

REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS
MOHAVE COUNTY AIRPORT AUTHORITY, INC.
Minutes of January 12, 2016

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:30 a.m. MST on January 12, 2016 in the Banquet Room of the Laughlin Ranch, 1360 William Hardy Drive, Bullhead City, Arizona.

A. CALL TO ORDER

Director John Hastings, President, called the meeting to order at 9:36 a.m.

B. NEW STAFF INTRODUCTIONS

1) Assistant Airport Director

Tim Bannon, new MCAA Assistant Airport Director, is from Grand Rapids, MI, where he worked for three years. Prior to that, he worked two years in South Carolina. He is originally from the Chicago area.

2) Airport Security Coordinator

Jared Nichols, MCAA Security Coordinator, is from Kingman where he worked for the Kingman Airport for over 10 years.

C. ROLL CALL

Directors Present

John Hastings, Jim Zaborsky, Lloyd Shires, Brad Belhouse, Jena Morga, Chris Barton, and Steve Willett.

Members Present

Connie Davis, Jim Dykens, Delman Eastes, Patricia Fordham, John Gallagher, Matt Laughlin, Lisa McCabe, Meg McDaniel, Jennifer Portwood, Lance Ross, Frank Sapp, Mary Schramm, Phyllis Smith, Ron Smith, and Paul Stubler.

Staff Present

Jeremy Keating, Tim Bannon, Wendy Brooks.

Guests Present

Joe and Michelle Kuenen, Eagle Motorcycle Rentals; Gene Newman, MCAA Auditor.

D. PLEDGE OF ALLEGIANCE

Director John Hastings, President, led in the reciting of the Pledge of Allegiance.

E. APPROVAL OF MINUTES

A motion was made by Director Jim Zaborsky to approve the minutes of the Regular Meeting held on October 13, 2015, seconded by Director Lloyd Shires; the motion carried unanimously.

F. DISCUSS AND TAKE POSSIBLE ACTION TO APPROVE NEW MEMBERSHIP APPLICATIONS

Joe and Michelle Keunen submitted an application for MCAA Membership. Director John Hastings asked them to share about their interest in becoming members of the Authority.

- Joe said that he and Michelle are originally from Canada, and they own and operate Eagle Motorcycle Rentals in Bullhead City. Joe ran his own businesses for 20 years, and then was involved for 13 years in a multinational company. He has a Master's degree in Business Administration, and a Bachelor's degree in Business. Joe said that it is in the best interest of his company and the community to have a strong airport and that a strong airport will enhance the growth of Laughlin and Bullhead City.
- Director Chris Barton stated that Joe and Michelle are already very involved in the community as Ambassadors for the local Chamber of Commerce. Michelle is involved with the Colorado River Women's Council as well. Chris said they are great candidates for this organization.
- A motion was made by Director Jena Morga to vote for Joe and Michelle Keunen to become members of the Authority, seconded by Director Jim Zaborsky; the motion carried unanimously.

G. COMMITTEE REPORTS

1. Finance & Planning Committee – Director Brad Belhouse, Treasurer

a. Year to Date Financial report.

The first five months of the fiscal year for the Airport have been very good. Revenues are about \$952,000, which is about \$20,000 ahead of budget, primarily due to the aircraft overnight parking income. The expenses are running under budget. There were staff positions that were not filled until recently, which resulted in a savings in the Salary and Wages budget line. YTD financials show a net income of \$184,000, which is \$55,000 ahead of budget. The operating cash balance is \$570,000, and with the emergency and reserve accounts, the total available cash is close to \$1,000,000. This leaves the Airport in a very stable and healthy position.

b. FY 15 Audit Presentation – Gene Newman briefly discussed the FY 15 Audit Report.

Gene stated that over the last 15 years he has seen vast improvements in the quality of management personnel and the financial management of the Airport. MCAA is in full compliance of all financial management controls. The net position of the organization was up this year and a number of completed projects were capitalized. The full audit is available online at the Federal Government website.

John Hastings said that after hearing Gene's report at the Finance and Planning Committee Meeting last week, the Committee is recommending that the Board accept the FY15 Audit report. A motion was made by Director Brad Belhouse to accept the Audit Report, seconded by Director Jim Zaborsky; the motion carried unanimously.

c. Capital Expenditures since last meeting.

- 1) Purchase of the passenger boarding ramp at Gate 2 for \$15,000 from Harrah's after the change in carrier from Republic Airlines to Sun Country.
- 2) Purchase of Hangar #3 for \$14,000, which gives the Airport the ability to rent the space and generate more income.

d. Airport Lightning Strike event

Weather damage repairs listed on the financial report are for damage to the runway lighting system from a lightning strike in October. The Airport has received a check from the Insurance Company to cover the expenses for this event. The budget will show some of the expenses reversed in the next financial report because of the insurance payment. The Airport could have been down for a significant amount of time, but Jeremy Keating and his staff did a fantastic job working with the vendor to get the repairs made. There was ultimately little disruption to airport operations and no financial impact to the Airport.

e. Airport Planning & Environmental Services Request for Qualifications (RFQ).

The RFQ was advertised on Dec. 3, 2015. The selection committee will be reviewing applications as they come in.

f. FAA Current Projects in Progress

- 1) AIP 41 – EA for Land Acquisition

The CatEx was received, which allows the Airport to forego many of the environmental assessments and go more directly into discussions with the State to

discuss acquiring the land for long-term needs of the Airport. Discussions with State Land will begin soon.

- 2) AIP 46 – Runway & Taxiway Extension Construction (Phase 1) – Project continues until early summer.
- 3) ACIP discussion.

