



SAN ANGELO REGIONAL AIRPORT AIRPORT ADVISORY BOARD - OFFICIAL MINUTES

For a meeting held Thursday March 17, 2016 in the South Meeting Room located at
501 Rio Concho Drive, San Angelo, Texas at 1:30 P.M.

Board Members Present

Charles Powell
Fred Key
Sonny Sanders

Pat Nuytten
Robert Frank

Teresa Special
Dave Dierker

Board Members Not Present

Others Present

Luis Elguezabal
Courteney Obr

Janice Crimm
Mitch Sprunger

Terry Parker

ORDER OF BUSINESS

OPEN SESSION

Chairman Charles Powell called the meeting to order at 1:30 P.M. Mr. Powell continued by calling for an approval or to modify the last meeting's minutes. Mr. Pat Nuytten moved for approval of the minutes from the August 19, 2015 Board Meeting, with a second by Ms. Teresa Special; 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 Mitch Sprunger.

UPDATE on FAA's Instrument Landing System (ILS) renovations

Mr. Mitch Sprunger reported the FAA has been at the airport replacing non-standard equipment, including the ILS Localizer located inside the safety area of runway 3/21, the runway 18 reils, and the papi electrical boxes which were also located inside the runway safety area. These have

check on the localizer took place last week, it's now back in operation. Currently the rails and papi are out of service as FAA technicians need to adjust these. The construction completed with no runway incursion. FAA paid for the relocation. City funds were not used on this project.

DIRECTOR'S REPORT

2014 vs. 2015

Air Traffic is down 11.8%.

Fuel Flowage down 10.2%

Passenger Enplanement is down 0.3%

Load Factor is down 4%.

Air Traffic and Fuel Flowage coincide with each other. Military traffic has gone up and general aviation has gone down. Load Factor for January of this year is low and February picked up additional flights which are full again.

Rental Car Concessions: 2014 vs. 2015 increased 16.5% over last year 2013 vs. 2014. All rented cars at the airport except Enterprise, which is not located at the airport, is tracked. The tracking is the actual number of transactions verses dollar amount. All the extras are also included in the numbers (insurance, gas etc).

Mr. Dierker wanted to know if the ILS had an effect on the air traffic numbers being so low in 2014-2015. Mr. Sprunger replied he didn't think the ILS had much of an impact on those numbers. The controllers in the tower were able to use the R Nav approach. Mr. Elguezabal explained the trend in general aviation is down and the military has gone up this the past year. We had our engineer looking at a future master plan, the forecast numbers show that general aviation has dropped and military has picked up. The drop is due to a slowdown in the energy sector. We do not have the daily trips from large aircraft coming in from Oklahoma (Devon Energy). We used to see their jets on the ramp every day. Now we don't see any.

Mr. Franks wanted to know if the drop in aviation is specific to us or is it statewide or nationwide. Mr. Elguezabal stated nationwide there has been a drop in general aviation. The price of fuel has been a big factor in West Texas. The energy factor has been the correlation in the drop. Midland/Odessa has dropped considerably, not only in general aviation but also in passengers. Amarillo and Lubbock have seen a drop in passengers as well, but not so much at Abilene. Midland/Odessa has taken the biggest hit in both air traffic and passengers. Mr. Nuytten stated that Lubbock has shut down one of their runways.

Mr. Key stated in his studies and the Boards he has been involved with since January has noticed energy is really are back to normal as what was two years ago. Mr. Elguezabal agreed if you take the energy sector out we are probably at the same rate as 2013. We started seeing an increase in 2010, which means we are still in pretty good shape as compared to Midland/Odessa and some others. Energy did have a large impact on the air traffic and fuel flowage.

Mr. Dierker wanted to know about the t-hangar waiting list and how many are vacant. Ms. Crimm stated there are two t-hangars available, Mr. Dierker thought maybe we over shot the rent cost of hangar by counting on more energy related business. Mr. Elguezabal explained when we did the study in 2014 for Rates & Charges we were the lowest in West Texas. Since our studies, some airports rates have gone up. Council has directed us to look at the Rates & Charges every three years. The next review will be in 2017 and we will compare with similar airports.

We have forty t-hangars and four executive hangars. The two that are vacant have been vacant since December 2015. Calls and messages have been made to persons on the waiting list and

there has been no response back as of today. A couple of persons on the list are looking to buy a plane; they do not have one at this time.

Mr. Dierker also wanted to know if maintenance has been made to t-hangar roofs and doors. Mr. Sprunger replied that we have patched some roofs and got the doors operational. He also stated that if any tenant roofs are leaking to contact the office. Mr. Elguezabal explained that our Risk Management department is still fighting with the insurance company to fix the damages from two years ago. Due to this several hangars are unfortunately still waiting to be repaired.

Mr. Dierker wanted to know if the asphalt around the hangars where the grass is growing through the asphalt through belongs to the city. Mr. Elguezabal replied the middle t-hangar between Skyline Aviation and Ranger Aviation belongs to the city. The t-hangars at the south end belong to tenants.

