



SAN ANGELO REGIONAL AIRPORT AIRPORT ADVISORY BOARD - OFFICIAL MINUTES

For a meeting held Wednesday August 19, 2015 in the South Meeting Room located at
501 Rio Concho Drive, San Angelo, Texas at 1:30 P.M.

Board Members Present

Charles Powell
Pat Nuytten

Robert Frank
Teresa Special

Dave Dierker

Board Members Not Present

Sonny Sanders
Fred Key

Others Present

Luis Elguezabal
Courtney Abbott

Janice Crimm
Mitch Sprunger

David Alexander

ORDER OF BUSINESS

OPEN SESSION

Chairman Charles Powell called the meeting to order at 1:30 P.M. Mr. Powell welcomes Bobby Frank as the newest member of the Airport Advisory Board. Mr. Powell continued by calling for an approval of the last meeting's minutes. Ms. Teresa Special moved for approval of the minutes from the May 13, 2015 Board Meeting, with a second by Pat Nuytten; the motion passed unanimously.

PUBLIC COMMENT

There was no public comment and the meeting was turned over to Mr. Elguezabal who turned it over to Mr. David Alexander from KSA Engineers.

UPDATE TERMINAL RENOVATION PROJECT TIME SUMMARY

The contractor is Templeton Construction, Inc. The project began January 25, 2012,
Currently 1,294 days charged
Original Contract Time equals 540 days
Total Change Orders additional days equal 444 days
984 contract days total to equal 132% time used

BUDGET SUMMARY

Project Budget equals \$5,925,715
Total Change Orders to date equals \$594,777.55
Current Project Budget equals \$6,214,094.55
Billed to date (gross) equals \$5,608,673.59 (as of Pay Request No.31)
Retainage Held to Date (5%) \$280,433.68
Billed to date (less retainage) equals \$5,328,239.91
% complete equals 90%

Mr. Alexander anticipates within the next two months the contractors will be substantially complete with the project. The estimated time of completion should be the end of September or October with the major items completed. Mr. Elguezabal told the Board that we are looking at November or December for a ribbon cutting event.

UPDATE AIR SERVICE DEVELOPMENT

Mr. Elguezabal explained to the Board that we have been working with traditional airlines, Legacy Airlines are not interested at this time, we continued with the regional airlines Southwest, specifically for the connection to Houston, they are also not interested at this time. The past few months we have been working with two smaller airlines. These are not yet regional airlines, they are more in the line of charters, but they are starting airline operations out of Texas and New Mexico. Mr. Elguezabal has been contacted by a third company and has set up a meeting for this Friday in the Houston area. They told him they had been contacted by several energy companies in the Houston area looking for service to San Angelo. This has prompted them to set up this meeting.

The Small Community Air Service Development Grant will expire January 15, 2016. We are moving forward on contacting as many airlines as possible so we do not lose that Grant. The Grant is for \$500,000 from the US Department of Transportation and the City has obligated \$90,000 for a total of \$590,000.

DISCUSSION OF AIRPORT'S FY-16 BUDGET

Mr. Elguezabal turned over the discussion of the budget to our Business and Finance Analyst Mrs. Courteney Abbott.

The proposed FY-2016 revenue budget total is \$1,509,921. The original revenue budget for FY-2015 total is \$1,385,677. The revised FY-2015 total is \$1,416,170. There are two main changes in revenue. Concession and Advertising have increased due to the renovation completion.

The proposed FY-2016 expenses total is \$1,509,921. The original budget for FY-2015 total is \$1,385,677. The revised FY-2015 total is \$1,416,170. We are proposing a balanced budget of \$1,509,921 for FY-2016.

Mr. Dierker wanted to know if the T-Hangar maintenance was included in this budget. Mr. Elguezabal replied all the t-hangar maintenance is included in our Operation Budget The repair of the t-hangar roofs is included in the Capital Accounts. Mr. Sprunger explained the Executive Hangars are being repaired from last year hail storm and being handled by our insurance. The regular t-hangers were not included in the write up so those will be addressed in our budget. Mr. Elguezabal said as our revenue improves we will address those issues.

