



# SAN ANGELO REGIONAL AIRPORT

## MATHIS FIELD

8618 Terminal Circle, Suite 101 • San Angelo, Texas 76904 • 325-659-6409 • Fax 657-0050

### AIRPORT ADVISORY BOARD – OFFICIAL MINUTES

For a meeting held Thursday, March 19, 2020 in Airport Conference Room located at the San Angelo Regional Airport Mathis Field at 8618 Terminal Circle, San Angelo, TX 76904, at 1:30 PM.

Board Members	Initial date	Term	Present	Most Recent Appt. Date	Rolling Attendance			Term Expires
Charles Powell	1997	6	Yes	10/2016	5	Out of	7	10/2019
Fred Key	1997	6	No	10/2016	2	Out of	7	10/2020
Patrick Nuytten	2008	3	Yes	4/30/2018	5	Out of	5	10/2021
Teresa Special	2014	1	No	9/19/2017	5	Out of	7	10/2020
Robert Frank	2015	2	No	5/17/2018	2	Out of	5	10/2021
William Pritchard	2017	1	Yes	9/25/2017	6	Out of	7	10/2020
Joseph Rallo	2018	0	Yes	10/11/2018	4	Out of	4	10/2020
John Bariou	2020	1	Yes	2/20/2020	1	Out of	1	10/2021

#### Others Present

Jeremy Valgardson      Shaun Cookson      Bruce Burkett      Dan Saluri      Deb Harford

### ORDER OF BUSINESS

#### **OPEN SESSION**

Mr. Powell called the meeting to order at 1:30pm. Mr. Powell spoke to the group of his time in service to the City and his immediate resignation due to health concerns. He stated he has learned a lot from previous and current board members and airport administration. He wished the current and future board and administration the very best of luck and that he would stay in touch. "Thanks for the memories."

There was some question on the protocol for ratifying the previous meeting's (September 2019) minutes and it was decided there needed to be a new Chair in place first. Mr. Saluri recommended taking nominations at this time.

Mr. Valgardson then presented Mr. Powell with a plaque and Airport coin commemorating Mr. Powell's commitment to the Airport and his years of dedicated service.

The question was asked if a new Chair/Vice Chair should be nominated at this time. It was decided to follow the Agenda and continue with the Pledge of Allegiance.

## **PLEDGE**

The Pledge of Allegiance was recited by the group before proceeding further.

## **CHAIR NOMINATIONS**

Mr. Valgardson recommended taking nominations for Chair and Vice Chair. Mr. Nuytten nominated himself for Chairman, Mr. Pritchard seconded the nomination. The motion passed unanimously.

Mr. Nuytten then sought nominations for Vice Chair. Mr. Pritchard and Mr. Rallo nominated themselves, with Mr. Rallo deferring to Mr. Pritchard. Mr. Bariou seconds the motion for Mr. Pritchard's nomination. The motion passed unanimously.

Mr. Valgardson then brings to attention that a new secretary should be nominated as Janice Crimm has retired. Debra Harford was nominated by Mr. Pritchard and Mr. Nuytten seconds. The motion passed unanimously.

## **PREVIOUS MEETING'S MINUTES**

Mr. Nuytten calls for a vote to ratify the previous meeting's (September 2019) minutes. Mr. Rallo would like to strike mention of Fred Key on the last page and makes a motion to such. Mr. Pritchard seconds that motion; the motion passed unanimously.

## **PUBLIC COMMENT**

There was no public comments. Mr. Nuytten turned the meeting over to Jeremy Valgardson, Airport Director.

At this point, Mr. Powell dismissed himself from the meeting.

Mr. Valgardson thanks the group for coming out in spite of the public health safety issues (COVID-19). He updates Board Members on the Airport's, Airlines, and TSA's COVID-19 management plans. It is made known that the Airport will remain open. The Airport has critical operations such as American Airlines, National Guard, medical flights, and CPB. We will continue 24/7 operations. The Airport maintenance staff has increased the cleaning and sanitizing strategies at the airport.

## **Disadvantaged Business Enterprise (DBE) Plan**

Mr. Valgardson explains the Federal DBE program and its requirements. Mr. Rallo questions if the discrimination category is complete as listed and Mr. Valgardson explains that this comes straight from the FAA advisory circular. Required DBE liaison officer is Jeremy Valgardson with Assistant City Manager as his back up. We must show good faith effort that the airport is reaching out to DBE contractors for opportunity to bid. For Federal Grants over \$250,000 (cumulative) throughout the year. Because we are required to comply with DBE requirements.

