

AGENDA
SHAWNEE AIRPORT AUTHORITY
April 18, 2022 AT 6:00 P.M.
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF A QUORUM

1. Consider approval of Consent Agenda:
 - a. Minutes from the April 4, 2022 regular meeting.
2. Consideration of a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion.
3. Discussion and consideration to enter into a lease to own agreement with Ascent Aviation Group, Inc. for two (2) refuelers, in the total amount of \$166,882.00.
4. New Business

(Any matter not known or which could not have been reasonably foreseen prior to the posting of the agenda)
5. Adjournment

Respectfully submitted,

Lisa Lasyone, CMC, City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting and necessary accommodations will be made. (ADA 28 CFR/36)

Shawnee Airport Authority

1. a.

Meeting Date: 04/18/2022

Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the April 4, 2022 regular meeting.

Fiscal Impact

Attachments

Minutes

THE TRUSTEES OF THE SHAWNEE AIRPORT AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION, MONDAY, APRIL 4, 2022, DURING THE BOARD OF CITY COMMISSIONER MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW AT 4:25 P.M. ON MARCH 31, 2022. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

PRESENT: Matthews, Engles, Flood, Bolt, Sehorn, Salter

ABSENT: Rutherford

Call to Order

Declaration of a Quorum

AGENDA ITEM NO. 1:

Consider approval of Consent Agenda:

- a. Minutes from the March 21, 2022 regular meeting.

A motion was made by Trustee Matthews, seconded by Trustee Engles, to approve Consent Agenda Item No. 1(a). Motion carried 6-0.

AYE: Matthews, Engles, Flood, Bolt, Sehorn, Salter

NAY: None

AGENDA ITEM NO. 2:

New Business (Any matter not known, or which could not have been reasonably foreseen prior to the posting of the agenda)

There was no New Business.

AGENDA ITEM NO. 3:

Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (7:08 p.m.)

ED BOLT, CHAIRMAN

ATTEST:

LISA LASYONE, CMC, CITY CLERK

Shawnee Airport Authority

2.

Meeting Date: 04/18/2022

Resolution

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration of a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion.

Fiscal Impact

Attachments

Memo

Resolution



Shawnee Regional Airport

2202 N. Airport Dr.
Shawnee, OK 74804
ShawneeOK.org

Date: April 18, 2022
To: Shawnee Airport Authority
From: Bonnie Wilson, Airport Manager
Subject: Resolution Declaring Certain Personal Property Surplus
Authorizing Sale of Surplus Property via Internet Auction Service

Background: At the regular on meeting March 16, 2022, in accordance with City of Shawnee Ordinance 2702 NS, the Shawnee Airport Advisory Board (AAB) recommend two inoperable mobile fuel service trucks be declared surplus and request authorization from the Shawnee Airport Authority to sell them via internet auction:

- AVGas/100 Low Led Mobile Refueler

Truck – 1995 International DT466
Storage Tank and Pump System – 1979

Original Purchase Price - \$10,000

Maintenance and Repairs to Date - \$24,225

Estimated Return to Service - \$ 12,000

Estimated Surplus Value \$10,000 - \$15,000

- JetA Mobile Refueler

Truck – 1996 GMC Top Kick
Storage Tank and Pump System – 1987

Original Purchase Price - \$112,680

Maintenance and Repairs to Date \$227,400

Estimated Return to Service \$ 9,000

Estimated Surplus Value \$15,000 - \$20,000

Financial Impact: Estimated revenue of \$25,000 - \$35,000 deposited to Shawnee Airport Authority Fund, Revenue, Other Misc. Revenue, 511-48220.

Attachment: Resolution.

Staff Recommendation: Approval of the item.

RESOLUTION NO. _____

A RESOLUTION DECLARING CERTAIN PERSONAL PROPERTY SURPLUS AND NO LONGER NEEDED FOR SHAWNEE REGIONAL AIRPORT PURPOSES; DESCRIBING SAID ITEMS; AND AUTHORIZING THE SALE OR DISPOSAL OF SAID ITEMS AT THE SHAWNEE REGIONAL AIRPORT'S DISCRETION.