Mr. Powell wanted know why the projection for fuel flowage is down from \$124,960 FY-2015 to \$118,712 FY-2016, is it due to reduced flow or reduced sales of fuel. Mrs. Abbott replied for next year projection it is a combination of both. Mr. Dierker explained the cost for the fuel is at \$0.08 per gallon, it is not retail price dependent so it reflects lower traffic. Mr. Elguezabal went on to say the price of oil dropped this past year and this has caused us to be very conservative with the numbers.

DIRECTOR'S REPORT

2014 vs. 2015 Second Quarter

Air Traffic is down 3.5%. Primarily due to a decrease in military and general aviation traffic

Fuel Flowage increased by 6%

Passenger Enplanement is down 1.9%

Load Factor has increased 1%. Due to American adjusting their fleet, and losing one flight on Saturday. A Load Factor of 76% is good in the airlines industry.

Rental Car Concessions 2014 vs. 2015 Second Quarter increased 14% over last year

Second Quarter 2013 vs. 2014 of 10%

PUBLIC COMMENT REOPENED

There was no public comment.

FUTURE AGENDA ITEMS


No future agenda items were discussed.

The Airport Board Meetings are scheduled for November 4th at the McNease Convention Center, 501 Rio Concho Dr at 1:30pm.

Mr. Powell thanked everyone for coming and the meeting was adjourned at 1:47 P.M.



Luis E. Elguezabal, A.A.E.
Airport Director



Charles E. Powell
Airport Advisory Board Chairman

An aerial photograph of an airport tarmac. In the upper center, a large aircraft is visible, primarily white with a prominent blue stripe along its fuselage. The tarmac surface is a light grey or concrete color, with various lines and markings. The background shows a clear sky with a light blue gradient.

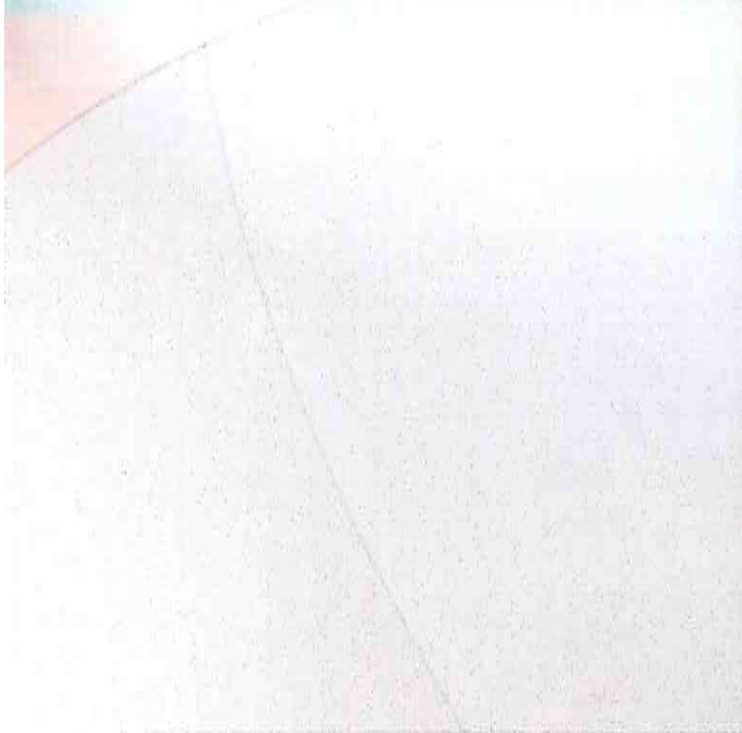
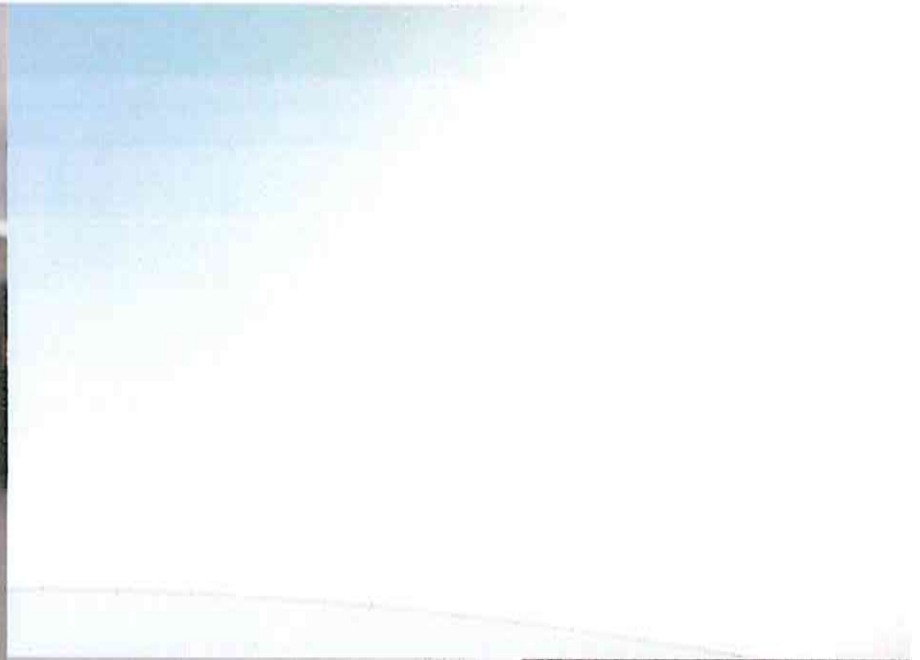
Airport Advisory Board

