove said that would be discussed under the Leasing report.

b) LaSill Aviation – Pittman submitted an activity report to the members. Pittman said the AirEvac contract will be considered by the Memorial Hospital Board this month. Pittman reported the Government Fueling Contract began April 1st. Pittman said LaSill is purchasing their own aircraft for rent. C. Johnson asked if they were looking for a 172, Pittman said yes.

c) Lawton Air Traffic Control Tower – Not present.

d) Fort Sill Transportation – Jude said military operations have been slow, but things will be picking up this month. Jude said next month the military has an aviation division deploying to Iraq. Jude said he appreciates LaSill's, the community's and the Authority's support to Fort Sill.

1. **Proposed Executive Secession-** For confidential communication between the Authority and its Attorney concerning a pending investigation, claim or action, pursuant to Title 25, OS Section 307B.4. Wade said that there was nothing to discuss at this time.

Haywood said we are moving up Leasing Committee.

LEASING COMMITTEE (Ernest Godlove, Committee Chair)

1. **Airline Incentive Program-** Godlove said the Authority discussed an incentive plan to encourage American Eagle to bring in additional flights as well as regional jets. Godlove said American Eagle did not like our incentive offer and rejected that, so they are not bringing in the additional flight. Godlove said he would like is to find out what incentive we could offer to get an additional flight into Lawton. Godlove asked the Airport Manager and the American Eagle representative what would encourage them to bring in another flight. McNally said we will be actually getting a seventh flight which will be a SAAB May 1st. McNally asked Davis if that was seven days a week, Davis said yes. McNally said we are getting the additional flight and the R.J.'s will be put into the market on June 14th. replacing two SAAB's. McNally reported that Dale Morris of AE thought there were too many strings attached to the incentive program we proposed. McNally said in our proposal we required them to have two RJ's and if they pulled it out before that 24 month period was up they would have to reimburse us the landing fees that were waived. McNally said both AE and the Authority needed for this test of the R.J.'s to work. AE needed it to be profitable and we need the increased seats with no weight restrictions and the additional PFC revenue.

McNally said the SAAB's are severely weight restricted; they can only carry 26 or 27 people and their baggage. McNally said the RJ have 44 usable seats, with no restrictions.

McNally said the Authority is limited on what we can do for incentives by the FAA's guidelines. McNally said we can provide incentives for new service or to a new destination. McNally said the best we can offer is to waive the landing fees for any new flight American Eagle adds above the current schedule which is for six flights for a 24 or 36 month period. McNally said in the end we will be the ones to benefit from this because we will be getting the additional seats in and out plus collecting additional PFC's at 4.50 per passenger.

Keith Bridges introduced himself. Bridges said he was a member of the Authority for over 10 years and is familiar with the struggle to get jet service and another airline to the Lawton community. Bridges said from an Economic Development standpoint, he would urge the Authority not to let this opportunity slip away. Bridges suggested the Authority approve a 36 month waiver of landing fees for all flights over the current 6 flights per day with no strings attached. In addition Bridges suggest the Chairman approach the Chamber of Commerce for promotion money for a marketing campaign for southwest Oklahoma and northern Texas. Bridges said we would probably get more traffic from Wichita Falls, Texas if we had jet service.

Bridges said the revenue from PFC's would be \$ 72,000.00 a year. Bridges said this money is used to modify and maintain the Airport. Godlove asked if American Eagle is going to bring in this flight without any incentives. McNally said it is scheduled to come on May 1, 2007. Bridges said he believed the Authority might have missed out on the seventh flight being a regional jet in the time slot that we were seeking. Godlove said he thought American Eagle was already going to bring in jet service. Davis said it is scheduled but it is not guaranteed.

