

LITTLE ROCK NATIONAL AIRPORT COMMISSION
MEETING MINUTES
September 15, 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 15th day of September, 2009. The following members of the Commission were present:

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

Also attending were Mmes. Carol Snay, T.J. Williams, and Carolyn Witherspoon and Messrs. Ron Mathieu, Allen Williams, Bryan Malinowski, Randy Ellison, 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 Schueck called the meeting to order at 8:36 a.m.

APPROVAL OF MINUTES

Chairman Schueck requested approval of the August Commission meeting minutes.

On motion by Commissioner Arnold, seconded by Commissioner Miller, the August minutes were unanimously approved.

CONSENT AGENDA

The next item on the agenda was a brief discussion of the August 2009 Financials. Ms. Snay reported the total income for the month was approximately \$2,100,000 which was over budget about \$187,000. Total expenses for the month before depreciation were approximately \$1,400,000 which is under budget by approximately \$200,000. Net income for the month before depreciation was approximately \$746,000 which is \$390,000 better than budget. Total income before depreciation for the first eight months of this year was approximately \$16,100,000 which is over budget by about \$434,000. Total expenses year-to-date were approximately \$11,000,000 which is about \$1,200,000 under budget. Net income year-to-date before depreciation was \$4,800,000, which is \$800,000 better than last year. Chairman Schueck further emphasized that the airport's gross income is down \$500,000 due to the usage being down approximately 10%. Despite that, the airport's net income is up \$800,000. Chairman Schueck offered praise to Mr. Mathieu and his staff for being able to cut costs and add various fees to maximize profits.

Chairman Schueck requested that F-09-09-2, be pulled from the consent agenda for full Commission approval. On motion by Commissioner Arnold, seconded by Commissioner Miller, the consent agenda was unanimously approved.

PULLED CONSENT AGENDA ITEMS

Mr. Mathieu reported that staff worked very closely with TSA to identify areas of improvement in the terminal. Through this endeavor, staff was able to secure a grant to enhance the Closed Circuit T.V. System throughout the terminal. Due to TSA regulations, Mr. Mathieu noted that he could not go into the details of the project. This project will be 100% financed through the grant with no cost to the airport. On motion by Commissioner Arnold, seconded by Commissioner East, F-09-09-2 was unanimously approved.

COMMISSION ACTION ITEMS

Mr. Mathieu discussed CA-09-09-1, Resolution No. 03-2009. This resolution is an amendment to Resolution No. 01-2008. Resolution No. 01-2008 authorized the Executive Director to accept and execute grants from the FAA and the Arkansas Department of Aeronautics. The amended resolution will also include grants and agreements from the Department of Homeland Security, specifically the Transportation Security Administration. On motion by Commissioner Miller, seconded by Commissioner East, Resolution 03-2009 was unanimously approved.

Executive Director's Report – Mr. Mathieu reported on grants the airport anticipates getting from TSA soon. Mr. Mathieu included a summary of the grants received this year in his report. This has been a record year for this airport and staff in terms of success for grants. To date, the airport has received \$14,957,473 in grants from a combination of the FAA, State Department of Aeronautics and the TSA.

Mr. Mathieu gave an update on the DCA flights. Mr. Mathieu has sent a letter of support for the program to the Transportation Secretary, the Honorable Ray LaHood at the request of U.S. Airways. Staff will continue to work with our legislative delegation to garner support for the flight. Mr. Mathieu also noted that United Airlines started three additional flights a day to Chicago on September 2nd. So far, the load factors have been fairly good and staff is hopeful that they will continue to be good through the end of the year.

Mr. Mathieu attended the American Eagle Partnership meeting in Dallas. There were approximately twenty (20) other participants from other airports. Mr. Mathieu had an opportunity to meet with Mr. Peter Bowler, the CEO of American Eagle, and his executive staff. The primary focus of the meeting was to thank the airports for their aggressive cost-cutting and cost-containment efforts in 2008 and 2009 and request the same for 2010. Mr. Mathieu also gave an update on the luncheon hosted at the airport at the request of Mr. Robert Wilson, one of the founding members of the Little Rock Municipal Airport Commission. The meeting was attended by nine (9) other former Commissioners and executive staff. Mr. Mathieu reported that this meeting gave him a better understanding and appreciation for what they were able to do without the aid of the AIP and PFCs.

Mr. Mathieu stated that he and Chairman Schueck met with Steve Beck with Public Works regarding the 9th Street Extension Project. The City has hired O.R. Colan to do the property acquisition for the project. The appraisals are due tomorrow. Chairman Schueck also noted that the design plans for this project would be bid around October 15th. At the request of Commissioner Miller, Mr. Mathieu explained that some of the Enhancement

Fund will be used to fund the property acquisition of this project. Mr. Mathieu gave an update on the Hollingsworth Grove acquisition. Shelly Ehenger, Director of Little Rock Housing, has advised that a contractor has been hired to demolish the Hollingsworth Grove complex. The demolition is approximately \$700,000 which is in line with engineer's estimates. Units in the complex should start being demolished before the end of the year.

Mr. Mathieu gave an update on the ESG project. Staff and ESG will bring an item to the Commission in October that will include financing information. Due to the complexity of the project, Mr. Mathieu felt it prudent to have all the answers before presenting this item to the Commission for approval.