BE IT RESOLVED BY THE SHAWNEE AIRPORT AUTHORITY OF THE CITY OF SHAWNEE, OKLAHOMA:

That the items of personal property are described as:

- 1) 1995 International AVGas Mobile Aircraft Fuel Truck
COS Asset No. 4925
VIN: 1HTSCAAP6SH634664
- 2) 1996 GMC Jet Fuel Truck
COS Asset No. 5226
VIN: 1GDK7H1J5TJ503611

Said property is hereby declared as Shawnee Regional Airport owned property which is surplus and no longer needed for Airport purposes; that the Shawnee Regional Airport is authorized to sell or dispose of said items at the Shawnee Regional Airport's discretion.

PASSED AND APPROVED this 18th day of April, 2022.

ED BOLT, MAYOR

ATTEST:

LISA LASYONE, CMC, CITY CLERK

Shawnee Airport Authority

3.

Meeting Date: 04/18/2022

Agreement

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Discussion and consideration to enter into a lease to own agreement with Ascent Aviation Group, Inc. for two (2) refuelers, in the total amount of \$166,882.00.

Fiscal Impact

Attachments

Memo

Agreement



Shawnee Regional Airport

2202 N. Airport Dr.
Shawnee, OK 74804
ShawneeOK.org

Date: April 18, 2022
To: Shawnee Airport Authority
From: Bonnie Wilson, Airport Manager
Subject: Authorize Execution of Lease to Own Agreements – Fuel Trucks

Background: The Shawnee Regional Airport's (Airport) aviation fuel supplier, Ascent Aviation Group, Inc. (Ascent), has embarked on a program to reorganize their mobile refueler fleet creating an opportunity for customers to lease to own used equipment. Ascent has offered to the Airport the opportunity to lease-to-own two mobile refuelers. The lease agreement will be for sixty months, at no interest.

The vehicles and lease-to-own rates offered are:

- AVGas Refueler – VIN # JALE5B14X27902488
2002 Isuzu – NQR, 4-cylinder, 4.8-liter turbo diesel
1,500 Gallon Capacity Tank
\$614.70 per month; \$36,882 total
Term July 1, 2022 – June 30, 2027
- Jet A Refueler - VIN# 3HAMKAAN6CL115927
2012 International – 4400, 6-cylinder 7.6-liter, turbo diesel, 466 CID
3,000 Gallon Capacity Tank
\$1,533.33 per month; \$92,000 total
Term July 1, 2022 – June 30, 2027

The Airport's AVGas truck (model year 1995, pump/storage tank year 1979); and Jet A truck (model year 1996, pump/storage tank year 1987) are currently inoperable. The minimum estimated cost to return these vehicles to service is \$21,000.

In addition to the cost of repairs to return the equipment to service, staff has also experienced increasing difficulties procuring safety and quality control products necessary to meet the quality standards established by Phillips 66 Aviation fuels, as well as challenges finding service providers willing or able to support the required repairs and annual service requirements.

Full service fueling, via mobile refuelers is a critical element of the Airport's revenue stream. Within the first nine months of Fiscal Year 2022, 30,725 gallons of Jet A fuel or approximately 90% of sales, and 17,860 gallons of AVGas or approximately 50% of sales, were provided via the mobile refuelers.

The Shawnee Airport Advisory Board and staff are recommending entering into the Lease to Own agreements offered by Ascent to purchase the mobile refueling equipment offered.

Financial Impact:

Total Lease-to-Own Payments		\$166,882.00	
Payment Periods	Amount Due	Source of Funds	
Fiscal Year 2023 Payments (12 Months)	\$25,776.36	Airport Rescue Grant	\$7,650
		Airport Revenues	\$18,126.36
Fiscal Years 2024-2028	\$103,105.44	Airport Revenues	\$103,105.44
Total Payments Across Lease Agreement Term			\$128,882.00

Attachment: Refueler Lease Purchase Agreement

Staff Recommendation: Approval of the item.

