



## Airport Advisory Board Meeting Minutes JANUARY 9, 2012

### **Board Members Present:**

Dwight Parsley	Kelly Walker	Ronald Stutes	Mark Miller
Larry Goddard	David Dykes	David Jones	

### **Board Members Absent:**

### **Others Attending:**

Davis Dickson, *Airport Manager, COT*  
Carter Delleney, *City Engineer, COT*  
Joe Jones, *Chamber Aviation Committee*  
Carolyn Verver, *HAMM*  
Steve Kean, *Deputy City Attorney*  
Deb Pullum, *Assistant City Attorney*  
Randa Conner, *Jet Center*

Chairman **D. Parsley** introduced the visitors. Called the meeting to order at 12:00 p.m. Quorum was established with seven Board members present (**D. Parsley, K. Walker, L. Goddard, D. Dykes, R. Stutes, D. Jones, and M. Miller**).

**A. Consider approval of Minutes of meeting held on December 12, 2011:** **D. Parsley** entertained a motion to approve minutes as written. Upon motion by **M. Miller** and second by **K. Walker**, minutes were unanimously approved as written.

**B. AABC 01-12-01:** **D. Parsley** read the Communication as follows: *Request that the Airport Advisory Board consider recommending that the City Council authorize the City Manager to execute Work Order #19 for design, construction administrative and bidding-related services with Wisenbaker, Fix, and Associates for the Construction of Rental Car Facility at Tyler Pounds Regional Airport in the amount of \$156,900.00.* **D. Parsley** brings the Boards attention to Page 1 of 3 of the Communication. **D. Parsley** requested that **D. Dickson** give some background information regarding this request. **D. Dickson** takes a brief moment to reflect back real quickly on the master plan that was to start working towards the future plan of the rental car companies. The rental car companies are located on the East side of the building and most of the time they are full. Currently what they do for washing is they travel out Skyway Blvd., to Hwy 64 back down and over to a small facility. Long term planning of the airport is that facility would be more of a non-aviation commercial type facility with no access to the airfield, which would be a really good area for road frontage. The rental car companies would like to see that facility change because they don't like their drivers going out on the public roads with the rental vehicles. Last year there was a consensus from the rental car companies 1) airport to give consideration to a CFC (customer facility charge); there is a briefing in the communication that talks about the CFC and how it works. What it does, for each contract day there is a \$2 collection and remitted back to the airport each month from the rental car companies. The code of ordinances lays out the stringent requirements that it be held in trust for future growth, maintenance of these facilities, those types of things. Design would incorporate feedback from the rental car companies that operate here; they are the ones that are going to be using it, but eventually could be a good revenue source for the airport. The rental car companies are accustomed to these sorts of things but they also stand to benefit because the facility would be right there by the ready car lot. Also as part of the design we hope to have a parking lot to store cars. There are times when there are no cars available depending on which rental car company you choose. With the design and budget

