

Mount Airy/Surry County Airport Authority  
Meeting of November 14, 2017

The Mount Airy/Surry County Airport Authority met on November 14, 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, R.F. "Buck" Golding, Larry Phillips, Larry Johnson, Nolan Kirkman and Dr. Thomas Jackson.

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  
Tim Gruebel, Parrish and Partners

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

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Airport Authority Chairman Harris asked for approval of the September 26, 2017 minutes of the meeting.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve the September 26, 2017 minutes.

Rhonda Nixon, Internal Auditor, stated she had incorrectly stated, on page 51 of the minutes, that the hangar deposit was \$150, but the correct total is \$250.

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Tim Gruebel, Parrish and Parnters, updated the Board on the runway extension project. Mr. Gruebel stated that the paving and marking is complete and everything came out beautiful as far as the runway, taxiway and apron. The lighting system took a little longer than expected. The contractor is forming pads for

signage. They will be installed and operational in the next few weeks.

Mr. Gruebel stated they are currently performing an analysis on trees on the airport approach on the north end. Currently the trees are not obstructing the approach as of now, but this is based on the former runway length. While work is ongoing a preliminary review indicates that some land ought to be cleared north of the runway. Mr. Gruebel has asked Carl Rose and Sons to give a price quote for land clearing by the acre. Mr. Gruebel stated there is enough money in the budget to address the clearing. Originally, it would have been done under the Sowers Construction contract, however, the 18b survey took longer than expected. The Board has the option to use either contractor for the work. It is going to be approximately seven acres cleared.

Authority Member Kirkman asked if the trees would be cut and grubbing stumps.

Mr. Gruebel stated it is just to cut the trees.

The Authority discussed the location of the trees.

Authority Member Kirkman stated there is value to the trees. Authority Member Kirkman recommended getting a timber contractor to provide an estimate.

Mr. Gruebel stated the trees need to be removed by the time the FAA flies the new airport and approaches, which will be within a couple of months.

Mr. Gruebel will bring recommendations to the December meeting.

Mr. Gruebel stated there has been some preliminary discussion with the Division of Aviation regarding unspent funds on the Holly Springs Road contract. The project came in under budget. The Division of Aviation has verbally agreed to allow the remainder of the Holly Springs Road funds to be used to finish relighting the taxiway by putting in LED lights. The light system has already been designed. It could be a change order in the current contract.

The Authority discussed the existing electrical sub-contractor.

Mr. Gruebel will update the Authority on the project at the December meeting.

Mr. Gruebel stated there is 1400 feet of taxiway which was extended to match the runway that will utilize LED lights. The remaining 4300 feet to the south has incandescent lights which are close to the end of their life. The cables are buried there, and you cannot count on that to last more than 20 years. The Division of Aviation wants to do what they can for preventive maintenance and savings on electrical billing.

There was discussion of incandescent lights and LED lights.

Mr. Gruebel stated the remaining Road Relocation funds could be added to this project.

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Sarah Bowen, Finance Officer, gave the Authority a financial update through October 2017 on airport operations and capital projects.

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Sarah Bowen, Finance Officer, discussed a pet security deposit refund for 219 Airport Road. Ms. Bowen had received a letter from Blue Ridge Health stating that the former tenant has a service animal. The deposit is \$300.

Authority Member Chairman Harris made a motion to refund the pet deposit. The motion died for lack of a second.

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Sarah Bowen, Finance Officer, stated that Finance received an invoice from Mr. Hooker for mowing a parcel the Authority owns in Pilot Mountain for a beacon.

Authority Member Kirkman stated there is a beacon that is approximately 1 acre off Warthog Lane. Mr. Hooker mows the property four or five times per year for \$150 per year. Authority Member Kirkman stated the beacon is out of service. Authority Member Kirkman stated he would be in favor of disposing of the property. The airport has no use for the property. The Authority would have to go through the proper channels to sell the property. Authority Member Kirkman stated that Parrish and Partners will need to review due to the property being purchased twenty-five years ago.

