

REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS

MOHAVE COUNTY AIRPORT AUTHORITY, INC.

Minutes of January 8, 2019

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:30 a.m. MST on January 8, 2019 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 9:30 a.m. MST.

B. ROLL CALL

Directors Present

Jim Zaborsky, President; Steve Willett, Secretary; Denise Berry; and Joe Keunen.

Members Present

Brett Dennis; Jim Dykens; Patricia Fordham; Jon Jones; Michelle Keunen; Arden Lauxman; Meg McDaniel; Casey Mulligan; Scott Neal; John Pynakker; Lance Ross; Ronald Smith; Phyllis Smith; Terri Sponder; Larry Tunforss

Staff Present

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

Guests Present

Gene Newman, CPA

C. PLEDGE OF ALLEGIANCE

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

D. APPROVAL OF MINUTES

1. Regular Meeting Minutes October 9, 2018

A motion was made by Director Steve Willett to approve the minutes of the Regular Quarterly Meeting of October 9, 2018, seconded by Director Joe Keunen; the motion carried unanimously.

2. Special Meeting Minutes December 4, 2018

A motion was made by Director Steve Willett to approve the minutes of the Special Board Meeting of December 4, 2018, seconded by Director Joe Keunen; the motion carried unanimously.

E. COMMITTEE REPORTS

1. Finance & Planning Committee – Director Joe Keunen, Treasurer

The Finance & Planning Committee met on January 3, 2019. In attendance were Jeremy Keating; Joe Keunen; Ardie Lauxman; Jim Zaborsky; and guests Brandon Bull and Gene Newman.

a. Year to Date Financial report

The Airport continues to be in a good cash position and slightly ahead of budget. Net Income is \$194,000 and is ahead of budget by about \$30,000. The Emergency Fund is currently \$100,000. Total cash reserves are about \$498,000.

b. FY18 Audit report

Mr. Newman found no significant audit findings for the fiscal year ending June 30, 2018. All significant transactions were recognized in the proper accounting period.

In the Budget and Project expenditures, the difference between the budget and the actual was due to items that otherwise were capitalized. In addition, the retirement plan normally requires some adjustments and disclosures as well.

Financial statement disclosures included long-term debt and Passenger Facility Charges. Mohave County Airport Authority complied with the necessary requirements for Passenger Facility Charges. Long-term debt continues to be paid down. AIP46 was moved from construction in progress and was capitalized. There were no significant difficulties encountered in the financial statement disclosures.

The total net position, which includes land, buildings, infrastructure, construction in progress, and equipment, has increased over the last four years, from \$69,000,000 to \$86,000,000.

Mr. Newman said he appreciated the cooperation he received from Airport management.

A motion was made by Director Joe Keunen to accept the audit report as presented by Mr. Newman; seconded by Director Steve Willett. The vote carried unanimously.

c. FY19 Audit contract proposal

The Committee recommended that the Board approves Mr. Newman's FY19 audit proposal and authorize the MCAA President to sign the agreement.

A motion was made by Director Joe Keunen to accept the audit proposal for FY19; seconded by Steve Willett. The vote carried unanimously.

d. Investment options discussion summary

The Airport is looking at options to invest the \$100,000 emergency fund differently. Airport Director Jeremy Keating will be researching possibilities and is hoping to present available options at the next Board meeting.

e. Emergency reserves discussion summary

The Airport is looking to increase the emergency reserves of \$100,000 to \$500,000. This amount will be reviewed each year. There has not been a need to use the emergency reserves thus far; however, the Airport needs to have enough money on hand to pay for operating expenses for several months in the event of any devastating circumstances.

f. Capital Expenditures

- California Computer Options – \$22,000

Work included upgrading network settings in preparation for switching to faster fiber optics with SuddenLink Communications.

g. FAA projects awaiting grant funding

1) Land Acquisition

The Airport is waiting for a response from Arizona State Land Department. After a response is received from the State, there will be a 10-12 week waiting period for public input, after which the State will put the land up for auction.

2) Airport Master Plan update

The Airport has applied for available FAA grant money and is waiting to hear back from the FAA.

3) Terminal Access Road design

The Airport has applied for a separate grant for the Terminal Access Road and is waiting to hear from the FAA.

h. Other Airport Development/Improvements

1) Air Traffic Control Tower voice switch replacement is complete

This provided touch screens and up-to-date equipment for the Control Tower and replaced an antiquated system.

