

# REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS

## MOHAVE COUNTY AIRPORT AUTHORITY, INC.

### Minutes of July 10, 2018

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:00 a.m. MST on July 10, 2018 at the Bullhead Area Chamber of Commerce, 1251 Highway 95, Bullhead City, Arizona.

#### A. CALL TO ORDER

Director Jim Zaborsky, President, called the meeting to order at 9:00 a.m. MST.

#### B. ROLL CALL

##### Directors Present

Jim Zaborsky, Mark Clark, Brad Belhouse, Joe Keunen, Jena Morga. Steve Willett arrived after Roll Call.

##### Members Present

Denise Berry, Tony Dias, Pat Fordham, John Holiday, Artie Lauxman, Meg McDaniel, Jennifer Portwood, John Pynakker, Lance Ross, Frank Sapp, Mary Schramm, Phyllis Smith, Ron Smith, and Larry Tunfors. Michelle Keunen arrived after Roll Call.

##### Staff Present

Jeremy Keating, Airport Director; Joey O'Rourke, Assistant Airport Director; Wendy Brooks, Administrative Assistant.

##### Guests Present

Jerry Duvall, local resident; Dave Parks, Signature Flight Support; Kate McDonald, Mohave Daily News.

#### C. PLEDGE OF ALLEGIANCE

Director Jim Zaborsky, President, led in the reciting of the Pledge of Allegiance.

#### D. APPROVAL OF MINUTES

A motion was made by Director Mark Clark to approve the minutes of the Regular Quarterly Meeting and the Annual Meeting of April 10, 2018, seconded by Director Joe Keunen; the motion carried unanimously.

#### E. AIR SERVICE PRESENTATION FROM JACK PENNING/VOLAIRE AVIATION INC.

Jack Penning has been the consultant for the Airport for nine years, the last year and a half as President and CEO of Volaire Aviation. Jack talked about former Authority Director and

President John Hastings' contribution to the Airport Authority. Jack said everyone learned a lot from John and John always made the ethical decision even if it was the hard decision.

Volaire has recruited and marketed 50 new air service routes over the last year and a half. On Thursday, July 19<sup>th</sup>, Elite Airways will begin scheduled air service from Laughlin/Bullhead International Airport (IFP) to Phoenix on Thursdays and Sundays.

Jack said there are three things needed for an airline route to be successful: good connectivity; reasonable fares; and a good local schedule. Challenges for airlines include finding gate space at airports and having enough crew members.

The Airport can attempt to secure air service either with or without a grant. Due to the FAA's grant rules, IFP cannot apply for grants for Los Angeles, Phoenix or Denver again, and future grant applications for air service must be for a new destination such as Seattle; Minneapolis; Dallas/Fort Worth; and the San Francisco Bay Area.

Volaire and IFP staff will continue to develop relationships with airlines so that when the time is right, they will have connections with different airlines for air service at IFP.

#### F. APPOINTMENT OF VACANT BOARD POSITION

There were four candidates for the Director position left vacant by the passing of John Hastings. Each spoke briefly about their desire to be on the Board of Directors.

Tony Dias is a former Airport Authority Director and President. He served on many committees in the community and has a lot of experience and knowledge about the Airport and the Authority.

Denise Berry is the Air Service Program Director at Riverside Resort and Casino. She worked with former MCAA Director Lloyd Shires until his passing last year. She is very familiar with the airlines that provide flights for the charters.

Lance Ross is currently on the Authority's Air Service Committee. He has worked in Airline management, Public Affairs, Public Relations and he has previous Airport Operations experience. Years ago, Lance and other committee members pushed for the hiring of an air service consultant, which later led to the Airport hiring Volaire Aviation.

John Pynakker withdrew his bid for the nomination after hearing the other three candidates.

The Directors cast ballots for the vacant Director seat. Denise Berry was selected to fill the seat for the remainder of the term, which will expire in April 2019.

## G. COMMITTEE REPORTS

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

The Finance & Planning Committee met on Wednesday, June 27, 2018.

#### a. Year to Date Financial report

YTD net income is \$160,000 ahead of budget and total revenues are \$116,000 ahead of budget. The Airport continues to be in a good position financially with Operating Cash at \$561,000 and \$1.2 million in total cash.

#### b. Review of cash flow

The long-term cash flow forecast continues to look good. The forecast shows the Airport is in a solid liquidity position, with a low point of \$500,000 in cash, which is still a healthy budget.

#### c. FYE 6/30/19 Budget Proposal – Summary review and possible action by the Board to adopt the FYE 6/30/19 Budget

The Finance and Planning Committee recommended that the Budget Proposal be accepted. Director Brad Belhouse motioned to accept the proposal, seconded by Joe Keunen; the vote was unanimous.

#### d. Capital Expenditures

The airport purchased a much-needed Ops truck for \$38,500. The purchase was included in last year's budget.

#### e. FAA projects in progress

##### 1) AIP 48 - Apron Rehabilitation/Reconstruction of General Aviation, Commercial, and RON Aprons

The project is proceeding along on time and on budget.

