

**LAWTON METROPOLITAN AREA AIRPORT AUTHORITY
AIRPORT AUTHORITY MEETING
MINUTES
February 21, 2012**

The meeting was called to order at 9:00 a.m. by the Chair, David Aubrey. The agenda along with the time and place of the meeting was posted in accordance with State Law.

PRESENT:

David Aubrey, Chair
Lee Baxter, Secretary
Ed Petersen, Asst. Secretary
Stanley Haywood, Asst. Secretary
David Madigan, Member
Ray Friedl, Member
Cassandra Lawson- Johnson, Member

ABSENT:

Toney Stricklin, Member
Bob Milner, Vice-Chair

ALSO PRESENT:

The roll call confirmed that a quorum was present.

Barbara McNally, Airport Director
John Westbrook, Fort Sill Transportation

Chuck Wade, Airport Attorney
Kim McConnell, Lawton Constitution

OLD BUSINESS

a) Minutes – Aubrey asked for additions and/or corrections to the minutes of the Airport Authority meeting of January 24, 2012.

MOTION BY FRIEDL, SECOND BY MADIGAN, to approve minutes of the January 24, 2011 meeting. **AYES:** Aubrey, Baxter, Petersen, Haywood, Madigan, Friedl, Lawson-Johnson. **NAYES:** None. **MOTION CARRIED.**

REPORTS FROM MANAGERS OF AIRPORT BUSINESSES

- a. American Eagle (Mike Thomas, Manager)** – Not Present.
- b. La Sill Aviation (Chris Pittman)** – Not present.
- c. Lawton Air Traffic Control Tower (Frank Herndon)** – Not present.
- d. Fort Sill Transportation (John Westbrook)** – Westbrook said they had a C-17 mission this past weekend at the Lawton Airport. Westbrook said it was a mission coordinated by Saudi Arabia. Westbrook said it was piloted by Saudi pilots trained in America.

Westbrook said there have been no problems with the new regional jets and they would be meeting with the AE General Manager in early March.

Baxter said he thought the baggage issue was going to be worked out up front. McNally said she thought this meeting was more of a opportunity to touch base and see how things are

going. Westbrook said there haven't been any problems. After a brief discussion, Baxter said we needed to get on top of this before it becomes a problem.

LEASING COMMITTEE LEASING COMMITTEE (Bob Milner, Committee Chair)

- a) **Air Service Incentive Program** – Since Milner was absent Madigan reported for the committee. Madigan asked if everyone had a copy of the incentive program. McNally said the Leasing and Finance committee met to discuss and develop an incentive program.

McNally said from a business development and from an economic development stand point the Authority needed to have an Air Service Incentive Program in place.

McNally said the reason we need to have an incentive program in place is because the FAA requires us to treat all airlines the same and not discriminate. McNally said whatever we offer a new airline we have to offer the old airline for a similar service. McNally said in order to attract new service, whether that is a new carrier or new routes for an existing carrier the incentive plan needs to be aggressive. Because other airports are being aggressive in the incentives they are offering.

McNally said from our discussions with our consultant and in our experience with Delta, most airlines want a million dollars in revenue guarantee's or in travel banks. Those have to be developed with non-airport funds. McNally said the airport can offer other incentives like waivers of airport fees and marketing funds. McNally said it was the committee's recommendation to waiver of 12 months landing fees, 12 months' rent and \$ 50,000 marketing.

McNally said if the offer is accepted that the airport could request assistance from the Chamber and CCIDA for the marketing funds. McNally said the Chamber receives \$ 7,300.00 from Hotel/Motel funds for airport promotions.

Baxter asked if this is what the rest of the United States is offering, or is this going to make the airlines stand up and look at Lawton. McNally said she polled several other airports and their incentives offered waivers up to 24 months on all airport fees and up to \$ 75,000 in marketing waiver. The 24 month time period is the maximum that can be offered before an incentive becomes a subsidy, which is not allowed by the FAA.

Baxter said maybe we should offer something that would make them stand up and take notice of Lawton. Madigan said that was a good point. Madigan said we are looking to establish a base incentive program. Madigan said the committee asked the Director to do a cost benefit analysis of what has being collected and waived. Baxter asked McNally what was her opinion of what we need to offer an airline. McNally said she recommended to the committee to offer the maximum of a 24 month waiver and \$ 50,000 marketing. McNally said that the incentives were only part of the equation that they also wanted their "per turn cost" to be under \$ 1,000.

Baxter asked if we can specify travel destinations. McNally said Las Vegas is their hub, so that is the destination they always start with. McNally said if things go well the airline will offer other destinations. Baxter said he thought we should offer a 24 months of landing fees and rent and \$ 50,000.00 as our airline incentive. After some discussion, a motion was made.

MOTION BY BAXTER, SECOND BY LAWSON-JOHNSON, to approve the Airline Incentive Program offer a 24 month waiver of landing fees and rent, and \$ 50,000 marketing money. AYES: Friedl, Haywood, Madigan, Lawson-Johnson, Aubrey, Baxter, Petersen. NAYES: None. MOTION CARRIED.

b) Marketing Funds – Covered above.

AIRPORT DIRECTOR’S REPORT (Barbara McNally)

a) Airport Operations – McNally said the airport has developed a Facebook page, which is a cheap and effective way to advertise the airport. McNally said please like us on Facebook.

McNally said the Mass casualty Exercise will still held on March 17th. McNally said we have been having problems getting enough volunteers for the exercise.

McNally said enplanements 3710 and deplanements 4246 which is about average for this time of year.

McNally played the new American Eagle radio advertisement.

b) FINANCIAL REPORT

Purchase Orders - DIRECTOR’S FINANCIAL REPORT – February 2012

Purchase Orders - Purchase Order’s to be approved from the Operating Account total \$ 34,563.65.

Capital Improvements totaled \$ 1,778.99 which includes, AIP 28 415.53, TSA rent 1,363.46.

Bank Balances:

The following are reconciled balances of unrestricted accounts:

Money Market Account (10976043)	\$	340,017.98
Operating Account (10375822)		44,002.05
Imprest Fund (10704778)		1,033.63

Balance of unrestricted accounts	\$	<u>385,053.66</u>
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Passenger Facility Charges (9014251)	\$	280,532.20
Capital Improvement Account (114030)		9,433.56

Balance of the restricted accounts	\$	<u>289,965.76</u>
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Income and Expense Budget Tracking - Incomes for the month totaled \$ 56,810.38 YTD incomes total \$ 534,847.32 or 62% of the total budgeted amount of \$ 858,869.60.

Expenses for the month totaled \$ 68,745.25, YTD expenses total \$ 497,101.51 which is 65% of the total budgeted amount of \$ 770,385.20.

Collateralized Accounts – Currently, the FDIC insures the Authority’s accounts up to \$ 250,000.00 per account. The following are pledged dollars above the current insured amounts. Arvest has pledged \$ 600,000 above the FDIC limit. City National has pledged \$ 1,750,000.00 above the FDIC limit. These amounts are reported monthly from Federal Reserve Bank.

MOTION BY FRIEDL, SECOND BY BAXTER, to approve the financials and purchase orders as they were presented. AYES: Madigan, Petersen, Friedl, Haywood, Baxter, Aubrey, Lawson-Johnson, Baxter. NAYES: None. MOTION CARRIED.

NEW BUSINESS

here being no further business, the meeting was adjourned.

David Aubrey, Chairman