AGENDA
SHAWNEE AIRPORT AUTHORITY
December 6, 2021 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 November 15, 2021 regular meeting.

   b. Acknowledge the Airport Advisory Board Minutes from the August 18, 2021 and the September 15, 2021 regular meetings.

2. Consideration of a budget amendment for Fund 511 Shawnee Airport Authority.

3. New Business

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

4. 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: 12/06/2021

Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the November 15, 2021 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, NOVEMBER 15, 2021, DURING THE BOARD OF CITY COMMISSIONER MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW AT 5:07 P.M. ON NOVEMBER 10, 2021. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

PRESENT: Matthews, Engles, Flood, Bolt, Rutherford, Sehorn, Salter
ABSENT: None

Call to Order
Declaration of a Quorum

AGENDA ITEM NO. 1: Consider approval of Consent Agenda:

a. Minutes from the November 1, 2021 regular meeting.

A motion was made by Trustee Rutherford, seconded by Trustee Matthews, to approve Consent Agenda Item No. 1(a). Motion carried 7-0.

AYE: Rutherford, Matthews, Engles, Flood, Bolt, Sehorn, Salter
NAY: None

AGENDA ITEM NO. 2: Consideration of a budget amendment for Fund 511 Shawnee Airport Authority for position adjustments and cost of living adjustments.

Human Resources Director Jennifer Greenland explained this budget amendment is for position adjustment and cost of living adjustments for Shawnee Regional Airport Staff.

A motion was made by Trustee Matthews, seconded by Trustee Flood, to approve a budget amendment for Fund 511 Shawnee Airport Authority. Motion carried 7-0.

AYE: Matthews, Flood, Bolt, Rutherford, Sehorn, Salter, Engles
NAY: None

AGENDA ITEM NO. 3: 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. 4: Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (7:23 p.m.)

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ED BOLT, CHAIRMAN

ATTEST:

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LISA LASYONE, SECRETARY

Shawnee Airport Authority **1. b.**

Meeting Date: 12/06/2021

Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Acknowledge the Airport Advisory Board Minutes from the August 18, 2021 and the September 15, 2021 regular meetings.

Fiscal Impact

Attachments

August 18, 2021 Minutes

September 15, 2021 Minutes

MINUTES
AIRPORT ADVISORY BOARD
AUGUST 18, 2021
REGULARLY SCHEDULED MEETING
2202 NORTH AIRPORT DR
SHAWNEE, OK

AIRPORT ADVISORY BOARD MEMBERS PRESENT

Mr. John Klaser, Chairman, Mr. Harmik DerSahakian, Mr. Jim Smith, Mr. Randall Rogers,

OTHERS PRESENT

Mr. Rob Morris
Ms. Bonnie Wilson, Airport Manager

I. DECLARATION OF A QUORUM

Four members of the Advisory Committee were noted as Present, the Chairman Declared a Quorum.

II. CONSIDERATION AND APPROVAL OF MINUTES FROM JUNE 16, 2021, REGULAR MEETING

A copy of the Minutes was included in the meeting agenda package.

The Chairman called for a Motion to Approve the Minutes as presented.

Mr. Rogers offered the Motion; Mr. DerSahakian provided a Second.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

III. CITIZEN COMMENTS

No Citizen Comments were offered.

IV. DISCUSSION AND CONSIDERATION OF REQUEST TO EXTEND NON-AERONAUTICAL COMMERCIAL LEASE – AMERICAN LEGION

Staff provided a memo outlining the terms and conditions of the current lease agreement and the Legions request to renew.

Mr. DerSahakian made a Motion to accept the recommendation from staff, Mr. Smith provided a Second.

The Chairman acknowledged a request for further discussion on the matter. While acknowledging the in-kind services the Legion provides to the Shawnee community have value, the question was, to whom? Specifically, does the airport receive sufficient value from the Legion to allow for a less than fair market value lease or does the City of Shawnee receive the greater value. If the latter, would it not be a better option to have the City lease the property from the Airport Authority at FMV and then in turn sublease the property to the Legion?