The overall DBE plan is a three year plan for FY 2019 - 2021. Airport's upcoming projects: Rehabilitation of Runway 18/36; Rehabilitation of Commercial Ramp; Terminal Drainage Improvements; and Environmental assessments. Airport anticipates \$2,777,888.89 in awarded grants.

The Rehab of Runway 18/36 was previously approved by City Council but we did not meet the DBE requirements, so the project was pulled. The prime contractor, American Road Maintenance, was not able to show good faith effort in achieving the goal. Mr. Pritchard asked about contractors that may not have the experience needed for Airport projects. Mr. Valgardson states that we will only go with contractors that have the experience needed, that we just have to show a good faith effort in acquiring subcontractors. Mr. Valgardson comments that there are not a lot of DBEs to pull from in the Airport's designated area. TXDOT website lists contractors. Mention of our public DBE meeting which gave the opportunity to inform the public about registering as a DBE. We are looking at more community outreach with ASU.

Because of a missed goal in 2017, the Airport has been tasked with meeting 1% Race Conscious (RC) - contractors must obtain 1% DBE participation in bidding or subcontracting, in addition to the 5.26% Race Neutral (RN) requirements.

Mr. Valgardson is seeking a recommendation to take to City Council to adopt the three year DBE plan with a three year average DBE participation goal of 6.26%. Mr. Pritchard asks if this goal can be met, Mr. Valgardson thinks it is an attainable goal. Mr. Pritchard motions to approve this goal, Mr. Nuytten seconds; the motion passed unanimously.

### **Update Airport Rates and Charges**

#### **Rental Car Leases**

Avis/Budget are current tenants; Enterprise Holdings is interested in moving into the Airport. Hertz/Dollar/Thrifty filed bankruptcy and is no longer an airport tenant. Currently, rental companies pay the greater of 10% of gross sales or \$2,000 per month. Average current car rental monthly payment: \$8,500.00. Airport proposes increasing the monthly minimum to \$2,500 or 10% of gross sales per brand, whichever is greater. We propose a 1-year lease with 1-year extension for Enterprise. Their rates would be based on our current charges: \$19.00/sf/mo. for terminal counter fees, \$0.38/sf/yr for quick turn land lease; 10% gross sales or \$2,000 monthly minimum (whichever is greater). Companies are limited to two brands per counter. Looking for recommendation that City Council approves the rental car leases as proposed. Mr. Nuytten motions to approve, Mr. Bariou seconds. The motion is passed unanimously.

Mr. Rallo expresses concern over the lack of a way to deposit keys for rental cars outside of terminal hours. He brought this up at the last meeting. There is some discussion as to what a solution might be. Mr. Valgardson says there would have to be some type of infrastructure modification to accommodate a way to drop keys off into the building. Mr. Rallo is concerned about customer service. Mr. Valgardson says we will work with car agencies and their leases.

Mr. Valgardson states that Airport Rates and Charges have not been updated since 2017. A "fair market value" analysis was conducted from commercial service airports in Texas and surrounding states and rate changes are justified using a "cost calculator." The goal of the Airport is to be as self-sustaining as possible. General Funds will subsidize some of our projects, but we have to pay them back. The Mayor has tasked the Airport to generate revenue. Historically General Aviation has bolstered the revenues at the airport.

#### **Proposed Rate Increases:**

##### **· Aeronautical Use/Land**

Raw land currently leased at \$0.12/sf/yr. Airport is proposing increase to \$0.15/sf/yr (ex: 15,000sf = \$188 per month)

##### **· Rental Car Concessions**

Proposing 10% of gross sales or \$2,500 per month per brand (whichever is greater)

##### **· Rental Car Terminal Parking (Ready Return – 53 stalls)**

Proposing \$9.00 per stall per month

##### **· Security Fees**

Airport Security Plan requires lost badge fees. These have been implemented in our plan since 2014 but are not in the City Resolution. Mr. Cookson states that 95% of all badges must be accounted for or everyone in that group needs to be rebadged at considerable expense to the Airport. Concerns were made regarding lost badges and Mr. Cookson assured the Board that we have security measures in place to remotely disable badges. Question posed regarding how many lost badges we have here and Mr. Cookson stated that Officer Burkett's annual audit last year showed close to the 5%. Because the fee schedule has not been ratified we do not have any authority to charge for lost badges. Looking for adoption of resolution to charge for lost badges/keys. Mr. Saluri said we need to be sure the actual costs are related to

the fees, so as not to be seen as imposing a tax. Mr. Nuytten asks who is able to issue badges: Officer Burkett is authorized for SIDA badges as well as GA, Mr. Valgardson and Mr. Cookson for GA badges only.

