

AIRPORT BOARD MINUTES

July 11, 2017

Sandy's Place Restaurant

Members Present: Justin Albright, Jeff Brune, Robert Cork, Ryan Dewrock, Joe Hobbs, Paul Mingus, Brian Ozark, Mark Welker

Others Present: Bruce Loy, Airport Manager; Katrina Amos, Deputy Airport Manager; Derrick Irwin, Flight Line Supervisor; Molly Hood, Deputy City Manager; John Mehner, President and CEO of Cape Girardeau Chamber of Commerce; Kelsey Anderson, KFVS12; Mark Bliss, Southeast Missourian; Stan Little, CEO of Southern Airways Express;

I. Minutes of Previous Meeting:

The meeting was called to order at 11:30am. Mr. Welker moved and Mr. Mingus seconded the motion to approve the minutes from the June 11 and June 22, 2017 meetings. The motion was approved with a unanimous vote.

II. Appearances:

A. Southern Airways ó Stan Little, CEO of Southern Airways ó See attached interview Summary.

III. Old Business:

A. Airport Activity Report – Mr. Loy presented the Airport Usage Report for June 2017. He reported to the Board that airline enplanements were up 15% for the month and up 11% year-to-date. This can be attributed to the tiered fare structure, which is doing extremely well. There was an 8% increase in overall air traffic activity for the month. The air traffic controllers have reported non-stop activity over the last couple months. Mr. Loy noted an increase in fuel sales, currently up 34% for the month and down slightly for the year at 1.6%. Self Service fuel sales are up 100% as a result of being in the ðgreenö on aviation apps and websites.

B. Cape Aviation Report – Mr. Irwin presented the Cape Aviation Activity Report for June 2017. He reported that the self-service hose reel has been repaired and a software update was recently performed.

C. Project Update –

- **10/28 Lighting Project Update** – Mr. Loy informed the Board that the electrical vault exterior has been approved and now the interior components are being reviewed. This is the last portion of the project materials to be approved before the contractor can begin the project.

In addition to the lighting project, Mr. Loy received notice from the FAA local office that repairs to the airfield threshold have been approved and are moving forward. This project includes repairs to the concrete foundation that houses the lighting. The FAA has estimated the project will begin mid-August 2017. This may require a displaced threshold until the project is completed. Mr. Loy will keep the Board updated on the status of the project.

D. Air Service Discussion – Mr. Loy updated the Board on items that needed clarification from the previous meeting. One of the items pertained to the Single Engine Rule. Mr. Loy stated that from conversations had with Mike Mooney, our consultant with Volaire Aviation Inc., along with discussion with the Administration at the U.S. Department of Transportation, it was apparent that U.S. DOT does not agree with the opinion of Boutique Air that it is acceptable to interject their twin-engine aircraft into routes that are normally flown with single engine aircraft every sixty (60) days to prevent EAS airports from waiving their rights to future airlines utilizing twin-engine aircraft. Mr. Mooney has advised Boutique of the U. S. DOT’s opinion and advised them they may want to contact U.S. DOT, if they wish to challenge them on their ruling. Discussion continued on the topic.

Mr. Loy moved on to discuss Boutique Air’s 70% Load Factor that was presented in their RFP. Mr. Loy noted that while it is apparently more of a planning tool for the airline, Mr. Mooney added that they often fly with fairly high Load Factors.

Per the Board’s request from the previous meeting, Mr. Loy provided a sample of SkyWest’s schedule for CGI.

ORD-UIN/CGI	
CGI/ UIN	730-830
UIN/ ORD	855-955
ORD/ CGI	1040-1210
CGI/ ORD	1240-1410
ORD/ UIN	1450-1550
UIN/ ORD	1640-1740
ORD/ UIN	1820-1920
UIN/ CGI	1945-2045

Mr. Loy emphasized that this is only a sample schedule but believes the times are within a range that can be expected.

- **Airline Interview Meeting Schedule** – Mr. Loy reviewed and confirmed the airline interview schedule with the Board noting that SkyWest and Boutique Air would both interview on July 12th, with Cape Air’s interview scheduled for July 13th. Air Choice One’s interview had yet to be confirmed. Mr. Loy proposed scheduling their meeting for Monday, July 17th to which the Board was in agreement.
- **Potential Terminal and ARFF Upgrades** – Mr. Loy presented the Board with a summary of the potential costs that could be necessary in certain airline scenarios. The upgrades would only be needed if the airport chooses an airline with larger aircraft. One of the costs includes increasing the size of the sterile holding area at an estimated \$5,200.00. Additional seating should also be considered, with cost ranging from \$1,700 to \$12,500.00.

Mr. Loy noted the ARFF costs are still being calculated but annual live fire training for a minimum of twelve (12) firefighters would cost approximately \$7,500.00. AP-2 Fire Apparatus would have to stand-by at the airport an estimated four (4) hours/day, Monday-Friday and 2 hours/day on Saturday

and Sunday. Based on the best option with part-time firefighters responding the cost could be 25,000.00, with worst case scenario of hiring three (3) new firefighters at approximately \$150,000.00. Cross training current airport staff is also a possibility but those estimated costs were unknown.

IV. New Business –

- A. New Fuel Distributor Contract ó Mr. Loy informed the Board that the current fuel distributor contract is set to expire at the end of August. There is a five (5) year extension option being considered. There have been conversations with interested distributors and Mr. Loy and staff will meeting with Eastern Aviation, a Shell branded distributor, this week to discuss options. The City has had a contract with Shell for a number of years. Mr. Albright recommended moving forward with a request for proposals to potentially drive down fuel costs. Suggestions were given to request digital self-service upgrade, signage, etc. in the next proposal.

Adjournment:

There being no other business, Mr. Welker moved to adjourn the meeting and Mr. Dewrock seconded the motion. All were in favor. The meeting was adjourned at 12:00pm.

Minutes prepared by

Katrina Amos

Deputy Airport Manager

Southern Airways Interview Summary ó Mr. Loy introduced Stan Little, CEO of Southern Airway to the Board. Mr. Little provided a history on Southern Airways. Based out of Memphis, TN, Southern was formed as a response to Delta Airlines õde-hubbingö Memphis International Airport. In business for four (4) years, they started with flights to Destin, FL at an average cost of \$50/one. Mr. Little expressed that the EAS program is a foundation for their business model but they have plans outside of the program. He stated their goal is to have a healthy mix of destinations and connections.

Mr. Little went over their successes in other communities they serve including Harrison, Arkansas and Jackson, Mississippi. He discussed their plan for growth and options that would be available as a result. He state they would consider non-subsidized flight options to increase the number of enplanements.

Discussion continued on how Southern has been affected by the nationwide pilot shortage. Mr. Little stated Southern pays their pilots well, average \$65,000/year in the left seat. They also created a pilot mentor program with the legacy carriers, noting their pilots fly until age 70 with approved medical. They also have a program with Mesa Airlines to help pilotø get to the required 1,500 hours that include bonuses to sign on as a First Officer and an incentive bonus to stay with Boutique for 800 hours after that requirement has been met.

Southern Airways has a tiered pricing structure as follows:

\$29.00	14 days advance reservation
\$49.00	7 days advance reservation
\$69.00	Walk óUp Fare

Mr. Little stated that Southern is in all of the Global Distributing Systems and they have an interline baggage agreement with American Airlines. They are also working on a codeshare agreement with American. Discussions continued on the topic.