

AIRPORT ADVISORY BOARD MEETING

June 20, 2018

5:30 P.M.

SHAWNEE REGIONAL AIRPORT

2202 AIRPORT DR.

SHAWNEE, OK

AGENDA
AIRPORT ADVISORY BOARD
JUNE 20, 2018 5:30 PM
SHAWNEE REGIONAL AIRPORT TERMINAL
2202 AIRPORT DR.
SHAWNEE, OK

CALL TO ORDER

DECLARATION OF A QUORUM

ITEM ONE: Consideration and Approval of Minutes from the May 16, 2018 Meeting

ITEM TWO: Citizen Comments
(A three-minute limit per person)
(A twelve-minute limit per topic)

ITEM THREE: Discussion of Proposed Lease Consolidation and Extension – FlyOkAir

ITEM FOUR Discussion and Consideration
Proposed Amendment to Trust Indenture
Proposed Amendments to Minimum Standards Rules and Regulations

ITEM FIVE Staff Report
1. Current Fuel Price Comparisons
2. Shawnee Regional Airport Fuel Sales
3. Capital Project Summary Report
4. Planned Activities
5. Upcoming Events

ITEM SIX: New Business

ITEM SEVEN: Board Comments

ITEM EIGHT: Adjournment

MINUTES
AIRPORT ADVISORY BOARD
MAY 16, 2018 5:30 PM
SHAWNEE REGIONAL AIRPORT TERMINAL
2202 NORTH AIRPORT DR.
SHAWNEE, OK

I. CALL TO ORDER

PRESENT Mr. Huddleston, Chairman, Mr. Smallwood, Vice Chairman
 Mr. Smith, Mr. Fogerty, Mr. Humphreys, and Mr. Klaser

ABSENT Mr. Freeman

OTHERS PRESENT Ms. Bonnie Wilson, Manager, Shawnee Regional Airport
 Mr. Fred Treiber, Supervisor, Shawnee Regional Airport

II. DECLARATION OF A QUORUM

Six members of the Advisory Board were present meeting the requirements for a quorum. The Chairman Declared a Quorum.

III. ITEM ONE - CONSIDERATION AND APPROVAL OF THE CONSENT AGENDA.

A. Approval of Minutes from the April 18, 2018 Meeting

Mr. Klaser made a Motion to Approve the Minutes as presented.

Mr. Fogerty provided a Second to the Motion.

The Chairman called the Question, Members of the Advisory Board present unanimously approved the Motion.

IV. ITEM TWO - CITIZEN COMMENTS

A. No Citizens requested the opportunity to make comments.

V. ITEM THREE – DISCUSSION AND CONSIDERATION OF PROPOSED FISCAL YEAR 2019 BUDGET

Staff presented the proposed operations and maintenance (Expense) and capital development (Capital) budgets for consideration. It was noted that income from pending land sales were not reflected in the budget as the property assessment and valuation was still underway. Other areas of note included the realignment of available funds to facilities repair activities. A question was posed related to the reduction in funding for community events. Staff indicated that it was unlikely that an airshow or similar event will be held in Fiscal Year 2019 due to safety concerns posed by the planned construction project.

Mr. Smith made a Motion to Approve the proposed budget as presented and further to recommend acceptance and approval of the proposed Fiscal Year 2019 Budget by the Shawnee Airport Authority.

Mr. Fogerty provided a Second to the Motion.

The Chairman called the Question and the Members of the Advisory Board present unanimously approved the Motion.

A copy of the Proposed Fiscal Year 2019 Budget is provided as part of Attachment 1 “Agenda and Supporting Documents for the May 16, 2018 Regular Meeting of the Shawnee Airport Advisory Board” to these minutes.

VI. ITEM FOUR – LEASE RATES / PROPOSED RATE SETTING POLICY STATEMENT

A. Proposed Lease Rate Adjustments – Revised

B. Proposed Rate Setting Policy Statement – Revised

Staff presented memoranda reflecting revisions requested by the Advisory Board during the April Regular meeting addressing: i) options for escalation alternatives; ii) current rates for leased properties and facilities at Shawnee Regional Airport; iii) terms governing rate increases; iv) a proposed index for increasing rental rates, v) a request for authorization to renew existing leases, and vi) a proposed draft policy for setting rates in the future.