REFUELER LEASE PURCHASE AGREEMENT

This Refueler Lease Purchase Agreement (this “Lease Purchase Agreement”) outlines the terms and conditions under which **Ascent Aviation Group, Inc.** (“Lessor”) agrees to lease two (2) refuelers (hereinafter the “Refuelers”) to **City of Shawnee** (“Lessee”). The terms and conditions shall continue until modified as provided herein by either of the parties hereto.

Lessor: Ascent Aviation Group, Inc.
One Mill Street
Parish, NY 13131
315-625-7299

Lessee (Location): City of Shawnee
2202 Airport Drive
Shawnee Regional Airport
Shawnee, OK 74804

Refuelers: See Attached Exhibit “C”.

1. **Term** – This Lease Purchase Agreement and all obligations herein shall begin on **July 1, 2022**, and shall continue for a period of at least **five (5) years** or until terminated as provided for herein. After this initial lease term has expired, Lessee shall purchase the Refueler pursuant to the terms of Section 11 and subject to the terms of Section 3.
2. **Payments** – Lessee shall pay Lessor the total sum of; see Attached Exhibit “C”, US Dollars per month plus any applicable taxes for the Lease Purchase of said Refuelers. This sum is payable and due on the first of each month, and any such payment not received by the 10th of each month shall be subject to additional late charges.
3. **Delivery and Return of Refueler** – Lessor will arrange to have the Refuelers delivered to Lessee at Lessor’s expense. Upon Default of said Lease by Lessee, Lessor shall have the right to take possession of said Refuelers following notice and opportunity to cure the Default as set forth in Paragraph 13 herein.

Pre-surrender Inspection – If Lessor has given notice of Default to Lessee and Lessee fails to cure the Default pursuant to the paragraph 13, an in-depth physical inspection will be conducted by an appropriate service representative on behalf of, and selected by Lessor, and paid for by Lessor. Any part, component, or function found not to be within the manufacturer’s tolerances and operational specifications will be replaced or brought within those tolerances and specifications to the satisfaction of Lessor, at the sole cost and expense of Lessee. The cost of physical damage, both internal and external, will be the responsibility of the Lessee, and there shall be no broken glass. Pumping system will be fully operational with no missing or damaged parts. Tires shall be of matched generic type and tread design and have a minimum of 10/32^{nds} remaining tread. Batteries shall be fully operational, hold a charge, and perform with the manufacturer’s standards, with no dead cells or cracked cases. Brake drums shall not be cracked, and have an average of 50% remaining wear, and brake linings shall have no less than 50% remaining lining. Paint and/or body damage must not exceed \$500.00 per unit including but not limited to, body, fenders, bumpers, grill, fuel tanks, rust damage etc. Interior must be in good condition. Dash panels and interior trim pieces must not be missing and be free of any holes, cracks, or breaks. No rips, tears or burn holes in the seats will be accepted. All gauges and knobs must be in working condition and not missing. Interior damage must not exceed \$150.00. There shall be no fluid leaks on the engine, engine components and drivetrain. Leaks are defined as A) normal build up, B) wet accumulation, C) drips. A is acceptable, where B & C are not acceptable and must be repaired/replaced prior to turning back in. Engines must be free of all engine warning and error lights and active codes. All trucks 2008 and newer must have an operational diesel particulate filter capable of regeneration. All emissions components and systems, including but not limited to DPF, EGR, EGR cooler, SCR and DEF systems must be operational and pass industry test and inspection.

Product hoses shall be less than 5 years old, and free from abrasions, cuts, soft spots, carcass separation, worn covers, blisters, exposed reinforcement, cracks, twists, and sharp bends that give the appearance of pending failure. Product hose life will be based on available hose life left in hose and costs prorated, with 10-year new hoses being 100%, 5 years remaining 50% etc. Hose certificates must be available.

