

LITTLE ROCK NATIONAL AIRPORT COMMISSION  
MEETING MINUTES  
July 21, 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 21<sup>st</sup> day of July, 2009. The following members of the Commission were present:

Mme. Kay Kelley Arnold and Messrs. Virgil Miller, Tom Schueck, Bob East and Jimmy Moses.

Also attending were Mmes. Carol Snay, T.J. Williams, Teresa Duggan and Carolyn Witherspoon and Messrs. Ron Mathieu, Allen Williams, Bryan Malinowski, Pat Sellars, 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 Schueck called the meeting to order at 8:38 a.m.

APPROVAL OF MINUTES

Chairman Schueck requested approval of the June Commission meeting minutes.

On motion by Commissioner Moses, seconded by Commissioner Arnold, the June minutes were unanimously approved.

CONSENT AGENDA

The next item on the agenda was a brief discussion of the June 2009 Financials. Ms. Snay reported the total income for the month was approximately \$2,191,000. Total expenses for the month before depreciation were \$1,430,000 which is under budget by approximately \$141,000. Net income for the month before depreciation was approximately \$760,500. Total income for the first six months of this year was approximately \$12,100,000 which is over budget by about \$334,000. Total expenses year-to-date were approximately \$8,500,000 which is about \$880,000 under budget. Net income year-to-date was \$3,588,000, which is \$544,000 better than last year. At the request of Chairman Schueck, Ms. Snay stated that the net profit has improved approximately \$500,000 compared to last year.

Chairman Schueck pulled L-09-07-1, Award of Runway 18 Extension – Stage 2B Project, from the consent agenda.

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

#### PULLED CONSENT AGENDA ITEM

Chairman Schueck requested that staff give an overview of item L-09-07-1 that includes a 15% project contingency. Mr. Malinowski explained that this is the last phase of the Runway 18/36 project. Staff is recommending the award of the contract to APAC of Tennessee in the amount of \$4,903,978.34. In addition, staff recommends authorization of the Executive Director to approve project change orders. This project is an AIP project. AIP projects allow for a 15% contingency without having to reapply for additional funds. This authorization will allow the Executive Director to approve change orders up to the 15% contingency without prior Commission approval. The Executive Director will advise the Commission of any substantial change orders that are approved.

On motion by Commissioner Arnold, seconded by Commissioner Moses, L-09-07-1, Award of Runway 18 Extension – Stage 2B Project, in the amount of \$5,639,230.09 was unanimously approved.

#### COMMISSION ACTION ITEM

The next item on the agenda was CA-09-07-1, Purchasing Resolution. Chairman Schueck reported that the revisions to the Purchasing Resolution will give the Executive Director the authority to execute contracts on budgeted items up to the \$50,000 without prior Commission approval.

On motion by Commissioner Arnold, seconded by Commissioner Moses, the revisions to the Purchasing Resolution were unanimously approved.

Executive Director's Report – Mr. Mathieu announced that airport received three grants this month totaling more than \$6.8 million for Runway 18/36 Extension – Phase Six, Taxiway R rehabilitation and the public ramp portion of Supermarine. At the request of Chairman Schueck, Mr. Mathieu explained there are two types of funds under the AIP program: entitlement funds are calculated on the airport's enplanements and cargo; discretionary funds are additional funds the FAA grants to airports that compete with projects based on safety and security.

Mr. Mathieu gave an update on the on-going construction on Bankhead Drive. The roadwork should be completed and the road reopened by the end of the week. Mr. Mathieu mentioned that the transfer of the Hollingsworth Grove property has been modified. The Housing Authority has identified funds for the demolition of the property and will take on the task of demolishing the property before the airport takes ownership. Mr. Mathieu reported on the 9<sup>th</sup> Street expansion project. The City is currently appraising the land needed for the expansion and have contracted a land acquisition specialist to facilitate the purchasing of the properties.

Mr. Mathieu stated that Enhancement Fund has been established for the acceleration of the repayment of the Hawker Beechcraft ramp. The first deposit has been made into the fund; the second deposit will be made in the last quarter of this year; the final deposit will be made in the first quarter of next year in accordance with the executed agreement with the City and the approved resolution adopted by the Commission.

Mr. Mathieu reported that Verified Identity Pass CLEAR stopped operating on June 22<sup>nd</sup> nationally. Staff has sent letter of interest to other vendors who provide this service in hopes of getting it reinstated. Mr. Mathieu announced that the airport has taken possession of Ms. Graves' home and Ms. Watson has declined the life estate option. The airport is currently doing environmental assessments on the property and will go forward with the demolition. Mr. Mathieu also noted that an incentive agreement with Southwest was included in his report. Southwest plans to reinstitute the Little Rock – Phoenix flight.