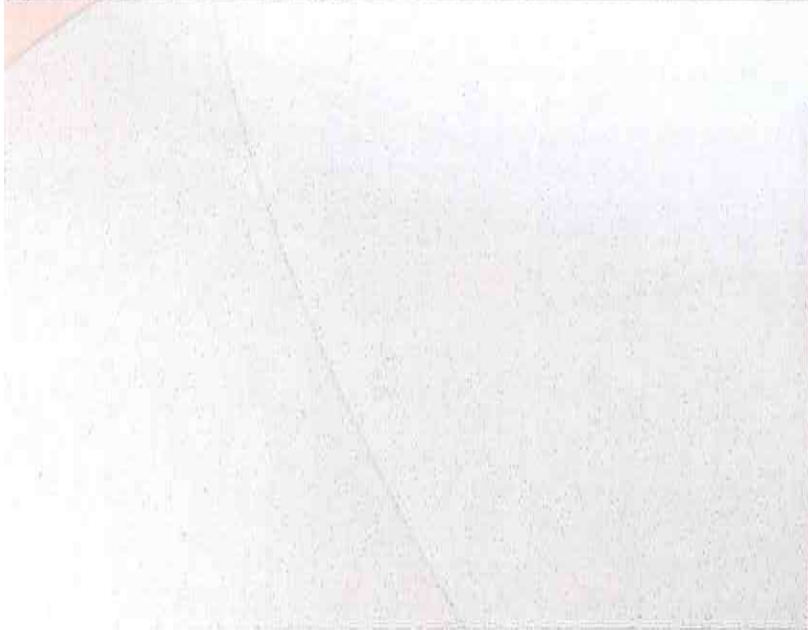
August 19, 2015

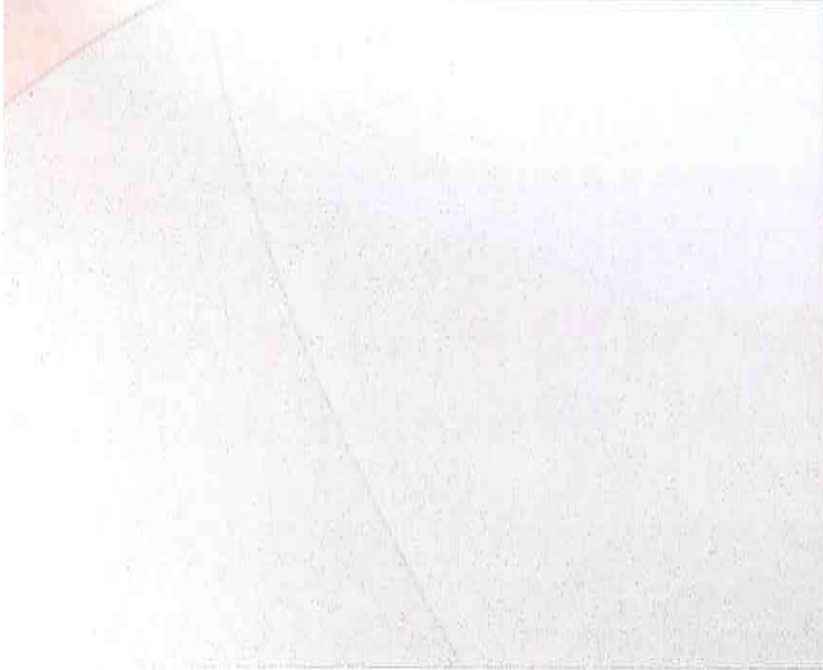
