

**LAWTON METROPOLITAN AREA AIRPORT AUTHORITY
AIRPORT AUTHORITY MEETING
MINUTES
June 26, 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
Bob Milner, Vice-Chair
Ed Petersen, Asst. Secretary
Stanley Haywood, Asst. Secretary
David Madigan, Member
Cassandra Lawson- Johnson, Member
Toney Stricklin, Member

ABSENT:

Lee Baxter, Secretary
Ray Friedl, Member

ALSO PRESENT:

The roll call confirmed that a quorum was present.

Barbara McNally, Airport Director
Chuck Wade, Airport Attorney
Kim McConnell, Lawton Constitution
Chris Pittman, La Sill Aviation

Pat Hurley, Executive Assistant
John Westbrook, Fort Sill Transportation
Mike Thomas, American Eagle

OLD BUSINESS

a) Minutes – Aubrey asked for additions and/or corrections to the minutes of the Airport Authority meeting of May 22, 2012.

MOTION BY PETERSEN, SECOND BY LAWSON-JOHNSON, to approve minutes of the May 22, 2012 meeting. AYES: Aubrey, Milner, Petersen, Haywood, Madigan, Lawson-Johnson, Stricklin. NAYES: None. MOTION CARRIED.

REPORTS FROM MANAGERS OF AIRPORT BUSINESSES

- a. American Eagle (Mike Thomas, Manager)** – Thomas said since with the jets in place, we have noticed an increase in load factors on the aircraft. Thomas said has been about a 10% increase. During the construction AE will be using 37 seat aircraft but will be adding a 6th flight to offset the seat loss.

Thomas said going into the summer we are looking forward to even higher load factors and looking forward to the future. McNally said actual enplanements are a down a little but load factors are up, the cause is the change over from 66 passenger plane to 50 passengers. Petersen and Thomas discussed load factors and profitability. Stricklin asked about the bag issues.

Thomas and Westbrook said the baggage issue has been resolved. Stricklin asked if we are still losing passengers to Oklahoma City. Westbrook said yes. Thomas said he is working with scheduling to increase Saturday service. Stricklin recommends the Authority acquaint themselves with the new American officers to promote another Saturday flight to stop more of the ten thousand passenger leakage. Thomas said Dale Morris is probably the only member left that is still with American. Aubrey agreed with the plan and proposes an introductory letter.

MOTION BY STRICKLIN, SECOND BY PETERSEN, to approve sending a letter to American Eagle to discuss the possibility of a seventh flight on Saturdays. AYES: Milner, Stricklin, Lawson-Johnson, Petersen, Aubrey, Haywood, Madigan. NAYES: None. MOTION CARRIED.

- b. **La Sill Aviation (Chris Pittman)** – Pittman apologized for not being present for the Tuesday meeting, but he has Halliburton flights on those days and is needed at the airport. Aubrey asked how many Halliburton people flew out every month. Pittman said about three hundred a month.
- c. **Lawton Air Traffic Control Tower (Frank Herndon)** – Not present.
- d. **Fort Sill Transportation (John Westbrook)** - Westbrook said he had nothing to report.

DEVELOPMENT COMMITTEE (Lee Baxter, Committee Chair)

- a) **Runway Overlay Project** – McNally said the prebid conference will be June 26, 2012 at 2:00 p.m. and the bid opening will be held July 6th at 2:00 p.m.

FINANCE AND PERSONNEL COMMITTEE (David Madigan and Stanley Haywood, Committee Chairs)

a) **FY13 Budget-** Madigan said he and Haywood appreciate the committees working together to develop this year's budget. Madigan said the proposed budget has been provided to all the members. asked the members to look at the Budget folder inside the board meeting folder. Madigan said the changes in Incomes were primarily due to minor changes in the leases, which includes a \$ 65, 000.00 increase due to the new car rental. Madigan said in expenses, there is a significant increase in wages due to performance and job responsibility changes. Madigan said he appreciated McNally's due diligence in procuring data for our recommendations. Madigan said the great news was we were able to find group health insurance at a more reasonable cost. McNally said the insurance company we were using just kept increasing dramatically every year. McNally said she reached out to other public trusts of the City and found another option at a 30% decrease in cost. McNally said it is a little leaner plan and larger deductible but at least we can still provide coverage for our people. Madigan said a new line item was added for airport promotions at \$ 20,000.00. Madigan said other increases are due to rising cost. Madigan said explanations are attached to the folders, if anyone has any questions. Lawson-Johnson thanked McNally for her research. After some questions and discussion a motion was made.

MOTION BY MADIGAN, SECOND BY STRICKLIN, to approve the FY 2013 Budget as it appears in the folder. AYES: Haywood, Milner, Madigan, Lawson-Johnson, Aubrey, Stricklin, Petersen. NAYES: None. MOTION CARRIED.