Following general discussion of the memorandum presented the Chairman called for a motion on the Proposed Lease Rate Adjustments; Agenda Item Four A.

Mr. Humphreys made a Motion to Accept the proposed lease rate adjustments and Recommend approval of the new rates by the Shawnee Airport Authority.

Mr. Klaser provided a Second to the Motion.

Following additional discussion of the memorandum regarding the rate setting policy, Chairman called for a motion on the Proposed Rate Setting Policy Statement; Agenda Item Four B.

Mr. Humphreys made a Motion to Accept the proposed policy and Recommend approval of the new policy by the Shawnee Airport Authority.

Mr. Fogerty provided a Second to the Motion.

A copy of the Memorandum and supporting documents is included part of Attachment 1 to these minutes.

VII. ITEM FIVE - DISCUSSION AND CONSIDERATION OF NOTICE TO TENANTS REGARDING LEASE COMPLIANCE

Staff provided a memorandum updating the Airport Advisory Board on the progress of collecting documentation from tenants to support lease language requirements and requesting authorization to notify non-compliant tenants of the potential to be denied the opportunity to renew their leases.

Following general discussion of the memorandum the Chairman called for a motion on the proposed tenant notification.

Mr. Humphreys made a Motion to authorize staff to issue second request letters to tenants not currently in compliance with the terms and conditions of lease agreements, in the form of the draft letter included as part of the agenda package.

Mr. Klaser provided a Second to the Motion.

The Chairman called the Question and the Members of the Advisory Board present unanimously approved the Motion.

A copy of the Memorandum and supporting documents is included part of Attachment 1 to these minutes

VIII. ITEM SIX - DISCUSSION AND CONSIDERATION OF PROPOSED BULK HANGAR LEASE AGREEMENT – DR. DAVID HEON

Staff provided a memorandum describing a request from Dr. David Heon, a current tenant in good standing, to lease space in Hangar # 14. Staff recommended approving the request and offering the lease at the Fiscal Year 2019 rate for a Standard Bulk Hangar Lease.

Following general discussion of the memorandum the Chairman called for a motion on the proposed lease.

Mr. Humphreys made a Motion to authorize staff to present the request for authorization to execute the lease agreement to the Shawnee Airport Authority.

Mr. Smallwood provided a Second to the Motion.

The Chairman called the Question and the Members of the Advisory Board present unanimously approved the Motion.

A copy of the Memorandum and supporting documents is included part of Attachment 1 to these minutes

IX. ITEM SEVEN – DISCUSSION AND CONSIDERATION OF EXTENSION OF PROPOSED FUEL SERVICE AGREEMENT

Staff presented a memorandum regarding an offer from World Fuel Services to sell the Shawnee Regional Airport a mobile JET-A Refueler for the sum of \$1.00 in exchange for an approximate three year extension to the current fuel purchasing and services agreement.

Following general discussion of the memorandum the Chairman called for a motion on the proposed purchase and agreement extension.

Mr. Humphreys made a Motion to authorize staff to present the proposal to the Shawnee Airport Authority and request authorization for the City Manager to execute the extended agreement.

Mr. Fogerty provided a Second to the Motion.

The Chairman called the Question and the Members of the Advisory Board present unanimously approved the Motion.

A copy of the Memorandum and supporting documents is included part of Attachment 1 to these minutes

X. ITEM EIGHT DISCUSSION AND CONSIDERATION PROPOSED AGREEMENT FOR REAL ESTATE APPRAISAL SERVICES

Staff presented a memorandum summarizing a request from the current owner of Incredible Inflatables, Ms. Greta Madson Enterprises, LLC, to sell her business and transfer the lease obligations to a new owner and a recommendation to conduct an appraisal of the property and establishing a Fair Market Value.

