



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

Monday, May 1, 2017

7:00 PM

City Council Committee Room

City Hall

220 SE Green Street

Lee's Summit, MO 64063

CALL TO ORDER

Chair Townsend called the May 1, 2017, Board of Aeronautic Commissioners meeting to order at 7:00 p.m. Notice of said meeting was provided by posting a proposed agenda at least 24 hours in advance for public notice.

ROLL CALL

Present: 7 - Chairperson Tom Townsend
Vice Chair Garey Reeves
Commissioner Gary Fox
Commissioner Phil Mall
Commissioner Ken Stremming
Commissioner Joseph Towns
Commissioner Molly Waller
Absent: 2 - City Council Liaison Phyllis Edson
Commissioner James Brady

APPROVAL OF AGENDA

APPROVAL OF ACTION LETTER

A motion was made by Commissioner Reeves, seconded by Commissioner Mall, that the Action Letter of December 12, 2016 be approved. The motion carried unanimously 7-0. (Commissioner Brady "Absent", Councilmember Edson "Absent")

[2017-1081](#) Action Letter Dec. 2016

Attachments: [Action Letter Dec. 2016.pdf](#)

PUBLIC COMMENTS

There were no public comments.

[2017-1111](#) Airport Year to Date Financial Report February 28, 2017

Presenter: Presenter: Darlene Pickett

Attachments: [Feb 28 2017.pdf](#)

Darlene Pickett, Finance Controller, presented the Airport Year to Date

Financial Report. Reports through February 2017, show a net operating loss of \$326,813. The fund has operating revenues of \$876,701 against expenditures of \$1,203,514. Non-operating items and transfers bring the fund to a year-to-date net loss of \$167,059. When depreciation expense of \$370,851 is excluded (added back), net income adjusted for depreciation is \$203,851. Grant reimbursements make up \$147,818 of this income amount.

Operating revenues are right at budget (100%) and above prior year \$35,646 or 4%. Rental revenues are exceeding budget by 9% for FY2017 and up 17% compared to last year. Fuel revenues are below budget \$30,784 (7%) and down \$34k (8%) compared to last year. Lower fuel prices are the primary driver for lower revenues compared to last year. Overall, sales in gallons are up 1,800 gallons or 2% compared to last year. Prices on average are \$.82/gallon lower than last year. Staff noted January had 14 IFR days.

Expenditures are under budget \$41,590 or 3%. Salaries and wages are the main driver in the overall decrease coming in at \$31,328 (11%) under budget. OSS&C is under budget \$29k or 17%. Items included in this category include fuel used in airport vehicles/equipment and fuel discounts earned on purchases. Both of these are below budget due to lower costs. Maintenance and repairs are \$18k (50%) over budget. This is expected to level out as the year continues. All other expense categories are performing within 10% or \$10,000 of budget.

Commissioner Stremming asked if the 11% under budget salaries and wages is because the airport is running light with some positions not filled. John Ohrazda replied the airport has been running light for quite a while with Joel and himself picking up alot of the slack.

This Report was received and filed.

BUSINESS

[2017-1101](#)

Annual Airport Budget Presentation to Board of Aeronautic Commissioners

Recommendation: Recommendation: Staff recommends to the City Manager that the proposed Airport Budget be included in their submission to City Council.

Presenter: Presenter: John Ohrazda, Airport Manager

Committee Recommendation: Committee Recommendation: BOAC recommends to the City Manager that the proposed Airport Budget be included in their submission to City Council.

Attachments: [FY18 Airport Division Presentation Points.pdf](#)

John Ohrazda gave the Annual Airport Budget presentation. The Key issues are the following recommendations:

1. A CPI increase of 2% beginning January 1, 2018

2. 2018 Spring Airport construction project
3. Continue to evaluate future operational needs of the Airport after improvements are complete
4. Tenant Open House & Tenant Construction Progress Meetings
5. Continue and expand Airport Marketing Program
6. Annual Airport open house event
7. Attend and staff a booth at the NBAA (National Business Aircraft Association) Schedulers & Dispatchers Conference in Feb. 2018
8. Marketing budget remains close to last year's amount
9. Remove & replace asphalt 15-approach pads of K & J hangar units with three year program to perform all 38 units
10. Equipment expansion requests to maintain the same level of service and personnel expansion requests

A motion was made by Commissioner Reeves, seconded by Commissioner Fox that the BOAC recommends to the City Manager the proposed Airport Budget be included in their submission to City Council. The motion carried unanimously 7-0. (Commissioner Brady "Absent", Councilmember Edson "Absent")

2017-1103

Presentation of the Airport and Marketing Update for FY17-18

Recommendation: Recommendation: Staff recommends pursuing the actions outlined in the Airport marketing update for the coming fiscal year.

Presenter: Presenter: Joel Arrington, Assistant Airport Manager

Committee Recommendation: Committee Recommendation: BOAC recommends pursuing the actions outlined in the Airport marketing update for the coming fiscal year.