Mr. DerSahakian made a motion to withdraw his original motion, table the matter, and direct staff to inquire with City leadership about the sublease option.

Mr. Rogers provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

V. DISCUSSION AND CONSIDERATION OF REQUEST TO AMEND AND EXTEND NON-AERONAUTICAL COMMERCIAL LEASE – VYVE BROADBAND A, LLC

Staff provided a memo outlining the terms and conditions of the current lease agreement and the Vyve's request to amend and renew.

The Chairman acknowledged a request for discussion on the matter. Questions were posed related to the current and proposed rental rates for the leased property. Further discussion and questions were posed related to prior capital improvements to be performed by Vyve as a supplement to direct rental payments. Additional discussion centered around the possibility of hiring a real estate appraiser to conduct a fair market lease rate value assessment.

The matter was tabled due to a lack of a Motion. Staff was requested to provide additional information on the history of the various leases with Vyve for consideration by the Board prior to acting on the request to amend and renew the lease agreement.

VI. DISCUSSION AND CONSIDERATION OF REQUEST TO TRANSFER AND AMEND NON-AERONAUTICAL LEASE AGREEMENT – BROWN DERBY

Staff provided a memo outlining the terms and conditions of the current lease agreement and the request to transfer and amend the agreement. Per the terms and conditions of the Shawnee Airport Authority's Minimum Standards, Mr. Johnny Kneisel provided a written proposal to transfer the lease from the current Brown Derby Drive In, to a newly formed limited liability company, Brown Derby Drive In, LLC. In summary if the transfer is approved:

The location will continue to operate as The Brown Derby Drive In.

The members LLC are Mr. Kneisel, and owners or employees of Boom A Rang Diners, Inc. and Boomarang Diner Franchising, LLC.

Brown Derby, LLC proposes to undertake between $10,000 and $25,000 of improvements to update existing equipment and facilities

The proposed date of transfer is September 1, 2021.

Based on the information provided, the experience of the personnel, and financial capacity of the new Brown Derby, LLC, staff recommended approval of the transfer and assumption of an amended lease with the following terms and conditions included:

Annual adjustment of the lease rate of $316.00/month or $3,792/year based on the rate of inflation for the prior calendar year, as established by the Consumer Price Index for all goods and services. (*Note, the lease rate was established by Fair Market Value (FMV) appraisal March 2017*)

Extension of the Term of the lease five (5) calendar years, with the option to renew for additional five-year terms for a total of twenty (20) years as the discretion of the Shawnee Airport Authority.

Inclusion of language necessary to comply with the current Airport Facilities Lease and Development Policy Statement and Federal Aviation Administration requirements for airport leases

Mr. DerSahakian made a Motion to approve the recommendation from staff.

Mr. Rogers provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

VII. BUDGET COMMITTEE REPORT AND RECOMMENDATIONS – APPLICATION FOR AMERICAN RESCUE PLAN ACT 2021 (PUBLIC LAW 177-2) (ARPA)

Staff presented a memo summarizing a discussion held by the Budget Committee regarding the appropriateness of applying for, and expending ARPA grant funds to support short term leases of mobile refuelers.

Both mobile refuelers used by the Shawnee Regional Airport are inoperable. In order to provide time to conduct a comprehensive assessment of repair, refurbishment, or replacement options, staff recommended utilizing grant funds to supporting leasing two refuelers for not longer than six months. Board members discussed various repair and replacement strategies.

Mr. Smith made a Motion to accept staff's recommendation to apply for and utilize ARPA grant funds to lease two mobile re-fuelers for not longer than six months.

