The City of Stillwater OKLAHOMA

STILL PIONEERING

Stillwater Regional Airport Authority
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"A Quality Experience"

REGULAR MEETING MINUTES

Stillwater Regional Airport
2020 West Airport Road
Stillwater, Oklahoma 74075

June 16, 2016

1. CALL REGULAR MEETING TO ORDER

Chairman Marc Tower called the meeting to order at 12:00PM

2. ROLL CALL

MEMBERS PRESENT: CHARLES BACON, CHUCK FLEISCHER, LEE ROY SMITH, RUSSELL TEUBNER, MARC TOWER

MEMBERS ABSENT: JERRY FRANKLIN, FRED SHULTZ

OTHERS ATTENDING: Gary Johnson, Mary Morris, Susan Diel, John Dorman, Jed Banks, Tyler McDonald, Morris Dudgeon, Robert Cornell

4. CONSENT DOCKET

a. Approval of minutes: Special Meeting June 2, 2016

MOTION BY FLEISCHER, SECOND BY BACON FOR APPROVAL OF THE CONSENT DOCKET.

ROLL CALL VOTE: YEA—BACON, FLEISCHER, SMITH, TEUBNER, TOWER. ABSENT—FRANKLIN, SHULTZ. NAY—NONE. ABSTAIN—NONE. MOTION CARRIED WITH FIVE YEA VOTES.

5. GENERAL ORDERS

a. Income statement for month ending May 2016 **(SRAA-16-27)**

MOTION BY FLEISCHER, SECOND BY SMITH FOR THE APPROVAL OF THE MAY 2016 INCOME STATEMENT.

ROLL CALL VOTE: YEA— BACON, FLEISCHER, SMITH, TEUBNER, TOWER. ABSENT—FRANKLIN, SHULTZ. NAY—NONE. ABSTAIN—NONE. MOTION CARRIED WITH FIVE YEA VOTES.

b. Approve of interim regulations regarding standards for airport car rental operations **(SRAA-16-28)**

Airport Director Gary Johnson explained the sub-committee met comprising of Mr. John Dorman, City Attorney, Authority members Mr. Russell Teubner and Mr. Jerry Franklin. The sub-committee put together a draft of interim standards for rental car operations at Stillwater Regional Airport. The interim standards would serve the airport with basic standards during the beginning to allow later negotiations for rental cars conducting business at the airport. The sub-committee left blanks in the interim standards agreement for the percent of gross revenue to be determined later allowing the airport more time to figure out the appropriate charges. These standards do identify different types of rentals operations that could be used for "on premise" rental cars with a kiosk or a counter in the terminal building. Some car rental operations that might be at the airport may not need counter space. Those operations may have a hand-held devise or a type of vending machine to get cars to people. These interim standards would address the current means of what passengers need at an airport. Mr. Johnson explained there were "off-premise" car rental companies who currently provide cars for passengers and the airport would setup an agreement with those companies. There may be additional equipment to purchase depending on the rental service such as an AVI tag reader for companies providing tags using the "honor system" or possibly other systems that might be available. Director Johnson pointed out to the Authority there were three main points: 1.) The airport needed to consider the expense to manage the rental operation, 2.) Make sure the car rental operations would meet the customer's needs when they arrive, whether it's a taxi or rental car, the airport wants this service to meet their expectations, and 3.) The airport has the additional burden of treating everyone the same or fairly as a public entity. The airport has an obligation to the Federal Aviation Administration who provide airport grant funding to meet these FAA grant assurances as a revenue generating requirement. Mr. Johnson stressed it was important to make sure that cars are available at the airport when flights arrive to make a good customer rental experience.

Some of the Authority members discussed a need for Mr. Dorman, City Attorney to correct some of the language in the interim standards from "purchase" to "lease space".