4. **Condition of Refueler** – It is understood and agreed that the Refuelers provided hereunder will be well-maintained and operable when delivered; but Lessor makes no warranties, express or implied, concerning same. Without making itself a party to any warranties, and without becoming liable thereon, Lessor agrees to make available for the benefit of Lessee any warranties, which Lessor has or may obtain from manufacturers, dealers, or sellers of said Refuelers. Lessee or Lessee's agent will inspect the Refuelers at the point of delivery, prior to accepting it, and represents that it is qualified to do so. A Bill of Lading, signed by Lessee or Lessee's agent, shall be proof that Lessee has inspected and accepted the Refuelers in satisfactory condition.
5. **Maintenance of Refueler** -- Lessee agrees that, at its sole expense, it is responsible for all maintenance of every kind in connection with these Refuelers. Lessee shall provide, at Lessor's request, documentation that preventive maintenance and inspections, as required by the manufacturer of the refueler and this Lease Agreement, have been completed.
6. **Refueler Inspections** – Lessee agrees to perform all State, Federal, Provincial and Commercial inspections as required by specific location.
7. **Operation of Refueler** – Refuelers shall be used only for dispensing fuel purchased from Lessor unless otherwise agreed to in writing. Lessee shall exercise direct control over all persons who operate the Refuelers and shall insure that such persons operate the Refuelers safely and in accordance with all laws, ordinances, rules, and regulations, which apply to the use of refuelers on airports. Lessee agrees to use the Refuelers only for the purpose for which they are intended. These Refuelers may not be driven on public streets and highways nor used by a third party without the express written consent of Lessor.
8. **Inspection of Refueler** – Upon forty-eight (48) hours' notice, Lessee shall afford Lessor and/or its designated representatives access to the premises where the Refuelers are located for the purpose of inspecting such Refuelers and all applicable maintenance or other records relating thereto at any reasonable time during normal business hours and at Lessor's sole cost and expense; provided, however, if Lessee defaults as to its obligation hereunder, no prior notice or other limitation shall apply to Lessor's inspection rights and any such inspection shall be at Lessee's expense. Lessee shall, whenever reasonably requested by Lessor, advise Lessor of the exact location of any and all the Refuelers provided under this Lease Purchase Agreement.
9. **Indemnification** – To the fullest extent permitted by applicable law, Lessee shall indemnify, defend and hold harmless Lessor and agents, employees, and successors of any of them or any other entity as required by this Lease Purchase Agreement from and against claims, suits, penalties, damages, losses, response costs, administrative order, notice letter, or enforcement action and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of this Lease Purchase Agreement provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of the tangible property including clean up or remediation costs due to threat of release, discharge, escape of hazardous substance or waste, including aviation gasoline, jet fuel, preblended jet fuel, motor gasoline, diesel fuel and biodiesel fuel but only to the extent caused by the negligent acts or omissions of Lessee or anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person.

Lessee shall pay or reimburse Lessor, and indemnify, defend and hold Lessor harmless from, on an after-tax basis, all taxes, assessments, fees and other governmental charges paid or required to be paid by Lessor or Lessee in any way arising out of or related to the Refueler or any Lease Agreement before or during the term or after the term in the event Lessee defaults, including but not limited to, foreign, US, state, county and municipal fees, taxes and assessments, and property, value-added, sales, use, gross receipts, excise, stamp and documentary taxes, and all related penalties, fines, additions to tax and interest charges ("Impositions"), excluding only taxes based on or measured by Lessor's net income unless such taxes are in lieu of any Imposition Lessee would otherwise be required to pay hereunder. Lessee shall timely pay any Imposition for which Lessee is primarily responsible under law and any other Imposition not payable or not paid by Lessor, but Lessee shall have no obligation to pay any Imposition being contested in good faith and by appropriate legal proceedings, the nonpayment of which does not, in the opinion of Lessor, result in a material risk of adverse effect on the title, property, use, disposition or other rights of Lessor with respect to the Refueler. Upon Lessor's request, Lessee shall furnish proof of its payment of any Imposition.