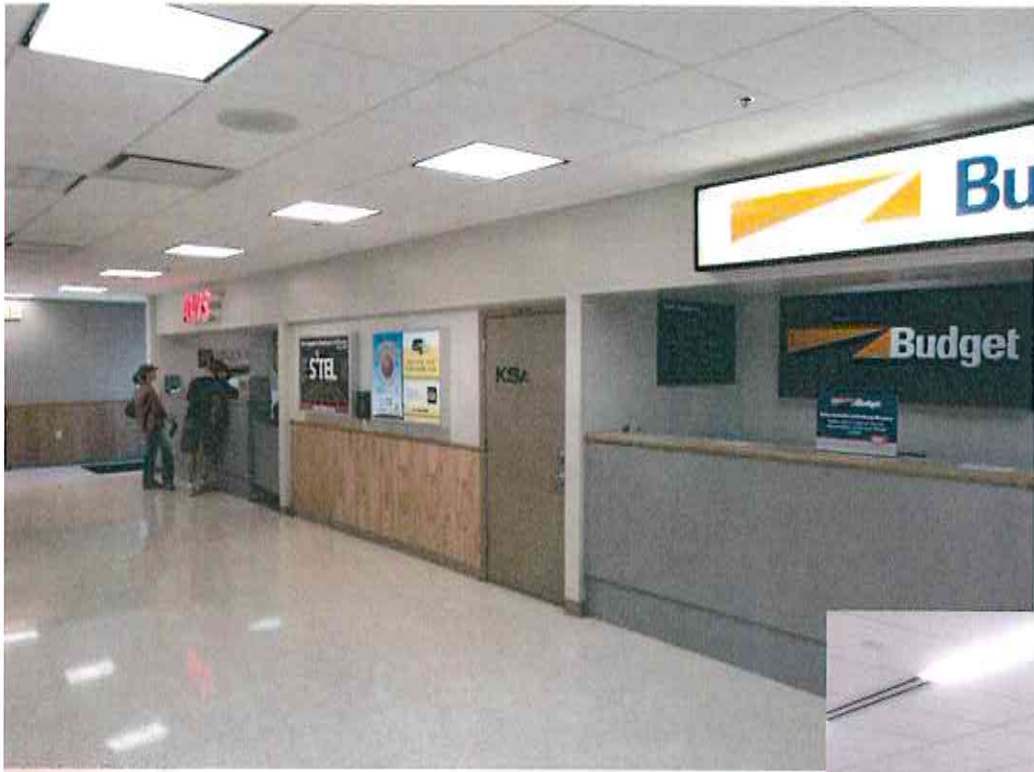
AIRPORT TERMINAL RENOVATION

