

AIRPORT DEVELOPMENT BOARD

June 03, 2020

MINUTES

MEMBERS PRESENT: Lawrence Gill, Chairman, Woody Gilliland, Vice Chairman, Darrin Black, Jordan Hibbs, Gray Bridwell, Joe Crowder, Cindy Ramsey, Randy Williams, Courtney Queen, Kirk Thaxton

MEMBERS ABSENT: Kathy Keane

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

CITY EMPLOYEES: Mindy Patterson, Deputy City Manager, Stanley Smith, City Attorney, Shawna Atkinson, City Secretary

VISITORS:

1. Call to order

- a. The meeting was called to order at 3:31 pm.
- b. Administered Oath of Office for Lawrence Gill, Kirk Thaxton and Jordan Hibbs.

2. Public Comments

There were no public comments.

3. Consideration and Action approving minutes of the February 2020 meeting

Mr. Gill asked if there were any corrections to the minutes for the February 2020 meeting.

Motion to approve the minutes made by Mr. Black, seconded by Ms. Ramsey. Motion passed.

4. Agenda Items:

1. Airport Management Report:

a. Review and acknowledgement of Statistical Reports

May statistics are not available at this time. Due to the COVID-19 outbreak there was a 92% drop in April passengers compared to 2019. In March there was a drop of 48%. The beginning of the fiscal year was on track until the virus disrupted travel. The industry is discussing a return to normal travel volumes by 2023. Ticket prices are low in June.

b. Regulatory and legislative issues update

There is discussion of a second COVID-19 relief bill in Congress, but it is on hold. The Airport has received \$1,504,738 funding from the original COVID-19 CARES Act bill for operating costs. This is at 100% federal funding without matching requirements.

c. Update on current projects:

Master Plan – Project Discussed in Facilities and Planning Report.

New Fire Station Improvements Design – Project Discussed in Facilities and Planning Report.

SCASD Program – Discussed in Item 8.

Land Use Planning – Project Discussed in Facilities and Planning Report.

Airport Terminal Updates – Project Discussed in Facilities and Planning Report.

d. Air Service Development

Advertising is put on hold due to the COVID-19 virus. In previous years, the Airport did not advertise as much during the second fiscal year anyway. Advertising will start back up in the next few weeks. The Airport has purchased masks as a push for safety and public relations. The airport continues to advise the public on the changing travel situation.

e. Discussion of FY20 Revised and FY21 Proposed Budgets

The Airport has presented a flat budget. This is meant to be a realistic budget. The Airport will continue to operate, but expenses will be curbed on budgeted funds. The question was asked if DCOA funds the Airport. They currently fund the Airport Marketing Program, and may aid in Airport development projects.

2. Committee Reports

- **Facilities & Planning Subcommittee** – Mr. Gilliland presented the Facilities and Planning subcommittee report. The Runway 4/22 closure is in review. The Terminal Furniture and Terminal Carpet replacement projects are moving forward. The New ARFF Building is expected to be completed within a few weeks. Mr. Green showed graphics on Land Use planning. AISD has leased property from TSTC on the northwest side of the airport to develop a Career Technical High School. The Airport will begin marketing areas on the airport for commercial development. There are a few convenience store companies that are interested in the area on the northwest side near the freeway. The RFPs for Carpet and Furniture are underway. A pre-proposal meeting for both projects took place June 1st. The Airport will bring these proposals to the board July 8th.
- **Marketing & Development Subcommittee** –

5. Discussion of Effects of COVID-19 on Commercial and General Aviation Air Travel and receipt of CARES Grant.

A second disruption to the economy would be difficult. The Airport's consultants have provided data on the effects of the virus. In March there were drops in frequency of flights down to 2.3 flights a day. In April flights had gone to 3 flights a day, seven days a week. In August, the Airport is scheduled to be back to its original schedule. The Airport received a CARES grant for \$1,504,738 to help fund operational costs. The Airport is still sending feelers to potential airlines, but the airport is trying to tread lightly not to push things during this stressful time.

6. Discussion and Action on American Airlines' request for extending rent and fees deferment.

City Council approved a resolution to defer American and the Car Rental Companies fees for 3 months to begin repayment 7/31/20. Terminal Rent, Parking, Landing, and Fuel Flowage fees were included in this deferment. Term of the deferment is April 1st – June 30th. This does not include PFC's or CFC's. The intent was to begin repayment July 1st over 6 months to be made whole by the end of the calendar year.

American has asked for additional relief. The proposal is to add an additional 90 days deferment through September 30th. October 1st they would begin paying current rent. They would not start paying deferred fees until January 1st. Repayment would be completed by August 2021. The car rental companies have not asked for this. Hertz has filed for Chapter 11 bankruptcy, so this may complicate payback.

A stipulation of this deferment establishes a meeting with American Airlines to discuss passenger air fares flying from Abilene.

This deferment was anticipated and entered into the revised budget. This extension is only for American Airlines as only they have requested it.

Motion to accept made by Mr. Gilliland and seconded by Mr. Crowder. Motion Approved.

7. Discussion and Action to Recommend Acceptance of FAA Airport Improvement Grant 48.

The AIP Grant will fund the construction of the new ARFF Station. The total amount of the Grant is \$3,722,311 funded at 100%. This will be using FY20 funds along with previously banked FY18 and FY19 AIP stored funds. With the CARES act, funding was increased to 100% Federal instead of a 10% Local match in previous years. The City may have to make up for overages potentially in another fiscal years AIP Grant. There is a possibility that if this goes over budget and CARES act funds are still available, the Airport may be able to use some of those funds.

Motion to accept made by Ms. Ramsey and Mr. Crowder. Motion Approved.

8. Discussion and Action to Accept Small Community Air Service Development Grant.

The Airport was awarded \$1 million which is the largest award DOT gave any airport. In addition, the City will provide in-kind marketing services and a \$200,000 cash match. This provides a \$1.2 million revenue guarantee for a potential airline.

Motion to accept made by Mr. Crowder, seconded by Ms. Ramsey. Motion Approved.

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 4:58 pm and exited at 5:11 pm with no decisions being made.

9. Adjournment

Motion to adjourn at 5:17 pm made by Mr. Williams. Seconded by Mr. Crowder. Motion passed.

Signature of Chairman to confirm minutes: Laurence P. Riley

Date: 9/7/20