

***MINUTES OF AIRPORT COMMISSION REGULAR MEETING
TUESDAY – AUGUST 26, 2025
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 Voris, presiding. Commissioners Barr, Cooper, Hagy, Kelly and Pendergrass were present. Also present were co-interim directors Lindsay Conley and Andrew Meyer. Commissioner Ridgley was absent.

ADOPTION OF MINUTES

On motion by Commissioner Pendergrass and second by Commissioner Barr, the commission approved the minutes of the July 22, 2025 regular meeting and the August 20, 2025 special meeting. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting nay: none. Motion carried.

TREASURERS' REPORT

Commission Treasurer Barr presented the financial report for July 2025. With 58.1% of the year complete, operating revenues reached 57.2% of the annual budget, slightly below projections. Operating expenses totaled 60.6%, exceeding expectations. This resulted in a net operating income of \$40,181 for the month, and a year-to-date net operating loss of \$34,278. Director Conley noted a decline in fuel revenues, attributed to ongoing fuel pump maintenance issues throughout the year. Investment interest earnings outperformed projections, supported by stable dividend rates. Telephone expenses were elevated due to the purchase of two iPads for airfield maintenance operations for use with the new AeroSimple software, along with two SIM cards for the new fuel pumps. AOG gas expenses exceeded budgeted amounts following a rate increase from \$0.50 to \$0.90 per CCF earlier in the year. Additionally, professional services expenses were higher than budgeted due to consultant support during the leadership transition, as well as engineering costs related to new leaseholder construction. Despite these variances, the airport remains financially stable and well-positioned for continued operations and growth.

ITEMS OF BUSINESS

1. Air Force Report/Update – Col. Nicholas Ihde, Commander of the US Air Force 85th Fighter Group, reported that the BAK-14 arresting system is once again fully operational, and the BAK-12 Exped system has been successfully removed. The airfield is now in full compliance with FAA standards. Coordination on the AJUA has been progressing smoothly, with recent efforts focused on resolving fire truck related issues. A final AJUA draft agreement is expected to be completed within the next two weeks. Looking ahead, planning is underway for a 2027 air show, which will feature demonstration teams from both the F-35 and F-22 aircraft – an exciting opportunity to showcase aviation and engage the community.
2. PV Solar Arrays MCCA Agreement – The Air National Guard submitted the MCCA funding agreement to staff for the PV Solar Arrays and Battery Storage project. The airport's attorney completed a review of the agreement and submitted his legal opinion to the ANG, as per their requirements. The total MCCA funding is \$4,567,460, which includes \$121,260 allocated to the airport for project supervision, inspection, and overhead. The MCCA agreement allows for modifications if project costs change. An advertisement for construction bids will be published once the Air National Guard gives the go-ahead.

A motion to approve the PV Solar Arrays MCCA agreement and authorize the co-interim director to sign the agreement on behalf of the commission was made by Commissioner Kelly and seconded

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

August 26, 2025

Page 2

by Commissioner Hagy. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting nay: none. Motion carried. There was no further discussion.

3. Perimeter Security Fence Bids – An advertisement for bids was published in July for the East Airfield Perimeter Security Fence PFC project. The airport received five bids:

• Delta Specialty Contractors	\$404,790.00
• Bill's Fence Company	\$486,489.00
• Modern Fence	\$676,007.80
• Ace Fence	\$666,402.50
• The Fence Man	\$683,296.70

Halff Engineering provided a Cost Opinion estimating the construction at \$689,600. Upon reviewing the bid documents, Halff determined that Delta Specialty Contractors was a responsive and responsible bidder fully qualified to perform the proposed work. Based on this assessment, Halff recommended awarding the contract to Delta. Commissioners inquired about the significant cost difference between Delta's bid and those of other bidders. Allen Deaver of Halff explained that Delta specializes in airport fencing and was able to complete the project without subcontractors, which contributed to their lower bid. Deaver confirmed that he discussed the bid directly with Delta, who expressed confidence in their pricing and enthusiasm for taking on the project. When asked whether Delta's references had been verified, Deaver acknowledged that reference checks had not yet been conducted.

Commissioner Pendergrass made a motion to award the Perimeter Security Fence construction contract to Delta Specialty Contractors, pending checking references on their previous work. Commissioner Hagy seconded. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting nay: none. Motion carried. There was no further discussion.

4. OG&E Easement – Staff received a request from OG&E regarding a utility conflict along Leigh Avenue. During recent work, the City discovered that an existing water line lies approximately three feet further west than originally marked. As a result, the proposed placement of a pull box and a portion of underground line would extend slightly onto Airport-owned property. To resolve this issue, the City has requested a five-foot easement along the eastern edge of the triangle property between Sodie's and Home Depot. Approval of this easement would allow the project to proceed without requiring redesign or relocation, while maintaining Airport ownership of the underlying property. Staff has confirmed that the easement will not interfere with the Air National Guard's future plans for the property. Commissioner Cooper advised that staff review the Air National Guard's lease to ensure the airport has the authority to grant an easement on property currently within their leasehold.