10. **Insurance** - At all times during this agreement, Lessee at its own expense shall maintain the following insurance coverage:

- a) Aviation General Liability insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 annual aggregate as respects Products and Completed Operations Liability. Lessor and its affiliates, subsidiaries, and the directors, officers, agents, and employees shall be named as additional insured.
 - b) Workers Compensation with statutory limits required by all applicable state and Federal Worker's compensation laws.
 - c) Pollution liability insurance with limits at least \$1,000,000 that includes coverage for bodily injury, property, and cleanup costs.
 - d) Physical damage coverage covering the value of any leased equipment. Lessor shall be named as Loss Payee as its interests appear.
- i. It is agreed that the coverage maintained by Lessee is primary and must not require nor contemplate contribution by any insurance maintained by the Lessor.
 - ii. All Lessee's insurance policies shall provide to Lessor least 30 days advance notice of cancellation of any of Lessee's policies.
 - iii. All Lessee's insurance shall be underwritten by insurers with an AM Best rating of A- or better.
- e) A Certificate of Insurance as proof of the aforementioned insurance policies shall be provided to:

Ascent Aviation Group
Attn: Equipment Group
Email: equipmentgroup@wfscorp.com
1 Mill Street
Parish, NY 13131

11. **Title to Refueler** – Title to the Refuelers remain with Lessor and or third party throughout the term of this Lease Purchase Agreement. Lessee shall not encumber the Refuelers in any way. Lessee does not have any ownership interest in the Refuelers and may not assign the Refuelers or this Lease Purchase Agreement to anyone without the express written consent of Lessor, which shall not be unreasonably withheld or delayed. During the term of this Lease Purchase Agreement, Lessor shall have the option of substituting any or all the Refuelers identified above with refuelers of substantially similar specifications. Substituted Refuelers shall be subject to this Lease Purchase Agreement. Substitutions will not cause increases in the amount of the payments due under this Lease Purchase Agreement.
12. **Purchase of Refuelers** – Lessee shall purchase the Refuelers at the end of the full term of this Lease Purchase for the amount of any outstanding balance owed to Lessor under the terms of this agreement, or if such terms are fulfilled, a sum equal to \$1.00 US Dollars. Lessor shall deliver to Lessee a Bill of Sale upon payment of the purchase price by Lessee.
13. **Default** – If Lessee defaults in any of its obligations of this Lease Purchase Agreement, other than lease payments, Lessor shall give notice to Lessee concerning the nature of the default. If such default is not corrected within ten (10) days of such notice, Lessor shall have the right to terminate this Lease Purchase Agreement. Should this Lease Purchase Agreement be terminated for this or for any other reason whatsoever, Lessor shall have the right to take immediate possession of the Refuelers without demand or legal process and free of all rights of Lessee. Lessee specifically waives any right of action it might otherwise have arising out of such entry and repossession, whereupon all rights of Lessee in the Refuelers or its contents shall terminate immediately. In the event of any action, legal or equitable, by either party to enforce this Lease Purchase Agreement or any of its provisions, the prevailing party shall be allowed a reasonable attorney's fee to be set by the court and taxed as costs in the action. Notwithstanding the foregoing, if Lessee defaults hereunder, Lessor shall have the right to terminate this lease and obligate Lessee to purchase the Equipment pursuant to the terms of Section 12 or require return of the Refueler. Lessee shall be responsible for return costs of said Refueler, in the same good order and condition in which it was received by Lessee, reasonable wear and tear accepted. **Lessee is responsible for all costs associated with the application and removal of any customer and/or site-specific decals and imaging.**
14. **Acceleration** - Subject to the provisions of Paragraph 13 herein, Lessor reserves the right, in addition to all other rights and remedies available to it under the law, in equity or otherwise, to accelerate and demand payment of all amounts due, if Lessee fails to make any payment or otherwise comply with the terms as herein provided, if Lessee is in breach of any other agreement with Lessor, or if Lessor, in its sole discretion, at any time deems itself insecure with regard to the creditworthiness or financial condition of Lessee.
15. **Notices** – All notices required to be given, shall be in writing and posted or hand delivered to the addresses shown above.
16. **Governing Law & Venue** – This Lease Purchase Agreement, and the rights and obligations of the parties hereto, shall be determined in accordance with the laws of the State of Florida, notwithstanding the place where the Refueler may be used or the place to where it is delivered. In the event of legal action between the parties, the venue of said action shall be the State of Florida. The parties hereto expressly, voluntarily, and intentionally waive any right to trial by jury.