Attachments: [FY17-18 Airport and Marketing Update](#)

Joel Arrington gave a powerpoint presentation of the Airport and Marketing update for FY17-18. Mr. Arrington gave an update on completed marketing activities for FY17 which included the following:

1. The acquisition of Hangar 1 and its additional benefits
2. His attendance of the NBAA Schedulers and Dispatchers Conference in Feb. 2017 in Dallas
3. His attendance of the NBAA Business Aircraft Conference and Expo held in Orlando, Florida in Nov. 2016
4. The success of the Airport Open House on June 18, 2016, with an estimated 1,500 people in attendance
5. The Airport Tenant Open House with 14 tenants, 5 City staff, 2 CMT staff members and 2 BOAC members in attendance
6. The Airport Hangar Survey of 550 people
7. Updated the Fly Friendly brochure, newly named the "Pilots Guide to Flying Friendly in Lee's Summit"
8. Developed an Airport newsletter

Mr. Arrington reported on the Marketing activities for FY18 as follows:

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1. Continue to improve services to attract and retain customers
2. Concierge staff (requested in the FY18 budget)
3. Line service staff (requested in the FY18 budget)
4. Ground Power Unit to service corporate aircraft (requested in the FY18 budget)
5. Additional mowing and snow removal equipment (requested in the FY18 budget)
6. Hangar 1 facility repairs and improvements
7. Adjust staffing hours based on business demand
8. Actively engaged in attracting aviation service providers (Flight school and FAA testing site in progress)

A motion was made by Commissioner Mall, seconded by Commissioner Reeves that the BOAC recommends pursuing the actions outlined in the Airport marketing update for the coming fiscal year. The motion carried unanimously 7-0. (Commissioner Brady "Absent", Councilmember Edson "Absent")

[2017-1105](#)

Presentation of the Draft FY18 Airport Capital Improvement Plan

Recommendation: Recommendation: Staff recommends including the airport projects in the FY18 CIP.

Presenter: Presenter: Bob Hartnett

Committee Recommendation: Committee Recommendation: BOAC recommends including the Airport projects in the FY18 CIP.

Attachments: [Draft Airport Capital Program for 2018](#)

[Map](#)

Bob Hartnett gave a powerpoint presentation of the Draft FY18 Airport Capital Improvement plan. Mr. Hartnett had two color-coded spreadsheets with all the Airport CIP projects listed. Listed are Federal/State participation projects and 100% city funded projects. The spreadsheet showed the Federal/State funded projects that are currently underway and projected projects for future years with total costs. Also shown, are some specific projects that have been discussed with MoDOT by City staff to possibly have them included in their STIP (State Transportation Improvement Plan) for future dates. Commissioner Towns asked Mr. Hartnett to explain the 2020/2021 budget for the new Terminal Building. Mr Hartnett explained the Airport is sitting at a total budget of \$1.1million, all City funded. The 2020 money would be for the design and hiring an architect and engineer to do a space need study. The 2021 money would be for construction.

A motion was made by Commissioner Towns, seconded by Commissioner Stremming that BOAC recommends including the Airport projects in the FY18 CIP. The motion carried 7-0. (Commissioner Brady "Absent", Councilmember Edson "Absent")

[2017-1029](#)

Staff Report, Fuel Sales & Fuel History

Presenter: Presenter: John Ohrzda, Airport Manager

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Committee Recommendation: Committee Recommendation: BOAC recommends that staff move forward with negotiations with Rebel Aviation, Inc.

Attachments: [Staff Report initialed-DEM.pdf](#)
[December 2016 Fuel Sales and Hangar Availability.pdf](#)
[January 2017 Fuel Sales and Hangar Availability.pdf](#)
[February 2017 Fuel Sales and Hangar Availability.pdf](#)
[March 2017 Fuel Sales and Hangar Availability.pdf](#)
[FUELHST-2017.pdf](#)

John Ohrazda had two items to add to the staff report. The first item is Rebel Aviation, Inc. would like to operate a flight school and aircraft rental at the airport. They would like to start with at least three aircraft. They have gone through the standard FBO agreement and it has been given to the City's legal department for review. As of today, Rebel Aviation has accepted all terms and are ready to move forward. Mr. Ohrazda said he would like a recommendation from the BOAC to have staff move this forward so it can go on the Finance and Budget Committee agenda for May 8. A motion was made at this time.

The next item added to the staff report is the Summit Tech engineering students. The students undertake projects with the City of Lee's Summit as their mentors every year. This year they took an Airport project to look at the extreme westside boundaries at the Airport. This class will be presenting their final presentation on Friday, 5/5, at 8:00 a.m. in the Council Chambers. All commissioners are invited to attend.

Chair Townsend asked if there were any suggestions in the suggestion box and Commissioner Reeves said there were none.

A motion was made by Commissioner Stremming, seconded by Commissioner Towns that the BOAC recommends that staff move forward with negotiations with Rebel Aviation, Inc. The motion carried 7-0. (Commissioner Brady "Absent", Councilmember Edson "Absent")

ROUNDTABLE

There were no comments in Round Table.

ADJOURNMENT

Chair Townsend adjourned the May 1, 2017, Board of Aeronautic Commissioners meeting at 8:55 p.m.

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