

Rutherford County Airport Authority Agenda
February 18, 2014 5:30pm

I. Call to Order

A. Pledge of Allegiance

II. Public Comments

Comments should be limited to three (3) minutes. Written comments submitted prior to the Board meeting will be copied and distributed to the Airport Authority.

III. Minutes of January 21, 2014 Regular Meeting

IV. Financial Report

V. Airport Operations Report

VI. Old Business

A. Organizational Review Update

VII. New Business

A. Economic Development Opportunities

B. Change to Fuel Policy

Adjourn

MINUTES OF THE MEETING OF THE RUTHERFORD COUNTY AIRPORT AUTHORITY HELD AT THE RUTHERFORD COUNTY AIRPORT ON JANUARY 21, 2014 AT 5:30 PM.

**PRESENT: CHAIRMAN GREG LOVELACE
VICE CHAIRMAN EDDIE HOLLAND
WILLIAM ECKLER
ROGER RICHARD**
ABSENT: JULIUS OWENS

CALL TO ORDER/ PLEDGE OF ALLEGIANCE

Chairman Lovelace called the meeting to order and Vice Chairman Holland led in the Pledge of Allegiance.

Absent Member

Bill Eckler made a motion to excuse Julius Owens from the meeting as he was away on County-related business. Vice Chairman Holland seconded the motion. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, Airport Authority Member Bo Richard voting no; and Airport Authority Member Owens excused.

PUBLIC COMMENTS

David Reno said he was requesting answers to the questions he had asked in previous months.

Minutes/December 17, 2013

Bill Eckler made a motion to approve the minutes of the December 17, 2013 meeting and Vice Chairman Holland seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler and Richard voting aye; no Airport Authority Member voting no; and Airport Authority Member Owens excused.

Financial Report

County Manager Carl Classen reported on the revenues and expenditures through December 31, 2013. There were no questions about the financial report.

Airport Operations Report

Chris Roach reported fuel sales for the month of December were 5260.98 gallons and prepaid customers were 41,000 gallons. Chris Roach stated that there had been 3 hunters to hunt on the

property during deer season. He also spoke about a semiannual fuel audit that all the recommendations had been completed.

Organizational Review

County Manager Carl Classen gave an update on the Organizational Review and discussed scanning Airport documents and indexing the boxes of documents in the basement at the airport. He stated the cost for scanning would cost approximately \$4400 and that there would need to be a budget amendment for the monies.

Bo Richard mentioned the missing minutes from the 80's and that the issued needed to be turned over to the Sheriff's department. He stated that all documents needed to be scanned and organized. He also stated that the tapes that where found were insufficient.

Bo Richard made a motion to scan all found documents and allow Sheriff's department to look into the missing minutes and report back. The motion died due to lack of a second.

Hearing no objection, Chairman Lovelace directed that a further report on the missing minutes from the 1980's be given by the County Manager at the February meeting.

Tree Clearing Update

Chief Building Official Jason Ruff has met with affected property owners regarding trees that have grown into the runway protection zone. Mr. Ruff said he had signed agreements to clear some of the trees that are an obstruction and stated that the Building Inspections office would be responsible for enforcing any issues with property owners that were not in compliance.

Building Removal Update

Jimmy Luther, WK Dickson, spoke about buildings to be cleared from the Edwards and Owens properties, plus removing the trees to the ground would be in a bid package. He stated that no additional funds were needed at this time as funding is included in the grants.

Airport Advisory Council

Chairman Lovelace discussed the idea of creating an advisory council to assist the Board on policy recommendations regarding the Airport. County Manager Carl Classen stated there had been a suggestion to create an airport advisory council consisting of stakeholders or others interested in the airport and that this committee would make recommendations on policies and improvements at the Airport.

Chairman Lovelace asked other Board members to speak with people about the idea and that the topic would be on the March agenda.

Boy Scouts of America Camp Over

Russell Hyde addressed the Board about the Boy Scouts camp-over at the Airport and that there would not be any expense to the County.

Bill Eckler made a motion to authorize plans for the Boy Scouts of America to use the airport and for the Boy Scouts to execute a liability waiver. Vice Chairman Holland seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, and Richard voting aye; no Airport Authority Member voting no; and Airport Authority Member excused absent.

