

ANNUAL MEETING
OF
BOARD OF DIRECTORS
OF
MISSISSIPPI AIRPORTS ASSOCIATION

May 14, 2015

In accordance with Section 6.4.1 of the Bylaws of the Mississippi Airports Association (“MAA” and the “Association”), the annual meeting (the “Annual Meeting” and “Meeting”) of the Board of Directors of MAA (the “Board”) was held at 3:55 p.m. on May 14, 2015, at the BancorpSouth Conference Center in Tupelo, Mississippi.

1. ROLL CALL AND DECLARATION OF QUORUM.

President Nash called the Annual Meeting to order and called the roll of Directors. The following Directors were present at the Annual Meeting:

Cliff Nash, President
Bill Cotter, Vice-President/President-Elect
Nick Ardillo
Mike Hainsey
Tom Heanue
Elton Jay
Clint Johnson
Mac McManus
Clint Pomeroy
Carol Snapp
Dirk Vanderleest
Sam Washington
Clay Williams
Woodrow Wilson

President Nash declared that a quorum was present, and the Meeting was competent to proceed with the business at hand.

The following other persons were also present:

Carl Newman, Assistant Treasurer of MAA
Kathy Kenne, Executive Director, MAA
Alan Moore, Baker Donelson, General Counsel, MAA
Tommy Booth, Director, Aeronautics Division, Mississippi Department of Transportation

Bob Hawk, Natchez Airport
Wes Kirkpatrick, M40

2. APPROVAL OF BOARD MINUTES.

After discussion, upon motion duly made and seconded, the Board unanimously approved the minutes of the Special Meeting of the Board on February 5, 2015, as submitted, and directed that the minutes be filed in the minute book of MAA.

3. PRESIDENT'S REPORT.

President Nash congratulated Kathy Kenne, her staff and others for a successful 2015 Annual Conference.

4. TREASURER'S REPORT.

President Nash introduced Carl Newman, Chief Executive Officer of the Jackson Municipal Airport Authority and Assistant Treasurer of MAA. Mr. Newman discussed the Financial Report, a copy of which is attached as an exhibit to the minutes of this Meeting.

Upon motion duly made and seconded, the attached Financial Report was unanimously accepted by the Board.

5. EXECUTIVE DIRECTOR'S REPORT.

Kathy Kenne, Executive Director of the Association, said that the 2015 Annual Conference was a great success with approximately 185 people in attendance and 29 exhibitors. Ms. Kenne said that she would distribute a more detailed report to the Board after the Conference.

6. REPORTS OF COMMITTEES.

A. 2015 MAA Annual Conference Committee.

President Nash again thanked everyone for a very successful event.

B. 2016 Annual Conference Committee.

President Nash said that although a formal committee had not yet been appointed, plans were underway to hold the 2016 MAA Annual Conference in Starkville.

During discussion of future Annual Conferences, the Board by consensus agreed that the 2017 MAA Annual Conference will be held on the Mississippi Gulf Coast. Representatives of Trent Lott International Airport, Gulfport-Biloxi International Airport, and Stennis International Airport agreed to work together to plan the 2017 Annual Conference.

7. OLD BUSINESS.

A. Accounting Services.

President Nash reminded the Board that at the February 5, 2015, Special Meeting of the Board, he advised the Board that the Jackson accounting firm of Breazeale, Saunders and O'Neil had offered to provide accounting services to the Association at no charge. The Board had deferred action on that offer until the 2015 Annual Board Meeting. President Nash said that after the February 5, 2015, Special Board Meeting, Carl Newman, Assistant Treasurer, had confirmed that the Finance Department of the Jackson Municipal Airport Authority would continue to provide accounting and financial reporting services for the Association at no charge. President Nash said that in light of that generous commitment, the Association did not need to consider the equally generous offer of Breazeale, Saunders and O'Neil.

B. Brochure re Economic Impact of Airports and Multi-Model Fund Grants.

President Nash reminded the Board that at the February 5, 2015, Special Meeting of the Board, Dirk Vanderleest suggested that the Association consider developing a brochure describing the economic impact of airports in Mississippi and citing positive examples of how airports had used Multi-Model Transportation Fund Grants to enhance economic development. President Nash said that the Board had deferred action on this matter until the 2015 Annual Board Meeting.

After discussion, upon motion duly made and seconded, the Board unanimously authorized Mr. Vanderleest and Ms. Kenne to develop a draft brochure and budget for production and distribution, with assistance from Tommy Booth on behalf of MDOT.

C. Election of Officers.

- (1) Election of Secretary. President Nash reminded the Board that the office of Secretary was vacant because Josh Abramson had resigned as a Director and Secretary upon moving to College Station, Texas.

