

**LAWTON METROPOLITAN AREA AIRPORT AUTHORITY
AIRPORT AUTHORITY MEETING
MINUTES
July 24, 2012**

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

PRESENT:

David Aubrey, Chair
Bob Milner, Vice-Chair
Lee Baxter, Secretary (left early)
Ed Petersen, Asst. Secretary
Stanley Haywood, Asst. Secretary
David Madigan, Member
Ray Friedl, Member
Toney Stricklin, Member (left early)

ABSENT:

Cassandra Lawson- Johnson, Member

ALSO PRESENT:

The roll call confirmed that a quorum was present.

Barbara McNally, Airport Director
Chuck Wade, Airport Attorney
Kim McConnell, Lawton Constitution
Chris Pittman, La Sill Aviation

Pat Hurley, Executive Assistant
John Westbrook, Fort Sill Transportation
Frank Herndon, LATCT

OLD BUSINESS

a) Minutes – Aubrey asked for additions and/or corrections to the minutes of the Airport Authority meeting of June 26, 2012.

MOTION BY FRIEDL, SECOND BY HAYWOOD, to approve minutes of the June 26, 2012 meeting. AYES: Aubrey, Milner, Baxter, Petersen, Haywood, Madigan, Stricklin. ABSTAIN: Friedl. NAYES: None. MOTION CARRIED.

REPORTS FROM MANAGERS OF AIRPORT BUSINESSES

- a. **American Eagle (Mike Thomas, Manager)** – Not Present.
- b. **La Sill Aviation (Chris Pittman)** – No Report.
- c. **Lawton Air Traffic Control Tower (Frank Herndon)** – No Report.
- d. **Fort Sill Transportation (John Westbrook)** - Westbrook said there will be a mission next week at the Lawton Airport. Westbrook said there are also three missions scheduled in August. McNally asked the date of the last mission in August, Westbrook said he did not have a confirmed date. Westbrook said the military doesn't have anything else scheduled at this time and he hoped they can get the August missions completed before the construction project. McNally said she would work with him to get that done. Haywood asked where the

alternate location would be. Westbrook said Altus, OK.

DEVELOPMENT COMMITTEE (Lee Baxter, Committee Chair)

- a) Runway Overlay Project** – McNally said that the bid opening was held July 6th and there was only one bid received. McNally said the bid was from Duininck, Inc., in the amount of \$ 4,276,008.20 which was under the engineer’s estimate. McNally said it is the recommendation of the engineer to accept this bid.

MOTION BY BAXTER, SECOND BY HAYWOOD, to approve the bid from Duininck in the amount of \$ 4,276,008.20 and submit the grant application. AYES: Milner, Stricklin, Petersen, Friedl, Baxter, Aubrey, Haywood, Madigan. NAYES: None. MOTION CARRIED.

- b) Federal Grant Offer** – McNally said the grant will be for 90% of the contract amount. McNally said the other 10% will be paid for by PFC’s. McNally said it is the committee’s recommendation that the Authority accept the grant in the amount of \$ 3,982.362.88 and seek the approval from the city council, which is on the agenda for the July 24th meeting. Haywood asked the total amount of the project. McNally said 4.4 million.

MOTION BY MADIGAN, SECOND BY PETERSEN, to approve accepting the grant in the amount of \$ 3,982,632.88 and the approval the city council. AYES: Friedl, Haywood, Milner, Madigan, Aubrey, Stricklin, Baxter, Petersen. NAYES: None. MOTION CARRIED.

- c) PFC Application-** McNally said the new PFC application is in the process of approval. McNally said the airline consultation meeting is scheduled for August 15th at 1:30 p.m., following this meeting the airlines have the opportunity to comment on the projects set in the application for our airport. McNally said those comments will then be incorporated into the application submitted to the FAA for approval.

- d. Wildlife Plan Development** – McNally said the FAA has determined that we will need to develop a Wildlife Plan. McNally said the cost of developing the plan is \$ 70,100.00 which is eligible for AIP funding next year. McNally said we will need to proceed with the plan development and then be reimbursed for the cost. Haywood asked if the airport had authority to remove or shoot the geese. McNally confirmed that the airport has a depredation permit that is renewed each year with the US Fish and Wildlife that allows for mitigation. McNally said there has been some discussion about, in the future, draining Lake Lawton and cutting down trees.

MOTION BY FRIEDL, SECOND BY MADIGAN, to approve developing a Wildlife Plan in the amount of \$ 70,100.00. AYES: Madigan, Petersen, Friedl, Haywood, Baxter, Milner, Stricklin, Aubrey. NAYES: None MOTION CARRIED.

e. Certification Inspection Items:

1. Taxiway Markings – McNally said the taxiway markings were cited as needing to be removed and replaced by September 13th. McNally said the FAA considers this a maintenance project and it is not eligible for FAA participation. McNally said the cost estimate is \$ 36,870.00. Aubrey asked if the contractor was going to be completely scraping up the old makings. McNally said that they will be removed by hydro blasting.

