

***MINUTES OF AIRPORT COMMISSION REGULAR MEETING
TUESDAY – APRIL 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, Kelly, Pendergrass, Ridgley and Voris were present. Also present were Michael Griffin, airport director, Lindsay Conley, finance director, and Tiffany Farmer, operations director.

ADOPTION OF MINUTES

On motion by Commissioner Ridgley and second by Commissioner Voris, the commission approved the minutes of the regular meeting of March 26, 2024 and the special meeting of April 10, 2024. Voting aye: Cooper, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. Motion carried.

TREASURERS' REPORT

Commissioner Ridgley reported the financials were tracking as expected, noting the checks he signed will greatly affect next month's cash assets on the balance sheet. Director Griffin reported there were two large expenses in March that caused a net loss: the annual audit fees were paid, as well as the irrigation system replacement expense.

ITEMS OF BUSINESS

1. Signature Aviation Lease – Signature Aviation submitted a letter of intent to exercise the first five-year option of their lease. The lease terms state that the rent will increase by 3% of CPI, whichever is higher. The lease contract does not prevent other FBO's from operating at the airport.

A motion to approve Signature's request to exercise their first lease option was made by Commissioner Pendergrass and seconded by Commissioner Ridgley. Voting aye: Cooper, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. There was no further discussion and motion carried.

2. Air Service Consultant Contract – The airport's contract with Mead & Hunt for air service consulting expires June 30, and staff recommended renewing the contract for an additional three-year term at the rate of \$63,900 annually. With the newly created community group focused on finding a solution to increase air service in Fort Smith, the services provided by Mead & Hunt would be helpful for gathering data, reports and community information for the group. A business travel survey created by Mead & Hunt was recently sent out, and 209 businesses have responded providing data regarding their business travel destinations and preferences. The data from this survey can be used to show airlines potential business for new routes. If the airport chose not to renew the contract and use Mead & Hunt on an as-needed basis only, their services would be limited to representation at conferences, with no data or reports provided. Commissioner Pendergrass asked if the airport was better off than when we signed up with Mead & Hunt three years ago, stating that FSM has the same number of airlines and fewer flights. Director Griffin responded that marketing to airlines is difficult and takes a long time to see results. Although FSM has fewer flights, the planes are larger and provide the same number of seats per day. He said that Mead & Hunt has helped with getting meetings with the airlines at the conferences, created awareness of FSM and the airport's story, and helped to plant seeds to sell the airport to the airlines. Commissioner Cooper asked if Mead & Hunt would help with negotiations if we were to obtain a new airline contract, which was answered affirmatively. Commissioner Voris asked if the airport

Minutes of F.S.A.C. Regular Meeting

April 23, 2024

Page 2

could afford the contract, and Director Griffin answered yes. Commissioner Ridgley asked if there was any indication when we could expect to see the increased traffic, but there is no known timeframe. Commissioner Kelly stated that the increased traffic will likely be smaller than expected, with manufacturers bringing in less than 100 people, the Air Force bringing in 100 people, FMS is transient, bringing in people only to train and then leave.

A motion to approve extending the Mead & Hunt air service consulting services contract for \$63,900 annually was made by Commissioner Kelly and seconded by Commissioner Voris. Voting aye: Cooper, Hawkins, Kelly, Pendergrass, Ridgley and Voris. Voting nay: none. There was no further discussion and motion carried.

3. Director's Report

- A. TSA LEO Reimbursement Program – TSA sent notification that they will discontinue the LEO Reimbursement Program effective April 30, 2024. The airport will still be required to have a police presence at the TSA checkpoint, and could incur a cost of \$96,000 annually as a result of the discontinuation of this program. There is a possibility that the city will require compensation from the airport for their police services. If they do, the airport will explore the cost of alternative police coverage providers, including the Sebastian County Sheriff's Office. Commissioner Cooper asked why the TSA pulled the funding. Chris Bader with Congressman Womack's office responded that TSA cut the LEO funding in order to remain below previously agreed upon USDOT caps on their budget. Commissioner Ridgley asked if police presence was required at the airport for all operating hours, or only during flights. Director Griffin responded that they are only required during TSA checkpoint operations, however in the past it has been problematic when the police are out responding to a call such as an accident and can't get to the airport as scheduled, or if there are flight delays and the police can't accommodate the schedule revision. These situations could result in delayed flights waiting for the police to arrive, so it's always been better to have a set daily schedule for police presence.
- B. City of Fort Smith Military Compatibility Area Overlay District – The City of Fort Smith is holding meetings with the public this week regarding a proposed Military Compatibility Area Overlay District (MCAOD), which is a document specifying policies and regulations for properties surrounding the airport. After reading the MCAOD, Director Griffin was concerned about the proposed height buffer restriction, which stated no structures with a height more than twenty feet could be constructed on any property within the Safety MCA area surrounding the airport. Director Griffin expressed this concern to the City Administrator, letting him know that the twenty-foot height restriction would be detrimental to airport land development, as it would mean no hotels, restaurants or hangars could be developed. The City Administrator advised he would see if they could amend the 20 feet restriction, but if it couldn't be changed, developers could always apply for a variance. Commissioner Kelly asked if staff made it clear to the City Administrator that developing the airport properties is absolutely essential to keeping the airport in the black, which was answered affirmatively.
- C. Mutual Agreement with City Follow-Up Meeting – Staff met with the City engineers and City Administrator regarding administration of Arresting Barrier Project now that the Mutual Agreement has been implemented. Essentially there are no changes to

Minutes of F.S.A.C. Regular Meeting

April 23, 2024

Page 3

current processes. The airport operations director's role on the project remains the same – safety and security. The invoice payments and reimbursements will continue to be processed by airport staff. All contracts remain in the airport's name. The City Administrator requested that the project be completed by July 30 so that it can be in use by mid-August. Director Griffin and Brian Mauer from Halff Engineering will meet with Beshears Construction to make that request in the coming days.

NEXT COMMISSION MEETING

The date of the next regularly scheduled meeting of the Fort Smith Airport Commission will be Tuesday, May 28, 2024, at 5:30 p.m.

ADJOURNMENT

On motion by Commissioner Kelly and second by Commissioner Cooper, the meeting adjourned at 6:10 p.m. Voting aye: Cooper, 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