we have it is going to be more of a phased approach, where we build so much to address the needs of the immediate future but leave more land space dedicated for future growth. May look at having fuel, but presently fuel consumption by the rental car doesn't justify the cost. The anticipated projected costs would be about \$1M +/- 100K. So that is what we used as a target budget to develop engineering fees. If the project is about \$1M the percentage would be about 7% which is what would be a fair price to pay an engineering firm. The project is not bid so we have to negotiate those fees. What we are proposing today on page 2 is a number of the fees in detail for this work order. In the communication we described the work order proposed and you can see in the Exhibit on page 3 shows where the facility will be located. **K. Walker** do you have a figure or estimate of how much we have collected on CFC funds? **D. Dickson** currently we have accruals of about \$80 - \$90K in our fund right now. What would happen is, from that CFC, we estimate that we accrue about 90K a year depending on activity and might have some type of loan to go ahead and allow the work to begin for the construction. At a later time once the preliminary is done with real hard cost and making sure we have plan that can work within those costs. **D. Parsley** so the funds would be city funds with no participation by the FAA. **D. Dickson** none at this point, there might be in the future, if we were to build a fueling road that leads up to it, might incorporate some maintenance facility into that complex if that is the case we may get some FAA funds but typically this doesn't qualify. The CFC was the real intent of the program and for this project. That is where the funding would derive from. **D. Parsley** so is there not enough in that fund there would be a little borrowing involved? **D. Dickson** it could be like a revenue bond or something of a smaller scale like a loan that would be guaranteed by the collections. **J. Jones** what is the difference between project representative and contract administrator, in our business we have CA which covers both of that. **D. Dickson** construction administrator would be, reviewing all the test reports, invoicing, doing submittal reviews and approvals from the contractor. As for the project representative itself, we pay an hourly rate for a person to be on site for quality control. **J. Jones** in our business it is part of construction administration to have someone on site **D. Dickson** it based on an hourly rate. The 24,200 for example, the project representative will need to document their time, the same representative might be working out on the airfield coming in and making spot checks and charge by hourly basis. On most City of Tyler projects we do it "in house" and we may decide to do that here but we want to go ahead and create some budget for it. But on FAA projects it really doesn't make a lot of sense for us to do it in-house. **M. Miller** is the road going to be added? **D. Dickson** at this point the road would not be in this phase of the work, but look for it to be in another project down the road. We have the dirt work and the road bed in place. **M. Miller** what is the facility going to look like? **D. Dickson** just to give you an idea on the scale, on the south loop there was a car wash facility built in front of Travel Masters. If we can make the budget work, would like to see the facility compliment the architecture of this building with a brick façade even though it will be a utility facility. **D. Parsley** we all had some sticker shock when we saw the estimate, **L. Goddard** isn't it construction steel that you never know the price because it goes up every day? **D. Dickson** they don't quote it for long term. **D. Parsley** if all cars are available how many cars do we approximately have? **D. Dickson** currently we have five different agencies represented and there are 104 spaces available. **D. Parsley** did all the agencies look at this proposal as something very optimistic and important to them to operate successfully and profitable? **D. Dickson** Yes, they were the ones that really urged the airport to consider the CFC. Remember when we adopted the code to take the CFC under consideration; they were supportive of it with no opposition. They would really like to see it. 1) The facility over on the other side of the airport is owned by National Rental Car. So they are paying National for the use of that facility and if they don't get along with National they are going into town. **K. Walker** do they do maintenance at that facility as well wash. Where do they do their maintenance? **D. Dickson** I believe they take

those into town. **D. Jones** where do they do fueling. **D. Dickson** fueling used to be done at National building and they took the tanks out and drive to town. Fuel can be a potential good resource for us and it can be another revenue center for the airport. We need to really focus on the revenue centers and how we can make facilities work good for our customers and be good for the airport. **L. Goddard** has there been any expenditures from the CFC fund? **D. Dickson** there has. Spent about \$10K to do the feasibility to get the program started to present to the rental car companies of what the scale could be, and also gathering information on what other facilities similar to that. **Randa** Jet center uses National. We have an agreement and use many rental cars a month with them and know that a lot of their other customers come from the airlines. What happens if something happens to the airlines and they start pulling flights and there are not enough passengers for the cars? What happens if we lose an airline and spent the money for the improvements on the rental car facility and we have no people? **D. Dickson** it is a risk you take. With any business if it drops off you have those facilities. Certainly I am not seeing rental car companies going away; they compete heavily to serve out of here. **Randa** we send them a lot of business and there are times when they are out of cars and have to send them into town. **D. Dickson** same holds true when you build a facility on the airport, if business drops, it may be temporary but I feel confident that we will continue to see the flights and we don't always have customers that fly, they drive in park and get a rental car. **M. Miller** are we going to add the extra lot? **D. Dickson** a portion of it. **D. Parsley** what would be the proposed start date? **D. Dickson** if recommended by the board, bring this to the City council on January 25th and if they give approval then we would go ahead and start the notice to proceed a couple weeks after. **D. Parsley** any more questions? **D. Jones** FAA forms; encumbrances and clearances? **D. Dickson** anytime you do construction on the airport you have to fill out 7460 form and they want to put that on their 5310 form to locate all the facilities and checking air space. It is cheap insurance but there are quite a few forms we fill out. You have to do surveying, coordinates, and heights of the building. **D. Parsley** motion to approve **L. Goddard**, and second by **M. Miller**. Recommendation passes.

**C. Airport Manager's Report:** **D. Parsley** turned the attention of the board to agenda item 5, the Airport Manager's Report. He requested that **D. Dickson** discuss the 3 items noted. **D. Dickson** not able to tour the runway safety area today. Currently there is a lot of dirt work going on. Displaced the threshold, still operating pretty well and have not really heard a lot of negative feedback because of the cool weather but certainly want to get into this and get it done during the cool weather. We are trying to accommodate the contractor like their NAVADS that need to be relocated and do everything we can out of the safety areas so when they get to that 30 day window shutting the runway down, we make sure we have been as cooperative as we can to get in there and get out. We would like to make 20 days or 10. This month since last report, there really has not been any significance of work done, but the contractor last week was moving a lot of dirt. One thing you might get some feedback and we have been getting feedback on is the route they are taking this dirt is on a county road. We are seeing some deterioration of that county road. So we have instructed the contractor to have patching materials on sight so that we treat our neighbors well. Still when you try to treat your neighbors well there is going to be some inconvenience at times. The commissioner for this area is Jeff War. Have spoken with him and the county. We look for the contractor to be finished in about another 2 weeks of work. Afterwards we plan to come back and take out those bad areas of the road, take the pavement surface out and replace it with asphalt. It is not going to be a rebuild of the road but repair the damage that has been caused. Some of the damage has been caused by heavy traffic from the Loop 49 project and we would like to get a little help from those guys. I have received some calls about the trucks from some of the neighbors and you may get a call. I wanted you to be aware what we have

