

AIRPORT DEVELOPMENT BOARD

October 10, 2012

MINUTES

MEMBERS PRESENT: Lawrence Gill, Chairman, Woody Gilliland, Vice Chairman, Cindy Haley, Michael Redden, David Lynn, Stan Egger, Joe Crowder, Kirk Thaxton, Gray Bridwell

MEMBERS ABSENT: Myrna Grigsby, Jacque McCoy

AIRPORT STAFF: Don Green, Chris Taylor, Melissa Murphy, Alex Cargile

CITY EMPLOYEES: Daniel Santee, City Attorney

VISITORS: Mary McKenna, Moose's Snack Shack & Café, Gary Potter, EAA Chapter 471 President, Hobby Stevens, EAA Chapter 471 Treasurer, Michael Hanneman, EAA Member – Hangar Owner, Tiffany Walden, Abilene Reporter News

1. Call to order

Mr. Gill called the Airport Development Board meeting to order at 3:32 pm.

2. Introduce visitors

Mr. Green introduced Gary Potter, EAA Chapter 471 President, Hobby Stevens, Treasurer of EAA Chapter 471, Tiffany Walden, Abilene Reporter News and Mary McKenna, Moose's Snack Shack & Café.

3. Consideration and Action approving minutes of the August 2012 meetings

Mr. Gill asked if there were any corrections to the minutes of the August 2012 meeting. Hearing none, the August 2012 meeting minutes stood approved as distributed.

4. Finance and Operations Sub Committee Report

Mr. Lynn presented the Finance and Operations Sub Committee Report. The committee reviewed FY12 and FY13 budgets. FY12 was another good year. Revenue was above budget by 9% and expenses were below budget by 3%. Rental car commissions were up 10%. The FAA continues to use the old air traffic control tower and that is still bringing in revenue. FY13 revenue shows a decrease due to the old tower not being budgeted. The FY13 payroll expenses have been increased \$150,000 due to the 3.5% pay raise by the City and the addition of 3 new positions. The airport requires shift supervisor positions to ensure leadership in all operations shifts. This allows for three operations officers to be on shift at any one time. The airport has always met or exceeded the FAA minimums. The committee discussed the restaurant RFP and the TRACON Consolidation.

5. Economic Development Report

Mr. Burdine was not in attendance and did not have anything to report. Mr. Green did add that the sale tax figures came in at 3.8% in August compared to 2011. It is believed that this is because of the "special projects" by the city that have ended. Taking out the special projects, the city is 5.06% over what was budgeted.

6. Airport Management Report:

a. AMR Bankruptcy

American Eagle pilots ratified the new contract. That is a major part of the cost cutting to get through the bankruptcy.

b. Review and Acknowledgement of Statistical Reports

Passenger enplanements were down 5% for the year, 18% for revenue enplanements for September. American Airlines is down 2.8% overall for September. The change is due to the Texas Forest Service not operating at the airport in 2012. Parking is actually up 3.8%.

c. Regulatory and Legislative Issues Update

Mr. Green had nothing new to report.

d. TRACON Consolidation

The airport is waiting on an update. Mr. Green located a letter from the regional administrator discussing mold remediation. In essence, the mold remediation closing the TRACON during that time, affected Air Force approaches in Abilene. The FAA has stated that the relocation of the TRACON would not affect Dyess operations. The TRACON consolidation is expected to take approximately 2 years.

e. FAA Certification Inspection

For the third time in airport history, the airport has received a full compliance inspection. This is very rare and is a credit to Mr. Taylor, the maintenance staff and the operations staffs.

f. Update on Current Projects –

Taxiway C Reconstruction - South – 93% North & Perimeter Road - 18% complete.

Taxiway EASI Reconstruction - 100% complete. Final walkthrough.

SRE Building – 3.5% complete

Zee Jet Ramp Rehab - Anticipating a meeting with Epic and the engineer. Contracts have been signed.

Wildlife Hazard Management Plan – Expect November completion.

Upper Level Driveway – Will be started in the next few weeks. The upper level drive will be closed during this time. This will involve grinding the top layer of concrete down, then sealing it.

Projects in design – Taxiway M, N, P Design

g. Air Service and Business Development Update – Boyd Conference

Abilene has been running about \$150.00 higher than DFW according to the pricing report. The Boyd conference discussed a different tactic to increase travel. This is a shift to focusing on bringing people into the city. Those people will fly into the city and then fly out. 50 seat Regional Jets will be a thing of the past. Capacity is expected to remain the same or go down, but enplanements will go up. This will be very slow growth over the next 5 years. The majority of higher capacity American aircraft are flying the east coast routes. The airport will not need to make major changes to accommodate these larger aircraft.

Executive Session:

Pursuant to Govt. Code Section 551.072, a governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person. Additionally, Section 551.087 allows a governmental body to discuss or deliberate on commercial or financial information that has been received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the City and with which there may be ongoing negotiations or deliberate the offer of a financial or other incentive to a business prospect. Further, Section 551.071 provides that a governmental body may seek advice from its attorney regarding a pending or contemplated litigation subject, settlement offer, or attorney-client privileged information. After discussion in executive session, any action or vote will be taken in public.

The Executive Session was entered into at 4:24pm and exited at 4:46pm with no decisions being made.

7. Consideration and Action to recommend approval of a new Hangar 3 Rent Abatement with Experimental Aircraft Association.

Mr. Hobby Stevens with the EAA requested rent abatement for Hangar 3 renovations. These renovations will repair and renovate the doors and the trim to the building. There is a gap between the roof and the walls. This will seal the hangar from wind and dust. The work has already begun on these projects.

The board decided to abate the current rent for 2 years, 6 months at 100% for Hangar 3. The current rate is \$136.56/mo. This includes the CPI adjustment scheduled for October, 2014.

Motion to accept made by Mr. Gilliland and Seconded by Mr. Egger. Mr. Bridwell did not vote due to his associations with the EAA. Motion passed

8. Consideration and Action to recommend approval of reassignment of Richard Baxter's land lease.

The new owner, Michael Hanneman bought the existing hangar. He does not plan on subleasing any space. Mr. Hanneman is a pilot for the US Forest Service. He did not request a new lease. This is a 15 year lease with 14 years remaining. At that time there are two, five year options. Mr. Hanneman did not request a new lease or an extension to the existing lease.

Motion to accept made by Mr. Thaxton and Seconded by Ms. Haley. Motion passed

9. Consideration and Action to recommend approval of an operating agreement/lease for the airport terminal restaurant.

Mary McKenna with Moose's Snack Shop & Café was unanimously chosen by the selection committee to run the airport restaurant. Ms. McKenna is looking to market her café and focus on customer service. The restaurant has started the process of acquiring the beer and wine permit.

Motion to accept made by Mr. Lynn and Seconded by Ms. Haley. Motion passed

10. Adjourn.

Motion to adjourn at 4:57 pm made by Mr. Crowder. Seconded by Ms. Haley. Motion passed.

Signature of Chairman to confirm minutes: _____ Date: _____