Forest Service Lease

After discussion regarding the value of the NC Forest Service operations at the Airport and the need to have a fully executed lease with the Forest Service, Bill Eckler made a motion for a new lease agreement for 30 years with the property the Forest Service is on now. Vice Chairman Holland seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, and Richard voting aye; No Airport Authority Member voting no; and Airport Authority Member Owens excused.

Keys to Locks

Bo Richard asked whether the Airport should have keys to all the hangars so the Airport could conduct regular hangar inspections. Airport Authority Attorney Beth Miller stated it is not appropriate to request for keys to the hangars. The Airport Authority can schedule a time with the hangar owners to inspect them.

Chris Roach stated that the airport does have a few hangar keys but only because the hangar owners will call ahead and ask for someone to put fuel in their plane and have it ready for them to leave.

Hearing no objection, Chairman Lovelace asked the Airport Authority to develop a release form for interested hangar owners to sign that would allow the Airport to keep a key to the owner's hangar for the purpose of servicing their aircraft, when requested.

Inspecting Hangars Inside and Out

Airport Authority Attorney Beth Miller stated that under the 40 year lease the airport authority has a right to inspect the hangars.

Bo Richard asked if the hangars had been inspected recently. The attorney stated that she believed the last board inspected all the hangars last year.

Jason Ruff from the Building Inspections office stated that State-required fire inspections of the hangars were completed in 2013. He also stated that the fire extinguishers should be inspected yearly by the owners.

Easement on Bee Hive Drive

Bo Richard asked about an easement on Bee Hive Drive. Beth Miller stated that there was an easement on Bee Hive Drive but there was an error in the original paperwork from 1978 which was the County assigned the easement instead of the Airport Authority.

Bill Eckler made a motion to correct the paperwork for the easement by the airport attorney and Vice Chairman Holland seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler and Richard voting aye; no Airport Authority Member voting no; and Airport Authority Member Owens excused.

RECESS

6:28 P.M. - Recess
6:30 P.M. - Reconvene

Closed Session Attorney Client Privilege NCGS 143-318-11(a)(3).

Bo Richard moved and Bill Eckler seconded to go into closed session regarding attorney client privilege pursuant to NCGS 143-318.11(a)(3). The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, and Richard voting aye; no Airport Authority Member voting no; and Airport Authority Member Julius Owens excused.

Carl Classen asked the board, Beth, and Brooke to remain.

Closed Session - 6:30
Return to Open Session - 6:37

ADJOURNMENT

Bill Eckler moved to adjourn and Vice Chairman Holland seconded the motion. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler and Richard voting aye; no Airport Authority Member voting no; and Airport Authority Member Owens excused.

6:37 P.M. - Adjourned.

Chairman, Airport Authority

Vice Chairman, Airport Authority

Attest:

Secretary to the Airport Authority

RUTHERFORD COUNTY
 Airport - Revenue and Expense
 Report dates 07/01/2013 - thru - 01/31/2014

Account Number	Account Description	Amended Budget	Period Activity 01/01/2014 to 01/31/2014	Fiscal Year to Date 07/01/2013 to 01/31/2014	Encumbrances	Available Budget
10-3453-410-01-000	Airport Fuel Sales	350,000.00	-19,084.02	-226,091.48	0.00	123,908.52
10-3453-800-00-000	AIRPORT MISCELLANEOUS REVENUES	0.00	-15.00	-127.50	0.00	-127.50

AIRPORT		350,000.00	-19,099.02	-226,218.98	0.00	123,781.02
10-3834-800-01-000	RENTS-AIRPORT	18,400.00	-2,350.00	-12,431.55	0.00	5,968.45

