

**MINUTES OF AIRPORT COMMISSION REGULAR MEETING**  
**TUESDAY – MAY 24, 2022**  
**FORT SMITH REGIONAL AIRPORT CONFERENCE ROOM**

The regular meeting of the Fort Smith Airport Commission was called to order at 5:30 p.m. by Vice Chairman Grimes, presiding. Commissioners Nordin, Pendergrass, and Ridgley were present. Commissioners McGhee, Hawkins, and Kelly were absent. Also, present were Michael Griffin, airport director, Kathy Boze, administration director, and Tiffany Farmer, operations director.

**ADOPTION OF MINUTES**

On motion by Commissioner Nordin and second by Commissioner Pendergrass the Commission approved the Minutes of the Regular Meeting of April 26, 2022. Voting aye: Grimes, Nordin, Ridgley, and Pendergrass. Voting nay: none. Motion carried.

**TREASURERS' REPORT**

Director Griffin gave a brief overview of the finances. Airport had larger expenses under airport marketing development for cost of the air service consultant and placing promotional ads. A couple CDs matured in May and they will be reinvested in Treasury Bills at a better interest rate than the current CD rates.

**ITEMS OF BUSINESS**

1. Air Service Development Presentation – Air Service development consultant, Kirk Lovell with Mead and Hunt gave a presentation via zoom. Mr. Lovell provided an update on the current air service industry. The industry has had many changes over the last few years. Airlines are still working to recover from the covid pandemic, and pilot shortages and fuel prices rising are also major factors. Small regional jets are being phased out and cost of operating larger aircraft are higher. Competition in the region is a factor. Some communities are offering revenue guarantees and other incentives.

A survey of passengers in this area shows the top destination of choice would be Orlando, Florida. Most drive now, but with the right connection and prices those driving can become passengers. Though the demand is increasing, seat capacity in Fort Smith is still 25-30%, which is mainly due to Delta's departure. Fort Smith's cost per passenger is very low compared to other airports, however given all the factors it is very hard to get airlines to commit to new service.

Commissioner Pendergrass asked what the commission could do to help. Mr. Lovell requested information on the new military operation such as projected passenger numbers and transportation modes such as airlines, charters, or military aircraft. This will allow marketing information to be ready to go once the new military operation is confirmed. One option is for commissioners to reach out to the community or local groups that could offer revenue guarantees or other incentives to airlines. Staff reminded the commission the airport is not allowed to offer revenue guarantees.

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2. Review of Employee Benefits – Staff has reviewed the airports sick leave benefits and recommends a change. Currently, employees can accumulate no more than 80 days (640 hours) of sick leave per year. Any hours over 80 days is converted to sick leave reserve and paid to employees at 25% of employees current pay at the end of each year. At termination sick leave is not paid. Historically, only one or two employees benefit from this.

It is staff's recommendation to raise the number of sick days from 80 days to 90 days (720 hours), remove the sick leave reserve, and pay employee sick leave accumulated over 70 days (560 hours) at termination. This change will provide incentive to accumulate sick leave. The change is projected to have insignificant effect on cost for the airport. Staff noted this change will not benefit the management employee planning to retire next year.

A motion to update the employee handbook to change sick leave policy was made by Commissioner Nordin and seconded by Commissioner Ridgley. Voting Aye: Grimes, Nordin, Pendergrass, and Ridgley. Voting Nay: None. There was no further discussion and motion carried.

3. Director's Report

- A. Runway Extension: There has been a lot of earth moved so far. Navaids have been removed and put into storage. The project is progressing well.
- B. Runways Renumbered: Both runways have officially been renumbered to 8/26 and 2/20.
- C. Staff has regular meetings with the Air National Guard and the Chamber. It looks positive for funding of the fire station expansion to be provided by the national guard.

NEXT COMMISSION MEETING

The next regularly scheduled meeting of the Fort Smith Airport Commission will be held Tuesday, June 28, 2022, at 5:30 p.m.

ADJOURNMENT

On motion by Commissioner Nordin and second by Commissioner Ridgely, the meeting adjourned 6:28 p.m. Voting aye: Grimes, Nordin, Pendergrass, and Ridgley. Voting Nay: None. Motion Carried.

Respectfully submitted,

Michael Griffin, A.A.E.  
Airport Director