

***MINUTES OF AIRPORT COMMISSION REGULAR MEETING  
TUESDAY – JANUARY 23, 2024  
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 Pendergrass and second by Commissioner Ridgley, the commission approved the minutes of the regular meeting of December 19, 2023. Voting aye: Cooper, Grimes, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. Motion carried.

**TREASURERS' REPORT**

Commissioner Ridgley reported the financials ended well for the year, with excess revenues over expenses. Revenues were up, predominantly in Department 700 Receipts (Projects with Matching Funds) which directly correlated to the increased project expenditures for the year. Director Griffin reported this increase was due to project expenses occurring more quickly than expected, which was a testament to the expediency of work on the arresting system project. He reported that excluding CARES Act funding, the airport ended the year with a net loss of \$242,763. However, several planned 2024 capital purchases were moved to the 2023 budget to take advantage of the increased CARES revenues. Operating Revenues were tracking up to pre-pandemic levels. Notable expenses in December were new terminal chairs, as well as two mowers.

**ITEMS OF BUSINESS**

1. Special Guests – Chairman Hawkins recognized special guests, Mayor George McGill and City Administrator Carl Geffken. Mayor McGill addressed the commission, expressing thanks to the commissioners for giving their time and energy to make Fort Smith a better place. He went on to say that Fort Smith won the FMS Mission project and had made a commitment to the Air Force that the City would be prepared and ready for the mission. The Mayor said the City stood prepared to lend their assistance and technical support to the airport, and would do anything they could to ensure the project stays on track.
2. 2023 Review – Director Griffin presented a review of 2023 accomplishments.
  - The Runway Extension construction was completed, with only minor details remaining.
  - Construction began on the Aircraft Arresting System.
  - An environmental assessment was completed for the Solar Project.
  - Two staff positions were added: an Airport Operations Manager position, responsible for badging, training, and assisting the Director of Operations, and an additional Terminal Maintenance position.
  - The Director of Administration retired, with a smooth transition thanks to the commission allowing the early hiring of her replacement.
  - Efforts were made in Air Service Development. Staff met with many airlines throughout the year. Also, a group of community leaders was formed to meet with local businesses and citizens in an effort to generate public involvement in attracting new airlines. A business case must be presented to air carriers, showing revenue potential at our airport. The local group hopes to raise funds for a Minimum Revenue Guarantee that could be offered to potential air carriers as an incentive to provide service at FSM.

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3. Director's Report – In May 2023, it was necessary to execute an Intergovernmental Support Agreement (IGSA) with the Air Force for the Aircraft Arresting System project. Equipment needed for the project had an extended lead time, creating urgency to complete the IGSA agreement so equipment could be ordered and the project completion deadline met. At the time the IGSA was drafted, the only fixed price known was that of the equipment. The Air Force requested the airport to provide an estimate for the entire cost of the project which did not include any site investigation (Geotech, surveys, etc.) or design work. The airport's project engineer created a construction cost opinion based on known runway extension costs but had no similar arresting system projects to use as a guide. The IGSA was signed and the equipment ordered. As the 35, 65 and 95% plans were submitted to the Air Force, updated project costs were included with each submission. When total signed project contracts exceeded the IGSA agreement price total, staff contacted the Air Force contract manager regarding the process for modifying the IGSA to add additional funding. Staff was informed there was no additional funding for the project; They asserted the IGSA signed was a fixed price agreement binding the airport to construct the arresting system for that agreed upon price, regardless of actual costs were incurred by the airport. The unfunded balance of signed contracts is \$3.4 million. There is an additional contract not yet signed for the Arm/De-arm pad construction costs, which would make the total deficiency for the project close to \$7 million. The airport project engineer is working with the Air Force engineers to determine any changes that can be made to the scope of the project to reduce costs, and the construction contractor is reviewing their bid to see if any reductions are possible. Meetings will be held with the Air Force and local officials to determine the next steps to resolve this issue. Airport funds are restricted and cannot be used to fund the project, as there is no civil use for the arresting system. The project is required by the Department of Defense and exclusively for their benefit, and the funding must be worked through those channels.

NEXT COMMISSION MEETING

The date of the next regularly scheduled meeting of the Fort Smith Airport Commission will be Tuesday, February 20, 2024, at 5:30 p.m.

ADJOURNMENT

On motion by Commissioner Grimes and second by Commissioner Kelly, the meeting adjourned at 6:29 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