Mr. Gruebel stated, if surplus, the Authority would need to get fair market value and approval from the Division of Aviation.

Upon motion of Authority Member Golding, seconded by Airport Authority Member Dr. Jackson, the Authority voted unanimously to surplus the property off Warthog Lane with the intent to dispose of the property, contingent upon Division of Aviation authorization.

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Authority Member Johnson addressed the Authority regarding plans for the 219 Airport Road rental property.

Mr. Knopf stated there is a counter-offer to purchase through the Economic Development Partnership. The Authority had decided not to engage the offer last month when submitted by Attorney Hugh Campbell. Eagle Carports went through the Economic Development Partnership and presented two master plans for new manufacturing facilities. A rezoning will come before the Board of County Commissioners at their November 20, 2017 meeting for some properties Eagle Carports own to the south of 219 Airport Road. 219 Airport Road is needed for their expansion plans. Eagle Carports is trying to acquire some property from Mrs. Love to the north of 219 Airport Road. Eagle Carports would like for the Airport Authority to dispose of 219 Airport Road, and they would grant an easement to the Airport Authority either on the north or south end of this property where they will locate a metal fabrication facility.

Mr. Knopf stated that he and Airport Authority Member Golding had toured the property located at 219 Airport Road and stated there is a root from a tree growing into the foundation of the basement which floods the basement. Mr. Knopf also stated there are no fire alarms in the house. Mr. Knopf stated there are some outbuildings that should be addressed before the house is rented. Mr. Knopf wanted to let the Authority review the offer from Eagle Carports first.

Ra-Tech has someone interested in renting the house.

Authority Member Kirkman stated the south portion of the property has a weather station located thirty-feet from the property line. The station must be buffered with an undeveloped area, which extends onto Eagle Carports property acquired from the Haymores, who were the previous owners. If something is

built in this area, the Authority will have to relocate the weather station.

Authority Member Kirkman stated the Authority will need to protect the weather station and the area around it.

Mr. Knopf stated it could take a long time to sell property that was purchased with funds from the Division of Aviation.

Mr. Gruebel will bring a map and information to the December Authority meeting for continued discussion.

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Rhonda Nixon, Internal Auditor, discussed the Sowers Construction invoice for \$14,397.28 in late fees on the site preparation project. Ms. Nixon stated the Authority can consider paying the invoice. Ms. Nixon discussed the contract not being preaudited by the former Authority Board which is a major problem. Ms. Nixon discussed the preaudit process. Ms. Nixon stated the contract would not be enforceable since it was not preaudited.

Authority Member Tucker stated there have been a number of issues with Sowers Construction and the Bannertown Fire Department. He wants these issues to be addressed separately. There was a lapse in time from the time Sowers Construction billed until they received payment. Authority Member Tucker stated he is willing to pay Sowers Construction what they are due because he feels that is the right thing to do.

Authority Member Kirkman discussed the funds allocated to the Authority, when the funds were released by the Board of County Commissioners to the former Authority Board, and how the funds were utilized. Authority Member Kirkman also discussed when the invoices were received and paid. Authority Member Kirkman stated if the first invoice had been paid and all proper paper work was submitted to the Division of Aviation, the Division had enough backup to pay the invoices. If the former Authority Board had the seed money in the beginning, the former Authority could have kept Sowers Construction from being in arrears.

Authority Member Phillips stated the County was getting bills with no explanation. Authority Member Phillips stated Mr. Sowers should be paid what he is owed.

Authority Member Dr. Jackson stated he feels it was a failure of communication between the Board of County Commissioners and the former Authority Board. Authority Member Dr. Jackson stated that Sowers Construction needs to be paid.

Upon motion of Authority Member Kirkman, seconded by Authority Member Tucker, the Board voted to pay the invoice in the amount of \$14,397.28.

