



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

Monday, April 9, 2018
7:00 PM
City Council Committee Room
City Hall
220 SE Green Street
Lee's Summit, MO 64063

CALL TO ORDER

Chairman Mall called the April 9, 2018 Board of Aeronautic Commissioners meeting to order at 7:04 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:** 8 - Chairperson Phil Mall
Vice Chair Ken Stremming
City Council Liaison Craig Faith
Commissioner James Brady
Commissioner Paula Derks
Commissioner Darryl Nelson
Commissioner Joseph Towns
Commissioner Tom Townsend
- Absent:** 1 - Commissioner Molly Waller

APPROVAL OF AGENDA

A motion was made by Commissioner Nelson, seconded by Vice Chair Stremming, that the Agenda of April 9, 2018 be approved. The motion carried unanimously 8-0.

APPROVAL OF ACTION LETTER

A motion was made by Commissioner Brady, seconded by Vice Chair Stremming, to approve the January 23, 2018 Action Letter. The motion carried unanimously 8-0.

- A.** [2018-1839](#) Action Letter dated January 23, 2018.

PUBLIC COMMENTS

None.

BUSINESS

- A.** [2018-1990](#) Recognition of Former BOAC Members Gary Fox and Garey Reeves
Chairman Mall recognized former Board of Aeronautic Commissioners Gary Fox and Garey Reeves for their years of service with plaques.

This Presentation was received and filed.

B. [2018-1965](#) Annual Airport Budget Presentation to Board of Aeronautic Commissioners

John Ohrazda, Airport Manager, gave his annual airport budget presentation to the Board. Key issues discussed were the Proposed CPI Increase of 2.3 percent on Hangar and tie down rentals. The Airports' National Pollutant Discharge Elimination System (NPDES) Permit also was discussed. This requires testing for petroleum products and de-icing materials that discharge to streams. Commissioner Brady asked about the three different watersheds near the airport, and Mr. Bob Hartnett, Deputy Director of Public Works, explained that this is a site specific permit due to the proximity to Unity Village's drinking water source. Other items discussed were the Fifth Annual Open House on June 23; the complete Airport Marketing Plan with Creative Services; staff will be hosting a fall customer tenant meeting to inform customers and tenants of planned improvements for the Airport; and two new businesses have located in Hangar 1, an Aircraft maintenance shop and an Avionics shop plus rental on one Aircraft spot.

Joel Arrington, Assistant Airport Manager, presented the Personnel Expansion requests for FY19. Two new positions to personnel are being requested following the strategic recommendations in the Airport's Business Plan adopted by the City in 2010 stating additional staffing will be needed following improvements to the runway. Equipment requests were also discussed, such as de-ice equipment, a circulating fan and Zone Control System for Hangar 1. Total Airport facility/equipment expansion request equals \$34,612.00. All personnel and equipment expansions are being requested with trigger points of either fuel sales or square footage rental. They are not included in the current budget request.

Mr. Ohrazda also discussed airfield improvements under the Capital Improvement Plan for FY19. Major expenses in the FY19 budget request include Aviation fuel purchases, jet fuel purchases, electricity and insurance costs. The airfield improvements will require runway 18/36 to be out of service for 35 days in FY19, but overall fuel sales are expected to increase. Electricity expenses were adjusted due to reduced usage during runway outage and taxiway Alpha outage during construction. Addition of new pavement reduces the need for pavement maintenance, and mowing expenses/overtime were reduced for part of the next fiscal year due to amount of ground affected by construction activities. Commissioner Stremming asked for an estimate of what mowing may be after construction is completed. Mr. Ohrazda responded that grading projects have increased the amount of acres that will now be mowed by an estimated 40%. Wildlife fencing maintenance increased to 5.5 miles of fence line to mow and

maintain. Snow removal will also require faster and more efficient time - two hours per FAA. New visitors to the airport are using large jets, thus increasing jet fuel sales, overnight hangar storage fees and other services. Marketing was again discussed. The airport has provided the entire package of improvements from service to maintenance as well as attending National Conferences, direct mailings and digital targeting.

A motion was made by Commissioner Towns, seconded by Commissioner Nelson, to recommend to City Council approval of the Airport's FY19 budget. The motion carried unanimously 8-0.