Upon motion duly made and seconded, the Board unanimously elected Carol Snapp to serve as Secretary of the Association until the election and taking of office of her successor.

- (2) Election of Treasurer. President Nash said that it was appropriate at this time for the Board to elect a new Treasurer because Dirk Vanderleest is no longer actively involved in airport management.

Upon motion duly made and seconded, the Board unanimously (i) elected Carl Newman to serve as Treasurer of the Association until the election and taking of office of his successor, (ii) designated Carol Snapp and Carl Newman as the two designated signatories

necessary for Association checks and (iii) authorized them to execute any bank resolutions or documents necessary to accomplish the same.

D. Legislation.

At President Nash's request, Mr. Moore discussed the following legislative matters with the Board.

- (1) Mississippi Air Service Development Program Act. Mr. Moore reminded the Board that this Program had been enacted into law during the 2013 Mississippi Legislative Session, but no funds had been appropriated for the Program. Mr. Moore said that due in large part to the efforts of Clay Williams and others representing the Gulfport-Biloxi Regional Airport Authority, the 2014 Legislature had added \$750,000 as a line item to the appropriation for the Mississippi Development Authority to fund this Program.
- (2) Ethics Legislation. Mr. Moore reminded the Board that under current Mississippi ethics laws, if a local airport commissioner rents a hangar or other facilities at that same airport, a problem arises when there is an increase in rent or renewal of the lease because that commissioner has an inherent financial interest - a conflict - in the matter. On the other hand, individuals who own aircraft are often the most knowledgeable candidates to serve on the governing boards of local airports. In an effort to resolve this dilemma, consideration has been given in the past to seeking to amend Section 25-5-105 of the Mississippi Code to offer limited protection to such commissioners when the action is tied to some objective criteria or index - in other words, when the commissioner does not have influence over the rent or lease renewal. Mr. Moore said that he believes an effort to amend the Mississippi ethics laws to resolve the problem would be unsuccessful, but he spotted the issue in case the Board decides to pursue a legislative fix to this dilemma.
- (3) Gasoline Tax. Mr. Moore said that it was highly likely that an effort would be made in 2016-2017 to restructure the gasoline tax which provides almost all State funding for transportation projects in Mississippi. If that happens, Mr. Moore suggested that the Association and other non-highway transportation modes should be involved to make sure that if changes are made in the gasoline tax, an effort could be made at the same time to create a dedicated stream of revenue to support the Multi-Modal Transportation Fund which provides grants to non-highway modes, including airports.

Mr. Moore said no action was needed on this matter at this time, but he urged the Board to watch this issue closely.

- (4) Ad Valorem Tax Exemptions. Mr. Moore described an on-going case where the Rankin County Tax Assessor had assessed and collected ad valorem taxes on leasehold improvements at Jackson-Medgar Wiley Evers International Airport. The lessee had filed suit to recover taxes paid. Mr. Moore said that Mississippi Code Sections 61-3-21 and 61-5-11 grant exemptions to municipal, county and state ad valorem taxes on leasehold improvements on airports. During discussion, several airport directors confirmed that their local county tax assessor had assessed and collected ad valorem taxes on leasehold improvements on airport property, with a particular focus on non-aeronautical improvements. Mr. Moore reminded the Board that several years ago those statutes had been amended to clarify that the exemption applied to non-aeronautical as well as aeronautical leasehold improvements. Mr. Moore said that he expected the State Association of County Tax Assessors and perhaps the Mississippi Association of Supervisors to seek to amend the statutes to eliminate these exemptions. Mr. Moore and the Board then discussed the importance of these exemptions in encouraging development on airport property, which enhances local economic development and increases airport revenue.

After discussion, upon motion duly made and seconded, the Board unanimously adopted the following resolution.

RESOLUTION OPPOSING ELIMINATION OF AD VALOREM TAX EXEMPTIONS FOR IMPROVEMENTS ON AIRPORT PROPERTY

WHEREAS, Sections 61-3-21 and 61-5-11, Mississippi Code Annotated (1972), provide for ad valorem tax exemptions on certain improvements on airport property (collectively, the “Tax Exemptions”); and

WHEREAS, the Tax Exemptions are essential to encouraging development on airport property, thereby increasing rental and other income to airports, many of which are dependent on their local government sponsor(s) for a deficit appropriation each year; and

WHEREAS, the Board of Directors (the “Board”) of the Mississippi Airports Association (“MAA”) is concerned that an effort may be made to eliminate the Tax Exemptions;

NOW, THEREFORE, BE IT RESOLVED, on behalf of the general aviation and commercial airports in the state, the MAA Board hereby unanimously expresses its support for the Tax Exemptions and its opposition to any effort to eliminate the Tax Exemptions in whole or in part.