##### 2) AIP 48 - Drainage Master Plan – Complete

The Finance Committee discussed the Drainage Master Plan and suggested that the Board approve it. Motion to adopt the Drainage Master Plan was made by Director Brad Belhouse, seconded by Director Mark Clark; motion passed unanimously.

f. FY19 - FY24 Projected Airport Capital Improvement Projects (ACIP)

The ACIP report was reviewed by the Finance & Planning Committee. Director Brad Belhouse motioned to approve the plan, allowing Jeremy Keating flexibility to modify the plan with basic changes found necessary during discussions with government agencies involved. The motion was seconded by Director Joe Keunen; the motion passed unanimously.

g. FAA Projects awaiting grant funding

1) Land Acquisition

The Airport is proceeding with due diligence and expects to be in the position to move forward with this opportunity.

2) Taxiway Alpha & connectors sealcoat project

A grant for the project should be in place before the end of the year.

h. Other Airport Development/Improvements

- Air Traffic Control Tower radio/communication equipment replacement

Project has been awarded to Robinson Aviation and a Notice to Proceed should be issued soon. The project should be done by the end of the year.

2. Real Estate Committee – Director Jim Zaborsky, President

The Committee met on Wednesday, June 27<sup>th</sup>.

a. ParkWest Development Status Report

Big box stores and smaller stores continue to show interest in the Airport Center.

Business in Bullhead City is growing with the addition of Hobby Lobby being built near McDonald's in Bullhead City, and Culvers being built near Target. ParkWest is in discussion with several businesses that are interested in the Airport Center and they hope to make an announcement about them in October.

b. Environmental Cleanup update

This should be the final update for the environment cleanup. After 10 years, the wells are closed and ADEQ has signed off on the cleanup. The Airport can now develop projects there. The cleanup cost \$800,000; the Airport was able to recoup approximately \$400,000 of the cost through insurance, ADEQ programs and grants.

3. Air Service Development & Marketing Committee – Director Jim Zaborsky, President

The Committee met on Wednesday, June 27<sup>th</sup>.

- Elite Airways begins scheduled Air Service to Phoenix on July 19<sup>th</sup>.

Jeremy Keating said that the Airport will continue to work with Volaire on marketing. Recently several casinos sent information to their database of guests, and the local Chambers of Commerce sent email blasts to their members about the air service. A special Air Service Committee will meet on July 11<sup>th</sup> to address how Authority members can help get information about the Elite flights out to the community.

#### H. AIRPORT DIRECTOR REPORT – Jeremy Keating, Airport Director

##### 1. Annual Part 139 Commercial Service Inspection

For the third year in a row, the Airport passed the inspection with no discrepancies and no recommendations. A letter from the FAA stated that the appearance of the Airport indicated that the Airport's procedures for day-to-day operations are very effective.

##### 2. Operational Activity Report

As of June 30, 2018, Commercial Landings were down slightly, while Enplanements and Deplanements have remained steady. Jet A Fuel and Avgas were both up from last year. Café Revenue, Rental Car Revenue and Rental Car CFC's (through 5/31/18) were up from last year. Airport Operations were up compared to last year.

##### 3. New Airport Operations Duty Manager

For years, John Hastings pushed for the Airport to hire a 3<sup>rd</sup> executive person to oversee the Airport when both the Airport Director and Assistant Director are at conferences or on vacation. The Airport recently hired Shaun Kelly, who started work the week before the Board Meeting. He came from Jackson, MS, and is originally from Florida. Shaun comes with a lot of experience and Airport staff looks forward to working with him.

##### 4. Airport events

###### a. Recognition of National Aviation Day - Saturday, August 18

The event is a great opportunity for people to learn about aviation and see different planes at the event. The event will be held from 8 a.m. to 10 a.m. and a light breakfast snack will be available.

###### b. CAF Flying Legends of Victory Tour – B-17

The Commemorative Air Force group will be here September 4<sup>th</sup> to 9<sup>th</sup> with a WWII bomber for people to come out and see.

I. PRESIDENT’S REPORT – Director Jim Zaborsky, President

President Zaborsky commended Jeremy Keating and staff for doing an excellent job working with Jack Penning and Elite. He hopes that the flights will be successful and Elite will be able to expand their services.

J. NEXT REGULAR BOARD MEETING

The next Board meeting will be held October 9, 2018 at 9:00 a.m. (MST), at the Bullhead Area Chamber of Commerce.

K. EXECUTIVE SESSION – Discuss legal and personnel items

Director Jena Morga motioned for the Board to go into Executive Session, seconded by Director Mark Clark; motion passed unanimously. The Executive Session began at 9:55 after non-Directors left the conference room.

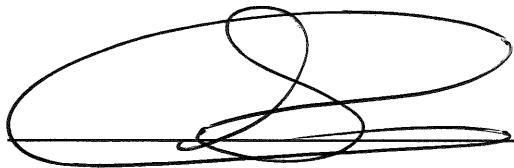
L. RECONVENE REGULAR BOARD MEETING

The Regular Board meeting reconvened at 10:21 by Director Jim Zaborsky, President.

M. ADJOURN REGULAR BOARD MEETING

The meeting was adjourned at 10:22 a.m.

SIGNED: /s/ Steven Willett, Secretary



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10/9/18

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(Date signed)