

AIRPORT DEVELOPMENT BOARD

April 11, 2018

MINUTES

MEMBERS PRESENT: Lawrence Gill, Chairman, Joe Crowder, Randy Williams, Gray Bridwell, Steve Rodriguez, Kathy Keane, Cindy Ramsey

MEMBERS ABSENT: Woody Gilliland, Vice Chairman, David Lynn, Kirk Thaxton, Michael Redden

AIRPORT STAFF: Don Green, Chris Taylor, Kate Alvarez, Alex Cargile

CITY EMPLOYEES: Kelley Messer, City Attorney

VISITORS:

1. Call to order

The meeting was called to order at 3:32pm. Mr. Gill introduced the Boards new member, Steve Rodriquez.

2. Introduce visitors

No visitors were in attendance.

3. Consideration and Action approving minutes of the February 2018 meeting

Mr. Gill asked if there were any corrections to the minutes for the February 2018 meeting.

Motion to approve the minutes made by Mr. Rodriguez, seconded by Mrs. Ramsey. Motion passed.

4. Agenda Items:

1. Remove from Table for Discussion and Action for an advertising contract with Abilene Chamber of Commerce

Motion to remove from Table for Discussion and Action made by Mr. Rodriguez and seconded by Mr. Bridwell. Motion passed.

This item would lease to the Chamber the advertising areas in the revolving doors. This is a temporary move. Should an advertiser be interested, the Chamber would have 30 days to remove their advertising. The airport added language in the contract which states, "The lessee shall not charge a fee to any local business that the lessee agrees to place its advertisements within the display areas." Further, Mr. Green and Mrs. Alvarez would have final approval.

The goal is to promote local businesses. The rate is \$200 per month per door or \$400 per month for both, but this will not be charged under this agreement.

Mr. Rodriguez abstained due to his connection with the Chamber of Commerce. Motion to approve made by Mrs. Keane and seconded by Mrs. Haley. Motion passed.

2. Discussion and Action on a contract for Rates and Charges Consultant

There is an approximate \$1.3 million shortfall in revenue at the airport. The airport needs to increase rates and charges to help recover this shortfall. Therefore a rates and charges consultant would help shrink or remove the shortfall. There were two submissions. Leibowitz and Horton and Kutchins & Groh. Leibowitz and Horton has a good history of work at Abilene Regional Airport and larger airports. Kutchins & Groh is a regional office based out of Dallas. The finance committee believed that Kutchins & Groh's approach and experience with single airline airports would be more advantageous to the Abilene Regional Airport.

This project will help determine terminal rent, fuel flowage fees, landing fees; and in a possible future contract Phase 2, land lease rates any other fees the airport may want to review. This contract would also include aiding in negotiations with American Airlines.

There may be a phased approach to increasing rates.

The proposed contract price is not to exceed \$39,500. This funding will come from previous unspent Fund 420 dollars. Mr. Green expected a lower number, however this will allow for multiple meetings with American Airlines.

This item would not need to go to City Council due to the contract price.

Motion to approve made by Mrs. Keane and seconded by Mrs. Haley. Motion passed.

3. Airport Management Report:

a. Review and acknowledgement of Statistical Reports

Enplanements are down 24% in March over last year. Available seats are down 31%. American has made it difficult for someone to fly out and return home in the same day. In April, American added the 6:40 am and 7:40 am flights back. Parking Revenue is down 21.4% for the month. Airport Operations increased in March. The June schedule appears to bring back the 5:09 am flight.

b. Regulatory and legislative issues update

Congress passed the omnibus budget, which will allow the airport to receive Grant funding. Mr. Green met with Congressman Arrington and Senator Cruz's staff relating to the passenger facility charge. The max that can be charged is \$4.50 which goes toward the Grant match of 10% for the project. Airports have been pushing to raise this rate or take it out of the hands of Congress and allow local jurisdictions to manage this fee. Airlines claim that a raise in PFC's will hurt passengers.

c. **Update on current projects:**

Landscape Project- The engineer has initial plans for redesigning to remove higher priced items and save on costs.

Architect Services RFQ - Received RFQ's. This RFQ encompasses Terminal Improvements and Operations Improvements. There is a possibility that a Rental Car Service Center may be designed using CFC funding. There is enough raised for the design. The airport will work with Rental Car agencies to design to industry standards.