2) Researching solar options

Mohave Electric Cooperation has solar grant money available. The Airport Director is researching options.

2. Real Estate Committee – Director Jim Zaborsky, President

The Real Estate Committee met on January 3, 2019. In attendance were Mark Clark; Jeremy Keating; Joe Keunen; Ardie Lauxman; Jim Zaborsky; and guests Charlie Board and John Rehling from ParkWest.

a. ParkWest Development Status Report

ParkWest has a few new leads on tenants for the Airport Center. Several companies who visited the site are happy with the location but no commitments have been made thus far. ParkWest is looking for an investor who would be interested in building the strip mall.

b. Environmental cost share discussion

The clean-up was completed several months ago and expenses have already been paid. As discussed at the previous Board meeting, the Airport will not pursue a shared clean-up cost from Riverside Resort due to the amount that the Riverside has already contributed to the Airport.

In regard to Woody's clean-up cost share, the Finance Committee recommends that the Board drop the effort to collect funds from Woody's at this time.

Director Joe Keunen motioned to drop the pursuit to collect clean-up funds from Woody's at this time; seconded by Steve Willett. The motion carried unanimously. A letter will be sent to Woody's.

3. Air Service Development & Marketing Committee – Authority Member Lance Ross, Chair

The Air Service Committee did not meet this quarter.

- Air service update

Volaire Aviation Consulting continues to work toward securing scheduled air service at the Airport. A leakage data report was analyzed to determine how many passengers from American Airlines' air service stayed in Phoenix and how many passengers continued to other destinations. Jack Penning from Volaire will probably present the information in April either at the next Board meeting or at the Air Service and Development Committee meeting.

The SCASDP (Small Community Air Service Development Program) grant application process is delayed due to the government shutdown. The Airport will apply for the grant when it is possible to do so.

Volaire's Air Service Conference is in April. Airport staff will be attending.

Social Media continues to provide misinformation on the Airport's Facebook page. Assistant Airport Director Joey O'Rourke and Air Service Committee Chair Lance Ross continue to monitor social media and respond to negative comments as necessary.

F. AIRPORT DIRECTOR REPORT – AIRPORT DIRECTOR JEREMY KEATING

1. Airport staff update

- New Airport Fire Fighter/Operations Coordinator - Daniel Hugo

Dan Hugo is from the state of Washington. He began work at the Airport in December.

- New Airport Fire Fighter/Operations Coordinator - Reggie Evans

Reggie Evans is from Arkansas. He began work at the Airport on January 2nd.

It takes three to four months for new Airport Rescue Fire Fighters to complete training and become familiar with Airport Firefighting procedures.

2. Aviation Day at the Capitol - January 17

Jeremy Keating and Joey O'Rourke will attend Aviation Day and will hopefully meet with district legislators.

3. SWAAAE winter conference - January 27-30

The conference will be held in Monterey, CA. Airport staff may be attending this year.

4. Arizona Airports Association Spring Conference in Laughlin - April 14-17

Airport staff will attend the conference.

5. Operational Activity Report

Commercial Landings were down 18% due to American Airlines leaving. However, Enplanements and Deplanements were up slightly over last year. Jet A Fuel Flowage for corporate and private aircraft was up almost 50% over last year. Signature Flight Support has worked to help increase GA activity, which has continued to increase. Avgas was also up almost 14%. Airport Operations were up 13% overall.

G. PRESIDENT'S REPORT

Director Jim Zaborsky, President, said that the Airport got a lot accomplished last year and there are several things planned for the coming year. He asked if there were any questions from the public regarding agenda items and there were no questions pertaining to agenda subjects.

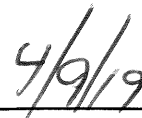
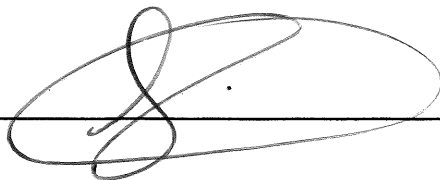
H. NEXT REGULAR BOARD MEETING

- April 9, 2019 at 9:00 a.m. (MST), at the Bullhead Area Chamber of Commerce.

I. ADJOURN REGULAR BOARD MEETING

The meeting was adjourned at 10:08 a.m.

SIGNED: /s/ Steven Willett, Secretary



(Date signed)