Godlove said asked what incentive American Eagle would find acceptable. Davis said the waiving of landing fees to off set the operating costs. Godlove asked what we can do that is consistent with federal regulations. McNally said we can waive the landing fees on the May 1st for the SAAB flight and any other additional flights above the six currently scheduled. After some discussion, Godlove suggest bringing this matter back to the Leasing committee. Lawson-Johnson said she believed that this was a time sensitive issue and she said that she was in favor of any action that would bring the jets in. Lawson-Johnson said

the Airport Authority has the authority to put an incentive packet together today. Lawson-Johnson said right now all they are asking is to waive the landing fees for additional flights. Godlove said he hasn't heard that from American Eagle. McNally said American Eagle will not give you specifics. Lawson-Johnson said you have to make a plan and make them an offer. C. Johnson said he was concerned that they rejected the first offer without even a suggestion of what it would take. Lawson-Johnson said they are a multibillion dollar world wide company, they will not teach us on what they will or will not accept, and it is up to us to make an offer. Johnson said it sounds like they don't need our money. Lawson-Johnson said the airline industry is hurting right now and they need every incentive they can get or they will take those jets somewhere else. Davis said American Eagle looks at opportunity, operating costs and profitability. McNally said that incentives is what drives this industry; other airports waive whatever they can for new destinations and new service. Lawson-Johnson said this is ridiculous, this is the Lawton Airport Authority and we are waiting for a worldwide corporation to tell us what to offer. Lawson-Johnson said make the offer, make something they can not refuse. Godlove suggested waiving the landing fees and eliminate the rent. McNally said we have restrictions on what we can do, we can not reduce existing rent, but we can offer incentives for new service and new destinations. Aubrey said he believed American Eagle took exception to the restrictions we put on the offer, so he suggested eliminating them. Aubrey suggested offering the waiving of landing fees for twenty-four months or maybe thirty-six months. Campbell agreed to waive the landing fees if that was what takes to get jet service in Lawton.

Lawson- Johnson suggested making the strongest, most effective package for American Airlines. Campbell asked if we are told by the government that we can't reduce our fees. McNally said there is a federal policy on airport revenues and its uses, McNally said she called the federal compliance officer in Washington, D.C. to discuss what we can offer. McNally said the grant money for the new airlines can be used to waive a lot more because it is new service and a new location. McNally said it is different for an existing carrier. Godlove asked if we could pay the chamber and they use the money to pay the airlines, McNally said no. Wade said the Chamber has money in the Hotel Motel tax. Godlove said he still wanted to sit down with the airlines and go over the options. Haywood said he needed Godlove to make a motion on an offer today, Godlove said no. Godlove said he doesn't want to waive landing fees on a SAAB. Wade said we have to abide by FAA guidelines or we will lose our federal funding.

MOTION BY C. LAWSON-JOHNSON, SECOND BY AUBREY, to approve waiving the landing fees for thirty-six month to American Eagle on any flights over the current schedule of six per day and to talk to the Chamber for the promotional aspect of the new services being offered by American Eagle.

SUBSTITUTE MOTION BY GODLOVE, SECOND BY GILKESON, to send this back to committee and have a meeting with American Eagle to develop an acceptable plan to put in jet service and the additional flights. AYES: C. Johnson, Godlove, Gilkeson. NAYES: C. Lawson-Johnson, Campbell, Haywood, Aubrey. MOTION FAILED.

MOTION BY C. JOHNSON, SECOND BY GILKESON, to amend the original motion to waive landing fees for twenty-four months. AYES: Gilkeson, C. Johnson. NAYES: C. Lawson-Johnson, Aubrey, Haywood, Campbell, Godlove. MOTION FAILED.

After more discussion another motion was made.

MOTION BY CAMPBELL, SECOND BY GODLOVE, to approve waiving the landing fees for any flight over the six now scheduled and coordinate with the Chamber for marketing and promotions of the new services being offered by American Eagle SAAB's or Jets. AYES: Haywood, C. Lawson-Johnson, Gilkeson, Campbell, Aubrey, Godlove. NAYES: C. Johnson. MOTION CARRIED.

MOTOIN BY C. LAWSON-JOHNSON, SECOND BY AUBREY, to approve the original motion as amend. AYES: Haywood, C. Lawson-Johnson, Gilkeson, Campbell, Aubrey. NAYES: C. Johnson, Godlove. MOTION

CARRIED.