Following general discussion of the memorandum the Chairman called for a motion on the proposal to conduct a Fair Market Value Appraisal.

Mr. Humphreys made a Motion to authorize staff to present a request for authorization to engage the services of professional real estate assessor to determine the Fair Market Value of the property currently under lease to Greta Madson Enterprises, LLC.

Mr. Klaser provided a Second to the Motion.

The Chairman called the Question and the Members of the Advisory Board present unanimously approved the Motion.

A copy of the Memorandum and supporting documents is included part of Attachment 1 to these minutes

XI. ITEM NINE – STAFF REPORT

The following topics were presented as part of the monthly Staff Report:

1. Current Fuel Price Comparisons
2. Shawnee Regional Airport Fuel Sales
3. Revenues versus Expenditures – Fiscal Year to Date
4. Aged Receivables Report
5. Financial Statement as of May 9, 2018
6. Capital Project Summary Report
7. Planned Activities
8. Upcoming Events

No actions requiring a vote of the Airport Advisory Board were taken. A copy of the Staff Report and supporting documents is included part of Attachment 1 to these minutes

XII. ITEM TEN – NEW BUSINESS

There was no New Business introduced.

XIII. ITEM XI - ADJOURNMENT

The Chairman called for a Motion to Adjourn the meeting.

Mr. Humphreys made a Motion to Adjourn.

Mr. Fogerty provided a Second to the Motion.

The meeting was Adjourned.

KEVIN HUDDLESTON
CHAIRMAN

DATE

ATTEST:

BONNIE A. WILSON, SECRETARY

DATE



To: **Shawnee Regional Airport Advisory Board**
 Kevin Huddleston, Chairman
 Will Smallwood, Vice Chairman
 Barry Fogerty
 Donald "Andy" Freeman
 Bert Humphreys
 John Klaser
 James Smith

From: **Bonnie A. Wilson, CM**
 Airport Manager

Date: **June 14, 2018**

Subject: **Proposed Lease Consolidation and Extension**

A handwritten signature in blue ink, appearing to read "Bonnie A. Wilson", is placed over the typed name and title of the sender.

Summary of Agreements

On October 19, 2017, FlyOKAir, LLC assumed a Fixed Based Operator Lease to provide Flight Instruction, Aircraft Rental and Storage of Airworthy Aircraft from O'Connor Flying Services. The facility associated with that lease is a Bulk Hangar totaling 3,600 square feet, formerly known as the Antosh Hangar. The term of that lease is from January 1, 2015 through December 30, 2019. The current annual lease rate for this hangar is \$3,900 per year, increasing to \$4,020 at the commencement of Fiscal Year 2019. The rental rate for this lease is subject to annual adjustment based on the percent change of the Consumer Price Index for Housing and/or the market value of other comparable lease rates on the airport.

On November 1, 2017, FlyOKAir, LLC leased the "North T-Hangar Office", a standalone commercial office space attached to the North T-Hangar complex. The term of that lease is from January 1, 2015 through December 30, 2019. The current annual lease rate for the North T-Hangar Office is \$720 per year, increasing to \$743.00, at the commencement of Fiscal Year 2019. The rental rate for this lease is subject to adjustment on July 1st annually, based on inflation established by the Consumer Price Index for the prior calendar year.