Parking Lot Fees

Parking is the best form of revenue for any airport. We currently charge \$0.00. We have 487 stalls, 250 filled on an average day. Our proposal is to charge \$3.00/day, with the first 3 hours at no charge (for restaurant use, etc.). Approximately \$275,000 could be generated annually. Mr. Valgardson presented two options for paid parking: Honor System (\$20-50K to implement) and Full System (\$250-350K to implement). While costing more to implement initially, the Full System is the recommended choice in that more revenue can be generated. Mr. Rallo has concerns about passengers being delayed in getting to their flights with the Honor System because the passenger would have to pay on their way in. Mr. Nuytten wonders about long term/short term lots. Mr. Valgardson said all lots would be consolidated into one, no long or short term. Mr. Bariou questioned how tickets would be processed through the Honor System. Would money stay at Municipal Court? Mr. Nuytten asked about handicapped parking, would they pay? Mr. Saluri addressed that saying they would need to turn in their handicap parking spot number and have it show "no charge."

Parking Lots-Maintenance

Terminal Parking Maintenance Cost: Rehabilitation would be approx. \$140,000 for crack seal, seal coat, and paint. Reconstruction would cost \$2-4 million for removal and replacement of pavement, paint, and curb and gutter work.

Mr. Valgardson requested recommendation from the advisory board to present these fees to City Council for the next fee review.

- 1. Aeronautical Use/Land: \$0.15/sf/yr
- 2. Rental Car Concessions: 10% gross sales or \$2,500/month per brand (whichever is greater)
- 3. Rental Car Terminal Parking: \$9.00 per stall/month
- 4. Terminal Parking: \$3.00 per car/day (first 3 hours free)
- 5. Security Fees:

<u>Lost badge</u>	<u>Re-core locks</u>	<u>Replacement key</u>
1 <sup>st</sup> offense: \$100.00	\$100.00	\$25.00
2 <sup>nd</sup> offense: \$200.00		
3 <sup>rd</sup> offense: \$300.00		

Mr. Pritchard motions to approve, Mr. Rallo seconds; the motion is passed unanimously.

Mr. Valgardson reminds the Board that the Rates and Charges won't go to City Council until November.

**Director's Report**

City Council approved the Airport Entrance Road Rehabilitation project with \$2,126,634.00. The Passenger Facility Charges (PFC's) fund balance will pay the first \$900,000 (roughly) and the remainder will be paid for by the City. The Airport will pay the back through PFC revenue as it is earned. Construction should begin in mid-July. Approval is still needed on a contractor. Mr. Nuytten would like to look at digital signage for the entrance. Mr. Rallo has had concerns about the aesthetics.

Masterplan: Waiting for FAA review. We're about 90% complete.

Runway 18/36 Rehab: Open bids will be held next week (week of March 23, 2020). Project consists of sealcoat, rubber removal and new paint. Work should begin by the end of May; approximately 30-day project. Grant is for \$1,200,000.

The C-5 will be returning with Customs and Border Patrol equipment. The expected return is April 4, 2020, and they are looking at it being a media & public event (outside the fence). Mr. Nuytten had questions on whether there are to be additional drones. Mr. Valgardson says there are a lot of improvements over at CBP but no new drones at the moment.


#### **Future Agenda Items**

Mr. Valgardson asks the Board if they have any future agenda items, questions or concerns they would like to discuss. Mr. Rallo spoke of the Aviation Management Program at the business school at ASU. He thought there could be some cooperation with the Airport. Mr. Valgardson says there have been negotiations with them previously. Mr. Rallo was going to provide some more information.

Date of next meeting: June 18, 2020.

Jeremy said the FAA 139 Airport inspection was cancelled for next week. Mr. Pritchard asked about American Airlines' plan for San Angelo. Right now it's business as usual; there could possibly be future reductions with what is going on (covid-19). Mr. Nuytten asked about the two remaining planes that will be going to Arizona. Mr. Cookson said the time frame for the move taking place any day according to the FBO.

Mr. Bariou made a motion to adjourn the meeting, Mr. Rallo seconded. The motion to adjourn was unanimous and meeting was adjourned at 2:50 P.M.



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Jeremy Valgardson, C. M.  
Airport Director



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Patrick Nuytten  
Airport Advisory Board Chairman