

Mount Airy/Surry County Airport Authority
Meeting of August 29, 2017

The Mount Airy/Surry County Airport Authority met on August 29, 2017 for an Airport Authority Meeting. The meeting was held at the Surry County Government Center, Room 335, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, Larry Phillips, Larry Johnson, Dr. Thomas Jackson and Nolan Kirkman.

R.F. "Buck" Golding was unable to attend.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Dennis Jones, RA-Tech
John Spane, RA-Tech
Attorney Jay Williams
Jeff Kirby, Parrish and Partners

Airport Authority Chairman Harris called the meeting to order and welcomed everyone.

Airport Authority Chairman Harris asked for approval of the July 20, 2017 minutes of the meeting.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve the July 20, 2017 minutes.

Attorney Jay Williams addressed the Board regarding rental lease agreements and the pet agreement. Attorney Williams stated there is a separate lease agreement for Sage Lane due to the uniqueness of the property. Attorney Williams stated the lease agreement includes a no smoking and no pets section. The pets section states that no pet will be allowed on the premises, either inside the dwelling or outside. Pets of a guest are also prohibited. Any deviation from this policy must be fully

outlined in a separate written Pet Agreement, which is to be signed by the parties prior to any animals being allowed on the premises. Attorney Williams discussed a separate Pet Agreement.

Dennis Jones asked what amount the pet security deposit would be in the agreement.

Attorney Williams stated the Pet Agreement requires an additional month of rent which would vary from property to property.

The Board discussed the Pet Agreement and cleanup costs after the lessee moves out of the property. The Board also discussed the amount needed for the pet deposit. There was discussion on allowing no pets on the property.

Attorney Williams stated the policy has a no dangerous animal policy. Attorney Williams spoke to some landlords, and they stated it is not the dangerous pets, but the small dogs, that do the most damage to the property. The agreement is a no pet policy unless a pet agreement is executed; if you have someone who is a responsible pet owner and is willing to pay the security deposit and additional rent, you can allow the Pet Agreement.

The Board discussed the deposit as being \$1.00 per square foot of the house.

Jeff Kirby stated there are individuals that have comfort animals or service animals that may need to be considered.

Attorney Williams stated the agreement that has been proposed will give the Authority some flexibility in exceptional pet circumstances.

Upon motion of Authority Member Dr. Jackson, seconded by Authority Member Johnson, the Board voted unanimously to approve a rental lease for Sage Lane, a generic rental lease agreement and the pet agreement as presented by Attorney Williams.

Dennis Jones discussed the length of the agreements. Attorney Williams stated that lease agreements are typically for one year.

Attorney Williams stated that Sage Lane has different terms in the lease agreement. The rent term was calculated on a

month-to-month basis. Attorney Williams stated the Authority can make the rental agreement for Sage Lane for one year.

There was discussion about Sage Lane being a month-to-month lease.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously to amend the Sage Lane rental agreement from month-to-month to a one year lease.

Authority Member Johnson asked if the Sage Lane property can be sold.

Attorney Williams stated it would have to be sold subject to the lease agreement in place.

Authority Member Kirkman stated the Authority would have to seek approval from the Department of Aviation and the FAA with most proceeds going back to the State. *Amended Sept. 26, 2017*

Authority Member Tucker asked if all properties were purchased due to being in an area that would be needed for future expansion of the airport.

Authority Member Kirkman stated the parcel is 40+ acres and the Airport Authority needed 1/3 of the property. The property owners wanted to sell the entire parcel or not sell at all.

Attorney Williams stated that Attorney Hugh Campbell made an inquiry on behalf of a client about purchasing a small parcel owned by the Authority on Airport Road. The property is parcel 5948-00-29-7630 which is 1.18 acres in size. Attorney Williams explained how and why the Hunter and Cook parcels were purchased.

Jeff Kirby stated that after the Hunter property was purchased, the Authority approached the State about selling the property. The Authority was strongly advised not to sell the property until after the completion of the expansion project. Mr. Kirby advised not to sell the Sage Lane property which is in the approach to the runway. Mr. Kirby said you can remove the house, but keep the land. If you release it, you may be purchasing it back in the future. Mr. Kirby stated as far as the Hunter property, there is no benefit for the airport to keep the property. The property would need to be kept by the

Authority until the completion of the expansion project. Mr. Kirby stated the property along Airport Road was purchased, and the Authority only needed a small portion of the property. It was vacant property, and it made sense to purchase the entire parcel. Mr. Kirby recommended the Authority keep the property because the Authority may need the property for the future.