planned as a response and proactive about it. They have now cut the runway to grade; they are getting ready to start liming the soil, to make it more stable. Electrical work has started in order to get the lighting extended for the new pavement and so forth. **D. Parsley** has most of the dirt been moved over now? **D. Dickson** most of it has. We had a change order set aside for the 100,000 cubic yards and over 40,000 yards has been moved. We may not make the 100,000 cubic yard goal but anything is better than nothing. **L. Goddard** commend on getting the work moving despite weather conditions. **D. Dickson** contractor has been good about grading so that the water runs off better but then balance that with the erosion control.

A lot of our engineering contracts you see are from Wisenbaker, Fix or (KSA). They are our engineer where our work orders go and they have been under contract for the past 5 years. That is the limit. We have advertised for submission of qualifications in order to begin reviewing the qualifications again. Remember we talked about in the past with the City of Tyler or Municipality like we are, we cannot select an engineering firm based on bid pricing, it is based on qualifications. We see that this was the right time to start looking at qualification again. 1) We have this fresh project and thumbs up from the FAA, and rebuilding that runway and bringing over the instrument landing system, this is a big project, lot of money, lot of time and it is just about to get started. 2) About to run out of the 5 year window so we needed to advertise Request for Qualifications (RFQ). Started that back in November, received them in December and asked a couple of the board members, Carter and one more to participate in review of those qualifications statements, score them and review references. Seven firms responded. The scoring was done in such a way that there was a recommendation that came from the committee to award a new contract for the next 5 years and will be bringing that to the next meeting. Finally Joe, I don't have it on the agenda but want to mention that you may have heard on the news that American Eagle (AE) will be dropping the ATR flights and turning them back to their lease holders or owners of the aircraft. Received a call before that went out and was waiting for American to go ahead and make their announcement. It appears that the ATR will be going away we will keep 4 flights because AE will bring in a bigger jet to fill the vacancy from that ATR going away. That came from Dale Morris from American. Joe may have some other information that is out there and that is straight from them. **J. Jones** we didn't come out to badly. We lose 16 seats a day. Our average seat per week through AE is 171 seats a day that will drop to 160 seats per week on the AE side. That is not bad about a 7% decrease. Like to run comparable on other airports Waco's loss is about 29% after this goes into effect, they have 4 ATR and replacing with the smaller jets. Longview is losing 32 seats a day their loss is 16%. I am proud of us. Supposedly at the end of or in April we are going to get all the regular flights back. Tuesday and Wednesday are short days; same thing is true for Colgan if that happens that is good. As for Colgan nothing has changed on that from last report and in the midst of their financial struggles. Trying to get the pilots to take a 5% pay cut and they don't want to. The thing that is different between AA and Continental. AA only uses their AE and Executive airlines, so they have a captive audience. United they have 7 different regional carriers they can use to contract their flights with. Unfortunately Colgan is the only one that uses the SAAB aircraft and that helps make it break even and maybe make a little bit of money but supposedly the SAABs come off contract at the end of 2012, but they have 7 other carriers they could pick from to service Tyler. In total 6 flights per day we average for the wee 312 seats/day and that will drop to 300 seats/per day. In Longview 113/day drops to 95/day. **D. Parsley** explains Clyde's position in relation to the airport. Do we have anyone that represents the airport when the airlines make decisions? Is he ours? **D. Dickson** he is our representative. **L. Goddard** when they make change decisions like this are you notified or do you read it in the paper. **D. Dickson** sometimes I find out when you find out in the paper. I was real pleased that Dale called about the ATR news.

**D. D. Parsley** entertained the motion to adjourn. Upon motion by **M. Miller** and second by **K. Walker**, the motion passed unanimously. Meeting adjourned at 12:45 p.m.

Respectfully submitted,

*Tammy Dacus*  
Senior Secretary

Attachment: Board Attendance Form