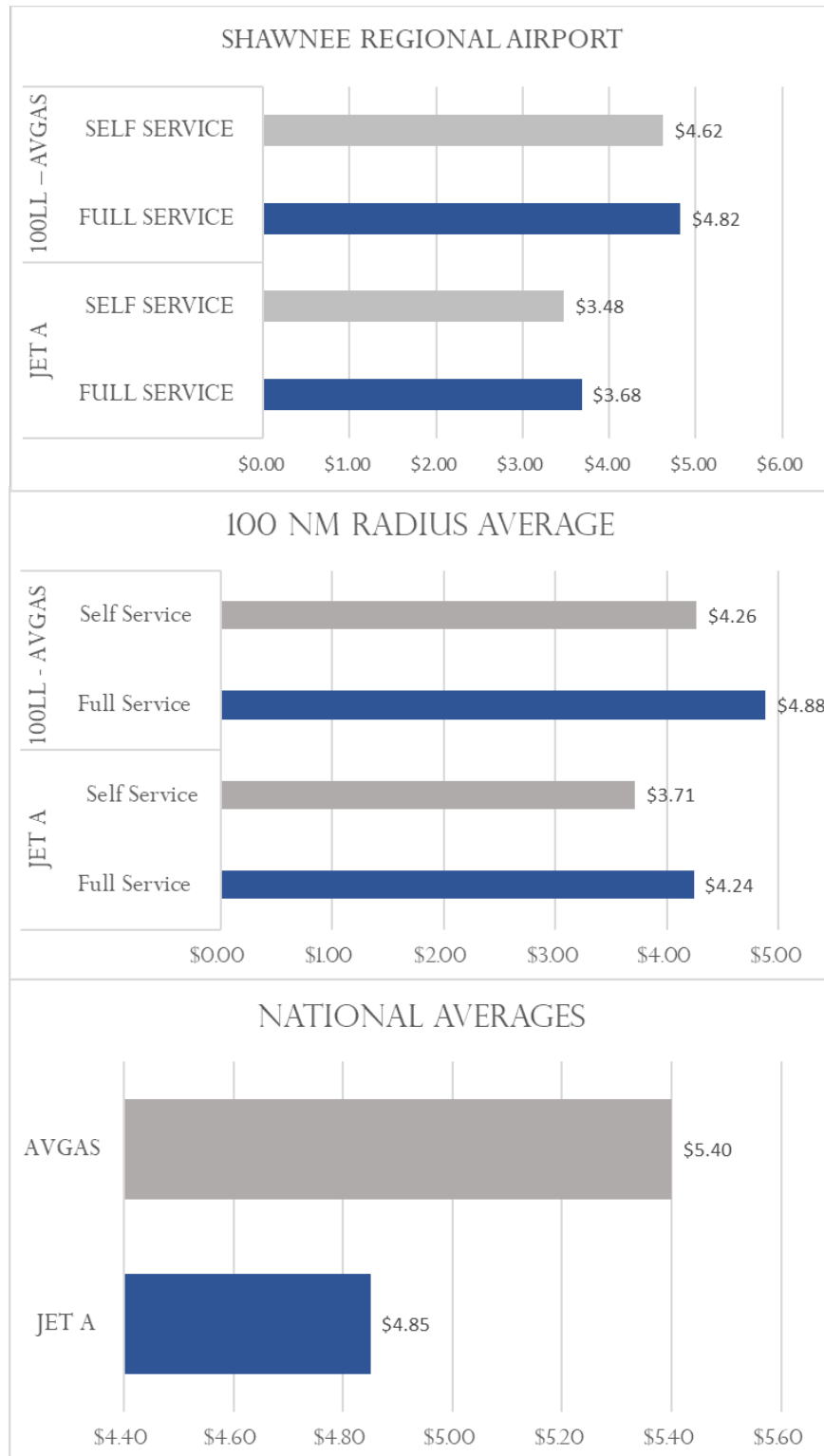
On this same date, FlyOKAir, LLC entered into a third lease agreement for an individual T-Hangar, T-Hangar #110. The term of that lease is from November 1, 2017 through June 30, 2018. The current annual lease rate for Standard T-Hangar is \$720 per year, increasing to \$743, at the commencement of Fiscal Year 2019. The rental rate for this lease is subject to adjustment on July 1st annually, based on inflation established by the Consumer Price Index for the prior calendar year.