A motion to approve the OG&E Easement request along the eastern edge of the Leigh Avenue triangle property was made by Commissioner Cooper and seconded by Commissioner Kelly. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass, and Voris. Voting nay: none. Motion carried. There was no further discussion.

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

August 26, 2025

Page 3

5. Director's Report

- Clear TSA PreCheck Enrollment Event – The airport successfully hosted a second TSA PreCheck® enrollment event on August 7th, with 75 enrollments completed. The next enrollment event is scheduled for September 4th.
- Global Entry Enrollment Event – A Global Entry Enrollment event is scheduled for September 8-9. Appointments for the event are full. Staff is working to schedule a follow-up event in the coming months.
- Project Updates
 - Runway 8 Blast Pad: The project is 95% complete, with a delay due to weather-related ground conditions. Final paving has been completed, and only residual pavement markings remain to be finished.
 - HTeaO: The Arkansas Department of Health approved HTeaO's Health permit on August 21. Staff is coordinating with engineers and City of Fort Smith Planning Department regarding the sewer line extension.
 - Hangar 22: The hangar door replacement was successfully completed in July, and the state grant reimbursement was received in August.
 - Security Perimeter Fence: Bids were received, and Construction is set to begin in September. Completion is scheduled for January 2026.
 - PV Solar Array Project: Staff is prepared to advertise for bids upon direction from ANG. The MCCA funding agreement is in the signing process.
 - ARFF Station Expansion: The project is approximately 82% complete and remains on track for completion in November. Windows and drywall have been installed.
 - Fuel Pump Replacements: The rental car and airfield maintenance fuel pump replacements were completed on July 18.
- Flight Data – In July, FSM had 5,959 enplanements and an average load factor of 81.6%. There were 108 flights scheduled, four of which were canceled.
- Air Service Development – Mead & Hunt provided staff with an industry update. Spirit Airlines will likely file a second bankruptcy soon, and is issuing furloughs to pilots. Low-cost carriers are breaking-even at best due to softening demand, but Business and Premium Leisure travel is steady. FSM's flight schedule shows no changes beginning in 2026. Mead & Hunt is preparing a Pricing Study to present along with the Leakage Study at the Commission Study Session scheduled for September 22nd at noon. Staff's air carrier headquarters visit is scheduled for September 18th. Staff has coordinated with the Fort Smith Chamber, Discover Fort Smith and the COFS Planning Department to obtain material to present FSM's business case at the meeting.
- FAA Grant Update – The FAA issued the Runway 2/20 Overlay Grant on August 25th.
- Airport Director Recruitment – Interviews for 4 finalist applicants are scheduled for September 8.

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

August 26, 2025

Page 4

6. Executive Session – Chairman Voris moved to recess to Executive Session to discuss the job performance evaluation of the co-interim airport directors. Commissioner Pendergrass motioned to adjourn into Executive Session at 6:01pm. Commissioner Cooper seconded the motion. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting nay: none. Motion carried.

A motion to reconvene the regular meeting at 6:23pm was made by Commissioner Pendergrass and seconded by Commissioner Barr. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting nay: none. Motion carried.

7. Post-Executive Session – Chairman Voris reported that during the executive session the commission discussed the performance evaluations, and would like to thank the co-interim directors for the excellent job they had done so far.

A motion to authorize the chairman to prepare and execute a continuity package for the co-interim directors was made by Commissioner Pendergrass and seconded by Commissioner Barr. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting nay: none. Motion carried.

8. Sports Tourism Facility – Commissioner Cooper introduced a potential 17.5-acre development featuring a 10,500 square foot indoor sports arena, to be located behind Home2 Suites and HTeaO. The site plan strategically utilizes flood zone areas for parking, optimizing land use. The project is still in its early stages, and will require City approval, including funding considerations for a minimum revenue guarantee. The commission will likely see a Letter of Intent next month outlining proposed 50-year lease terms. Commissioner Cooper submitted the plans to Halff for a preliminary review to ensure the site is suitable for construction and free of major concerns. This development has the potential to catalyze further high-value projects on airport property, including additional restaurants, hotels, and other commercial ventures, contributing to long-term economic growth and revenue sources.

NEXT COMMISSION MEETING

The Mead & Hunt Leakage Study session will be held Monday, September 22, 2025 at noon. The next regular meeting of the Fort Smith Airport Commission will be Tuesday, September 23, 2025, at 5:30 p.m.

ADJOURNMENT

On motion by Commissioner Pendergrass and second by Commissioner Barr, the meeting adjourned at 6:30 p.m. Voting aye: Barr, Cooper, Hagy, Kelly, Pendergrass and Voris. Voting Nay: none. Motion Carried.

Respectfully submitted,



Lindsay Conley
Co-Interim Airport Director