Mr. Gruebel stated since there are funds established for the clearing of trees, would it be worth talking to Sowers Construction and see if he would waive the late fees for clearing work and be entitled an additional mobilization of fees to get his resources on site if he were to be selected for the clearing project.

Authority Member Phillips does not want to do anything to hurt the brand of the airport. There is value in the airport. Authority Member Phillips wants to see what the airport can contribute.

A vote was taken.

Ayes: Authority Chairman Harris, Authority Member Tucker, Authority Member Phillips, Authority Member Johnson, Authority Member Kirkman and Authority Member Dr. Jackson.

Nay: Authority Member Golding

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The Airport Authority Board continued to discuss the Eagle Carport requests and future planning for the airport.

It was the consensus of the Authority to discuss at the December meeting.

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Rhonda Nixon, Internal Auditor, presented the Authority with a notebook of rules and regulations and hangar policy for review. The rules and regulations and hangar policy will be discussed at the December meeting.

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Rhonda Nixon, Internal Auditor, discussed rental property coverage. Ms. Nixon discussed obtaining liability only coverage for rental properties (except Sage Lane) instead of carrying a landlord type policy with replacement coverage with Pruitt

Insurance Agency. Ms. Nixon discussed the cost to cover five rental properties located on Holly Springs Road, Airport Road and Holly Avenue. The coverage would be for liability only. The total cost is \$205.00 annually. The cost is less than what is currently paid for one rental property annually. Ms. Nixon stated it can all be rolled into one policy. There would be no replacement costs.

The Authority discussed selling 647 Holly Springs Church Road in the future.

It was the consensus of the Board for Ms. Nixon to get a new quote from Pruitt Insurance Agency for liability insurance only, excluding the 647 Holly Springs Church Road property and bring to the December Authority meeting.

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Rhonda Nixon, Internal Auditor, discussed general liability renewal coverage for the airport. The renewal time is for December. Ms. Nixon discussed different options from Belton Aviation and Surry Insurance. Currently the insurance is with Belton Aviation for \$5,000,000. Ms. Nixon discussed additional coverage and quotes. Ms. Nixon discussed examples of negligence.

The Authority discussed optional terrorism coverage.

Upon motion of Authority Member Golding, seconded by Authority Member Kirkman, the Authority voted to renew general liability insurance with Surry Insurance in the amount of \$30,000,000 for a premium of \$4,439.

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Chris Knopf, County Manager, addressed the Authority regarding Section 2.5 of the FBO Agreement between Ra-Tech Aviation and the Airport Authority. Staff gave Ra-Tech Aviation a 30-day notice on October 23, 2017 to vacate Hanger #21 since a corporate tenant has been identified. Shelton Vineyards, Incorporated signed a one-year lease at a lease rate of \$1,500 per month. Shelton Vineyards, Incorporated will move a corporate plane into Hanger #21 in November.

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Chris Knopf, County Manager, discussed the Facility Condition Assessment for the airport. The assessment will cover existing conditions, site conditions, structural frame and building envelope, curtain walls, roofing, plumbing, heating,

ventilation, electrical, life safety, fire protection code items, ADA and environmental matters. Mr. Knopf discussed a proposal from EMG. Mr. Knopf stated the information will be helpful going forward in managing ongoing maintenance as well as assisting with future budgeting needs.

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Chris Knopf, County Manager, updated the Board on the Angel hangar. Mr. Angel's plane has been removed from the hangar for some time. Mr. Angel left personnel property in the hangar. The summary ejection procedure will begin Friday, November 17, 2017.

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Chris Knopf stated that Ra-Tech moved their tenants out of hangar #21, and they did not collect the November rent. Mr. Knopf stated that per the FBO Agreement, Ra-Tech Aviation's monthly fee will increase from \$6,400 per month to \$7,000 per month to offset their loss of rental income from subleasing Hangar #21. Mr. Knopf asked the Authority if they want to waive payment from Ra-Tech to the County for the month of November.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Authority voted unanimously to waive payment for Ra-Tech for the November rent.