Mr. Mathieu stated that staff is currently looking at a possible adjustment to the current airline rates. The Commission authorized staff with the ability to make adjustments to the airline rates in accordance with the Rates by Resolution approved by the Commission as part of the budget process. Some airlines have returned terminal space to the airport and the landing weights are not as staff has previously anticipated. Finally, Mr. Mathieu mentioned that he would be out of the office June 23<sup>rd</sup> – August 5<sup>th</sup> on vacation. Mr. Mathieu plans to visit airports in Oakland and San Francisco and meet with a California based airline.

Chairman's Report – Chairman Schueck recommended that staff study the possibility of employing either baggage handlers or porters to help passengers with their luggage. Chairman Schueck also requested an update on the ESG project. Mr. Mathieu mentioned that ESG had provided staff with many projects during the first meeting. Staff will continue to meet with ESG to finalize the direction and scope of the project and update the Commission of the outcome. ESG has identified a number of costs, funding schemes and savings in utility consumption in excess of 30%. Mr. Mathieu further explained that he would like to keep this project as budget neutral as possible. Chairman Schueck encouraged the staff to talk with the City regarding possible available stimulus money for this project.

## STAFF REPORTS

Marketing and Public Affairs – Ms. Williams reported that the total enplanements are down 7.19% for the month of June and down 9.92% year-to-date. Ms. Williams noted that American has seen an increase that could be related to the increase in travel to Orlando and the additional traffic being generated by the ATRs. Continental Express is down which can be attributed to the fact that last year at this time they had nine flights, two of which were to Cleveland; this year they only have seven flights. Delta is doing well despite a 10% system-wide capacity reduction. Southwest is down but will probably trend upwards after the reinstatement of the Phoenix routes in August. United Airlines continues to perform well. They added four flights in June and are expected to continue to

grow with three additional flights to Chicago in September. At the request of Chairman Schueck, Ms. Williams mentioned that Frontier stopped operating in June 2008.

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 50% of the paving has been completed. They are also working on top soil placement on the perimeter roadway. The paving for the Taxiway Delta project should start following the completion of the work on Runway 18/36, stage 2a. Taxiway C reopened yesterday and the SMCGS project contractor has moved their work area to the north end of Taxiway A. Engineers are currently testing Taxiway R.

Mr. Clarke stated that staff participated in a kick-off meeting for the design of the in-line baggage system with Parsons last week. Staff is currently working to negotiate the contract with Architectural Alliance. At the request of Commissioner Moses, Mr. Robert Fureigh of LPA explained that the new airfield maintenance facility will be approximately 35,000 square feet. Mr. Clarke further explained that the facility has multiple storage areas and conditioned space for equipment and repairs. The design for the floor plans is 35% complete. Mr. Malinowski noted that the current building presents a line-of-sight issue with the tower and that this project is funded 100% through PFCs. The new facility will cost approximately \$6 – \$7 million.

Commissioner Moses requested information regarding the opening of Supermarine. Mr. John Mears of Supermarine stated that the facility would be open in September. Mr. Mears also mentioned, at the request of Commissioner Moses, that the Omni Hanger would be demolished and Supermarine has plans to build another 45,000 square foot facility on that site.

Human Resources – Mr. Williams reported the airport started the month of June with 163 employees. There were five new hires, one voluntary separation and two involuntary separations. We ended the month with 165 employees and a 1.7% monthly turnover rate. The year-to-date turnover rate is 7.7%. Mr. Williams mentioned the Language line report. For the month of June, there was one Spanish call for a total of 3 minutes. Mr. Williams also introduced the high school and college interns to the Commission.

Facilities – Mr. Sellars stated that there was nothing to report regarding facilities.

Operations – Ms. Duggan provided the Commissioners with a report for the cancelled and diverted flights for the month. The report also included information on the additional revenue from the parking rate increase that started on May 1<sup>st</sup>. At the request of Chairman Schueck, Ms. Duggan updated the Commission on a medical emergency that took place in the terminal last month.

Attorney's Report – Ms. Witherspoon noted that the FAA Reauthorization Bill has not been voted on by the Senate. Ms. Witherspoon reported that she worked with staff on the revision of the Purchasing Resolution, a hearing that did not take place due to the

gentlemen not appearing, a federal court case that was dismissed and various FOIA requests.

ADJOURNMENT

The meeting was adjourned at 9:36 a.m. by Chairman Schueck.

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Thomas B. Schueck, Chairman

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Virgil L. Miller, Jr., Secretary