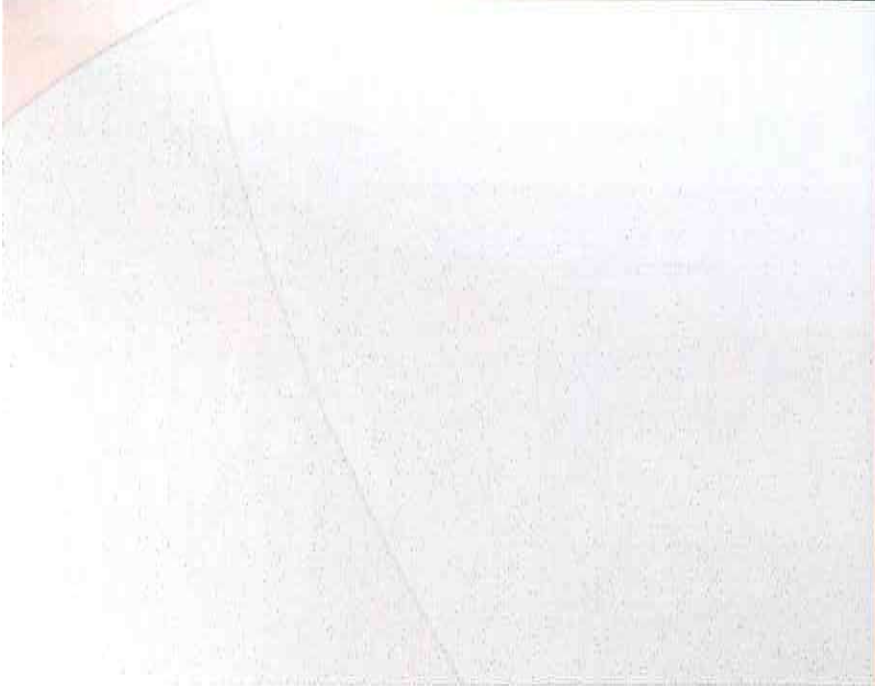
- **Contractor:** Templeton Construction, Inc.
- **Time Summary**
 - Project Time Begin = January 25, 2012
 - Currently = 1,294 days charged
 - Original Contract Time = 540 days
 - Total Change Orders additional days = 444 days
 - 984 contract days total = about 132% time used
- **Budget Summary**
 - Project Budget = \$5,925,715
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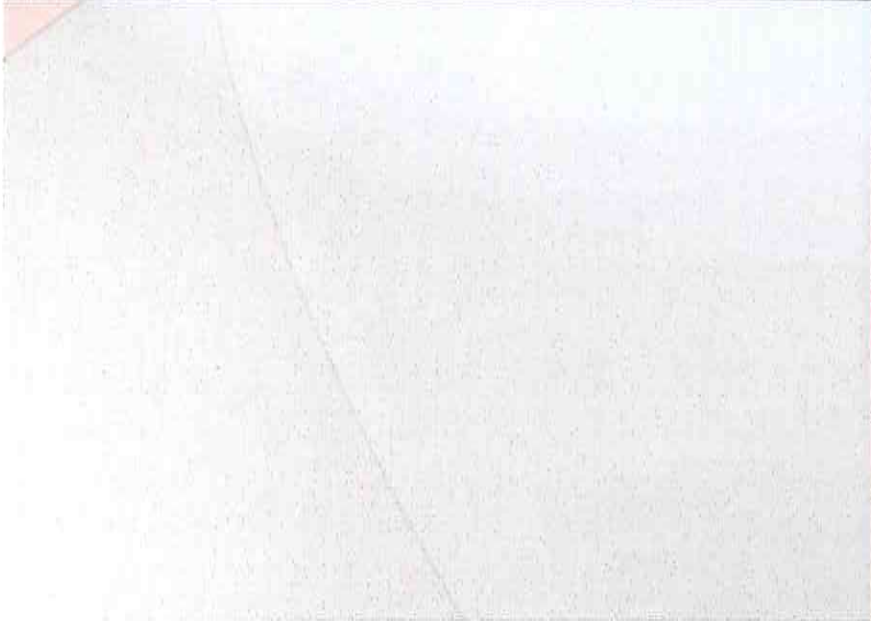