- (5) Federal Legislation. Mr. Moore discussed with the Board the importance of going to Washington as the Mississippi Airport Association, representing all general aviation and commercial airports in the state, to discuss federal legislative and regulatory matters with Mississippi's Senators and Congressmen. During discussion, several airport directors expressed support for such an effort.

E. Multi-Model Transportation Fund.

Tommy Booth, Director of Aeronautics for the Mississippi Department of Transportation, announced that thirty-three applications for FY2016 Multi-Model Transportation Fund Grants had been received from airports, totaling approximately \$7.5 million in requests. Mr. Booth also advised the Board that MDOT had made several changes to the application, disbursement and accounting procedures for Multi-Model Transportation Fund Grants. He said that he would discuss those changes in more detail during the General Session on Friday morning, May 15, 2015.

F. Scholarships.

President Nash asked Tom Heanue to report on scholarships funded by the Association. Mr. Heanue said that the Association had awarded (i) \$4000 to Delta State which would be divided into four \$1000 scholarships; (ii) \$2000 to Northwest Community College for one scholarship; and (iii) \$2000 to Hinds Community College for a yet-to-be determined number of scholarships.

8. NEW BUSINESS.

A. Challenge to Ad Valorem Tax Exemptions Under Sections 61-3-21 and 61-5-11 of the Mississippi Code.

President Nash said that this issue had been discussed previously by the Board under Old Business.

B. Amendment of Bylaws and Confirmation and Appointment of New Directors.

President Nash reminded the Board that at the 2014 Annual Board Meeting, Clint Johnson, Mac McManus and Sam Washington had been elected to three-year terms on the Board. The Association's Bylaws require that all three elected Directors be actively involved in airport management and that at least one of the three must be at an airport with commercial

service. The election of those three last year did not comply with the Bylaws, so Sam Washington had agreed to resign as an elected member of the Board. President Nash then appointed Tom Williams, Airport Director at Meridian, to fill Mr. Washington's remaining two-year term, subject to confirmation by the Board as required by the Bylaws.

Upon motion duly made and seconded, the Board then unanimously confirmed the appointment of Tom Williams to fulfill the remaining two years of Mr. Washington's term on the Board.

President Nash then said that, as currently written, the Bylaws allow the Board President to appoint one Board member to a three-year term at each Annual Board Meeting. In order to add another member to the Board, President Nash recommended that the Bylaws be amended to authorize the Board President to appoint two Directors to the Board for two-year terms at each Annual Board Meeting, effective immediately.

After discussion, upon motion duly made and seconded, the Board unanimously amended Paragraph 6.2.d of the Bylaws to authorize the President of the Board to appoint two (2) Directors at each Annual Board Meeting from the Members of the Association to serve two (2) year terms, instead of being authorized to appoint one (1) Director for a three-year term, and directed Mr. Moore to revise paragraph 6.2.d to conform with the foregoing.

President Nash then appointed Sam Washington to serve a two-year term on the Board with Clint Pomeroy, who was appointed to the Board in 2014 for a three-year term, so their terms will end at the 2017 Annual Board Meeting.

President Nash then appointed Nick Ardillo to serve a one-year term on the Board with Mike Hainsey, who was appointed to the Board in 2014 to fill the remaining two years of an appointed slot on the Board, so their terms will end at the 2016 Annual Board Meeting.

By making the foregoing appointments, President Nash aligned the appointed Director slots with the newly amended Bylaws.

C. NOMINATION OF THREE DIRECTORS TO THREE-YEAR TERMS.

President Nash recommended that the Board nominate Bill Cotter, Carl Newman and Carol Snapp to serve three-year terms on the Board, subject to election by the Members of the Association at the Annual Member Meeting which would be the following morning, May 15, 2015.

After discussion, upon motion duly made and seconded, the Board unanimously nominated the following individuals to serve three-year terms on the Board, subject to election by the Members of the Association: Bill Cotter, Carl Newman and Carol Snapp.

D. Election of Dirk Vanderleest to a Life-Time Term on the Board.

President Nash expressed the Association's appreciation for the many contributions Dirk Vanderleest, former Chief Executive Officer of the Jackson Municipal Airport Authority, had made to the Association, and recommended that the Board elect Mr. Vanderleest to a life-time term as a non-voting member of the Board.

Upon motion duly made and seconded, the Board unanimously elected Dirk Vanderleest to serve as a life time, non- voting member of the Board.

9. OTHER MATTERS.

A. Annual Meeting of Members of the Association.

President Nash reminded the Board that the Annual Meeting of Members of the Association would be held at 8:00 a.m. on May 15, 2015.

10. ADJOURNMENT.

There being no further business to come before the Meeting, upon motion duly made, seconded, and unanimously adopted, the Meeting was adjourned.

Carol Snapp, Secretary