17. **Assignment** - Lessee shall not assign this Lease without the written consent of Lessor. The Refuelers may be owned by a third party and leased by Lessor, and this Lease Purchase Agreement may be subordinate to such Lease. In the event that such third party becomes entitled to possession of the Refuelers, Lessee agrees to abide by such Lease or enter into a new lease with such third party.
18. **Entire Agreement** – The terms and conditions of this Lease Purchase Agreement constitute the entire agreement among the parties with respect to the Refuelers and supersede all previous negotiations, representations, or agreements between the parties, whether written or oral. If any part of this Lease Purchase Agreement is deemed to be unenforceable, the remainder of this Lease Purchase Agreement shall remain in full force and effect. Only a written instrument executed by Lessor and Lessee may amend this Lease Purchase Agreement.
19. **No Conflict** - Each of Customer and Seller represents and warrants to the other that neither the execution and delivery of this Agreement by it, nor the consummation of the transactions contemplated hereby, will: (a) violate or conflict with, or result in a breach of any provision of, or constitute a default under any existing agreement or other instrument or obligation to which it is a party; (b) violate any applicable law, regulation, ordinance, or rule with which it must comply; (c) violate any of its respective internal policies, procedures, or guidelines; or (d) require any action, or consent or approval of, or review by, any other party, except as shall have been duly obtained and effective as of the date of this Agreement.

In Witness Whereof, the parties have hereby agreed to all of the above terms and conditions as of the date last indicated below.

Lessor: **ASCENT AVIATION GROUP, INC.**

Lessee: **CITY OF SHAWNEE**

By: _____

By: _____

Steve Drzymalla
SVP, Business Aviation

Printed Name and Title

Date: _____

Date: _____

**EXHIBIT "C" ATTACHED TO
REFUELER LEASE PURCHASE AGREEMENT**

Lessor: Ascent Aviation Group, Inc.
One Mill Street
Parish, NY 13131
315-625-7299

Lessee City of Shawnee
2202 Airport Drive
Shawnee Regional Airport
Shawnee, OK 74804

REFUELER DESCRIPTIONS:

Asset # 44149
2002 Isuzu 1500 Gallon Avgas Refueler
VIN: JALE5B14X27902488
Value: \$36,882.00
Lease Rate: \$614.70/ per month
Term: July 1st, 2022- June 30th, 2027

Asset # 55523
2012 Int'l 3000 Gallon Jet Refueler
VIN: 3HAMKAAN6CL115927
Value: \$92,000.00
Lease Rate: \$1533.33/ per month
Term: July 1st, 2022- June 30th, 2027

In Witness Whereof, the parties have hereby agreed to all of the above terms and conditions stated in **Exhibit "C"**, as of the date last indicated below.

Lessor: **ASCENT AVIATION GROUP, INC.**

Lessee: **CITY OF SHAWNEE**

By: _____

By: _____

Steve Drzymalla
SVP, Business Aviation

Printed Name and Title

Date: _____

Date: _____