Summary of Request

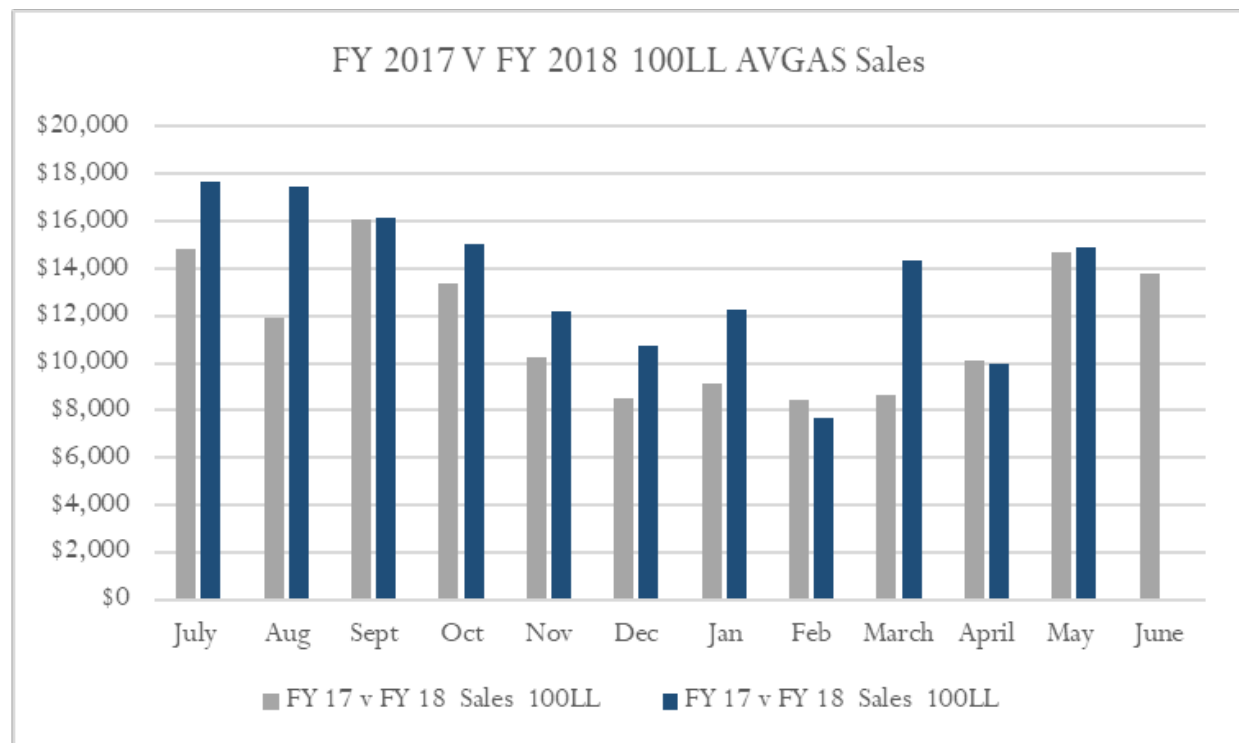
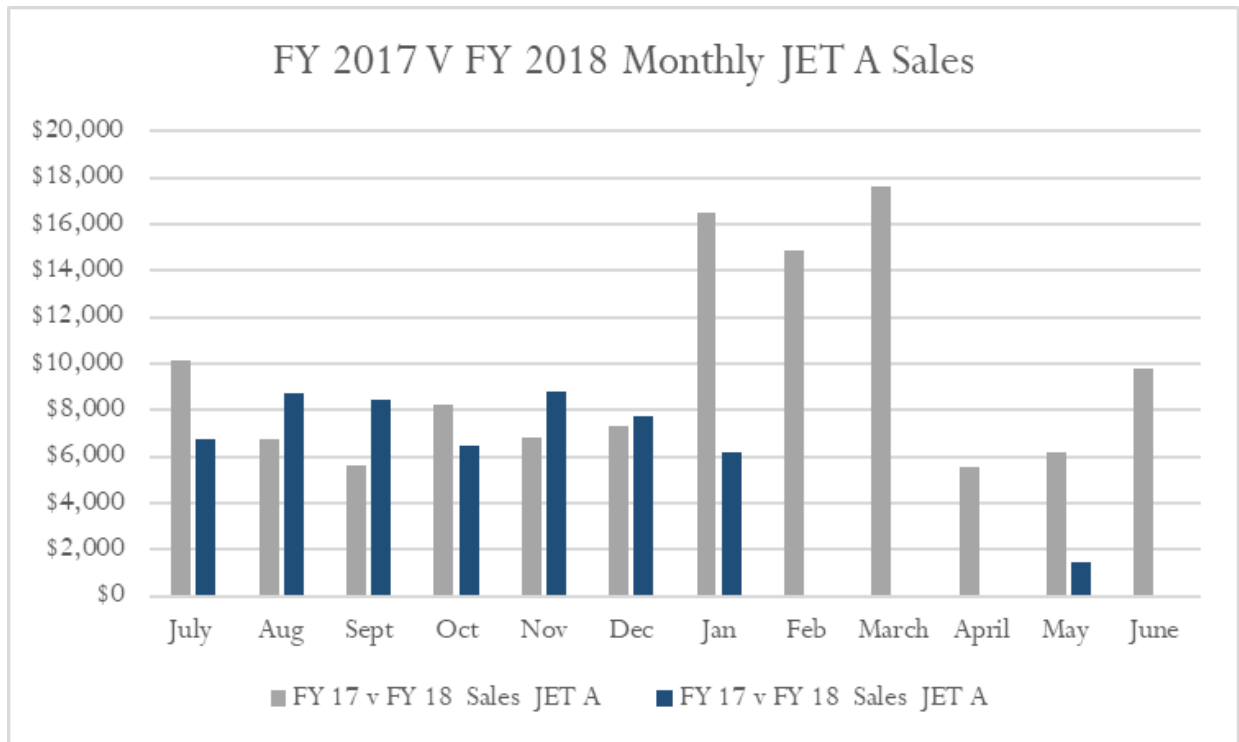
Mr. Elliott has requested the opportunity consolidate his leases and extend the associated terms in return for certain improvements.