Land Use Planning RFQ – Funding comes from the land sale to TSTC. The Airport is using this to fund a land use plan. This consultant would help plan for development of the Airport for commercial tenants to lease. This includes aviation and non-aviation use. The goal is to have sites ready to go in case someone decides to develop on the airport.

Master Plan - The TSA was invited to help plan for TSA area development. Due to the changing nature of security, planning ahead for needed space is difficult.

Taxiways Rehab Project- Phase III. 79% complete. No delays or expectations of delay. The taxiways and runways will be in a good spot after this project.

Rates and Charges Consultant- Discussed under item 2.

Northwest Side Entry Road – TXDOT and the City are looking to use existing, but abandoned road and improve it back to the northwest entrance to the Airport. There are concerns about the right turn into the airport coming off the freeway onto the access road.

Operations Station Redesign – Make bays longer due to changing ARFF vehicle designs. Manufacturers confirm ARFF vehicles will continue to grow in size. Ten percent funding will come from Proposition 9 of the 2015 Bond Election and AIP will fund this project at 90%.

d. **Possible Change of Meeting Venue, City Email**

The City is moving all Board meetings to Council Chambers or the south side Library. This will allow for video recordings and possibly live broadcasting of the meeting. The City will require all City related business with City Boards, performed on abilenetx.gov accounts in order to follow the City's open records requirements. Members will be provided an e-mail address. Executive sessions can recess into the adjacent conference room.

e. **Air Service Development**

The TSA Pre-Check program has been popular. The airline pricing report shows increased prices. The leakage study shows the top 3 airports Abilene is losing passengers to are DFW, Love Field and Austin Bergstrom. The Airport also loses approximately 3.5% to Midland. The top destinations are Las Vegas, the Los Angeles Basin, New York, Washington D.C. and Orlando. Abilene is retaining 26.5% of passengers in the region. 46.4% are leaking to DFW Airport. 16% are leaking to Love Field and 6% to Austin. Airport staff are waiting for the SCASD Grant results. The Airport has signed up with the JumpStart conference. This allows for one on one meetings with airlines.

4. Discussion and Action on a Contract to Evaluate and Repair the Exterior Escalators

Due to the high cost of the elevator project, the idea was scrapped. The plan is to get the escalators working and under a high level maintenance package. This action is looking toward future grant funding, which will allow them to be replaced under future terminal renovations.

The RFP was sent to the major escalator repair companies. The only proposer was Schindler, the manufacturer of the escalators. The airport has not been happy with Schindler in the past. After contacting the other potential bidders, it was determined that Schindler would not sell parts to any dealer that is not authorized. Schindler is the only authorized dealer in the area. Schindler proposed a total repair cost of \$181,548 for both escalators. This includes a one year warranty. Schindler also proposed a yearly maintenance agreement that is fairly inclusive. They would perform maintenance and cleaning monthly. This is \$30,000(\$2,500/mo) for the first year. \$31,080 (\$2,590/mo) for the second year and \$32,172(\$2,681/mo) for the third year. An additional \$480/year may be spent for monitoring. The board decided this fee was a good idea.

Schindler has a new crew that covers everything west of Ft. Worth. This new crew's job is to maintain equipment. Schindler has knowledge of proprietary parts for repair and replacement. It appears that all escalator companies use proprietary parts.

These escalators were installed in 2000-2001. This contract does not include the indoor escalators. It was suggested that the airport explore covering or protecting the escalator from the weather.

Motion is for the following:

- 1) Approve a contract for \$181,548 to repair the two exterior escalators.
- 2) Approve a 3 year maintenance contract at \$30,480/yr for the first year, \$31,560/yr for the second year and \$32,652/yr for the third year. These fees are billed monthly. Shown fees include the annual \$480.00/year monitoring fee.

Motion to approve made by Mr. Crowder. Seconded by Mr. Williams. Motion passed.

5. 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. Additionally, Section 551.076 provides that a governmental body may conduct a closed meeting to deliberate the deployment, or specific occasions for implementation, of security personnel or devices; or a security audit. After discussion in executive session, any action or vote will be taken in public.

Executive Session was entered into at 5:05 pm and exited at 5:10 pm with no decisions being made.

6. Adjournment

Motion to adjourn at 5:12 pm made by Mr. Williams. Seconded by Mr. Crowder. Motion passed.

Signature of Chairman to confirm minutes: _____ Date: _____