



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, September 2, 2021 at 1:30 p.m. in the San Angelo Regional Airport conference room, 8618 Terminal Circle, San Angelo TX 76904

Board Members	Initial date	Term	Present	Most Recent Appt. Date	Rolling Attendance			Current Term Expires
						Out of		
Bruce Partain	2020	1	Yes	11/3/2020	3	Out of	3	10/2022
Patrick Nuytten	2008	3	Yes	4/30/2018	10	Out of	10	10/2021
Teresa Special	2014	1	Yes	9/19/2020	9	Out of	12	10/2022
Robert Frank	2015	2	Yes	5/17/2018	6	Out of	10	10/2021
William Pritchard	2017	1	Yes	9/25/2020	11	Out of	12	10/2022
Joseph Rallo	2018	1	No	10/11/2018	6	Out of	9	10/2022
Mark Clark	2021	1	Yes	5/15/2021	2	Out of	2	5/2023

Others Present

Jeremy Valgardson Michael Dane Abel Tarin Michael Ragan Keith Muncey Deb Harford

ORDER OF BUSINESS

OPEN SESSION

Mr. Nuytten welcomed everyone and called the meeting to order. The Pledge of Allegiance was recited.

Mr. Nuytten asked if there were any questions on the minutes from the May 27, 2021 meeting, which there were none. A motion to approve the May 27, 2021 minutes was made by Mr. Pritchard. Mr. Partain seconded. The motion passed unanimously.

Mr. Nuytten asked for public comments. There were none at this time.

Mr. Nuytten turned the meeting over to Mr. Valgardson to continue with the meeting's agenda. Mr. Valgardson introduced the new full time Law Enforcement Officer for the Airport, Keith Muncey.

NEW LEASE AGREEMENT WITH MATHIS GRILL

Ms. Melissa Lee has owned the grill for a year and a half and is now looking to sell. Ms. Lee does own all of the equipment currently in the Mathis Grill. After talking with parties interested in buying the business, Ms. Lee has sold to Mr. Abel Tarin, who also runs the Mathis Field Café. There will not be a lease transfer, as Ms. Lee's lease has expired.

The Airport will be looking at a new two-year lease with three one-year extensions, per FAA restrictions due to the Grill being an in-terminal concessionaire. Rent is \$300 per month or 5% of gross receipts, whichever is greater. Mrs. Special inquired as to whether this needed additional proposals, but Mr. Valgardson said that wasn't required because Ms. Lee owned the business in its entirety; the Airport is not required to go through a full vetting process since Mr. Tarin is already a tenant. Currently the Grill is only open Monday through Friday and Mr. Tarin would like to extend that to add Saturdays. Mr. Ragan (American Airlines) inquired about Sundays, concerned that the Airport doesn't have an open eating establishment for flying customers. Mr. Valgardson replied that the Airport cannot dictate when the restaurants are open but perhaps something could be negotiated. There is less GA traffic on Sundays, as well as fewer military landings. Mr. Tarin stated that it is a difficult time to get employees for full time staffing needs.

Mr. Pritchard commented on the vending machines. Mr. Valgardson stated that the candy/chips machines are maintained in-house, so they're generally full. The Coke and Pepsi machines frequently run out of water due to those companies having difficulty in getting drivers, as well as product. These issues are still reconciled to covid. Pepsi has committed to bringing in an additional machine that will be located after TSA, near the elevator. Consensus is that a coffee machine would be a great addition.

Mr. Nuytten recommended entering a lease agreement with Abelardo Tarin LLC, dba Mathis Grill, with the lease rates and terms as described. Ms. Special seconded the motion; it passed unanimously.

NEW LEASE AGREEMENT WITH CUSTOMS AND BORDER PROTECTION

The Airport has been in negotiations with CBP for over a year to lease the AMCOM Hangar. This is an old hangar, in some disrepair, that the Airport currently stores tractors in. CBP is expanding both their unmanned and manned programs and are needing more space. There are approximately \$1M in improvements that CBP wants the Airport/City to make in the hangar, and several improvements that they are willing to make. Airport improvements include:

- Fire suppression system (*approx. \$500K, plus pump house*)
- Bathroom upgrade to ADA compliancy
- Hangar bay lighting (*approx. \$250K*)
- Other miscellaneous maintenance items

CBP is willing to invest \$2-3M to upgrade the offices and storage areas. Mr. Pritchard inquired about mitigating environmental issues or hazardous materials being a concern to the CBP. Mr. Valgardson stated that those tests have been completed and there were no concerns found. If the lease goes forward, CBP will be responsible for their own spill prevention plans and storm water plans. Those issues would be on CBP, not the City. Ms. Special inquired if the lease specifies which improvements are the City's responsibility and which are CBP's. Mr. Valgardson said it does specify which improvements the City is to make, but not CBP. The City Manager has signed the first Right of Refusal granting CBP the right to go in and make their improvements to the office areas. Mr. Partain inquired as to improvements for the exterior of the hangar. Mr. Valgardson replied that the improvements are all on the interior at this time.

Economic Development will fund the \$1 million 100% as long as their board approves. Their meeting is scheduled for September 22nd. Mr. Dane stated that the funds are available.

The recommended lease rate of \$193,261 per year is based off the established rates and charges of \$2.70/SF. The Airport is recommending a five-year firm lease with three five-year extensions. The lease can be renegotiated after every five-year term. Ms. Special made the motion to take this recommendation to City Council, seconded by Mr. Clark. It passed unanimously.

