

TEXARKANA AIRPORT AUTHORITY MINUTES 9:00 AM – Thursday, August 22nd, 2024

A regularly scheduled meeting of the Texarkana Airport Authority Board was held in the Jim E. Yates Terminal Conference Room Suite 201, 2600 TXK Blvd, Texarkana, Arkansas.

Call to Order/Roll Call

TEXAS

Vice-Chair Mr. David Potter ✓
Mr. Matt Robertson ✓
Mr. Mike Mayo ✓
Mr. David Baumgardner ✓

ARKANSAS


Chair Mr. Adger Smith ✓
Dr. Robin Hickerson ✗
Mr. Ray Abernathy ✓
Mr. Ronald Bruce ✓

Mr. Rob Sitterley ✓
Economic Representative

Mr. Paul Mehrlich ✓
Executive Director of Aviation

Roll Call: Adger Smith called the meeting to order, and Angie Clinton called the roll.

Public Comments: No comments were made by the public in attendance.

Eric Phifer 
Ken Shuman

Jordan Culver
Mark Stodola 

Mitch Rose
Mike Rose

Matt Vineyard

Consent Agenda:

- Minutes of Meeting scheduled July 25, 2024 – Mike Mayo made a motion to approve the July 2024 Minutes of Meeting and David Potter seconded the motion. The approval was unanimous.

Airport Director's Report: Director Paul Mehrlich presented the Director's Report beginning with an update on the terminal and apron. He explained that MCE submitted an FAA grant application for Grant 62 in the amount of \$2,184,499 and asked the Board for a motion. David Potter made a motion to accept the grant and Ray Abernathy seconded the motion. The vote was unanimous, and acceptance was approved.

The Director announced that the City of Texarkana, Arkansas changed the language of the MOU with regards to the Parking Lot Construction Phase II. The lease was approved by both cities but needs final approval from the Board. Ray Abernathy made a motion to approve the MOU and Mike Mayo seconded the motion. The vote was unanimously approved.

During updates on the parking lots, there was discussion of the lost revenue for the month of July due to the delay in installing the parking kiosks. Mr. Mehrlich presented a few resolutions with regards to Nabholz. The Board voted unanimously to request a check for the lost revenue from Nabholz with David Baumgardner making the motion and Matt Robertson seconded it.

Further discussions were made on the Terminal access road design and construction as well as the taxiways and apron crack seal in addition to the overlay and widening projects.

With the Runway 4 extension project, the Director explained that the airport is waiting on a Reimbursable Agreement from the FAA to start the plan review process. He further stated that the FAA announced Grant 63 in the amount of \$506,634 for the design with no local match. Ray Abernathy made a motion to accept this grant. David Potter seconded it, and it was unanimously accepted. The Director announced that he will be in Little Rock when the state takes up a vote for the \$16.7 million request for lengthening and strengthening the runway.

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The discussions moved on to the MRO site wherein an environmental assessment is required. Mr. Mehrlich explained that there is a shelf life of 3 yrs. for the assessment. The last EA has expired, and a new one will need to be done. There was a motion made by Matt Robertson to approve Coffman and Associates to work with Garver in conducting the EA for \$476,473. Mike Mayo seconded the motion. It was unanimously approved.

It was further announced that the Airport will utilize one of the Arkansas Division of Aeronautics grants to pay for the EA, the match previously approved in the 2024 Capital Budget Request. The Director will brief both cities on the project. Ronald Bruce made a motion to approve the grant from AR Div of Aeronautics \$400,000 50/50 for the EA. Matt Robertson seconded the motion, and it was unanimously approved.

The appraisal for the old Armory building has come back and Judge Harrison is working on an appraisal for the JDC building. Once that is done, explained the Director, then an agreement can be worked out on any difference in value. He further explained that the swap will need to be approved. He discussed the airport's various options and logistics for the JDC building.

Project Eagle has approached the airport with an interest in leasing or buying the old terminal to use as an FBO and will be providing an MOU to determine the feasibility. Mike Mayo made a motion. Ray Abernathy seconded the motion. The Board unanimously approved the motion.

Mr. Mehrlich relayed that the City of Texarkana, Arkansas has approved the capital and O&M budgets with the caveat that the airport removes the salary increases until it is determined if the city will be providing a salary increase. Reapproval of the O&M budget with the change was unanimously approved with Mike Mayo making the motion and Ronald Bruce seconding it.

It was further announced that the 2026 budget cycle will begin next May at the request of Texarkana, Texas.