Mr. DerSahakian provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

VIII. DISCUSSION AND CONSIDERATION OF CONDUCTING FAIR MARKET VALUE STUDY – SELECTION AND SEATING OF STUDY COMMITTEE – PREPARATION OF SCOPE OF WORK FOR REQUEST FOR PROPOSALS FOR SERVICES

Staff presented a memo summarizing a request by the Board to conduct a Fair Market Value (FMV) studies for leased property per the Shawnee Airport Authority's lease policy. Staff confirmed that $4,000 had been included in the FY 2022 budget to support the study. The Chairman noted that Mr. Blake White volunteered to serve, and requested other members express their interest in serving. Mr. Jim Smith volunteered. Staff recommended the Committee meet, prepare a draft Request for Proposals including a scope of work for the services, and provide that document to the full Board for consideration.

Mr. Rogers made a Motion to seat the Committee comprised of Mr. Smith and Mr. White, and request the Committee draft the RFP and scope of work.

Mr. Smith provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

IX. DISCUSSION AND CONSIDERATION OF DRAFT LAND RELEASE REQUEST – CHANGE IN THE USE OF AIRPORT PROPERTY

Staff presented a memo outlining the request received from the Oklahoma Military Department to lease approximately fifty acres of land on the west perimeter of the Shawnee Regional Airport for the purpose of construction a National Guard Readiness Center.

The land is currently classified for aeronautical development. The OMD's request to lease is approved, the acreage must be reclassified as non-aeronautical development by the FAA. Staff engaged Lochner Engineering to prepare a draft request to reclassify the fifty acres sought by the OMD, and an additional forty, adjacent acres for potential future expansion. If the FAA agrees to reclassify this land, it may be used for either aeronautical or non-aeronautical development in the future, whichever is determined to be the highest and best use.

Since OMD wishes to lease the land for a nominal fee, and the Airport Authority may not lease non-aeronautical land for anything less than fair market value, the City of Shawnee proposes to lease the land from the Airport Authority, for the appraised value, and then in turn sub-lease the land to the OMD for a nominal fee.

The draft land reclassification request, and the supporting draft lease agreements were presented as part of the agenda package for review and consideration.

Staff recommended the Airport Advisory Board authorize staff to present a recommendation to the Shawnee Airport Authority, to file the application to release and reclassify ninety (90) acres of aeronautical development property.

Mr. Der Sahakian made a Motion to accept the recommendation of staff.

Mr. Smith provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

X. DISCUSSION AND RECOMMENDATIONS FOR DEVELOPING PROCEDURES FOR THE ELECTION AND TERMS OF ADVISORY BOARD OFFICERS

The Shawnee Municipal Code, Chapter6 "Aviation" established the Airport Advisory Board provides for the election of a chairman but does not have any provision for the term of office, or the election of a Vice Chairman. At the request of the Members of the AAB the Chairman lead a discussion on the matter of elections, and terms. Recommendations for establishing procedures for election and terms of service included:

<u>Chairman</u>
It was agreed that there should be qualifications for service as the Chairman.
The recommended candidate qualification for service was not less than two years of service on the Airport Advisory Board prior to serving as Chairman.
The recommended term of was two consecutive years.
It was also recommended that the serving Chairman may be re-elected for additional terms, either consecutively or at a later date.

<u>Vice Chairman</u>
It was agreed that the AAB should create the position of Vice Chairman.
There were no recommendations for previous Airport Advisory Board experience.
The recommended term of was two consecutive years.
It was also recommended that the serving Vice Chairman be ineligible to become board Chairman unless and until all qualifications to serve as Chairman are met.

Following the discussion, the members present determined it was appropriate to table the matter until the full Board was present to modify/confirm the recommendations.

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XI. STAFF REPORT

Staff provided information on - current wholesale and retail fuel prices, fuel sales, and the status of the Fiscal 2021 Budget.

XII. NEW BUSINESS

No New Business was presented.

XIII. BOARD COMMENTS

No Comments were offered.

XIV. ADJOURNMENT

The Chairman called for a Motion to Adjourn the meeting.

Mr. Der Sahakian made a Motion to Adjourn; Mr. Rogers provided a Second to the Motion.