Mr. Mathieu reported that the current police contract will expire at the end of November. Mr. Mathieu met with the City Manager and the Chief of Police to discuss staffing levels and overtime issues. On October 15th, with the support of the Commission and help of James Lee Witt Associates, the airport is sponsoring a Legislative Tour with the Transportation Committees of the State House and Senate. It will be held at the Clinton Library followed by a tour of Dassault Falcon Jet and Hawker Beechcraft. Mr. Mathieu plans to include information regarding the Commission's future of the airport and the airport's needs from a legislative perspective. Lastly, Mr. Mathieu mentioned that he is scheduled to do a presentation about the airport on September 16th during Minority Exchange Development Week Success Series with the Little Rock Chamber.

Chairman's Report – Chairman Schueck mentioned that he attended a ribbon cutting for a new Pulaski Tech building. The new building will house the Aerospace Technical Center. These students will eventually go on work at Hawker, Dassault Falcon Jet or other aerospace industries. Chairman Schueck wanted to continue to encourage staff to do everything they can to get curbside service at the airport. Chairman Schueck also requested that additional signage is put in place upon leaving the airport to direct customers to I-440. Mr. Mathieu explained that staff continues to work with the airlines regarding curbside service.

STAFF REPORTS

Marketing and Public Affairs – Ms. Williams reported that the passenger numbers were down 7% for the month of August and down 9% for the year. Ms. Williams stated that station managers report that a lack of demand, capacity reductions and end of summer travel all affect the passenger numbers for the month. Mr. Mathieu further explained that this is the continuation of shrinkage on the part of airlines. Also, people have to make difficult decisions regarding both business and personal travel. Commissioner Arnold mentioned that most businesses have started to limit travel as well. Mr. Mathieu stated that staff is hopeful for a strong Thanksgiving and holiday season.

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 the airport sponsored two brunches during the Minority Exchange Development Week. Mr. Clarke reported on the Runway 18/36 Extension, Stage 2a which is nearing completion. APAC, the company hired for Stage 2b, has had a preconstruction meeting with staff. They are currently preparing the submittals and will be setting up their batch plant in the next two weeks;

however, their notice to proceed is contingent upon the State Police hangar being vacated. Mr. Clarke mentioned that during a visit to the Taxiway Delta, rehabilitation project, a FAA representative commented that that it was one of the cleanest and most impressive construction sites that he has seen in a very long time. Mr. Clarke complemented Mr. Tom Dexter, Construction Manager, Weaver Bailey and Garver for the work they had done on that project. At the request of Chairman Schueck, Mr. Clarke mentioned that the Taxiway Delta project was approximately twenty (20) percent complete.

Mr. Clarke mentioned a major closure coming soon. Staff, in effort to expedite the construction; has schedule one major closure to get all the projects done during the same time so there will not have to be multiple closures. The closure is scheduled to begin next week and will last for approximately 65 calendar days.

Mr. Clarke also mentioned that staff is currently working with Architectural Alliance this week to finalize the contract. That project should be starting up soon. Workshops with both Jacobs and Parsons will be held. The Terminal Task Force will have a meeting soon regarding this matter.

Human Resources – Mr. Williams reported the airport started the month of August with 163 employees. There were two new hires, six voluntary separations and one involuntary separation. We ended the month with 158 employees and a .5% monthly turnover rate. The year-to-date turnover rate is 9.7%. Mr. Williams mentioned the Language line report. For the month of August, there were two language line calls, Japanese and Spanish.

Facilities – Mr. Ellison reported on ESG. They are currently gathering data regarding the ownership of the new transformers that are a part of their project. ESG has provided staff with three recommendations for how to respond to any contingency in case there is a transformer failure before the new transformers in place. On August 26th, Mr. Ellison attended the Arkansas Clean Cities Coalition meeting. The Coalition was created to promote economic energy security through the use of different fuels, alternative fuels, biodiesel and compressed natural gas. Lastly, Mr. Ellison mentioned that staff met with Mark Leichliter, the artist of the Encircling the Future sculpture. They discussed what is needed to get the sculpture back in shape and how to maintain it going forward.

Operations – Mr. Jones provided the Commissioners with a report for the cancelled and diverted flights for the month. Mr. Jones noted that there were only five cancelled flights for the month of August. Two U.S. Forces returned from overseas and the Canadian Air Force brought some troops in for training. Medical responses were down for the month. Out of 11 events, only two were transported during August.

Attorney's Report – Ms. Witherspoon noted that during the month of August they responded to one FOIA request. There were a number of personnel issues that arose and various policies worked on through most of August. Counsel participated in an Arkansas Appeal Tribunal hearing on an unemployment matter on behalf of the airport. Ms. Witherspoon mentioned that she attended the Aerospace Work Force Task Force meeting this month. Counsel worked on some condemnations but there were no trials. Ms. Witherspoon announced that her firm had ten lawyers named the “Best Lawyers in America for 2010”.

At the request of Chairman Schueck, Mr. Clarke reported that O.R. Colan is currently helping staff identify structures ready for remediation and demolition throughout Area 1. Staff is currently putting a package together for the contractors.

PUBLIC COMMENT

Marcus Devine, ADEVCO and HOST, mentioned that new furniture and carpeting had been placed in the Riverbend. Currently, some enhancements are still on-going at the Ouachita Bar. At the request of Chairman Schueck, Mr. Devine stated that because of good cost containment and control, HOST has managed to keep their revenue in line.

Kevin Styron, TSA, thanked the airport staff. He stated that he enjoyed working with staff regarding the TSA grants and thanked Ron for speaking at TSA's 9-11 memorial. Ms. Witherspoon thanked TSA personnel at the airport for helping her with trial materials.

ADJOURNMENT

The meeting was adjourned at 9:45 a.m. by Chairman Schueck.

Thomas B. Schueck, Chairman

Virgil L. Miller, Jr., Secretary