The City of Texarkana, Arkansas would like to increase the parking rates. However, this discussion was tabled until further data can be collected from the parking revenue. This was made by a motion from David Baumgardner, seconded by Ray Abernathy and unanimously voted to table.

There seems to be confusion with the parking lot terminology and could be influencing the behavior of customers. Therefore, the Director will be looking into the costs of changing the signage to "Covered" and "Uncovered." He will report back to the Board when he has further information.

Mr. Mehrlich gave the Board the 2025 A&J Commission request packet, requesting \$100,000. He gave a breakdown of how the current funds have been spent and applied. He asked Board for approval of the 2025 request packet. Ray Abernathy made the motion to approve. It was seconded by Mike Mayo and the Board unanimously approved it.

With the current advertising campaign, the metrics show the TXK is consistently outperforming benchmarks and other airports. He reported that based on the metrics, the ads are reaching the right audience, at the right time, with the right creative messaging/approach. However, he announced the YTD enplanements are down from last year but largely due to now having 2 daily flights vs. 3 daily flights as last year. The load factor is up to 77% which is growth since the campaign began on June 7, 2024. Mr. Mehrlich gave a brief overview of the areas seeing a larger response, including location-based targeting having the largest response.

Mr. Mehrlich told the Board that he has requested a meeting with American Airlines department heads to be held sometime in October to discuss more attainable goals set by AA and the process of where they are now to achieve another flight, another destination.

In conclusion, the Director presented the July 2024 financial notes.

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Financial Report - Period Ending July 31, 2024: Shannon Elliott read the Financial Report for the period ending July 31, 2024. Ray Abernathy made a motion to approve the report, and Matt Robertson seconded the motion. The vote approving the Financial Report was unanimous.

Resolutions:

- *Consider and approve accepting a grant of \$2,186,610 from FAA for Phase II Apron construction* - David Potter made a motion to accept the grant and Ray Abernathy seconded the motion. The vote was unanimous, and acceptance was approved.
- *Consider and approve accepting a grant of \$506,634 from FAA for Extend/Expand Runway 4/22 – Ph 1 Design* - Ray Abernathy made a motion to accept this grant. David Potter seconded it, and it was unanimously accepted.
- *Consider and approve entering a lease with the cities of Texarkana AR and TX to apply to AOE for state loan* - Ray Abernathy made a motion to approve the MOU and Mike Mayo seconded the motion. The vote was unanimously approved.
- *Consider and approve 2025 O&M Budget with Real Estate Manager and Salary increases removed* - Reapproval of the O&M budget with the change was unanimously approved with Mike Mayo making the motion and Ronald Bruce seconding it.
- *Consider and approve rates and fees adjustment for vehicle parking lots* – This was tabled by the Board until further data is acquired from the parking lots. A motion was made by David Baumgardner, seconded by Ray Abernathy and unanimously voted to table.
- *Consider and approve 2025 grant request from Arkansas Advertising and Promotions Commission for \$100,000* - Ray Abernathy made the motion to approve. It was seconded by Mike Mayo and the Board unanimously approved it.
- *Consider and approve WO for Environmental Assessment with Coffman and Associates for new MRO hangar development \$476,473, pending receiving ADA grant.* - There was a motion made by Matt Robertson to approve Coffman and Associates to work with Garver in conducting the EA for \$476,473. Mike Mayo seconded the motion. It was unanimously approved.
- *Consider and approve grant request from Arkansas Division of Aeronautics \$400,000 50/50 for Environmental Assessment* - Ronald Bruce made a motion to approve the grant. Matt Robertson seconded the motion, and it was unanimously approved.
- *Consider and approve entering into a MOU with Eagle Aviation Services, to explore the feasibility of a second FBO on the airfield* - Mike Mayo made a motion. Ray Abernathy seconded the motion. The Board unanimously approved the motion.

Old/New Business: It was suggested by David Baumgardner to form a Board level Financial Committee to meet every month prior to the Board meetings. After some discussions, it was decided this committee will include David Baumgardner, Mike Mayo, Adger Smith and Ray Abernathy as well as the administrative staff.

Executive Session: None.

Adjourn: Matt Robertson made a motion to adjourn the meeting, and Mike Mayo seconded. The motion was unanimously approved. The meeting was adjourned.

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The next regularly scheduled meeting will be held on **September 26, 2024 @ 9:00 AM**
Jim E. Yates Terminal Conference Room
2nd Floor
2600 TXK Blvd, Texarkana AR