Staff Report
June 14, 2018

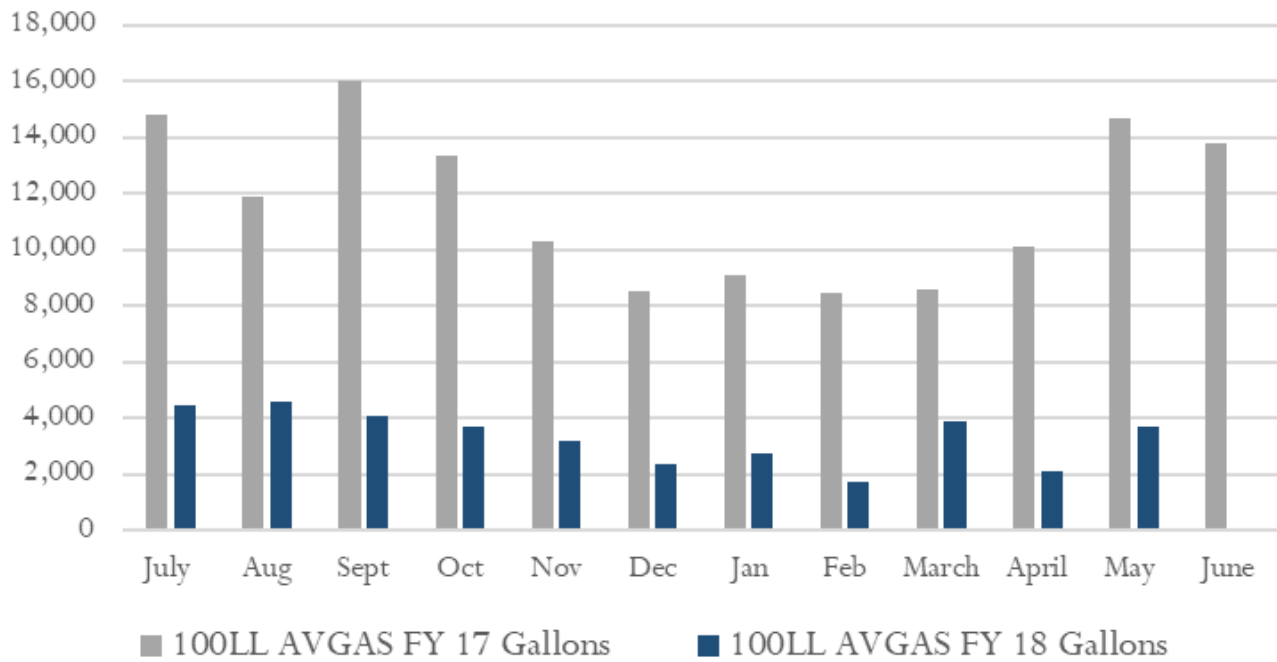
1. Current Fuel Price Comparisons (*Data Reported on 100LL.COM*)