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Chris Knopf, County Manager, addressed the Authority regarding Ra-Tech Aviation requesting to discuss Section 3 of the FBO Agreement. The agreement has a five-year term that will expire on December 31, 2018. Section 3.2 of the contract allows both parties to extend the contract for not more than one additional two-year term under such terms as the parties may agree, provided that under no circumstances shall the agreement terminate later than December 31, 2020.

The Authority discussed Ra-Tech's service to date.

Upon motion of Authority Member Dr. Jackson, seconded by Authority Member Tucker, the Authority voted unanimously to extend the Fixed Based Operator agreement with Ra-Tech Aviation until December 31, 2020.

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



Operations:

- Flowage fees from Ra-Tech Aviation for September 2017 were as follows: Avgas sales 378.8 gallons, Jet-A Sales 356.6 gallons. A check for \$73.54 was deposited to cover the fees.
- Flowage fees from Ra-Tech Aviation for October 2017 were as follows: Avgas sales 1,172.6 gallons, Jet-A Sales 120.0 gallons. A check for \$129.26 was deposited to cover the fees.

Maintenance Items:

- Mowing was completed per contract for the month of September and October 2017.
- Mowing was completed on the North end of the runway now that the runway is active.
- Mowed lawn at rental property 31 Holly Avenue in September and October.
- Mowed lawn at rental property 282 Holly Avenue in September and October.
- Mowed lawn at rental property 219 Airport Road in September and October.
- House at 219 Airport Road has been rented effective November 1, 2017.
- Replaced keypad at the North gate with a wired keypad instead of wireless keypad.
- Painted picnic shed and post around the airport.
- Mark O'Neal has sold his plane and vacated hangar #7. The hangar is not available to rent. Mr. Knopf stated the Authority will address after review of the hangar policy.
- Mr. Jones asked the Authority about renovation at 282 Holly Avenue rental property. It has been vacant for two months. There is someone wanting to rent the house. There is need for some repairs to the property.

Sandy Snow stated the carpet needs to be replaced, painting and receptacle work.

Rhonda Nixon stated the insurance company recommended the property have hardware with a battery back-up smoke detector.

Upon motion of Authority Member Johnson, seconded by

Authority Member Tucker, the Authority voted to allocate up to \$5,000 to renovate the property at 282 Holly Avenue.

There was discussion regarding obtaining three quotes for the work on 282 Holly Avenue due to the County's Financial Policy.

Mr. Jones discussed the Storm Waste Water Treatment Plan (SWWTP) that Ra-Tech completes quarterly. Mr. Jones stated Ra-Tech reviews the streams and ground-water around the airport. Mr. Jones stated that they did not complete the form due to the landscape change. Mr. Jones discussed obtaining a new map from Parrish and Partners.

Mr. Gruebel stated that at the current time it does not appear that an update is needed, but Parrish and Partners are reviewing the issue.

Mr. Jones and Mr. Spane discussed the change in the drain points.

Mr. Gruebel stated the drain points at the airport have not changed.

Mr. Spane discussed the drain points on the north end.

Mr. Gruebel stated the drainage basin were not changed.

Mr. Spane stated the drainage has always went back to the south end.

Authority Chairman Harris asked Ra-Tech and Parrish and Partners to work out the drain points.

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Authority Member Kirkman stated he wanted to make sure that the Authority meetings are being advertised correctly.

Chris Knopf stated the Authority has been following the Special Meeting statues which is a 48-hour notice. Mr. Knopf stated at the December meeting, he will bring a meeting calendar for 2018.

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Airport Authority Member Harris asked for a motion to adjourn.

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Upon motion of Airport Authority Member Golding, seconded by Authority Member Kirkman, the Authority voted unanimously to adjourn. The meeting ended at 6:35 p.m.

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Eddie Harris  
Airport Authority Chairman

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Conchita Atkins  
Secretary to the Board