The Chairman called the Question, and the Members of the Advisory Board present unanimously approved the Motion. The meeting was adjourned.

Barry J Fogerty — 11/17/21

BARRY FOGERTY, VICE CHAIRMAN — DATE
On behalf of John Klaser, Chairman

ATTEST:

BONNIE A. WILSON — DATE 11/17/21

MINUTES
AIRPORT ADVISORY BOARD
SEPTEMBER 15, 2021
REGULARLY SCHEDULED MEETING
2202 NORTH AIRPORT DR
SHAWNEE, OK

AIRPORT ADVISORY BOARD MEMBERS PRESENT

Mr. Barry Fogerty, Vice Chairman, Mr. Harmik DerSahakian, Mr. Scott Lee, Mr. Randall Rogers, James Smith, Blake White

OTHERS PRESENT

Mr. Rob Morris, Citizen of Shawnee

I. DECLARATION OF A QUORUM

Six members of the Advisory Committee were noted as Present, the Vice Chairman Declared a Quorum.

II. CONSIDERATION AND APPROVAL OF MINUTES FROM AUGUST 18, 2021, REGULAR MEETING

A copy of the Minutes was included in the meeting agenda package.

The Vice Chairman called for a Motion to Approve the Minutes as presented.

Only three Board Members present at the September meeting were also present at the August meeting. With insufficient members to approve the minutes by vote, the action was tabled until a future meeting.

III. CITIZEN COMMENTS

No Citizen Comments were offered.

IV. DISCUSSION AND CONSIDERATION OF REQUEST TO AMEND AND EXTEND NON-AERONAUTICAL COMMERCIAL LEASE –VYVE BROADBAND A, LLC

Staff introduced a memo outlining modifications to the terms of the current lease, and provided additional information regarding the capital investment made to the leasehold by Vyve.

Vyve agreed to invest $33,525 in improvements at the time of the execution of the initial lease in October 2009 for the West portion of the building. This figure was to be divided by 60 ($558.75) and applied as a rental reduction over the first five years of the lease. Accounts receivable records indicate that Vyve paid $1,922.26 per month from November 2009 through August 2015 at which point the records show an increase in monthly rental to $2,386.42.

Records provided by Vyve confirm an actual expenditure of $139,199 in leasehold improvements on both the East and West portions of the facility.

Having clarified that Vyve did in fact provide improvements well in excess of the sum requested at the time of execution of their initial lease staff recommend an amendment to the lease on the eastern section of the building now identified as the "Annex", offering:

1. An initial term through 18 October 2024 to bring the expiration of this lease into concurrence with the second Vyve lease for the West portion of the building with the goal of aligning the two leases allowing for negotiation of a consolidated lease, renegotiation of the rates and future terms; and

2. Establishing a rental rate of seven-hundred-eighty-six dollars ($786) per month beginning 1 November 2021, subject to adjustment no more than once in any twelve-month period; and

3. Reserving the right of the Airport Authority to engage the services of a licensed real estate appraiser to conduct Fair Market Rental Value assessment of the Leased Premises, and adjust the rental rate, based on that valuation one time, during the term of the extension; and

4. Making additional adjustments based the national rate of inflation as established by the Consumer Price Index change from the prior calendar year, with current pricing retained as minimums regardless of inflation activity, applied at the commencement of the Airport Authority's fiscal year.

The Vice Chairman called for a Motion to accept the recommendation of staff.

Mr. Rogers offered a Motion; Mr. White provided a Second to the Motion.

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

V. DISCUSSION AND CONSIDERATION OF CONDUCTING FAIR MARKET VALUE STUDY – DRAFT SCOPE OF WORK FOR REQUEST FOR PROPOSALS FOR SERVICES

Staff introduced a memo outlining the work of the committee tasked with the preparation of a solicitation document and scope of work to engage the services of a professional appraiser, with airport property appraisal experience, to conduct an FMV of SNL aeronautical use properties subject to adjustment to FMV.