MISCELLANEOUS REVENUE RENTS		18,400.00	-2,350.00	-12,431.55	0.00	5,968.45

Total Revenue		368,400.00	-21,449.02	-238,650.53	0.00	129,749.47
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10-4530-121-00-000	AIRPORT SALARIES REGULAR	34,568.00	2,694.85	15,641.47	0.00	18,926.53
10-4530-122-00-000	AIRPORT SALARIES OVERTIME	0.00	0.00	846.16	0.00	-846.16
10-4530-126-00-000	SALARIES PART TIME	26,540.00	2,411.03	22,509.87	0.00	4,030.13
10-4530-181-00-000	F I C A	3,789.00	278.24	2,244.40	0.00	1,544.60
10-4530-181-01-000	MEDICARE FICA	887.00	65.07	524.91	0.00	362.09
10-4530-182-00-000	RETIREMENT	4,276.00	336.05	1,647.29	0.00	2,628.71
10-4530-182-01-000	NC RETIREMENT 401K	1,123.00	87.58	429.30	0.00	693.70
10-4530-183-00-000	AIRPORT HEALTH AND LIFE INSURANCE	5,675.00	478.25	1,866.62	0.00	3,808.38
10-4530-183-01-000	EMPLOYEE EVALUATIONS	0.00	0.00	90.00	0.00	-90.00
10-4530-186-00-000	WORKERS COMPENSATION	0.00	1,677.00	1,677.00	0.00	-1,677.00
10-4530-189-01-000	AIRPORT OTHER FRINGE BENEFITS	0.00	0.00	0.00	0.00	0.00
10-4530-192-00-000	PROFESSIONAL SERVICE LEGAL	9,000.00	300.00	2,100.00	0.00	6,900.00
10-4530-192-01-000	PROFESSIONAL SERVICE-OTHER	5,000.00	0.00	5,000.00	0.00	0.00
10-4530-251-01-000	AV FUEL PURCHASES	300,000.00	0.00	201,983.49	0.00	98,016.51
10-4530-260-00-000	OFFICE SUPPLIES	1,000.00	143.61	1,021.21	0.00	-21.21
10-4530-260-02-000	Airport Supplies	500.00	267.36	1,494.43	0.00	-994.43
10-4530-299-00-000	PUBLIC RELATIONS	500.00	0.00	0.00	0.00	500.00
10-4530-311-00-000	TRAVEL/EXPENSE REIMBURSEMENT	300.00	66.79	128.97	0.00	171.03
10-4530-321-00-000	TELEPHONE	1,297.00	222.95	1,420.30	0.00	-123.30
10-4530-325-00-000	POSTAGE	75.00	0.00	23.54	0.00	51.46
10-4530-331-00-000	UTILITIES SEWER WATER ELECTRICITY	7,000.00	826.51	4,950.63	0.00	2,049.37
10-4530-351-00-000	REPAIRS & MAINTENANCE AIRPORT	40,500.00	293.68	7,557.54	0.00	32,942.46
10-4530-352-00-000	MAINTENANCE TO EQUIPMENT	5,000.00	0.00	0.00	0.00	5,000.00
10-4530-353-00-000	MAINTENANCE TO VEHICLES	1,000.00	0.00	9.04	450.00	540.96
10-4530-370-00-000	ADVERTISING	500.00	0.00	0.00	0.00	500.00
10-4530-440-00-000	SERVICE & MAINTENANCE CONTRACTS	27,000.00	3,750.00	13,350.00	14,875.00	-1,225.00
10-4530-451-00-000	Property/Operations Insurance	7,949.00	0.00	0.00	0.00	7,949.00
10-4530-452-00-000	INSURANCE-LIABILITY BOARD MEMBERS	2,500.00	0.00	0.00	0.00	2,500.00
10-4530-491-00-000	DUES & SUBSCRIPTIONS	300.00	0.00	198.00	0.00	102.00
10-4530-510-01-000	FIBER INSTALLATION	0.00	0.00	0.00	0.00	0.00

AIRPORT		486,279.00	13,898.97	286,714.17	15,325.00	184,239.83

RUTHERFORD COUNTY
 Airport - Revenue and Expense
 Report dates 07/01/2013 - thru - 01/31/2014

Account Number	Account Description	Amended Budget	Period Activity 01/01/2014 to 01/31/2014	Fiscal Year to Date 07/01/2013 to 01/31/2014	Encumbrances	Available Budget

Total Expense		486,279.00	13,898.97	286,714.17	15,325.00	184,239.83
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GENERAL FUND		-117,879.00	-7,550.05	48,063.64	15,325.00	-54,490.36
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Brooke Watson

From: Carl Classen
Sent: Monday, February 10, 2014 6:32 PM
To: Chris Roach
Cc: Brooke Watson
Subject: RE: Weekly Fuel Report

Recommendation approved. Thanks for your staying on top of this issue.