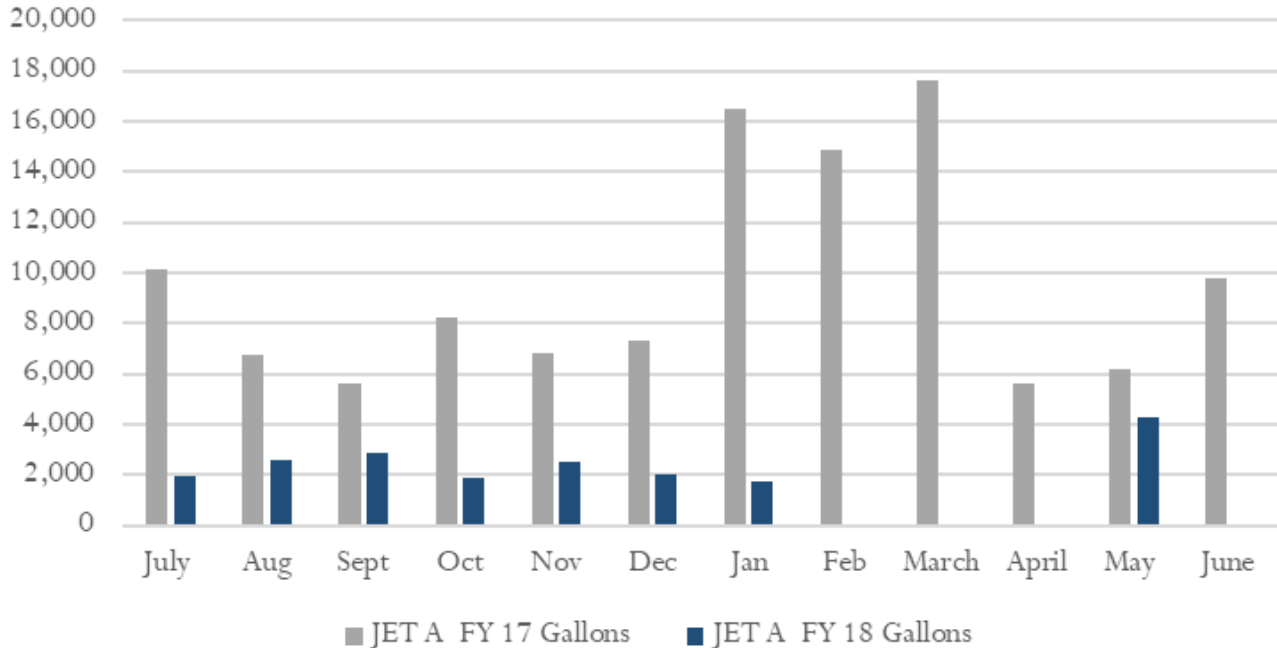
2. Shawnee Regional Airport Fuel Sales



100LL AVGAS Gallons Sold



JET A - Gallons Sold



3. Project Summary

- A. Fuel System Repair, Procedures Development and Staff Training - Update
- B. Taxiway / T-Hangar Project Schedule Update
 - Contract Awarded Contingent on Funding – June 4, 2018
 - Grant Application Filed - Award Pending

4. Planned Activities

- A. Lease Renewals
- B. Gate Repair/Replacement
- C. Facilities Improvements/Repairs