A copy of the draft Request for Proposals (RFP) and associated scope of work were also provided.

The Committee recommended (i) acceptance of the draft Request for Proposals and Scope of Work for the purposes of soliciting professional appraisal services, and (ii) publication of same.

The Vice Chairman called for a Motion to authorize staff to publish the RFP as provided in the agenda package.

Mr. Lee offered a Motion; Mr. DerSahakian provided a Second to the Motion.

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

VI. STAFF REPORT

Staff provided information on - current wholesale and retail fuel prices, fuel sales, current budget summary report, and Shawnee Airport Authority actions.

VII. NEW BUSINESS

No New Business was presented.

VIII. BOARD COMMENTS

No Comments were offered.

IX. ADJOURNMENT

The Vice Chairman called for a Motion to Adjourn the meeting.

Mr. Lee made a Motion to Adjourn; Mr. Smith provided a Second to the Motion.

The Vice Chairman called the Question, and the Members of the Advisory Board present unanimously approved the Motion. The meeting was adjourned.

11/17/21

BARRY FOGERTY, VICE CHAIRMAN   DATE

ATTEST:

11/17/21

BONNIE A. WILSON   DATE

Shawnee Airport Authority **2.**

Meeting Date: 12/06/2021

Budget Amendment

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration of a budget amendment for Fund 511 Shawnee Airport Authority.

Fiscal Impact

Attachments

Budget Amendment

Shawnee Regional Airport

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

Date: December 6, 2021

To: Shawnee Airport Authority

From: Bonnie Wilson, Airport Manager

Subject: Consideration of a Budget Amendment for Fund 511 Shawnee Airport Authority

Background: In response to impacts of the COVID – 19 pandemic on the aviation industry, the United States Congress provided two grants to the Shawnee Airport Authority (SAA), an Airport Coronavirus Relief Grant Program (ACRGP) grant in the amount of $13,000, and an Airport Rescue Grant Program (ARGP) grant in the amount of $32,000. Unlike traditional Airport Improvement Program (AIP) grants used for infrastructure projects, the ACRGP and ARGP programs are intended to address operational expenses.

The grants were unsolicited, and received after the Fiscal Year 2022 budget was submitted for approval. Staff is therefore requesting amendments to the Shawnee Airport Authority revenue and expense budgets to reflect the addition of grant revenues and assign those funds to the Equipment Rental Expense line item to address the costs of leasing fuel service trucks.

- Both aviation fuel trucks, used to provide fuel to airport customers, experienced significant mechanical failures in July 2021.
- Fuel sales via truck represent approximately 40% of all Avgas, and 76% of JetA sales.
- To assist in providing service and maintaining sales, the airport's fuel vendor provided two replacement vehicles under a short-term lease to allow staff to explore options for repair or replacement.
- No funds were allocated to line-item Lease Payments – Equipment in the Fiscal Year 2022 SAA budget.
- The lease fees to date have been addressed with funds from other line items.

Financial Impact: See attached Budget Amendment.

Attachment: Budget Amendment.

Staff Recommendation: Approval of requested budget amendment.

City of Shawnee
2021-2022 Budget Amendment
Shawnee Airport Authority

Estimated Revenue, Fund Balance, or Transfers IN

Fund Number	Account Number	Project Code	Line Item	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
511	41010			FEDERAL GRANT REVENUE	-	45,000.00	45,000.00
				Total	-	45,000.00	45,000.00

Appropriations

Fund Number	Account Number	Project Code	Line Item	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
511	5-0120-55500			LEASE PAYMENTS-EQUIPMENT	-	45,000.00	45,000.00
					-	45,000.00	45,000.00

Approved by the City Commission this

Explanation of Budget Amendment:

For Federal Grant Revenue and Lease Pymt-Equip

Approved:

Mayor ______________________

Attest:

City Clerk ______________________

Posted By ______________ Date ______________ BA# _________ Pkt.# ________