MOTION BY BAXTER, SECOND BY MILNER – to approve removing and repainting the taxiway marking for \$ 36,870.00. AYES: Petersen, Baxter, Milner, Friedl, Haywood, Stricklin, Madigan, Aubrey. NAYES: None. MOTION CARRIED.

2. ARFF Building Structural Inspection – McNally said the FAA inspector noted what he called “the very poor condition of the building” and recommended “a review from a structural engineer”. McNally said a structural inspection was completed on the building and the findings were that the structure is sound and not dangerous, but that there were several maintenance items that needed to be addressed. McNally said she has copies of the inspection available to the members of the Authority. McNally said the Authority has it on their CIP list to build a new fire station building in 2017.

f. Terminal Renovation and Expansion Projects – McNally said the next several years of projects will focus on the terminal renovation and expansion projects. McNally said the next grant from the FAA will be dedicated to the design of the several phases of projects.

McNally said our architects and designers recommend creating a working group of stakeholders to provide input on the design and details of the projects. McNally said the chairman will appoint a group of airport stakeholders to review and assist in the design. McNally said the engineer said we will start preliminary discussion in October or November.

g. Front Terminal Renovations – McNally said the architect suggested including the renovation in front of the terminal in the FAA funded projects. McNally said this will allow us to make structural renovation to the front of the terminal and address problems like the blinding sun, reconfiguring and replacement of the sliding glass doors.

Baxter said he thought we have good representation on the Authority. Aubrey said he and McNally had already discussed who should be represented. Aubrey said Milner, Baxter, McNally, Guy Lindsey with TSA and Mike Thomas from American Eagle. Aubrey said we will involve other entities as needed for their input. Baxter asked if the Development Committee will be handling the terminal renovations. Aubrey said the stakeholders would bring the renovations to the Development Committee to present to the Authority.

McNally said including this into the terminal projects will also allow us to do the exterior projects with a design standard and holistic approach.

LEASING COMMITTEE (Robert Milner, Committee Chair)

a. LaSill Aviation Request – Milner said LaSill Aviation has requested a waiver of their rent during the runway construction project due to the very limited amount of traffic that will be able to use the reduced runway. Milner said in LaSill’s request they say, they will see the loss of most military and civilian charter traffic due to the reduced runway capacity. Milner said the FBO is asking for a waiver of their rent from August 1 through December.

Milner said that LaSill will be more severely impacted by loss of military aviation than any other business at the airport. Aubrey suggested that the leasing committee monitor actual month to month revenue and fuel flowage during the construction project and see if they are suffering financially. Aubrey said LaSill mentioned that they were expecting seven missions during the project and now Westbrook said they are not expecting any at this time.

Aubrey said he did not think a blanket waiver was a good idea, although help maybe necessary. Stricklin asked for the construction dates. McNally said we are planning for an August 27th start and it is a 90 day project. McNally said the paint contractor will be here earlier to start on the taxiway markings. Milner asked if taxiway marking inhibited the use of the runway, McNally said no. Milner asked Pittman about employee layoffs during the project, Pittman confirmed that there will be layoffs. Pittman said their projected losses are significant, including the Halliburton charter operations which is about \$ 5,400 a month for ground handling.

Petersen asked how general aviation would be effected. Pittman said he didn't think that portion will be affected.

McNally said she called Halliburton and they will be going to Wichita Falls because of the ILS not being operational during the project. McNally said the glide slope will be off but the localizer will still be available.

Stricklin said that this is a 90 days project. Stricklin asked how many Halliburton flights there were per month and when they started. Pittman said there are eight each month and they started April of last year.

McNally said the loss of military missions would be harder to determine. McNally said in LaSill letter they de-tailed the projected loss of total revenue, not their actual loss of profit.

Stricklin asked what the overall impact on the Authority would be with this request, McNally said the impact would be a reduction in income of \$ 27,602.16. Stricklin said the rent is a fixed priced and could not be made up, McNally agreed.

McNally suggested that the Authority could track the flights that were diverted to Altus and make an adjustment based on actual fuel purchased in Altus. Pittman said they could keep tight records for this time frame. Aubrey said it is important to be fair and accurate. Aubrey said everyone at the airport is going to be affected including ourselves and we still need to operate. McNally said American Eagle is putting on an additional flight but with the conversion from the 50-seat jet to a 37-seat jet, we will be losing 900 seats a month.

Aubrey asked Wade if there were legal ramifications that needed to be considered. Wade said the Authority can do as it sees fit without any ramifications. Haywood asked if we should table it until next month. Milner said it needs to be addressed now.

Stricklin said LaSill did not have the Halliburton contract prior to entering into the lease with the Authority and loss is part of the risk of doing business. Stricklin said he is sympathetic to their situation, knows that military traf-fic is down over the past few years. Stricklin asked if there is a way to monitor this as we go and at the end of each month consider an adjustment rather than a rent waiver. Stricklin said we need to make sure we can face any potential scrutiny that could come of this situation.

