

***MINUTES OF AIRPORT COMMISSION REGULAR MEETING
TUESDAY – SEPTEMBER 26, 2023
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 Chairman Hawkins, presiding. Commissioners Cooper, Grimes, Kelly, Pendergrass, Ridgley and Voris were present. Also present were Michael Griffin, airport director, and Lindsay Conley, finance director.

ADOPTION OF MINUTES

On motion by Commissioner Kelly and second by Commissioner Pendergrass, the Commission approved the minutes of the regular meeting of August 22, 2023. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. Motion carried.

TREASURERS' REPORT

Commissioner Treasurer Ridgley reported that the finances were tracking as planned with the budget. He noted that an airport Certificate of Deposit matured and was renewed at a higher interest rate of 5.44%. Director Griffin presented an overview of the August Financial Statements, stating the airport generated net income for the month even if grant funds were excluded.

ITEMS OF BUSINESS

1. Amend 2023 Budget – The proposed 2023 Budget Amendment Resolution and Budget were presented to commission. The proposed amendment included changes to the Operating Fund and the Project Fund.

In the Operating Fund, revenue had an overall increase of \$264,500. The most notable decrease was in Fuel Revenue, due to the self-serve fuel pump being out-of-service much of the year; the most notable increase was in Interest Revenue earned on investments. Operating expenses had an overall increase of \$188,600, with the most notable change in Capital Outlay. Because the CARES Act reimbursements are expected to be completed at the end of 2023, staff recommended moving some of the 2024 planned Capital Outlay projects and equipment purchases to the 2023 budget in order to take advantage of the additional CARES revenues.

In the Project Fund, both receipts and expenses decreased significantly. Receipts decreased \$6,571,084 and expenses decreased \$7,281,484. The Taxiway E South project had a change in scope, which reduced both receipts and expenses. The Solar Farm-Terminal Building and ARFF Station Expansion projects will carry over into 2024, which reduced both receipts and expenses. The Runway 8/26 Arresting Barrier Installation was an unplanned project that began in 2023, which increased receipts and expenses.

A motion was made by Commissioner Pendergrass and seconded by Commissioner Ridgley to approve Resolution 2023-1 to amend the 2023 Budget as presented. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. Motion carried. There was no further discussion.

2. Phoenix Avenue Ground Lease – Staff negotiated a ground lease with a nationally known restaurant group who would like to build a restaurant on airport property next to the Home2 Suites. The ground lease has a term of 10 years with three 5-year options to extend. This lease is structured similar to other airport ground leases where escalators begin after 5 years and continue for each 5-year period. Staff coordinated with Commissioner Cooper regarding the proposed property lease, and the lease

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documents have been reviewed by legal counsel. The lease pricing was determined using a previously performed land appraisal.

A motion was made by Commissioner Kelly and seconded by Commissioner Voris to approve the Phoenix Avenue ground lease for construction of the restaurant. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. Motion carried, and there was no further discussion.

3. Airport Joint Use Agreement (AJUA) - The Foreign Military Sales (FMS) program aircraft coming to Ebbing Air National Guard Base requires a new Airport Joint Use Agreement (AJUA). Staff has coordinated with the National Guard Bureau (NGB) and the Air Force to establish this agreement. The AJUA outlines areas of use and areas for which the Commission and the Air Force are responsible, and compares the expenses related to those areas. In past AJUA's, the airport received an annual payment in addition to the services (ARFF) provided by the Air Force. Presently, the cost of the Air Force ARFF services to the airport exceed airport expenses, therefore the AJUA will have a nominal fee to the airport instead of an annual payment. There is a local agreement currently in place to provide ARFF services between the airport and the 188th Wing, which will be replaced at the time the AJUA goes into effect.

A motion was made by Commissioner Pendergrass and seconded by Commissioner Ridgley to execute the Airport Joint Use Agreement as presented. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. Motion carried, and there was no further discussion.

4. Auditor Selection Committee – Staff issued a request for qualifications for Auditor Services, and received responses from three firms. Chairman Hawkins requested two commissioners to volunteer to serve on the auditor selection committee. Commissioner Pendergrass and Commissioner Cooper volunteered and were appointed to serve on the auditor selection committee. No motion was required.

5. Director's Report

- A. The Runway Extension was opened full length in early September to allow F35 jets to fly-in for the Air National Guard Change of Command Ceremony. The NAVAIDS project is expected to be completed by October 31. Delays with the completion of the FAA Flight-Check have caused the project to run behind schedule.
 - B. Construction of the Aircraft Arresting System Project will begin December 1, if not sooner. The FAA required Safety Risk Assessment was completed this month.
 - C. The additional terminal maintenance worker approved by the commission was hired in early September.
 - D. The FAA has released the Bipartisan Infrastructure Law with funds allocated to provide airport terminal grants. Staff plans to apply for this grant, with the intention of using the funds to replace the aging terminal generator, upgrade security lighting in the parking lots, and other projects to improve the airport terminal.
6. Executive Session for Airport Director Evaluation – At 6:12 p.m. on motion by Commissioner Kelly and second by Commissioner Voris, the Commission adjourned into executive session to discuss the airport director's performance. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley, and Voris. Voting nay: none. Motion carried.

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The commission reconvened the regular meeting at 6:32 p.m. on motion by Commissioner Kelly and seconded by Commissioner Ridgley. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley, and Voris. Voting nay: none. Motion carried.

Chairman Hawkins reported that the commissioners appreciate the hard work Director Griffin has done for the airport commission and for the Fort Smith Regional Airport, and didn't think he could do a better job. He thanked Director Griffin for putting together a great staff, and stated that Fort Smith is better off for it.

NEXT COMMISSION MEETING

The date of the next regularly scheduled meeting of the Fort Smith Airport Commission will be Tuesday, October 24, 2023, at 5:30 p.m.

ADJOURNMENT

On motion by Commissioner Grimes and second by Commissioner Ridgley, the meeting adjourned at 6:37 p.m. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting Nay: none. Motion Carried.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael Griffin", is written over a light blue rectangular background.

Michael Griffin, A.A.E.
Airport Director