

SPECIAL MEETING
OF
JACKSON MUNICIPAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
NOVEMBER 20, 2012

The Board of Commissioners (the “Board”) of the Jackson Municipal Airport Authority (the “Authority” or “JMAA”) met in the Community Room, Main Terminal Building, Jackson-Medgar Wiley Evers International Airport (“JAN”), Jackson, Mississippi, at 8:00 a.m. on Tuesday, November 20, 2012 (the “Meeting”), pursuant to proper notice, a copy of which is attached as an exhibit to the minutes of the Meeting.

I. CALL TO ORDER/ROLL CALL/DECLARATION OF QUORUM.

Chair Johnnie P. Patton, R. Ph. presided, called the Meeting to order, and called the roll of Commissioners.

The following Commissioners were present in person at the Meeting at this time.

Johnnie P. Patton, R. Ph., Chair
Dr. Sylvia Stewart, Vice Chair
Dr. Glenda Glover

Commissioner George E. Irvin, Sr. participated in the Meeting by telephone. Commissioner Irvin could hear everyone who spoke during the Meeting, and everyone at the Meeting could hear Commissioner Irvin.

Chair Patton noted that a quorum was present in person as required by the Bylaws, and announced that the Meeting would proceed.

The following other persons were also present at the Meeting.

Dirk Vanderleest, JMAA Chief Executive Officer
Bonnie Wilson, JMAA Chief Operating Officer
René Woodward, JMAA Chief Administrative Officer
Gary Cohen, JMAA Chief Financial Officer
Woody Wilson, JMAA Senior Director of Capital Planning
Jack Thomas, JMAA Director of Disadvantaged Business Enterprise
(DBE) and Community Development
Jack Weldy, JMAA Properties Manager
Cindy Crotchett, JMAA Executive Assistant

Frank Ervin, JMAA Airport Security Liaison
Kimberly Farmer, JMAA Administrative Project Support
Shawn Hanks, JMAA Information Technology & Telecommunications
Specialist
Rhonda Knight, JMAA Human Resources Manager
Ronald Marsalis, JMAA Police Lieutenant
Joyce Tillman, JMAA Facilities Engineer
Chuck Lott, Neel-Schaffer, Inc.
John Bourgeois, Waggoner Engineering, Inc.
Matthew O'Brien, Denbury Onshore, LLC
John Mills, Denbury Onshore, LLC
Gary Stewart, Denbury Onshore, LLC
Alan Moore, Baker Donelson Bearman Caldwell & Berkowitz
Jeff Wagner, Baker Donelson Bearman Caldwell & Berkowitz
Marlena Pickering, Baker Donelson Bearman Caldwell & Berkowitz

II. APPROVAL AND EXECUTION OF MINUTES.

A. Open Session and Executive Session of the Regular Monthly Meeting of the Board of Commissioners, October 18, 2012.

After discussion, upon motion duly made by Commissioner Stewart, seconded by Commissioner Glover, and unanimously approved by the affirmative votes of all Commissioners present, the minutes described above were approved as presented and directed to be filed in the appropriate minute book and records of the Authority.

III. PUBLIC COMMENTS.

None.

IV. DENBURY ONSHORE, LLC – REQUEST FOR MINERAL LEASES.

In the interest of time, Chair Patton asked Mr. Vanderleest to present at this time the request by Denbury Onshore, LLC (“Denbury”) for certain mineral leases at JAN. Mr. Vanderleest then introduced Matthew O’Brien, John Mills and Gary Stewart of Denbury, who discussed with the Board certain proposed leases for mineral rights at JAN.

During discussion, Mr. Wagner advised the Board that Denbury had provided the Authority with copies of its title search records for land parcels at JAN, information of significant importance and help to the Authority.

After discussion, upon motion duly made by Commissioner Glover, seconded by Commissioner Stewart, and unanimously approved by the affirmative votes of all Commissioners present, the Board adopted the following resolution.

RESOLUTION APPROVING AND AUTHORIZING NEGOTIATION AND EXECUTION OF MINERAL LEASES WITH DENBURY ONSHORE, LLC

WHEREAS, the Board of Commissioners (the “Board”) of the Jackson Municipal Airport Authority (the “Authority”) previously approved and authorized an agreement with Denbury Onshore, LLC (“Denbury”), whereby Denbury performed a 2-D geophysical survey of certain areas at Jackson-Medgar Wiley Evers International Airport (“JAN”); and

WHEREAS, pursuant to that survey, Denbury now wishes to enter into one or more mineral leases (the “Leases”) with the Authority and, as appropriate, the City of Jackson, Mississippi (the “City”), whereby Denbury would lease the mineral rights to certain areas owned by the Authority and the City and comprising a portion of JAN; and