Mr. Dorman added the airport needed to have some basic points as guidelines to work with and to work forward from. The airport would be learning as the rental operations operates and he reminded the Authority the contract agreement was not long-term. These interim standards were designed for one year to avoid long-term commitments for flexibility to both sides in the event the agreement doesn't work out. In addition, the airport would need to decide if they wanted to take a percentage of the profits, and if so, how much. Mr. Dorman stated the airport needed the ability to have cars on the airport so passengers did not have to wait. Mr. Dorman suggested several options to the Authority to decide. Some basic suggestions were to have a kiosk for exclusive rights or possibly have a car rental counter/desk which could serve several different rental car companies, or have a car rental employee with a hand-held device available in the airport parking lot. The person who makes a reservation in DFW makes the car rental reservations process easy for the airport, but there needed to be some car inventory at the

airport. Mr. Dorman reminded the Authority that these were interim standard guidelines being presented for approval and there could be changes made later as they developed. In closing, Mr. Dorman stated how these car company's operate would be a reflection on the airport.

MOTION BY TEUBNER, SECOND BY SMITH FOR THE APPROVAL OF THE INTERIM STANDARDS WITH AN AMENDMENT TO CORRECT THE LANGAGE FROM "PURCHASE" TO "LEASE SPACE" FOR AIRPORT CAR RENTAL OPERATIONS.

ROLL CALL VOTE: YEA—BACON, FLEISCHER, SMITH, TEUBNER, TOWER. ABSENT—FRANKLIN, SHULTZ. NAY—NONE. ABSTAIN—NONE. MOTION CARRIED WITH FIVE YEA VOTES.

c. Vendor subcommittee update regarding interim regulations standards for transportation service providers **(SRAA-16-29)**

Mr. John Dorman, City Attorney described these were different interim regulation standards for the Authority to consider soon dealing with ground transportation other than rental cars, taxis, and bus services. The attorney hoped the interim standards would be available for review by next the Authority meeting. Mr. Dorman explained that taxi cabs are easy, but asked the Authority how to deal with Uber and Lift transportation services. These services were hybrids of taxi services, but were still considered transportation for hire. The State of Oklahoma recently had adopted regulations to deal with these services sometime during the last 6 to 12 months. The Oklahoma Legislation would go into effect in July 2016 to regulate Uber and Lift transportation operations. The City of Stillwater no longer regulated taxi service transportation because the State made these changes that took away the need for municipalities to regulate. Mr. Dorman asked the Authority how should the airport deal with the mass passenger carriers for the Uber and Lift services. These transportation models were prearranged rides.

Member Russ Teubner stated these passenger services were unique in that they were personally owned vehicles available for pre-arranged rides with a set registration fee, including tips charged to a credit or debit card on demand in approximately 4 ½ minutes. Mr. Teubner stated the higher the passenger tip then usually higher the passenger rating was by the driver. The airport could charge an additional fee for passenger pick up, but not for drop offs, and the service would not keep any cars on the airport premises.

Director Johnson added the Uber/Lift service providers were clean, well dressed drivers in a non-smoking environment, and in addition, the AVI was easy to deal with. A passenger may select the Uber vehicle size, the destination, and payment option, and provided the transportation service quickly within minutes and it was convenient.

Mr. John Dorman pointed out again, according to the FAA grant assurances, the airport was required to produce revenue from anyone/business who was doing business at the airport. Mr. Dorman added currently Stillwater had an active Uber service and acknowledged there were Uber users in Stillwater. Not all Oklahoma cities had Uber services. Mr. Dorman finished saying that Stillwater, Tulsa, and Oklahoma City were the only Oklahoma cities providing Uber.

Discussion only. No votes taken.

d. Approval of LBR, Inc. Amendment No. 1 engineering contract for preliminary design plans and specifications "Reconstruct and Realign the Connecting Taxiway and

Diagonal Section of Parallel Taxiway System to Runway 17-35", FAA grant #3-40-0090-024-2016 **(SRAA-16-30)**