Authority Member Dr. Jackson stated the Authority needs to hold on to the properties for now. It took ten years to purchase the property.

The Authority instructed Attorney Williams to write a letter to Attorney Hugh Campbell and stated the Authority does not wish to sell the property.

The Authority discussed the Airport's tax base and the contributions from the City of Mount Airy.

Jeff Kirby, Parrish & Partners, updated the Authority Board on the runway extension and lighting project. A full notice to proceed has been given to the contractor. Runway closure has been set for September 1, 2017 for a 40-day period. There was a request from the contractor to delay the beginning of the project until September 5, 2017, but Mr. Kirby recommended the closure date remain September 1, 2017.

The Authority discussed the procedures on closing the runway. Authority Member Dr. Jackson stated an X is placed on the runway, which shows the runway is closed and you cannot land a plane. Mr. Kirby stated that as of September 1, 2017, the runway is closed to incoming and outgoing traffic. If someone uses the runway, it will be at their risk. Pilots should not use the taxiway to take off or land during this time.

The Authority discussed the temporary erosion control ponds and the control measures.

Mr. Kirby stated the total construction period for the runway extension is set for 141 days from notice to proceed. Work will continue after the runway is open. Mr. Kirby discussed the delivery of the runway lightning. The contractor will not get their materials until November. There will be temporary lightning in place until the lightning materials arrive.

Jeff Kirby, Parrish & Partners, discussed work authorization no. 6, which covers professional services associated with the runway extension site preparation project which includes tasks for project management/grant services for phase I and II that were estimated not to exceed values of \$7,500 and \$6,500. Mr. Kirby stated as they continue to work through the project closeout, erosion control repairs and grant updates, the expenses have exceeded the not to exceed amounts. Mr. Kirby is requesting to invoice over the not to exceed amount for the two tasks. Mr. Kirby stated there are adequate funds in the grant to cover the costs. Mr. Kirby stated the excess from grant is approximately \$450,000. Mr. Kirby will discuss with the State what projects can be done with the excess funds. Mr. Kirby asked the Board to consider a not to exceed amount of \$14,000-\$35,000 for professional services. These funds will come from the grant.

Upon motion of Authority Member Tucker, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve paying for professional services, not to exceed up to \$35,000, with the funds coming from the grant.

The Authority discussed the remaining \$450,000 of the grant funds. Mr. Kirby will discuss with the Division of Aviation/FAA what projects can be utilized with the excess funds. The Authority discussed projects that could be completed. The Authority also discussed the letter of support that was sent to the Division of Aviation for the 2023 projects.

Sandy Snow, Assistant County Manager for Human Resources and Operations, discussed insurance for all rental homes. Ms. Snow stated that all houses, including Sage Lane, are insured. Ms. Snow is working on getting all insurance payments due on the same date each year. Ms. Snow is working with the County insurance carrier on recommendations for aviation liability coverage. Staff are also working with Belton Aviation, current Airport Authority carrier, to obtain quotes for higher limits on liability insurance. The Authority currently has Hanger Keepers coverage with a \$500,000 coverage limit per occurrence in addition to Ra-Tech's policy. Ms. Snow discussed increasing the liability insurance to one million dollars. Ms. Snow will continue to research the liability insurance and bring to the next meeting.

Mr. Knopf discussed reviewing the liability insurance when the Board discusses the hanger lease renewals.

Authority Member Dr. Jackson stated requiring liability insurance could cause a hardship on some tenants if the cost is too high.

Authority Member Kirkman stated he pays \$312.00 per year for a one-million-dollar coverage policy through Belton Aviation.

Ms. Snow will continue researching liability insurance.

The Authority Board discussed the pool at Sage Lane. Ms. Snow stated it was difficult to find anyone to insure the house due to the pool.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to notify the tenant located at 342 Sage Lane that the March 2018 lease agreement will not include the pool.

The Authority discussed adjusting the rent accordingly when the lease agreement expires, due to the pool closure.

Mr. Kirby stated any demolition costs of eliminating the pool can come from grant funds.

Sarah Bowen, Finance Officer, updated the Board on a year-to-date budget, as of July 1, 2017, on the runway expansion and airport operations.

