

LITTLE ROCK NATIONAL AIRPORT COMMISSION
MEETING MINUTES
August 18, 2009

The Little Rock Airport Commission met in regular session in the Commission Conference Room on the second level of the terminal building, Little Rock National Airport, Little Rock, Arkansas at 8:30 a.m. on the 18th day of August, 2009. The following members of the Commission were present:

Mme. Kay Kelley Arnold and Messrs. Bob East, Virgil Miller, Jim Dailey, Dr. Carl Johnson and Jimmy Moses.

Also attending were Mmes. Carol Snay, T.J. Williams, and Carolyn Witherspoon and Messrs. Ron Mathieu, Allen Williams, Bryan Malinowski, Pat Sellars, Charles Jones, Tom Clarke and others as registered.

The meeting was recorded and the tape is on file in the office of the Executive Director, where it may be examined by any qualified person.

Official actions of the Commission were as follows: Chairman East called the meeting to order at 8:36 a.m.

APPROVAL OF MINUTES

Chairman East requested approval of the July Commission meeting minutes.

On motion by Commissioner Arnold, seconded by Commissioner Dailey, the July minutes were unanimously approved.

CONSENT AGENDA

The next item on the agenda was a brief discussion of the July 2009 Financials. Ms. Snay reported the total income for the month was approximately \$1,959,000 which was under budget about \$88,000. Total expenses for the month before depreciation were \$1,451,000 which is under budget by approximately \$180,000. Net income for the month before depreciation was approximately \$508,000. Total income for the first seven months of this year was approximately \$14,000,000 which is over budget by about \$247,000. Total expenses year-to-date were approximately \$9,900,000 which is about \$1,000,000 under budget. Net income year-to-date was \$4,100,000, which is \$730,000 better than last year. Chairman East mentioned that staff has done a great job on decreasing expenses.

On motion by Commissioner Dailey, seconded by Commissioner Arnold, the consent agenda was unanimously approved.

Executive Director's Report – Mr. Mathieu announced that Little Rock National Airport has been identified as one of eleven airports selected to receive a grant from TSA to help fund a portion of the inline baggage system. TSA will split a total of \$231 million between the selected airports. Little Rock National Airport anticipates receiving approximately \$10

million from this grant. Mr. Mathieu mentioned an announcement made by US Airways on the flight restructuring with Delta which will result in eight airports receiving direct flights to Reagan National. Little Rock National Airport has been selected to receive one of these direct flights. Staff will be working very closely with US Airways and the Legislative delegation in Arkansas to express support for this flight. The DCA flight is anticipated to start in the first quarter of 2010. Mr. Mathieu announced that American Eagle's ATR 72s will be replaced with 70 and 50 seat regional jets on August 25th. This equipment change will increase the number of seats from 888 to 1,020 per day which will result in an increase of 132 seats per day.

Mr. Mathieu mentioned that former airport commissioner, Robert Wilson, has requested a meeting with a number of the airport's former commissioners to get an update on future plans for the airport. This meeting is scheduled for the August 25th. Mr. Mathieu looks forwards to the unique opportunity to gather information from the former commissioners. Mr. Mathieu is scheduled to attend the American Eagle Airport Directors Partnership Conference on September 10th. American Eagle invites a limited number of airport directors each year for this conference. This is the first year that LIT has been invited to this conference.

Mr. Mathieu gave an update on ESG. Staff participated in a meeting with Wastewater regarding the feasibility of the cogeneration plant. Unfortunately, the cogeneration plant that was envisioned by Wastewater and the Airport is not financially feasible. It could possibly create a deficit of approximately \$1.8 million a year to operate. ESG will create a full report regarding this matter and staff will distribute it to the Commissioners. Mr. Mathieu mentioned that the terminal projects are very promising and are expected to produce significant savings. Staff will bring terminal side energy savings and enhancement projects to Lease Committee and Commission for approval soon.

Chairman's Report – Chairman East mentioned that Dassault Falcon Jet hosted the General Aviation Manufacturers Association gathering last week. Several Commissioners were in attendance. The presentation focused on the value of general aviation and business aviation to the country and Arkansas. Chairman East also noted that the Air Space Work Task Force met this month after a six month absence. Robin Pelton with AEDC is heading the Work Force and plans to have an Air Space Work Force annual presentation in October.

STAFF REPORTS

Marketing and Public Affairs – Ms. Williams reported that the passenger numbers were down 8% for the month of July and down 9.62% for the year. Ms. Williams stated that summer travel appears to be slowing down. Despite the slowdown in traffic, Southwest reinstated the direct flight to Phoenix on August 16th and United plans to add three additional flights to Chicago next month. Ms. Williams mentioned the Profit and Loss report for the airlines. According to the airlines' reports, these losses are a direct result of a weak economy, fewer business travelers, lack of demand and the H1-N1 virus.

Properties, Planning and Development Report – Mr. Clarke addressed the Properties report that included monthly activity reports from O.R. Colan and a construction activity report with the current status of each project. Mr. Clarke noted that on the Runway 18/36

Extension, Stage 2a Project, the paving on the Runway should be complete this week. Once complete, the contractors will then move their paving operation to Taxiway Delta next week depending on the weather. A pre-construction meeting has been scheduled this week with APAC regarding Runway 18/36 Extension, Stage 2b Project. Staff anticipates starting on this project mid-September. Staff will open bids for the Taxiway Romeo Rehabilitation Project this Wednesday. Mr. Clarke noted that staff is working to finalize the scope of work in the contract for the terminal architects this week as well. Architectural Alliance has finalized their team.

Human Resources – Mr. Williams reported the airport started the month of July with 165 employees. There were one new hire, two voluntary separations and one involuntary separation. We ended the month with 163 employees and a 1.5% monthly turnover rate. The year-to-date turnover rate is 9.2%. Mr. Williams mentioned the Language line report. For the month of July, there was no activity.

Facilities – Mr. Sellars stated that staff has supplied all the restrooms at the airport with hand sanitizer dispensers due to the H1-N1 virus. Staff plans to install additional dispensers along the concourse, bag claim area, and car rental facility. Mr. Sellars recognized Mr. Randy Ellison, Manager – Facilities, for installing Sharps containers in the restrooms. This initiative will allow needles to be disposed of properly at the airport.

Operations – Mr. Jones provided the Commissioners with a report for the cancelled and diverted flights for the month. Mr. Jones noted that medical responses were down for the month.

Attorney's Report – Ms. Witherspoon noted that during the month of July she work closely with Mr. Elwin Jones regarding contract issues. Ms. Witherspoon also worked with Mr. Williams on personnel issues this month. Ms. Witherspoon stated that there was one condemnation hearing that involved ownership issues held on July 29th. Another hearing has been scheduled in November regarding property valuation. In addition, Ms. Witherspoon also worked on FOIA requests, the Frontier bankruptcy and a FAA grant.

At the request of Chairman East, Mr. Mathieu mentioned that two other companies that offer registered traveler services have gone out of business. Staff will continue to look for additional opportunities to bring this service back to the airport. Mr. Mathieu also congratulated Ms. TJ Williams on obtaining an MBA in Management.

ADJOURNMENT

The meeting was adjourned at 9:02 a.m. by Chairman East.

Thomas B. Schueck, Chairman

Virgil L. Miller, Jr., Secretary