WHEREAS, the staff of the Authority has recommended that the Board approve and authorize negotiation and execution of leases between (i) Denbury and the Authority, granting Denbury the mineral rights to 290.79 gross acres/131.94 net acres at JAN (the “Authority Lease”); and (ii) Denbury, the City and the Authority, granting Denbury the mineral rights to 2546.51 gross acres/1886.88 net acres at JAN (the “Joint Lease”); both the Authority Lease and the Joint Lease to include royalty payments of three-sixteenths per acre and a \$100 per mineral acre bonus; and

WHEREAS, the Board has considered the proposal by Denbury and the recommendations of the staff of the Authority;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby determines that it would be in the best interests of and in furtherance of the duties and responsibilities of the Authority to, and the Board hereby does, approve and authorize negotiation and execution of the Authority Lease and the Joint Lease with Denbury, said Authority Lease and Joint Lease to be in such form and to contain such terms and conditions consistent with the foregoing and as required by the Federal Aviation Administration, as may be deemed appropriate by the Chief Executive Officer of the Authority, as evidenced by his execution thereof.

V. **REPORTS.**

A. **Chief Executive Officer.**

1. *Airport Project Manager Summary, Period Ending October 31, 2012.*
2. *Airport Activity Statistics Report, Period Ending October 31, 2012.*

Mr. Vanderleest directed the Board's attention to the Airport Project Manager Summary and the Airport Activity Statistics Report as found in the packet distributed to the Board prior to the Meeting (the "Packet"), and discussed these reports with the Board. A copy of the Packet is attached as an exhibit to the minutes of the Meeting.

3. ***Employee Recognitions.***

- a. Employee of the Month, November 2012: Frank Ervin, Airport Security Liaison, Operations & Security Department.

Mr. Vanderleest recognized and commended Mr. Ervin for being named Employee of the Month for November 2012.

4. ***Other Matters.***

- a. Customer Service Holiday Program.

Mr. Vanderleest said that the staff had initiated its special customer service holiday program for Thanksgiving. The program will be continued through the Christmas and New Year's holidays.

- b. Dispute with Rifenburg Construction Company, Inc., East Parallel Runway 16L/34R Pavement Rehabilitation, JAN.

Mr. Vanderleest advised the Board that JMAA had received a check from Rifenburg Construction, Inc. ("Rifenburg") in the amount of \$686,910 as part of the settlement agreement entered into with Rifenburg in connection with this matter.

- c. December 20, 2012, Special Board Meeting.

Mr. Vanderleest reminded the Board that the Board had previously decided to cancel the December Work Session and Regular Meeting and hold a single Special Meeting of the Board at 4:00 p.m. on Thursday, December 20, 2012. Mr. Vanderleest suggested that the Board change the time for that meeting to 2:30

p.m., so that representatives from NERA could present to the Board a summary of the recent Disparity Study completed for JMAA by NERA.

After discussion, the Board agreed with Mr. Vanderleest's suggestion and instructed legal counsel to draft and distribute a new notice of the Special Meeting on December 20, 2012, to begin at 2:30 p.m.

d. JMAA Employee Benefits.

Mr. Vanderleest directed the Board's attention to the memorandum in the Packet, which described this matter, and discussed this matter with the Board. Mr. Vanderleest reminded the Board of its prior discussions regarding certain employee benefits and the staff's recommendation that the Board consider formally approving and adopting all current employee benefits available to JMAA employees.

During discussion, Mr. Vanderleest compared each of the benefits offered by JMAA to the comparable benefit offered by the State of Mississippi. Mr. Vanderleest said that the staff intends to provide a current description of all employee benefits in all future annual budgets presented to the Board for review and adoption.

After discussion, upon motion duly made by Commissioner Stewart, seconded by Commissioner Irvin, and unanimously approved by the affirmative votes of all Commissioners present, the Board adopted the following resolution.

**RESOLUTION APPROVING AND ADOPTING
BENEFITS AVAILABLE TO EMPLOYEES OF THE
JACKSON MUNICIPAL AIRPORT AUTHORITY**

WHEREAS, from time-to-time and in accordance with applicable law, the Jackson Municipal Airport Authority (the "Authority") has offered its employees certain benefits; and

WHEREAS, the staff of the Authority and the Authority's legal counsel have recommended that the Board of Commissioners (the "Board") of the Authority review and consider, approve and adopt all benefits currently available to Authority employees (the "Employee Benefits"), as set out in the undated Memorandum which discusses this

matter, which (i) was included in the packet distributed to the Board prior to the November 20, 2012, Special Meeting of the Board, and (ii) is incorporated herein by reference (the "Memorandum"); and

WHEREAS, the Board has reviewed the Memorandum and has considered each of the Employee Benefits described therein;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby determines that it would be in the best interests of and in furtherance of the duties and responsibilities of the Authority to, and the Board hereby does, approve, adopt and authorize each of the Employee Benefits as described in the Memorandum.