Brad stated that at the Committee Meeting the previous week there was discussion about capital improvement expenditures regarding how the Airport needs to manage the cash reserves. The cash reserves could be spent quickly on future projects such as land acquisition, runway extension and terminal expansion. Brad noted that John Hastings has developed a cash flow projection spreadsheet for airport management to use as a planning tool in order to manage cash reserves appropriately.

g. ADOT Project status

- 1) General Aviation Apron Rehabilitation (Phase 1).

The Project was completed last quarter.

- 2) General Aviation Apron Rehabilitation (Phase 2).

There is a potential to receive State funding for Phase 2. If that becomes available, the Airport will be ready to proceed.

h. FAA Projects awaiting grant funding

- Runway & Taxiway Extension Construction – Phase 2 for approximately \$9,300,000. The grant is expected to be awarded late summer 2016, and if so, the project could begin by early fall 2016.

i. Other Airport Development/Improvements

- 1) Terminal Emergency Power Upgrade

The project was awarded to Corbins Electric and is expected to begin by April. John Hastings reiterated that Jeremy Keating, as the Airport Director, has the authority to begin projects when funding becomes available.

2) Security upgrades to Air Traffic Control Tower.

- This project is still in discussion with an engineer and is expected to be completed sometime in 2016.

2. Real Estate Committee – Director Jim Zaborsky, Vice President

a. ParkWest Development Status Report.

ParkWest has been negotiating with several companies in an attempt to have them move their business into the Airport Center. However, there is nothing to disclose at this time.

b. Cell tower update

ParkWest is working on a contract for the cell tower at the Airport Center. The contract will insure protection for the Airport regarding the cell tower height. The cell tower will add a small revenue to the Airport's income.

c. Environmental Cleanup – Jeremy Keating, Airport Director.

Several wells were previously closed. MCAA is seeking to close two more wells, but ADEQ has denied our request, as well as our appeal. It was determined that the next step is a face-to-face meeting. Jeremy Keating and Tim Bannon will be meeting with ADEQ in Phoenix on January 14th. The meeting with ADEQ will also include Charlie Boyd from ParkWest and MCAA General Member Mark Clark.

3. Air Service Development & Marketing Committee – Director John Hastings, President

a. No Committee Meeting was held this quarter

It is likely that no further Air Service Development and Marketing Committee Meetings will be necessary until an airline is in negotiation with IFP for scheduled air service.

b. Update on conferences & meetings attended

In October, John Hastings attended a meeting in Arkansas and met with American Airlines, United Airlines, Sky West Airlines and Via Airlines.

- The meeting with Via Airlines was for air service sometime in the future. Via is working on attaining their flight certificate so they can provide scheduled air service.

- Sky West said they would love to work with IFP, but they are still dealing with a shortage of pilots.
- At the United Airlines meeting, John let them know that he was working on scheduling a meeting at the United Headquarters in Chicago in November.
- Jack Penning, Sixel Consulting, and MCAA Directors Brad Belhouse, Lloyd Shires and John Hastings attended the November meeting with United Airlines in Chicago. United wants to study the numbers and the IFP presentation. United Airlines representatives said they would get back to us about what they would need if United were to start air service at IFP. John anticipates that it will be several more weeks before he hears back from United.

H. AIRPORT DIRECTOR REPORT

1. US Navy training operations

The Navy began training exercises on January 11th and will continue for the next three months. Landmark Aviation held a meet-and-greet event for the public last week. There have been multiple training sessions with naval ground maintenance personnel and a presentation to pilots, students and flight instructors.

2. Operational Activity Report

- a. Statistics for this report are through the end of November. The Airport needs further information before December totals are available.
- b. Commercial landings appear to be about the same as last year.
- c. Enplanements show a slight drop from last year due to the changeover at Harrah's and because the casinos had fewer flights during the summer months.
- d. Jet A fuel is high due to the Navy's training flights last year. When the budget for FY 15 was created, it was not known if the Navy would return for training this year, so the budget was not increased. The unexpected increase this year will have a positive effect on the January through March 2016 financial reports. The Airport will see an increase in revenue of about \$40-50,000 due to a combination of the military's fuel purchases and car rentals.
- e. The Café revenue is steady.

- f. Airport Operations (landings and take-offs) show a huge jump to last year's Navy training. An increase in operations is a plus when working with the FAA to keep the Airport Control Tower open. Airport Operations total for 2015 are anticipated to be over 33,000, which is a significant increase from the 13,000 the Airport had in 2013.

I. PRESIDENT'S REPORT

- 1) Board of Directors: There are nine (9) seats on the Board of Directors and three (3) seats expire every year. In April, terms will expire for Tom Sockwell, Brad Belhouse, and John Hastings. Elections are held in April at the Annual Meeting to fill those seats. The Annual Members Meeting will be held immediately following the Regular Board Meeting in April.
- 2) Nominating Committee: The By-laws require the Committee be comprised of the MCAA President and the Vice President, one (1) Director and two (2) non-director members, all of whom are appointed by the President. John Hastings will be contacting people about being on the committee in the next week or two. The Nominating Committee will meet in February or March prior to the April MCAA Regular and Annual Meetings.
- 3) Eligibility: Any Authority Member who has been a member for six (6) months by the date of the April meeting is eligible to be on the ballot for the Director seats. If anyone is interested in being on the Board of Directors, please contact Jeremy Keating before the end of February.


J. NEXT REGULAR BOARD MEETING

The next Regular Board Meeting will be held at 9:00 a.m. (MST) on Tuesday, April 12, 2016 immediately followed by the Annual General Membership Meeting.

K. ADJOURN REGULAR BOARD MEETING

Director Steve Willett motioned to adjourn the meeting. Director Jim Zaborsky seconded; the motion carried unanimously. The meeting adjourned at 10:11 a.m.

SIGNED: /s/ Lloyd Shires, Secretary



4/14/16

(Date signed)