DISCUSS BUDGET ITEMS RELATING TO CARES, CRRSA, ARPA GRANTS

CARES – Coronavirus Aid, Relief and Economic Security Act

- \$1,227,539
- Funds can be used for any purpose in which Airport revenue can be used

CRRSA – Coronavirus Response and Relief Supplemental Appropriations Act

- \$1,001,881
- Funds are restricted toward salaries and wages, operations of the Airport

ARGP – Airport Rescue Grant Program

- \$1,327,214
- Funds are restricted toward salaries and wages, operations of the Airport

Mr. Valgardson discussed reserve funding opportunities with the AAB. Some of the major issues the Airport faces:

- Security/camera system (*approx. \$500K*)
- Jet bridges (*approx. \$300K each for refurbishing; new: \$1M each*)
- Parking lot (*approx. \$1-4M*)
- Equipment: i.e. mowers, tractors (*approx. \$300K*)

Board members stated they would like to see all of these improvements, with attention given to jet bridges. Mr. Frank asked about the scope of refurbishment. Mr. Valgardson stated that with refurbishment, the Airport's current jet bridges could go another 10-15 years. Discussion led to security being the priority, with jet bridges following. Mr. Valgardson would like to see some structural improvements, such as terminal bathrooms and the roof over baggage area as these are areas prone to leaking.

Mr. Pritchard inquired about the timeframe for parking lot improvements. Mr. Valgardson replied that these should be starting in the fall of 2022. If FAA funds are used for parking, Airport cannot charge for parking. A different sourcing of funds needs to be found, possibly by a bond. Revenue for parking would be used to pay off that loan and then revenues would go to the operating budget.

The Airport will likely be replacing six air conditioning units on the terminal. This can be done with grant money because it improves the air quality at the Airport.

Mr. Valgardson concluded this item on the Agenda by asking for board members to let him know if there's anything else they believe would be an appropriate addition to the 'funding opportunities' list.

DISCUSSION ON COL. POWELL MEMORIAL

Mr. Partain presented an update on the Powell Commemoration. Consensus from the board members at the last meeting favored a painting. He has spoken with San Angelo artist Ryan Daigleisch who is slated to do a sketch at no cost.

Next steps for memorial: Mr. Partain will get the sketch from Mr. Daigleisch. He will work on flyers and other methods to let potential donors know about the memorial.

DIRECTOR'S REPORT

UNITED/SKYWEST SERVICE TO HOUSTON

SkyWest's last flight out of San Angelo is to be the morning of October 1, 2021. SkyWest has stated that, at this time, the route was not sustainable. There is a pilot shortage that is affecting regional airports around the country. Load factors are right around the 50% mark. City officials have talked with United, but were unsuccessful in getting them to change their plans to leave. SkyWest is going to leave as much infrastructure in place as possible, for their potential return. The Airport is still continuing to talk with other airlines about coming in, possibly with a westward route.

Ms. Special asked how American Airlines is doing and Mr. Ragan replied that they are close to pre-covid; six flights per day Monday through Friday and four to five on the weekend days. International travel is also picking up.

SCASD GRANT

This grant was applied for but Mr. Valgardson believes it was not awarded to the Airport because the City had already agreed to pay United/SkyWest \$1M when they negotiated that contract.

TERMINAL RAMP IMPROVEMENTS, GRANT 44

A bid item did go out for ramp improvements, but the Airport received zero bids. This ramp area (where the FedEx planes park) is deteriorating. Project was estimated at \$1.8M. Reece Albert is the only supplier of FAA-grade material and would not bid due to their full schedule, nor would they sell the material to another company. This should be going back out to bid in October. Mr. Valgardson has the grant in hand, so as soon as the bids come back it should be a quick turnaround for beginning the work.

AIRPORT DRAINAGE STUDY, GRANT 40

The Airport's current drainage cannot keep up with a storm surge. The FAA has requested that the Airport do a drainage study. Mr. Valgardson will be taking this to City Council to have Aviation do the design.

MESQUITE REMOVAL

The contract has been signed and the contractor will be out to spot spray the mesquite that is airside. Along with Texas A&M, the Airport will be doing some test plots. If this method is effective, the Airport will be looking at doing some additional work on the terminal side.

AIR RACES

As of now, the races are still a go for the end of October. Air Race 1 is still waiting for the FAA to give them their waiver so they can fly low and within the Class Delta airspace. Our inspector is concerned about the power lines, so AR1 will have to raise their minimums from 30' to 50'.

Jeremy thanked the public attendees for coming to today's meeting. He then asked for any further comment. Mr. Frank inquired about ASU's flight school. Mr. Nuytten believes they currently have 23 students signed up. Skyline has purchased two planes for the school and are expected to bring in more. Mr. Frank inquired about funding and Mr. Valgardson replied that they have pursued both EDA and EDC grants to build a facility. Mr. Valgardson had invited the director, Mr. Scott Turner, to speak with the board, but was unavailable today.

The meeting was then turned back to the Chairman. Mr. Nuytten closed by asking if there were further questions or comments or future agenda items to discuss. There were none. Mr. Nuttyen motioned to adjourn the meeting, seconded by Mr. Partain. The motion to adjourn was unanimous and meeting was adjourned at 2:10 P.M.

Jeremy Valgardson, C. M.
Airport Director

Patrick Nuytten
Airport Advisory Board Chairman