DEVELOPMENT COMMITTEE (George Moses, Committee Chair)

McNally reported that Moses was unable to attend, but asked that she distribute the Memorandum for Record on the Air Mobility Complex and the Land lease. McNally said Moses asks that the board review this document and he would ask for approval at next month's meeting.

1. AIP 23 – General Aviation Taxiway Reconstruction and Extension, Master Plan Update and DBE Program

- a) **GA Taxiway Reconstruction and Extension** – McNally said bids were received and read aloud on the GA Taxiway project. McNally said it is the Engineer's recommendation to award the contract to JLT Corporation who was the low bidder with the Alternate #1 in the amount of \$ 1,498,568.40. McNally said Alternate #1 is to complete the taxiway stubs in concrete rather than asphalt.

McNally said the projects included in this grant are the GA Taxiway Reconstruction and extension, the Master Plan update, and a DBE program that the FAA requires we develop in the amount of \$ 3,500.00. McNally said the total amount of all the items is \$ 1.7 million. McNally said currently on hand we have available \$ 1.5 million. McNally said the FAA program manager said to submit the total amount in the grant application because there is a possibility of discretionary funds being available.

McNally said if we don't get the additional funds we will have to shorten the length of our extension. McNally said even with a reduction of the extension we will have ample space for construction of T-hangars. McNally said we are working with the state for some grant money to build T-Hangars. Godlove asked if this is part of a long term plan. McNally said this project was recommended by our Pavement analysis to be reconstructed.

Kim Shahan, Parks and Recreation, introduced himself to the Board. Shahan said he attended a strategic planning committee at the City Council, which discussed the City of Lawton becoming a Global Center for disaster relief. Shahan said he believed the Airport Authority would be the foundation for this project. Shahan said as an administrator who deals in disaster relief, he wanted to come forward to ask the Authority to consider making this program a part of their Master Plan. Shahan said the Authority is the forerunner of the community to put this plan into action. Shahan said we could be a global disaster community and base businesses around that focal point. Shahan said he didn't know if that was part of the discussion today but he just heard about the possibility and wanted to come forward with his comments. McNally said the Development committee had been briefed by Tony Porkony on this concept.

C. Johnson said the bid with the alternate totaled under 1.5 million. McNally said that there were other projects included in this grant. McNally said the projects we are including will bring the grant up to 1.7 million. McNally said there are the Master plan consultant fees, Airport Concessionaire Disadvantaged Business program and administrative fees such as testing, inspection fees are all requirements of doing federal projects.

MOTION BY C. JOHNSON, SECOND BY C. LAWSON-JOHNSON, to approve JLT Corp to do the GA Taxiway Reconstruction and extension in the amount of \$ 1,494,623.40. AYES: Godlove, Campbell, C. Lawson-Johnson, C. Johnson, Haywood, Gilkeson. NAYES: None. MOTION CARRIED.

MOTION BY C. JOHNSON, SECOND BY C. LAWSON-JOHNSON, to approve JLT Corp with Alternate #1

in the amount of \$ 1,498,568.40 for concrete stubs (Attachment # 1) AYES: Aubrey, Gilkeson, Campbell, Haywood, Godlove, C. Johnson, C. Lawson-Johnson. NAYES: None. MOTION CARRIED.

b) **Additional Project Fees** – McNally said the other project costs are testing \$ 25, 000.00, Inspection Fees \$ 69,000.00 and administrative expenses of \$ 1,805.60.

MOTION BY C. LAWSON-JOHNSON, SECOND BY C. JOHNSON, to accept the additional project fees for testing \$ 25,000.00, Inspection \$ 69,000.00 and administrative \$ 1,805.60. AYES: Aubrey, Gilkeson, Campbell, Haywood, Godlove, C. Johnson, C. Lawson-Johnson. NAYES: None. MOTION CARRIED.

2. **Master planning consultant fees** – McNally said the committee met and selected Coffman and Associates. McNally said the consultant fee for the Master Plan has been negotiated, \$ 222,304.00 plus an additional cost of \$ 11,832.00 for the Pavement Life Cycle Analysis for a total of \$ 234,136.00.