B. Attorney.

Mr. Moore said that he had no additional matters to discuss with the Board at this time.

VI. ACTION ITEMS.

A. Financial Matters.

1. *Financial Reports for October 2012.*

- a. Balance Sheet: Accept.
- b. Income Statement: Accept.
- c. Claims Docket for October 2012: Approve.

Mr. Vanderleest directed the Board's attention to the above referenced financial reports for October 2012, and the Claims Docket for October 2012, all of which were included in the Packet.

After discussion, upon motion duly made by Commissioner Glover, seconded by Commissioner Stewart, and unanimously approved by the affirmative votes of all Commissioners present, the Board adopted the following resolution.

**RESOLUTION ACCEPTING FINANCIAL REPORTS
FOR OCTOBER 2012 AND APPROVING AND
AUTHORIZING PAYMENT OF CLAIMS DOCKET
FOR OCTOBER 2012**

WHEREAS, the Board of Commissioners (the “Board”) of the Jackson Municipal Airport Authority (the “Authority”) has reviewed and considered (i) the Balance Sheet and the Income Statement for the Authority for the month and period ending October 31, 2012 (the “Financial Reports”) and (ii) the Claims Docket of the Authority for the month of October 2012 (the “Claims”), both the Financial Reports and the Claims being (i) included in the packet distributed to the Board prior to the November 20, 2012, Special Meeting of the Board, and (ii) incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby (i) accepts the Financial Reports and (ii) approves and authorizes payment of the Claims in the total amount of \$2,391,301.69.

B. Service Agreements.

There was no discussion or action regarding service agreements at the Meeting.

C. Construction Projects.

1. *JMAA Contract No. 002-11-084, North Roadway Pavement Improvements and Equipment Building Construction, JAN: Approve Change Order No. 1.*
2. *JMAA Contract No. 014-11-372-23, Airport Security and Access Control Systems Improvements: Premises Distribution System, JAN: Approve Addendum to Engineering Agreement.*

3. ***JMAA Contract No. 009-12-014, East Parallel Runway 16L/34R Pavement Rehabilitation, Phase II, JAN: Approve Change Order No. 1.***

Mr. Vanderleest directed the Board's attention to the memoranda in the Packet, which described these matters, and discussed these matters with the Board.

After discussion, upon motion duly made by Commissioner Stewart, seconded by Commissioner Glover, and unanimously approved by the affirmative votes of all Commissioners present, the Board adopted the following resolution.

**RESOLUTION APPROVING AND AUTHORIZING
CERTAIN ACTIONS WITH RESPECT TO CERTAIN
CONSTRUCTION PROJECTS**

WHEREAS, the staff of the Jackson Municipal Airport Authority (the "Authority") has recommended that the Board of Commissioners (the "Board") of the Authority approve and authorize certain actions with respect to certain construction projects identified below, all as more particularly described in certain memoranda (i) included in the packet distributed to the Board prior to the November 20, 2012, Special Meeting of the Board, and (ii) incorporated herein by reference (separately, each a "Memorandum;" collectively, the "Memoranda"); and

WHEREAS, the Board has reviewed the Memoranda and considered the recommendations therein by the staff of the Authority;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby determines that it would be in the best interests of and in furtherance of the duties and responsibilities of the Authority to, and the Board hereby does, take the following actions:

1. The Board approves and authorizes (i) execution and accomplishment of Change Order No. 1 to Contract No. 002-11-084 with Harris Constructors, Inc. in connection with Project No. 002-11, North Roadway Pavement Improvements and Equipment Building Construction at Jackson – Medgar Wiley Evers International Airport ("JAN") (the "North Runway Pavement and Equipment Building Project"); and (ii) an amended North Runway Pavement and Equipment Building Project budget of

\$1,159,886, all as more particularly described in the Memorandum dated November 10, 2012, which describes this matter.