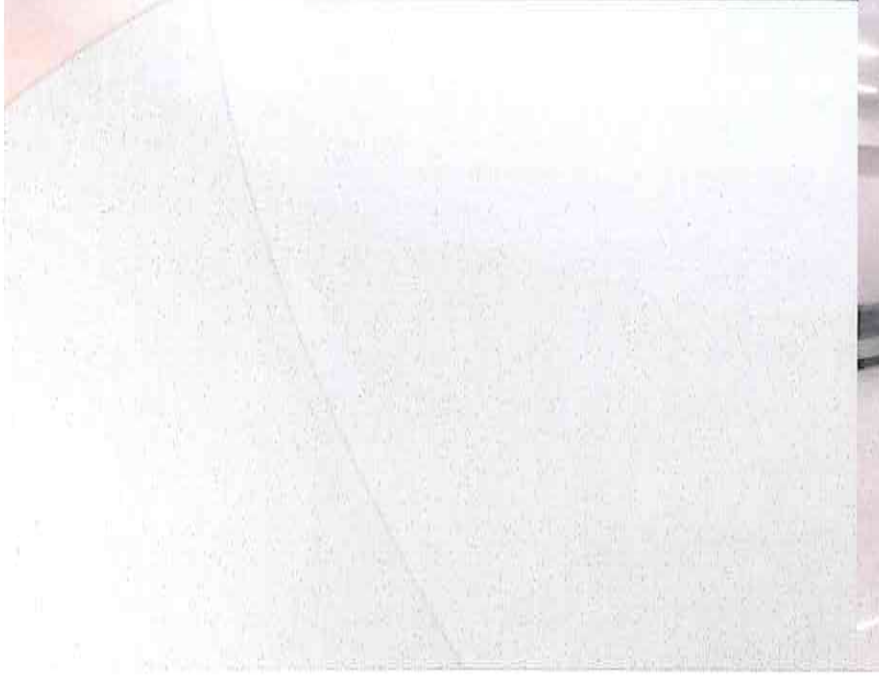


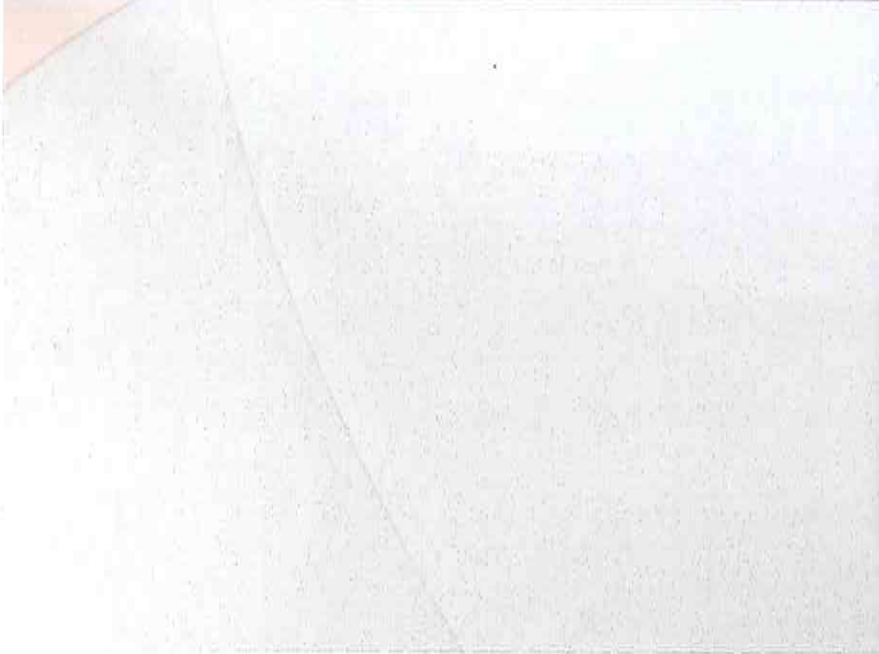
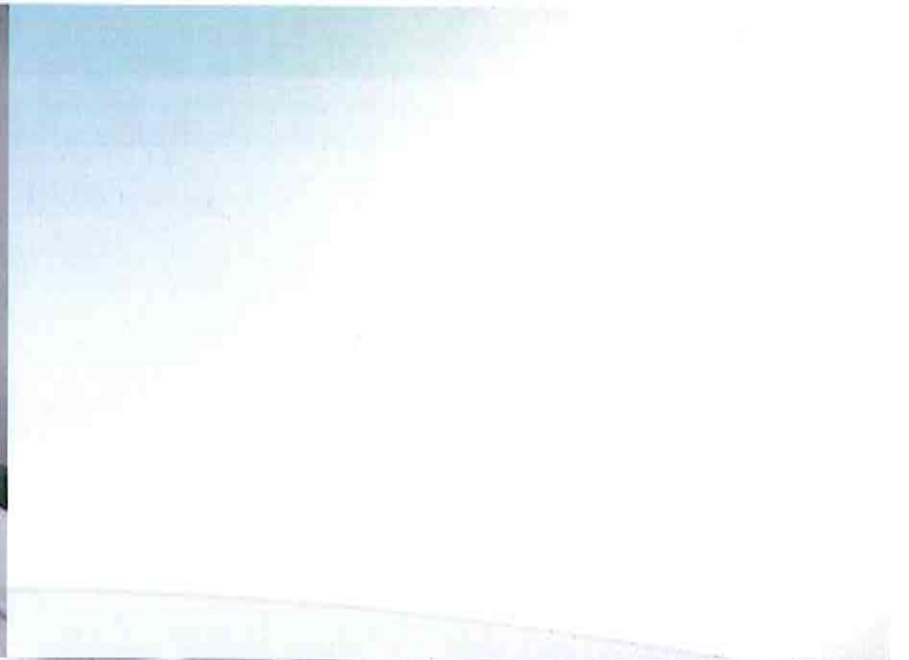