C. [2018-1966](#) Presentation of Draft 2019 - 2024 Airport Capital Improvement Program

Mr. Bob Hartnett, Deputy Director of Public Works, presented a Draft 2019-2024 Airport Capital Improvement Program to the Board. Staff annually prepares a five-year Airport Capital Improvement Program. The plan takes into account local funding, grants, and construction sequencing. The Taxiway Alpha project was discussed; completion and lengthening of that taxiway began in FY18. For the Northwest Quadrant Hangar Project, removal of seven hangar buildings was discussed. The development of a new master plan was discussed. It will take several fiscal years to replace the current Master plan, which will be 20 years old. The estimated cost is \$700,000. Property acquisition to begin phase 3 of the Northeast side is a \$3.4 million project, which will be included in FY19. Expansion of the Hangar 1 automotive parking area to accommodate users and businesses for \$100,000 will also be included.

Joseph Towns asked about accepting approval of the CIP and Mr. Hartnett offered an explanation about the CIP process and that it will go before City Council for further review.

A motion was made by Vice Chair Stremming, seconded by Commissioner Derks, to recommend to City Council approval of the 2019-2024 Airport Capital Improvement Plan. The motion carried unanimously 8-0.

D. [2018-1993](#) Airport Financial Report Year to Date February 28, 2018

Darlene Pickett, Finance Controller, presented the Airport Financial Report Year to Date February 28, 2018. Reports through February 2018 show the Airport fund with a net operating loss of \$474,849. The fund has operating revenues of \$941,764 against expenditures of \$1,416,613. Nonoperating items and transfers bring the fund to a year-to-date net loss of \$3,792,153. When depreciation expense of \$429,792 is excluded (added back), net losses adjusted for depreciation are \$3,362,360. Pending grant reimbursements make up \$5,561,100 of this loss amount.

Operating revenues are below budget (11%) and above prior year \$65,063

or 7%. Rental revenues are below budget by 15% for FY18 and up 1% compared to last year. This drop below budget is due to the tenants leaving the open T-hangars and the S&L hangars prior to their demolition in March. When the budget was prepared last year, it was anticipated that the units were not going to be removed until April or May. Fuel revenues are below budget \$31,385 (6%) and up \$58,826 (14%) compared to last year. Overall, sales in gallons increased 4,621 gallons or 4% compared to last year. In gallons sold, AvFuel is down 1,408 gallons or 2% and JetA is up 3,407 gallons for a 9% increase. Note that Runway 18/36 was closed until the end of September 2017.

Expenditures are over budget \$83,261 or 6%. Maintenance & Repairs is \$47,034 or 120% over budget. Large expenditures in this category include roof repairs, carpet, and painting for Hangar 1 totaling \$22,000. Boiler and siding repairs totaled \$25,000. Supplies for Resale (fuel is the primary item in this category) is \$24,713 or 9% over budget and up 1% over last year. This is due to increased gallons purchased while costs have remained fairly steady.

This Report was received and filed.

E. [2018-1989](#) Staff Report, Fuel Sales & Fuel History

John Ohrazda stated that on March 5, Midwest Heavy mobilized their equipment onsite and set up barricades for Phase 1B of the Taxiway Alpha project. As of March 23, 14% of the earthwork had been completed along with 90% of the hangar demo. Over 54% of the soil stabilization on the southern portion of the taxiway had been completed. He reminded all that State Aviation week is next week, however, he is unable to attend.

This Report was received and filed.

ROUNDTABLE

Councilmember Craig Faith mentioned he was honored to serve on the BOAC Committee and he commended the group on representing the Airport. He feels the Airport has grown and showcases Lee's Summit as a wonderful gateway into the surrounding areas. Commissioner Brady reminded everyone of the Pancake Breakfast on April 21. Commissioner Stremming thanked Councilmember Faith for attending BOAC meetings and representing the Committee at City Council. Commissioner Towns thanked Councilmember Faith, as well. Commissioner Towns noted that he would like to see the line of flight and approach be changed to be over concrete roads and not the houses surrounding the Airport. Bob Hartnett stated that the grant on runway paving has technically expired and a time extension will be needed. Those packets will move forward to Public Works Committee.

Commissioner Derks applauded City staff that Business Aviation Usage is

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up 30%. This is good for the City and Airport.

ADJOURNMENT

Chairman Mall adjourned the April 9, 2018 Board of Aeronautic Commissioners meeting at 8:47 p.m.

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