2. The Board approves and authorizes (i) negotiation and execution of an addendum to the existing professional services agreement with Waggoner Engineering, Inc. (“WEI”), whereby WEI will provide certain structural engineering design services in support of JMAA Project No. 014-11, Airport Security and Access Control Systems Improvements/Premises Distribution System project at JAN (the “ACS/PDS Project”), the cost of said additional services not to exceed \$10,900 (the “WEI Addendum”), said WEI Addendum to be in such form and to contain such terms and conditions consistent with the Memorandum dated November 2, 2012, which describes this matter, as may be deemed appropriate by the Chief Executive Officer of the Authority, as evidenced by his execution thereof; and (ii) an increase in the ACS/PDS Project budget to \$20,614,344, all as set forth in said Memorandum.
3. The Board approves and authorizes execution and accomplishment of Change Order No. 1 to Contract No. 009-12-014 with APAC-Mississippi, Inc. in connection with Project No. 009-12, East Parallel Runway 16L/34R Pavement Rehabilitation, Phase II at JAN, as more particularly described in the Memorandum dated November 6, 2012, which describes this matter.

D. Procurements.

There was no discussion or action regarding procurements at the Meeting.

E. Grants.

There was no discussion or action regarding grants at the Meeting.

F. Other Matters.

1. *Non-Commercial Ground Rent Adjustment.*

Mr. Vanderleest directed the Board's attention to the memorandum in the Packet, which described this matter, and discussed this matter with the Board.

After discussion, upon motion duly made by Commissioner Stewart, seconded by Commissioner Irvin, and unanimously approved by the affirmative votes of all Commissioners present, the Board adopted the following resolution.

**RESOLUTION APPROVING AND AUTHORIZING
INCREASE IN NON-COMMERCIAL GROUND RENT
RATES AT JACKSON-MEDGAR WILEY EVERS
INTERNATIONAL AIRPORT**

WHEREAS, the Board of Commissioners (the "Board") of the Jackson Municipal Airport Authority (the "Authority") previously approved and authorized negotiation and execution of a professional services agreement with Aviation Management Consulting Group ("AMCG"), whereby AMCG would prepare a Market Rent Study (the "Study") for the leasehold held by JJSA Aviation, LLC ("JJSA"); and

WHEREAS, based on the results of the Study, AMCG (i) recommended that the ground rental rate for non-commercial leases at Jackson-Medgar Wiley Evers International Airport ("JAN") be increased from the current rate of \$0.25 per square foot per year to \$0.26 per square foot per year and (ii) provided a Letter of Opinion (the "Opinion") stating that the new higher rate is appropriate for other similar leaseholders at JAN, specifically Tri-Jet, LLC ("Tri-Jet") and Next Group, LLC ("Next Group"); and

WHEREAS, the staff of the Authority has recommended that the Board accept and adopt the Study prepared by AMCG, including the Opinion, all as more particularly described in the memorandum dated October 31, 2012, which was (i) included in the packet distributed to the Board prior to the November 20, 2012, Special Meeting of the Board, and (ii) incorporated herein by reference (the "Memorandum"); and

WHEREAS, the staff has further recommended that the Board approve and authorize an adjustment to the rental payments of (i)

JJSA as of October 15, 2012; (ii) Tri-Jet as of January 1, 2013; and (iii) Next Group as of January 1, 2014; all as provided for in the leases with each such leaseholder and at the rental rate described above; and

WHEREAS, the Board has reviewed the Memorandum, the Study and the Opinion, and has considered the recommendations of the staff;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby determines that it would be in the best interests of and in furtherance of the duties and responsibilities of the Authority to, and the Board hereby does, (i) accept and adopt the Study and (ii) approves and authorizes, as recommended in the Study and Opinion, adjustments in rental payments by JJSA, Tri-Jet and Next Group, all in accordance with the foregoing and the leases of the leaseholders.

2. *Denbury Onshore, LLC – Requests for Mineral Leases.*

See the action taken by the Board earlier in the Meeting as described on page 2 of these Minutes.

3. *JMAA Employee Benefits.*

See the action taken by the Board earlier in the Meeting as described on page 5 of these Minutes.

4. *Early Issues.*

There was no discussion or action regarding early issues during the Meeting.

5. *Board Travel.*

There was no discussion or action regarding Board travel during the Meeting.

VII. DISCUSSION: STRATEGIC INITIATIVES.

There was no discussion or action regarding strategic initiatives at the Meeting.

VIII. ADJOURNMENT.

There being no further business to come before the Meeting, upon motion duly made by Commissioner Irvin, seconded by Commissioner Stewart, and unanimously approved by the affirmative votes of all Commissioners present, the Meeting was adjourned.

Respectfully submitted,

Johnnie P. Patton, R. Ph., Chair

Dr. Sylvia Stewart, Vice Chair

Dr. Glenda Glover

George E. Irvin, Sr.

Earle Jones