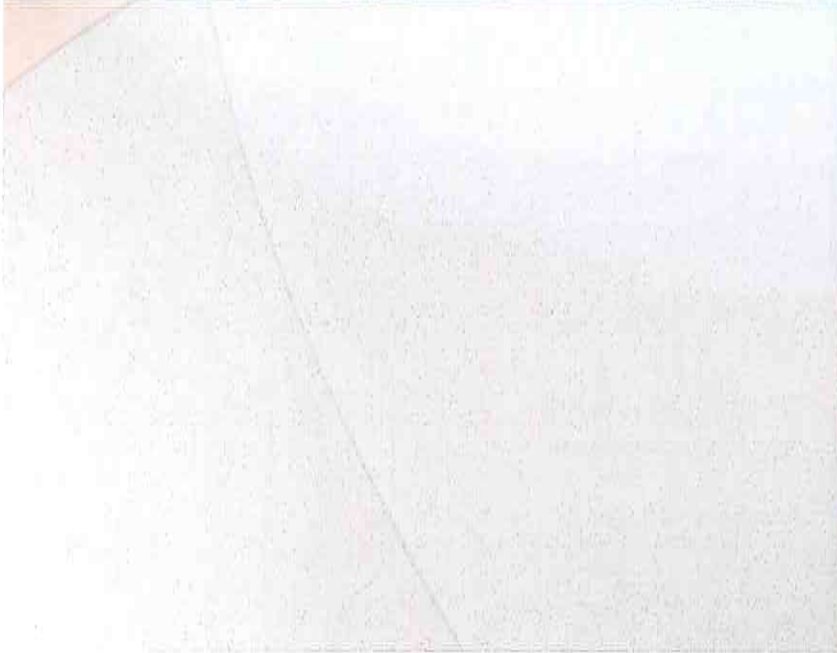












Proposed FY-16 Revenues

Description	Proposed 2016 Budget	2015 Budget (revised)	2015 Budget (Original)
State Grants	\$ -	\$ -	\$ -
Law Enforcement Education	\$ 722	\$ 650	\$ 650
Leases and Rentals	\$ 846,733	\$ 824,089	\$ 824,089
Fuel Flowage	\$ 118,712	\$ 124,960	\$ 124,960
Landing Fees	\$ 51,279	\$ 51,279	\$ 51,279
Concessions	\$ 237,500	\$ 225,700	\$ 225,700
Taxicab Space Rental	\$ 1,500	\$ 1,200	\$ 1,200
Advertising	\$ 30,000	\$ 25,000	\$ 25,000
Misc.	\$ 7,000	\$ 9,000	\$ 9,000
Interest on Investments	\$ 503	\$ 503	\$ 503
Rent	\$ 206,472	\$ 144,289	\$ 113,796
Reimbursed Expenses	\$ 9,500	\$ 9,500	\$ 9,500
Total	\$ 1,509,921	\$ 1,416,170	\$ 1,385,677