Aubrey said we also need to consider that we are responsible for repairs on their structures for which we are get-ting cost estimates. Aubrey said we will be spending about \$ 35,000.00 to address structural issue at Hangar #5. Petersen said that these were funds we would be spending anyway.

The members discussed several options and a motion was made.

MOTION BY FRIEDL, SECOND BY MILNER, to approve considering an adjustment to LaSill's rent based on actual losses at the end of each month, beginning September through December. AYES: Stricklin, Friedl, Madigan, Pe-tersen, Milner, Aubrey, Haywood. NAYES: None. MOTION CARRIED.

b. Hangar # 5 Structural Repairs – Milner said Hangar #5 has a leaking roof and leaking windows which are caus-ing the damage to the upstairs offices. Milner said structural issues of the hangar are the authority's responsibil-ity. Milner said the committee recommended seeking bids for the work to bring back to the authority for consid-eration.

MOTION BY PETERSEN, SECOND BY MADIGAN, to approve seeking for bids for Hangar #5 repairs. AYES: Haywood, Madigan, Petersen, Aubrey, Stricklin, Milner, Friedl. NAYES: None. MOTION CARRIED.

c. Lake Lawton Dam Inspection – Milner said the Oklahoma Water Resource Board requires a dam inspec-tion every three years. Milner said the committee recommends doing the inspection at the cost of \$ 1,360.00.

MOTION BY FRIEDL, SECOND BY STRICKLIN, to approve doing the required Lake Lawton Dam inspection at the cost of \$ 1,360.00. AYES: Aubrey, Friedl, Haywood, Stricklin, Petersen, Milner, Madigan. NAYES: None. MOTION CARRIED.

FINANCE COMMITTEE (David Madigan, Committee Chair)

a) Purchase of Maintenance Truck- Madigan said the Finance Committee included the financing for the purchase of a new truck in the FY 2013 budget. Madigan said the airport is able to use the State of Oklahoma Contract bid prices. Madigan said the committee recommends purchasing the 2013 F250 with snow removal options is \$ 27,813.02

MOTION BY FRIEDL, SECOND BY MILNER, to approve the purchase of a 2012 F250 truck with the snow removal option in the amount of \$ 27, 813.02. AYES: Aubrey, Milner, Petersen, Haywood, Madigan, Friedl, Aubrey, Stricklin. NAYES: None. MOTION CARRIED.

b) Vehicle Financing Options – Madigan said City National Bank has offered 2.55% for 36 months, 2.80% for 48 month, 2.93% for 60 months and 3.15% for 72 months. Madigan said it is the committee’s recommendation to finance for 36 months at 2.55%.

MOTION BY MADIGAN, SECOND BY PETERSEN, to approve financing the 2012 F250 with snow removal option at the cost of \$ 27,813.02, with City National Bank for 36 months at the interest rate of 2.55%. AYES: Stricklin, Petersen, Friedl, Aubrey, Haywood, Madigan. Abstain: Milner. NAYES: None. MOTION CARRIED.

AIRPORT DIRECTOR’S REPORT (Barbara McNally)

a) DIRECTOR’S FINANCIAL REPORT

Purchase Orders - Purchase Order’s to be approved from the Operating Account total \$ 28,374.18. Capital Improvements totaled \$ 7,080.90 which includes TSA rent 1,363.46 and AIP 30- 5,625.00

Bank Balances: The following are reconciled balances of unrestricted accounts:

Money Market Account (10976043)	\$	336,312.85
Operating Account (10375822)		67,126.36
Imprest Fund (10704778)		67.99
	\$	<u>403,507.20</u>

Balance of unrestricted accounts

Passenger Facility Charges (9014251)	\$	380,028.17
Capital Improvement Account (114030)		- 1,449.35

Balance of the restricted accounts	\$	<u>378,578.82</u>
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Income and Expense Budget Tracking - Incomes for the month totaled \$ 51,296.90 YTD incomes total \$ 679,706.19 or 102% of the total budgeted amount of \$ 858,869.60. Expenses for the month totaled \$ 61,336.16 YTD expenses total \$ 794,327.50 which is 103% of the total budgeted amount of \$ 770,385.20.

Collateralized Accounts – Currently, the FDIC insures the Authority’s accounts up to \$ 250,000.00 per

account. The following are pledged dollars above the current insured amounts. Arvest has pledged \$ 600,000 above the FDIC limit. City National has pledged \$ 1,750,000.00 above the FDIC limit. These amounts are reported monthly from Federal Reserve Bank.

MOTION BY MILNER, SECOND BY LAWSON-JOHNSON, to approve the financials and purchase orders as they were presented. AYES: Stricklin, Petersen, Madigan, Haywood, Lawson-Johnson, Milner, Aubrey. NAYES: None. MOTION CARRIED.

NEW BUSINESS

There being no further business, the meeting was adjourned.

David Aubrey, Chairman