AIRPORT DIRECTOR'S REPORT (Barbara McNally)

a) Airport Operations – McNally said after that last wind storm there was significant damage to some of the hangars. McNally said Hangar #5 and # 3 lost their doors, skylights and had hail damage. McNally said we are working with the insurance company to figure out what is eligible. McNally said the terminal didn't receive any significant damage.

b) FAA Certification Inspection- McNally said the Authority has a draft of the Certification Inspection letter in front of them. McNally said the only write up we have is a letter of correction is our taxiway marking have faded and must be repainted by September 13, 2012. McNally said we are going to be doing them as a part of this project. McNally said if we have to do this as a standalone project, the Authority is looking at spending \$ 50,000.00, as a part of this project it's about \$ 25, 000.00. McNally said the inspector gave us 60 days to fix it. McNally said she appealed to the FAA to extent it for an additional 30 days.

McNally said the Fire Station has some significant settlement and cracks. McNally said the Fire Station is our property, which was built in 1977. McNally said this issue will be ours to resolve. McNally said federal funds can be used to rebuild the station; it is in the fifth year of projects. McNally said she is having a structural engineer make sure the building is sound, to continue to use it for the next few years. McNally explained ARRF and its responsibilities to the Authority.

McNally said the second issue is our wildlife problems. McNally said we had a yearlong assessment of the wildlife here at the Airport. McNally said we have too many water fowl and birds from the land fill that cause incursions at the Airport. McNally said one of the issues that came up is Lake Lawton at the Golf Course; there are geese and ducks that fly across our flight path which is a hazard. McNally said the inspector's recommendation is at the end of our lease with the Golf Course, which is 2019; we drain the lake and make it a detention pond. McNally said this will be a controversial issue for the future. McNally said we will be required to do a full Wildlife Plan.

c) DIRECTOR'S FINANCIAL REPORT – June 2012

Purchase Orders - Purchase Order's to be approved from the Operating Account total \$ 40,702.87. Capital Improvements totaled \$ 1,390.90 which includes TSA rent 1,363.46 and AIP 30- 27.44

Bank Balances: The following are reconciled balances of unrestricted accounts:

Money Market Account (10976043)	\$	370,381.95
Operating Account (10375822)		55,744.46
Imprest Fund (10704778)		14.26
Balance of unrestricted accounts	\$	426,140.67
Passenger Facility Charges (9014251)	\$	356,566.73
Capital Improvement Account (114030)		-11,404.91
Balance of the restricted accounts	\$	345,161.82

Income and Expense Budget Tracking - Incomes for the month totaled \$ 98,450.22, YTD incomes total \$ 828,411.29 or 96% of the total budgeted amount of \$ 858,869.60.

Expenses for the month totaled \$ 71,101.15 YTD expenses total \$ 732,990.84 which is 95% 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 MILNER, SECOND BY LAWSON-JOHNSON, to approve the financials and purchase orders as they were presented. AYES: Stricklin, Petersen, Madigan, Haywood, Lawson-Johnson, Milner, Aubrey. NAYES: None. MOTION CARRIED.

NEW BUSINESS

Stricklin said the City Council approved the zoning change for the property on the corner of Bishop and 11th Street. Stricklin asked Haywood what the status of that project was. Haywood said there is no project at that location. Haywood said there will be a new construction behind the convenience store further down 11th street.

Haywood said the land where the zoning was changed can be used for residential construction. Stricklin said this board voted not to support the rezoning and he thinks it puts our Airport at disadvantage, given the jet aircraft we fly. Stricklin said the board should continue to work to protect the airport. Stricklin said if there is not going to be a project there, he would like to go back to the City Council and address rezoning that area back to industrial use. Stricklin said he understands there was some misunderstanding in the language used in the letter by the FAA in explaining the issue to the Authority and the City Council. Stricklin said we had some clarification on the intent of that letter after the vote.

Aubrey said it is basically the same issues as addressed in the certification letter, incompatible land use around an airport. McNally said part of our responsibility to the airport, is to work with the City Council and Planning Department to protect the zoning around the airport.

Haywood said we will never get rid of the houses around the airport. McNally said if the City would have zoned it correctly in the first place, develop would not have happened that close to the airport. Haywood said his family moved in that area in 1941 before the airport and lots of farms were in the area. McNally said she understood that City Planning many years ago passed an ordinance that allowed the houses along Bishop Road to go away by attrition. That City Planning would not allow new permits to repair or rebuild those houses . Haywood said he remembered that it was a noise zone issue and HUD changed their noise regulations. Haywood said the zone went to fifteenth and Bishop. Aubrey said many things have changed since 1950. Aubrey said FAA regulations have also changed and we have to abide by those changes or be shut down. Aubrey said our forefathers put the airport at its current location, it was a good idea and now we have to protect it. Stricklin said we can’t go back and change the past but we can protect the future of the Airport. Stricklin said he would like to go back to City Council have them rezone that property back to industrial use. After more discussion it was decided to bring it back to the Authority.

There being no further business, the meeting was adjourned.

David Aubrey, Chairman