

Airport Advisory Committee Regular Meeting Minutes

Tuesday, August 16th, 2022

Hot Springs Memorial Field Airport

Call to Order

Meeting called to Order by Glen Barentine, Airport Director at 12:00 p.m

1. Roll Call by Whitney Bradeen

Present- Scott Lauck, Trent Foreman, Alex Mouton and Darrin Clark

Absent- Mike Abram

Also Present, Glen Barentine Ruthie Murphy, and Whitney Bradeen

2. Consider Approval of the Agenda

Motion to Adopt the Agenda

Mr. Foreman made a motion, duly seconded by Mr. Mouton to adopt the agenda as presented.

All in favor

3. Consider Minutes of the Airport Advisory Committee:

➤ Regular Meeting held on May 17th, 2022

Motion to Approve the Minutes as Presented.

Mr. Mouton made a motion, duly seconded by Mr. Foreman to approve the minutes as presented.

All in favor

4. Consider Approval of Property Tax Increase:

Airport Management is asking for recommends for Month-to-Month rental rate for Hangars. Garland County Assessor has reviewed and increased all of the Airport properties that are not for public use. These increases vary from \$13.12-\$397.50 per year. Total increase for all property is \$8,129.91. The month-to-month leases, the Airport could adjust the rate with 30 days' notice. The long-term lease require 90-day notice. Airport Management is asking when to notify tenants of the increase? Should they notify tenants now or wait until January 2023?

Motion to Consider Approval of Property Tax Increase:

After discussion, the Advisory Committee agrees Airport Management should notify tenants of the Increase January 1st 2023.

Mr. Foreman made a motion, duly seconded by Mr. Mouton to approve Property Tax Increase.

5. Consider Approval of Consumer Price Index Increase:

Airport Management is asking for recommends for adjustment to rates due to increase of CPI. The Board of Directors approved a rate increase for the 2022 budget. This increase took place January 1, 2022. Since January 1, 2022, the Consumer Price Index has increased 6%. Inflation has affected all expensive services, plumbing, electrical, utilities, vehicle repair, and hangar door repair.

Mr. Barentine is working on the budget for 2023 and wants to bring to the committee the question should he adjust for the CPI increase now or January 1, 2023?

In 2022, the 20% adjustment was based from 2016 to June 2021. From June 2021 to June 2022, the CPI has increased 8.96%. How does the committee suggest Airport Management to adjust for inflation?

Motion to Consider Approval of Consumer Price Index Increase:

After discussion, the Advisory Committee agrees Airport Management should adjust for a CPI increase of 13% as of January 1, 2023 with a mid-year reassessment in June 2023.

Mr. Mouton made a motion, duly seconded by Mr. Foreman to approve Consumer Price Index Increase.

6. Consider Approval of Change in the Fuel Price Policy:

Airport Management is asking for recommends for fuel pricing policy. The current Pricing Policy allows for margins from \$.50 - \$2.00 per gallon. The retail price has to be an average of other airports within Arkansas. The issue is when fuel prices change quickly; other Airports may not keep up and cause the average to stay low. Another issue is as the cost of fuel went up the profit margins never changed. The margins stayed between \$.50 and \$2.00 as other expenses increased. Mr. Barentine is looking for guidance on how the Airport should adjust the pricing policy to overcome quickly changing fuel pricing and to keep the required margins as the economy changes.

After discussion, the Advisory Committee suggests removing the competitive aspect with other Airports but use it as a guide. They agreed that \$1.75 is a good minimum margin. Mr. Barentine suggested bringing back this item next meeting with a pricing policy to remove competitive pricing with other airports and setting a replacement cost margin instead.

Motion to Consider Approval of Change in the Fuel Price Policy:

No motion made at this time. Item will be brought back for review next meeting.

7. Discussion of Airport Finance:

Mr. Barentine discussed the year to date budget. He went over the budget adjustments that were due to Increasing expenses for fuel cost, utilities and insurance. Mr. Barentine stated that the Airport's revenue is currently ahead but, not where he would like it to be. However, the margins are within the current economy. Mr. Barentine also discussed Southern Airways Express traffic. He stated July passenger count was down slightly compared to last year but they are purchasing more fuel. He also discussed fuel sales in the month of July. Mr. Barentine stated the Airport is doing very well at 42,000 gallons of Jet sold which is comparable to race season traffic. He also discussed the impact of Camp Ozark traffic on the weekends that has contributed to increasing Jet fuel sales and Ramp Fees.

8. Airport Staff Items for Discussion and Announcements:

There were no items to discuss at this time

9. Advisory Committee Items for Discussion:

There were no items to discuss at this time.

10. Adjournment

There being no further business to come before the committee, Mr. Foreman, duly seconded by Mr. Mouton, that the meeting be adjourned; all in favor, made a motion.

DATE: _____

Approved: _____

Mr. Scott Lauck, Chairperson