UPDATE ON UAS OPERATION

Mr. Elguezabal explained the UAS is an Unmanned Aerial System. We had drones operate out of Customs this winter. Homeland Security has three predator aircraft out of Corpus Christi; two of those flew on a pilot program here in San Angelo. The last week they were here, they operated all three predators. Mr. Elguezabal received an e-mail on the success of the operation stating that they managed to fly 84.8% of their scheduled missions which was more than if they had launched out of Corpus Christi. As a note, the down time was due to maintenance and not weather. They managed to base a third UAS during the deployment. We were told it was a good experience and pilot program and they would like to come back next winter.

Mr. Elguezabal explained the program did not impact one person except one instance with Mr. Nuytten doing a run up during the shutdown of the airspace when the predator was taking off. The airspace was shut down when the predator took off or landed. They worked great with the tower and all the pilots, including American Airlines. The predator would deploy for fifteen hours, leaving early in the morning to patrol the borders and return the next morning.

Mr. Franks wanted to know how many personnel were involved with the program. Mr. Spurger stated around twenty people were associated with the project, eight pilots plus the mechanics.

Mr. Franks also wanted to know if they would consider this a permanent location or just in the winter. Mr. Elguezabal replied he offered but right now they are looking at the pilot program to see if they can operate. We are the first civilian airport to operate an unmanned aerial vehicle for the government. They operated out of NAS Corpus Christi, North Dakota and Arizona at military bases. We are the first civilian airport to operate the UAS for the government. For us, it was a huge success.

Mr. Nuytten wanted to know which hangar they used, Mr. Elguezabal explained they used their own Customs hangar. Adjacent to the Customs hangar is the old AMCOM North hangar, which would be ideal for the predator. The hangar can house the sixty foot wingspan and it would fit through the doors which is only twelve foot high.

Mr. Elguezabal informed the Board the gambling charters, Sun Country and Xtra Airways, which were handled by American Airlines, are now being handled by the FBO's Ranger Aviation and Skyline Aviation. The FBO's operate below the wing. Our staff has been assisting above the wing, which is operation of the jet bridge and boarding of passengers. Ranger is working Xtra Airways and Sun Country with Skyline. We have had only good comments from the passengers thus far, including more efficiency and faster loading. Mr. Sprunger commented that so far we have had two charters a month.

Mr. Frank stated he is concerned in the delay of the gate opening and closing he uses to get to his t-hangar and that the deer that graze around that gate could wander in. Mr. Sprunger stated the gate in question is programmed to close in twenty seconds, he can shorten the time to ten or fifteen seconds.

FUTURE AGENDA ITEMS

Update on American aircraft storage and financials

EXECUTIVE SESSION

At 1:57 PM, the board convened in a closed Executive Session under the provision of Government Code, Title 5. Open Government: Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be open under the following sections: Section 551.087 to discuss an offer of financial or other incentive to an aeronautical services company at the airport.

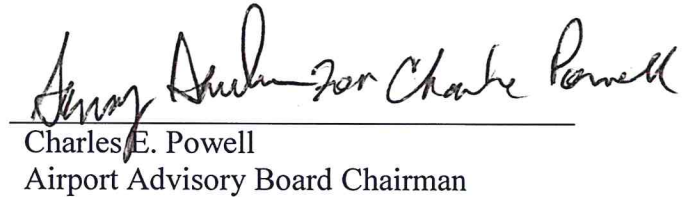
OPEN SESSION

At 2:30 PM, the board concluded the Executive Session and welcomed the public back for open session


Mr. Powell thanked everyone for their attendance and the meeting was adjourned at 2:35 P.M.



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



Charles E. Powell
Airport Advisory Board Chairman



Airport Advisory Board
March 17, 2016



Airport Advisory Board

- Item No. 2 – Pledge of Allegiance.



Airport Advisory Board

- Item No.3 – Airport Advisory Board meeting minutes.



Airport Advisory Board

- Item No. 4 – Public Comments.



Airport Advisory Board

- Item No. 5 – Update on FAA’s Instrument Landing System (ILS) renovations







Airport Advisory Board

- Item No. 6 – Director’s Report



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%

	2014	2015	DIFFERENCE
Air Traffic	100,540	88,614	-11.8%
Fuel Flowage	1,472,925	1,322,567	-10.2%
Passengers	66,503	66,257	-0.3%
Load Factor (%)	75	72	-4%



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					
	2014 Revenue	2014 Monthly Fee	2015 Revenue	2015 Monthly Fee	Difference in Monthly Fee
ALL	\$192,037	\$19,203	\$223,802	\$22,380	16.5%



Airport Advisory Board

- Item No. 7 - Future Agenda Items
- Next Scheduled Board Meeting:



Airport Advisory Board

- **CLOSED SESSION**
- Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be open under the following sections:
 - Section 551.087 to discuss an offer of financial or other incentive to an aeronautical services company at the airport.