Proposed FY-16 Expenses

Description	2016 Budget	2015 Budget (Revised)	2015 Budget (Original)
Debt Service-L-3 COSADC	\$ 45,966	\$ 45,966	\$ 45,966
Full-Time Salaries	\$ 499,200	\$ 445,953	\$ 442,020
Overtime	\$ 7,500	\$ 7,500	\$ 7,500
Leave Payoffs	\$ 0	\$ 8,402	\$ 0
Incentive Pay (Police)	\$ 1,000	\$ 1,000	\$ 1,000
Car Allowance	\$ 5,040	\$ 5,040	\$ 5,040
Group Insurance	\$ 65,676	\$ 60,740	\$ 56,254
Retiree insurance	\$ 27,360	\$ 27,360	\$ 27,360
FICA	\$ 38,191	\$ 35,346	\$ 33,816
Retirement	\$ 88,360	\$ 82,573	\$ 78,911
Workers Comp, Insurance	\$ 16,358	\$ 15,075	\$ 14,260
Indirect Costs	\$ 79,829	\$ 83,053	\$ 83,053
Contract Services	\$ 100,101	\$ 94,105	\$ 94,105
Auditing Fees	\$ 5,000	\$ 0	\$ 0
Special Services (Licenses)	\$ 80	\$ 300	\$ 300
Water/Sewer Utilities	\$ 17,500	\$ 17,300	\$ 17,300
Natural Gas	\$ 17,000	\$ 17,000	\$ 17,000
Electricity	\$ 168,095	\$ 104,000	\$ 104,000
Custodial	\$ 6,080	\$ 0	\$ 0
General Maintenance	\$ 32,789	\$ 29,561	\$ 29,561
Building & Grounds Maintenance	\$ 27,041	\$ 27,041	\$ 27,041
Vehicle Maintenance	\$ 37,580	\$ 35,820	\$ 35,820
System Maintenance	\$ 22,104	\$ 18,104	\$ 18,104
Rent of Equip	\$ 6,640	\$ 8,640	\$ 8,640
Insurance - Catastrophe	\$ 13,123	\$ 11,930	\$ 9,415
Insurance – Liability	\$ 36,999	\$ 33,635	\$ 33,635
Communication	\$ 9,758	\$ 10,892	\$ 10,892
Cellular Phone	\$ 5,640	\$ 5,520	\$ 5,520
Advertising	\$ 5,000	\$ 5,000	\$ 5,000
Travel and Lodging	\$ 30,145	\$ 26,145	\$ 26,145
Mileage	\$ 1,000	\$ 1,000	\$ 1,000
Conventions and Schools	\$ 6,395	\$ 5,400	\$ 5,400
Prof Dues & Subscriptions	\$ 10,935	\$ 9,535	\$ 9,535
Law Enforcement Education	\$ 800	\$ 800	\$ 800
Office Supplies	\$ 3,000	\$ 3,500	\$ 3,500
Minor Apparatus & Tools	\$ 3,800	\$ 3,250	\$ 3,250
Uniforms	\$ 1,650	\$ 1,650	\$ 1,650
Postage & Shipping	\$ 900	\$ 900	\$ 900
Botanical & Agricultural	\$ 3,304	\$ 3,304	\$ 3,304
General Supplies	\$ 34,971	\$ 35,821	\$ 35,821
Safety Equipment	\$ 809	\$ 809	\$ 809
Gasoline	\$ 23,000	\$ 23,000	\$ 23,000
Food	\$ 1,000	\$ 1,000	\$ 1,000
Administrative Charges	\$ 0	\$ 5,000	\$ 5,000
Machinery	\$ 0	\$ 49,848	\$ 49,848
Technology Capital	\$ 3,202	\$ 3,202	\$ 3,202

Overall Budget Totals

Operation Expenses

<u>Proposed 2016</u>	<u>Revised 2015</u>	<u>Original 2015</u>
\$ 1,509,921	\$ 1,416,170	\$ 1,385,677

Operation Revenues

\$ 1,509,921	\$ 1,416,170	\$ 1,385,677
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Under/(Over) Revenue

<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>
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Director's Report

	2013	2014	DIFFERENCE
Air Traffic	103,003	100,540	-2.3%
Fuel Flowage	1,332,312	1,472,925	11%
Passengers	62,682	66,503	6%
Load Factor (%)	72	75	4%

	2 nd quarter 2014	2 nd quarter 2015	DIFFERENCE
Air Traffic	24,985	24,100	-3.5%
Fuel Flowage	374,629	398,747	6%
Passengers	17,028	16,697	-1.9%
Load Factor (%)	75	76	1%

Director's Report

RENTAL CAR CONCESSIONS					
	2013 Revenue	2013 Monthly Fee	2014 Revenue	2014 Monthly Fee	Difference in Monthly Fee
ALL	\$175,260	\$17,528	\$192,037	\$19,203	10%
RENTAL CAR CONCESSIONS					
	2 nd quarter 2014 Revenue	2 nd quarter 2014 Monthly Fee	2 nd quarter 2015 Revenue	2 nd quarter 2015 Monthly Fee	Difference in Monthly Fee
ALL	\$50,445	\$5,044	\$57,447	\$5,744	14%