Carl Classen
County Manager
Rutherford County, NC
(828) 287-6060

Pursuant to North Carolina General Statutes, Chapter 132, et seq., this electronic mail message and any attachment hereto, as well as any electronic mail message(s) that may be sent in response to it may be considered public record and as such are subject to requests for review.

From: Chris Roach
Sent: Monday, February 10, 2014 3:02 PM
To: Carl Classen
Cc: Brooke Watson
Subject: Weekly Fuel Report

Carl

The following current prices are now valid for Feb 10th, 2014

Jet-A - 3.40569 (-0.02986)
100LL - 4.171584 (+0.1207)
100LL - 4.267768 (+0.1207)

Current fuel prices for Rutherford County Airport and surrounding areas:

KFQD - Rutherford - (100LL = \$5.31) (Jet-A = \$5.10)
KEHO - Shelby - (100LL self serv = \$4.95) (100LL full serv = \$5.35) (Jet-A = \$4.70)
KMRN - Morganton - (100LL = \$4.99) (JetA = \$5.69)
KAVL - Asheville - (100LL = \$7.26) (JetA = \$6.99)
KSPA - Spartanburg - (100LL = \$5.45) (JetA = \$5.70)
35A - Union, SC - (100LL = \$4.90) (JetA = not sold)
KHKY - Hickory - (100LL self serv = \$5.05) (100LL full serv = \$5.64) (JetA = \$5.70)
KDCM - Chester - (100-LL = \$5.90) (JetA = \$5.80)

KAVL - Asheville - raised jet-a from 6.98 to 6.99
KAVL - Asheville - raised 100ll from 7.21 to 7.26
KSPA - Spartanburg - lowered jeta from 5.80 to 5.70
No other airport altered prices during this week.

All prices current as of 2/10/14 @3:12pm.

All prices include sales tax.

Recommendation:

100-LL: Keep current price of \$5.31 per gallon

Jet-A: Due to slower Winter sales, request price change from current \$5.10 per gallon, back to previous \$4.99 per gallon.

Christopher Roach

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Rutherford County Airport Fuel Prepay Proposal

The current fuel pre-purchasing policy was established by the Rutherford County Airport Authority in FY2011-12. The current policy is:

- Jet-A fuel may be pre-purchased at cost, plus a predetermined mark-up. (20 cents).
- 1,000 gallon minimum to pre-purchase.
- The same 20 cents is used to mark-up, regardless of amount purchased.

Fuel prices, particularly Jet-A (which is basically a high grade kerosene or diesel) tend to rise in winter months due to winter heating costs. As mentioned earlier in previous deliberations, this policy provided positive cash flow if the price remained at the price it was sold or dropped below that level. If the price of fuel rose, the policy could result in a negative cash flow if the price of fuel rises.

Fuel prices fluctuate weekly, which staff monitors and compares with the price of fuel sold at surrounding airports. This allows Rutherford County Airport to provide competitive pricing for airplanes based at the Airport or travelling through the area.

Initially staff proposed a rebate program that would provide lower pricing for volume fuel purchasers but this concept did not fit well with several aircraft owners' business models. In the alternative, the County Manager and Airport Operations Manager have discussed a flowage fee proposal with aircraft owners/operators and it has been positively received.

The fuel flowage proposal would work as follows:

- Prepayment for Jet A (no pre-payment plan for 100LL)
 - \$2,500 to 7,499 Price of fuel: Current Cost plus 40 cents and taxes
 - \$7,500 and \$12,500 Price of fuel: Current Cost plus 15 cents and taxes
 - \$12,600 and \$19,999 Price of fuel: Current Cost plus 10 cents and taxes
 - \$20,000 and over Price of fuel: Current Cost plus 5 cents and taxes
- Current Cost equals the price of the fuel delivered plus a 20-cent per gallon operations charge.
- Pre-payments would not be recorded as revenue until the fuel is pumped into the aircraft. This reduces monthly fluctuations and does not overstate revenues. Pre-payments will be carried as a liability until the fuel is sold (put into an aircraft).
- Accounts shall be established by tail number, not by payee or user.
- Each year, the County would advise pre-payers of their balance and request notice whether the pre-payer wanted to continue the balance or have it refunded.