

**MINUTES OF AIRPORT COMMISSION REGULAR MEETING
TUESDAY – MARCH 27 2012
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 Deramus, presiding. Commissioners Archer, Deramus, Devero, Haver, McGhee, Nordin and Schiffner were present. Also present were John Parker, Airport Director; Kathy Boze, Director of Administration; and Michael Griffin, Director of Operations.

ADOPTION OF MINUTES

On a motion by Commissioner Nordin and second by Schiffner, the Commission approved the Minutes of the Regular Meeting of February 28, 2012. Voting aye: Archer, Deramus, Devero, Haver, McGhee, Nordin and Schiffner. Voting nay: none.

FINANCIAL STATEMENT

Staff presented an overview and answered questions regarding the financials for the period ending February 28, 2012.

ITEMS OF BUSINESS

1. Report on 2011 Audit: As required by Arkansas Statute, an annual audit for the Fort Smith Regional Airport has been completed. Andy Richards, representative from BKD, presented the audit report to the Commission. Mr. Richards said the audit reflected no deficiencies. Upon acceptance of the audit, copies will be sent to the City Administrator, the FAA and the bond trustees, as required. A motion to accept the audit was made by Commissioner McGhee and second by Haver. Voting aye: Archer, Deramus, Devero, Haver, McGhee, Nordin and Schiffner. Voting nay: none.
2. Accept Bids for Two 15 Foot Flex Wing Rotary Cutters: The 2012 budget includes the purchase of two new flex wing rotary cutters. Bids were advertised and four bids were received from two companies. The low bid meeting specifications was submitted by Alma Tractor in the amount of \$28,344.37 for two Bush Whacker ST-180 HD rotary cutters. Staff recommended accepting Alma Tractor's bid. Commissioner Schiffner made a motion and Archer second to accept Alma Tractor's bid as stated. Voting aye: Archer, Deramus, Devero, Haver, McGhee, Nordin and Schiffner. Voting nay: none.
3. Delta Air Lines Lease Agreement: The airlines' lease agreements expire on April 30, 2012. Staff has worked with both airlines and Mark Moll, the airport attorney, to develop new lease agreements. The rates were unchanged for the lease term January 1, 2012 to December 31, 2017. Delta Air Lines has signed the new lease. American Airlines' chapter 11 filing has delayed execution of their lease. The airport director reported that Delta's service to Atlanta will begin in June and American is changing all the aircraft to 50 seat capacity in April. A motion was made by Commissioner Devero and second by Haver to approve the Delta Air Line lease and authorize the

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

March 27, 2012

Page 2

chairman to execute it. Voting aye: Archer, Deramus, Devero, Haver, McGhee, Nordin and Schiffner. Voting nay: none.

4. TSA Lease Agreement: Staff has worked with GSA leasing specialist on a new lease agreement for TSA office space. The new lease term is April 1, 2012 to March 31, 2022. Staff worked with Commissioner Archer on some new governmental requirements and the lease was reviewed by Mark Moll. Once the lease is executed, it will be submitted to GSA and they will award the lease. A motion to approve the lease and authorize the chairman to execute it was made by Commissioner Nordin and second by Schiffner. Voting aye: Archer, Deramus, Devero, Haver, McGhee, Nordin and Schiffner. Voting nay: none.
5. Airport Activities/Projects
 - A. AIP 40, Construction of Taxiway A West Phase 1 is complete except for painting and punch-list items.
 - B. Security fence project is complete.
 - C. TSA's annual comprehensive security inspection was conducted on the airport's security program with zero deficiencies noted. Favorable comments on the new security fence/wall were received during the inspection. Staff did a great job.
 - D. Drainage Improvements in the West Corporate Area, which is a state project, is progressing well when weather permits. This area that once held water from rains like we recently experienced, now drains well and all pavements dry quickly.
 - E. Hot water recirculating system pump in the terminal failed and was replaced with a two pump system designed by Commissioner Archer. This enables the system to run one pump at a time in case of repairs to either pump in the future.
 - F. Coffee machine has been installed in the secured departure lobby. Commission was invited to view the system after the Commission meeting.
 - G. The airport has an agreement with TSA for reimbursement of part of the cost of providing Law Enforcement Officers (LEO), and the airport has a MOA with the City of Fort Smith to pay them whatever TSA pays the airport. For the final year of the 5 year agreement that expires on September 30, 2012, TSA has reduced the reimbursement amount from \$156,122 annually to \$137,748.

NEXT COMMISSION MEETING

The next regularly scheduled meeting of the Fort Smith Airport Commission will be Tuesday, April 24, 2012 at 5:30 p.m. in the Fort Smith Regional Airport Conference Room.

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

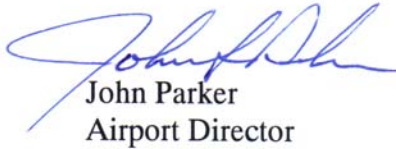
March 27, 2012

Page 3

ADJOURNMENT

On a motion by Commissioner Archer and second by McGhee the meeting adjourned at 6:25 p.m.

Respectfully submitted,


John Parker
Airport Director