Director Johnson began suggesting approval of Amendment No. 1 to the LBR, Inc. contract for preliminary design specifications for the completion of the parallel taxiway. Mr. Johnson stated LBR, Inc. did a great job for getting the connecting taxiway stubs engineered expediting the bid process in a very short time period allowing that project to be well underway. In April, the airport approved the LBR's master contract with no fees or projects assigned at that time. The airport negotiated an Amendment No. 1 to the LBR engineering contract for the preliminary design of the project. The airport used another engineering firm to do a market analysis for the independent fee estimate that was separate from the LBR proposal. The independent fee analysis was to make sure the airport would be getting value for the amounts that were being proposed. The Amendment No. 1 was tied to a design-only grant we will be applying for next month tied in this budget year for $150,000 and the City's share is $16,667 for the preliminary design of the project because of limited dollars. The remaining engineering Amendment No. 2 would come during the 2017 budget with the FAA construction project. Federal Aviation Administration and Oklahoma Aeronautics Commission wanted to see the design work done between 75-80% and did not to save that percentage. LBR, Inc. sent an approval for our review and if the Authority approve, it will go on to City Council's approval Monday night. Mr. Tyler McDonald and Mr. Jed Banks were attending the Authority meeting and were available for any questions.

MOTION BY TEUBNER, AND SECONDED BY SMITH THE APPROVAL OF LBR, INC. AMENDMEMNT NO. 1 ENGINEERING CONTRACT PERTAINING TO FEDERAL AVIATION ADMINISTRATION GRANT #3-40-0090-024-2016.

ROLL CALL VOTE: YEA—BACON, FLEISCHER, SMITH, TEUBNER, TOWER. ABSENT—FRANKLIN, SHULTZ. NAY—NONE. ABSTAIN—NONE. MOTION CARRIES WITH FIVE YEA VOTES.

e. Approval of Supplemental Agreement No. 1 to the construction contract with Contech, Inc. for the hangar site development **(SRAA-16-31)**

Director Johnson stated the Supplement Agreement No. 1 to the Contech, Inc. construction company was for the southeast hangar development area and drainage improvement FAA grant project. The reconciliation of the supplemental agreement added some excavation contract work for running into unexpected rock at several locations and then the contract had been reduced due to some concrete thickness failed tests. Overall, the Supplemental Agreement No. 1 would reduce Contech's contract all completed. Director Johnson recommended Authority approval with a recommendation to the City Council's approval.

Mr. Tyler McDonald, LBR, Inc. added the project completion looked great and came in approximately $40,000 under budget despite the penalties and added contract work.

MOTION BY SMITH, AND SECONDED BY TEUBNER THE APPROVAL OF SUPPLEMENTAL AGREEMENT NO. 1 CONSTRUCTION CONTRACT WITH CONTECH, INC. FOR THE HANGAR SITE DEVELOPMENT PROJECT.

ROLL CALL VOTE: YEA—BACON, FLEISCHER, SMITH, TEUBNER, TOWER. ABSENT—FRANKLIN, SHULTZ. NAY—NONE. ABSTAIN—NONE. MOTION CARRIES WITH FIVE YEA VOTES.

6. REPORT FROM AIRPORT STAFF AND AUTHORITY

a. Miscellaneous Items from Airport Director and/or Staff.

i. ATCT-May 2016 monthly and yearly comparison air traffic count **(SRAA-16-32)**

ii. May 2016 monthly fuel sales report and fuel comparisons **(SRAA-16-33)**

iii. Updates on airport terminal construction, southeast hangar site project, fencing project, taxiway project, road and parking updates

iv. Overview of Stillwater Regional Airport air service development marketing efforts

b. Miscellaneous Items from City Manager.

Not present.

c. Miscellaneous items from Authority Members.

Member Russ Teubner presented a preliminary wall art mural designs for the Authority to review and for their comments. These wall art murals would cover approximately five large walls at the airport to promote various locations and activities within the City of Stillwater and Oklahoma State University partnership in preparation with the terminal improvements prior to the startup of the airline service.

Discussion only. There were no votes taken.

7. ADJOURNMENT

MOTION BY TEUBNER, SECOND BY BACON TO ADJOURN THE JUNE 16, 2016 REGULAR MEETING OF THE STILLWATER REGIONAL AIRPORT AUTHORITY.

ROLL CALL VOTE: YEA—BACON, FLEISCHER, SMITH, TEUBNER, TOWER. ABSENT—FRANKLIN, SHULTZ. NAY—NONE. ABSTAIN—NONE. MOTION CARRIED WITH FIVE YEA VOTES.

The meeting adjourned at 1:23 p.m.

ATTEST: _____ _____

MARC TOWER, CHAIRMAN **FRED A. SHULTZ, SECRETARY**