MOTION BY GODLOVE, SECOND BY C. LAWSON-JOHNSON, to approve Coffman's cost for the Master Plan \$ 222,304.00 and Pavement Life Cycle Analysis \$ 11,832.00 for a total of \$ 234,136.00. AYES: Campbell, Gilkeson, Haywood, C. Johnson, C. Lawson-Johnson, Aubrey, Godlove. NAYES: None. MOTION CARRIED.

3. **Airport Concessionaire Disadvantaged Business Enterprise Program** – McNally said this affirmative action program that the FAA is requiring all Grant sponsors to develop and have submitted by October 1, 2007. McNally said it is her recommendation to accept Blackshare Solutions quote f or \$ 3,500.00 (Attachment #3). McNally said this is a Federally funded requirement.

MOTION BY C. LAWSON-JOHNSON, SECOND BY GODLOVE, to accept Blackshare Solutions to develop an affirmative action DBE Program for the amount of \$ 3,500.00. AYES: Gilkeson, Campbell, Aubrey, Godlove, C. Johnson, C. Lawson-Johnson, Haywood. NAYES: None. MOTION CARRIED.

4. **Grant Application and Grant Agreement** – McNally said the engineer will submit the grant application in the amount of \$ 1,738,414.66 for the projects mentioned and approved above. McNally said the Authority will need to approve submitting the grant application and executing the grant agreement.

MOTION BY GODLOVE, SECOND BY C. LAWSON-JOHNSON, to approve submitting the grant application in the amount of \$ 1,738,414.66 and executing the grant application. AYES: C. Johnson, Campbell, Aubrey, Gilkeson, C. Lawson-Johnson, Haywood, Godlove. NAYES: None. MOTION CARRIED.

AIRPORT MANAGERS REPORT (Barbara McNally)

Operations Report -

Financial Reports- McNally submitted in a written report the following:

Purchase Orders for April 24, 2007

Purchase Order's to be approved from the Operating Account total \$ 49,978.27. This includes a couple of one time expenses, \$ 8,394.00 to repair the restaurant's under ground water line, \$ 6,652.00 to replace the in ground loops on the gates to the north and south of the terminal building and a \$ 11,981.19 transfer of funds which is a

deposit made by TSA for the police officers reimbursement grant.

Purchase Order's from the Capital Improvement Account total \$ 12,133.41, which includes the payment to the City of Lawton for Law Enforcement officers that TSA pays.

Bank Balances as of March 31, 2007

The reconciled balance of the Money Market Account is \$ 240, 613.32, the reconciled balance of the Operating Account is \$ 35,679.94, and the reconciled balance of the Imprest Fund is \$ 1,112.40,

The reconcile balance of the restricted asset accounts are as follows: PFC (Passenger Facility Charges) \$ 70,196.06, Capital Improvement Account \$ 4,849.80 and restricted for land lease \$ 343,266.00.

The current value of C. D. investments total \$ 161,804.88.

Payroll for March totaled \$ 14,672.62.

Income and Expense Budget Tracking as of March 31, 2007

Incomes for the month of March 2007 total \$ 58,695.41, YTD incomes total \$ 496,025.28 which is 72% of the total budgeted amount of \$ 690,788.71. The average normal percentage is 75%. Line item under-runs include the loss of Sterling Coach, lower fuel flowage, charter landing fees and commission from the game and gum vending machines.

Expenses for the month of March 2007 total \$ 55,839.06; YTD expenses total \$ 486,291.31 which is 81% of the total budgeted amount of \$ 604,029.87. The average normal percentage is 75%. Line item over-runs include snow and ice control due to inclement winter weather, some are one time payments that bring the line item to 100% and the escalated cost of utilities and fuel.

MOTION BY C. JOHNSON, SECOND BY C. LAWSON JOHNSON, to approve the financial reports and expenses on the purchase orders as submitted. AYES: C. Johnson, Haywood, Godlove, Gilkeson, Campbell, C. Lawson-Johnson, Aubrey. NAYES: None. MOTION CARRIED.

NEW BUSINESS – There being no new business, the meeting was adjourned.

Stanley Haywood, Chairman