

The City of Lee's Summit
Action Letter
Board of Aeronautic Commissioners

Monday, April 8, 2019
7:00 PM
Howard Conference Room A
City Hall
220 SE Green Street
Lee's Summit, MO 64063

Call to Order

Chairman Mall called the April 8, 2019, Board of Aeronautic Commissioners meeting to order at 7:00 p.m. Notice of said meeting was provided by posting the meeting notice with a tentative agenda, at least 24 hours in advance of the meeting, at both entrances to City Hall.

Roll Call

Present: 9 - Chairperson Phil Mall
Vice Chair Paula Derks
City Council Liaison Rob Binney
Commissioner James Brady
Commissioner Darryl Nelson
Commissioner Joseph Towns
Commissioner Tom Townsend
Commissioner Molly Waller
Commissioner Kirk Fletcher

Approval of Agenda

A motion was made by Commissioner Brady, seconded by Commissioner Townsend, that the agenda of April 8, 2019, be approved. The motion carried unanimously 7-0.

Approval of Action Letter

1. [2019-2560](#) Action Letter dated January 14, 2019

A motion was made by Vice Chair Derks, seconded by Commissioner Brady, to approve the January 14, 2019 Action Letter. The motion carried unanimously 7-0.

Public Comments

None.

Business

2. [TMP-1193](#) An Ordinance approving a New Schedule of Discounts For Fuel Sales at the Lee's Summit Municipal Airport.

A motion was made by Vice Chair Derks, seconded by Commissioner Waller, to recommend to City Council approval of an ordinance approving a new schedule of discounts for fuel sales at the Lee's Summit Municipal Airport with acknowledgement that staff would amend the packet

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for clarity and continue the standard City Council approval process. The motion carried unanimously 7-0.

3. [BILL NO. 19-120](#) An Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City. (BOAC 4-8-19) (F&BC 5-20-19)

A motion was made by Commissioner Waller, seconded by Commissioner Townsend, to recommend to City Council approval of an ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to Execute the same by and on behalf of the City. The motion carried unanimously 6-0. (Commissioner Brady abstained).

4. [2019-2657](#) Annual Airport Budget Presentation to Board of Aeronautic Commissioners

Mr. John Ohrazda, Airport Manager, presented a proposed CPI increase of 2.2 percent on Hangar and tie down rentals. Changes were made to the Schedule of Fees for fuel mark-up, transient overnight fees and services to increase revenues to meet operational needs. Bob Hartnett, Deputy Director of Public Works, discussed CIP Projects for Fiscal Year 2020, including a presentation of the request for Federal and State funding to begin the development of a new Master Plan and Business Plan over a period of several fiscal years to replace the current Master Plan that will be 20 years-old. Estimated cost is \$385,850. Partial funding of \$150,000 in Federal and State discretionary funds is available this year (FY19); may have additional funding from the federal reimbursement grant from the FAA equipment relocation project for airfield lighting project.

A motion was made by Commissioner Brady, seconded by Commissioner Fletcher, that the BOAC recommends to the City Council approval of the 2020 Operating budget and Airport CIP. The motion carried unanimously 7-0.

This Presentation was received and filed.

5. [2019-2691](#) Airport Financial Report Year to Date January 31, 2019

Darlene Pickett, Finance Controller, presented the Airport Financial Report Year to Date January 31, 2019. Reports through March 2019 show the Airport fund with a net operating loss of \$387,262. The fund has operating revenues of \$967,690 against expenditures of \$1,354,952. Non-operating items and transfers bring the fund to a year-to-date net loss of \$3,938,297. When depreciation expense of \$326,207 is eliminated, the net loss without depreciation is \$3,612,090. Pending grant reimbursements make up \$1,579,106 of this loss.

Operating revenues overall are above budget (5%) and above prior year \$117,659 or 15%. Rental revenue is below budget by 7% for FY19 and down 7% (\$27,671) compared to last year. This drop is due to hangar demolition and

construction of replacement hangars further from the runway. Fuel revenues are above budget \$94,613 (19%) and up \$91,060 (21%) compared to last year. Overall, sales in gallons increased 15,934 gallons or 16% compared to last year. Jet A is up 14,575 gallons for a 38% increase. Note, Runway 18/36 was closed until the end of September 2017 (1st quarter of FY18) when comparing current year to prior year.

Expenditures are 4% over budget (\$46,765). Supplies for Resale (fuel is the primary item in this category) is \$88,043 or 30% over budget and up 35% over last year actual. This is due to increased gallons purchased (see revenues above) along with rising costs. In addition, there are some unposted adjustments that will make fuel costs decrease. Other supplies, services, and charges is \$24,999 or 14% over budget. This is due to a timing difference in insurance expenses due to a full payment made in the beginning of the fiscal year as compared to the budget which was allocated evenly. This gap will narrow monthly as we progress through the fiscal year.

This Report was received and filed.

6. [2019-2688](#) Staff Report, Fuel Sales & Fuel History

John Ohrazda, Airport Manager, stated that in addition to what is in the staff report, we received from the state (Missouri Department of Transportation) the State Airport System Plan Update. When we get the electronic version, we will send it to the BOAC.

In April, the third Saturday will kick off the Young Eagles flights. June 22 is the Airport Open House. Also, June 18-20 is the Women's Classic Air Race that will be stopping in Lee's Summit.

Mr. Hartnett gave a follow up report from the January BOAC on the law firm of Bushyhead LLC, who represents the developer who would like to have a mixed use corporate hangar development at the Airport. Things have been very quiet on this.

This Report was received and filed.

Roundtable

Councilmember Binney noted that the east side development seems to have potential and not to sell ourselves short on future plans. He looks forward to the quality of demands on a terminal building. Chairman Mall agreed about a terminal building. He also stated he will be out of town for the June meeting.

Commissioner Waller mentioned block grants for larger airports improvement plans. She also stated a part time person was retiring in the aviation field.

Commissioner Brady expanded on the Johnson County Executive Airport's

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upcoming construction this summer, which should last six months.

Commissioner Fletcher introduced himself and gave a bit of his background to the Board.

Adjournment

Chairman Mall adjourned the April 8, 2019, meeting of the Board of Aeronautic Commissioners at 8:20 p.m at City Hall, 220 SE Green Street, Howard Conference Room A.

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