Sarah Bowen, Finance Officer, discussed the runway closure at the airport. Ms. Bowen stated tenants could be forced to move their planes to other airports in the area if they wish to fly from September 1, 2017-October 10, 2017. The Authority could provide relief to tenants during the closure of the runway.

The Authority discussed a reduction in rent during the closure period. The Authority discussed a 50% reduction in rent for September and 25% for October as long as the runway is closed.

Upon motion of Authority Member Tucker, seconded by Authority Member Johnson, the Board voted unanimously to reduce rental fees by 50% for September and 25% for October, contingent upon the runway opening by October 10, 2017. If the runway does not open by October 10, 2017, staff will adjust the October rental rates.

Mr. Knopf stated some tenants have paid the September 2017 rental payment and will receive a credit toward the month of September. Ms. Bowen will send letters to everyone informing them of the rent changes.

Authority Member Kirkman abstained from voting due to *Amended* having a rental lease agreement with the Airport Authority. *Sept- 26, 2017*

Rhonda Nixon, Internal Auditor, addressed the Board regarding the loss of revenue for the Fixed Based Operator during the runway closure September 1, 2017-October 10, 2017. Ra-Tech is asking the Airport Authority to make up any difference so they will not incur a loss. They provided information for the last three years that show an average net income of \$4,495.54 in September and \$4,151.51 in October. Ms. Nixon stated an average for September and one-half of October will be \$6,571.29.

Ms. Nixon stated there will not be a final figure until the runway reopens. Mr. Jones stated he is not trying to make more money than they normally receive.

The Authority discussed the need for operating hours during the runway closure. The Authority discussed operating the airport Monday through Saturday from 9:00 a.m. until 1:00 p.m. and posting emergency phone numbers on the airport door.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously for Ra-Tech to open the airport Monday-Saturday from 9:00 a.m. until 1:00 p.m. until the runway reopens.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously to compensate Ra-Tech after the runway reopens, with the cost not to exceed the net average of the past three Septembers and a full financial review is complete.

Authority Member Johnson stated he has a request from an individual who wants to purchase an easement that follows Sage Lane. The individual's property joins the Airport property about 200 feet to the west of the driveway at Sage Lane, a private driveway.

The Authority discussed the request. Mr. Kirby stated any right-of-way's or access easements is subject to FAA/Division of Aviation approval. The Board discussed the need for the property for future expansions.

It was the consensus of the Board not to allow an easement.

Chris Knopf, County Manager, presented a grant agreement update between the Mount Airy/Surry County Airport and the Division of Aviation for Board information.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

Flowage fees from Ra-Tech Aviation for July, 2017 were as follows: Avgas sales 2,868.1 gallons, Jet-A Sales 2,109.9 gallons. A check for \$497.80 was deposited to cover the fees.

Maintenance Items:

- Mowing was completed per contract for the month of July.
- Mowing has been completed at the north end of the runway.
- Outside hangar lights are staying on during the day on multiple buildings. Ms. Snow will work with the Facilities Director on repairs to the lights.
- A large tree needs to be removed at rental property on Holly Springs Road. Mr. Jones stated that he had received a quote from Randy Brown Tree Service to remove the tree. The cost estimate is \$1,800.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve Randy Brown Tree Service to remove the tree at a cost of \$1,800, subject to the company having liability insurance.

- Mowed lawn at 310 Holly Avenue in July.
- House at 310 Holly Avenue not listed for rent, waiting on new lease agreement. It was the consensus of the Board to lease the property.
- Mike Shield hangar door has been repaired by Over Head Doors of Greensboro at a cost of \$1,021.19.

Safety Operations:

- Will be addressed at the next meeting

Ms. Nixon stated that there is no lease agreement on the property on Holly Springs Road. It was the consensus of the Board to ask the tenant to sign a lease agreement.

Mr. Jones stated there was an issue with an Air Ambulance they could not get the gate open for an emergency call. There is a code for the gate. They damaged the gate, but the gate will be fixed at no cost. Mr. Jones gave Board members the code for the gate. The Emergency Services Director also has the code.

Airport Authority Member Harris asked for a motion to adjourn.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Kirkman, the Authority voted unanimously to adjourn. The meeting ended at 7:55 p.m.


Eddie Harris
Airport Authority Chairman


Conchita Atkins
Secretary to the Board

