Morehead-Rowan County Airport Board Meeting Agenda
Thursday, 28 June 2018 – 6:00 PM
Morehead-Rowan County Clyde A. Thomas Regional Airport

A. Call to Order
B. Confirmation of a Quorum
C. Recognition of Guests
D. Approval of Minutes from the 31 May 2018 Meeting
E. Receive Financial Report for May 2018
F. Public Comment

G. Reports
   a. FBO Activity Report: Ms. Holley
      1. London Calling Movie
      2. National Guard Bivouac

   b. Garver Report: Mr. James
      1. Airport Apron Reconstruction Project
      2. Runway Analysis Project
      3. Fuel Farm Rehabilitation

   c. Building and Grounds: Mr. Oliver/Dr. Derrickson
      1. Runway and Taxiway Lighting Update
      2. Fill Dirt Project Update

   d. Legal Report: Mr. Rogers

   e. Communications and Security: Mr. Roberts

   f. Chair Report: Mr. James

H. Old Business
   a. None

I. New Business
   a. Approval of 2017-18 Amended Budget
   b. Approval of 2018-19 Budget
   c. Approval of Financial Institutions
   d. Election and Installation of Officers

J. Adjournment

Next Scheduled Meeting – 6:00 pm 26 July 2018

Morehead-Rowan County Airport Board
Meeting Minutes
May 31, 2018

Chairman Tim James called the meeting to order at 6:03 PM in the Terminal Building Conference Room at the Morehead-Rowan County Regional Airport. Other members present were Mike Gray, Ron Oliver, Tom Fossett, Aaron Roberts, Charles Derrickson, Harry Clark, and Jim LeMaster. Porter Dailey and Bruce Mattingly were absent. Guests present included Jodi Holley – Holley Aviation LLC - FBO; Josh Clark, Pilot/Hangar Tenant; Bob Helton, Executive Director – Morehead-Rowan County Economic Development Council; Earl Rogers – Attorney; Charles Williams – PHI1 Base Supervisor; and Barbara Marsh - Assistant Secretary-Treasurer.

Mr. James presented the Minutes of the April 2018 Meeting. The motion to approve the April 26, 2018 Meeting Minutes was made by Mr. Oliver, seconded by Dr. Derrickson, and approved unanimously.

Mr. James presented the April financials which included the April and year-to-date profit/loss statements, and a balance sheet. The motion to accept April financials was made by Mr. Oliver, seconded by Mr. Clark, and approved unanimously.

Public Comment: Mr. Williams reported that water is standing under the residence trailer and that guttering may relieve the issue. Also a sewer/plumbing issue arose. Mr. Dailey contacted the utility, Morehead Utility Plant Board, who responded the same day and installed a new pump for the grinder. (Note: the customer pays for the initial pump and Morehead Utility Plant Board pays for any successive pumps.)

Mr. Williams reported that a field project shed (12x18' with metal roof) for PHI1Medical Services Inc. had been authorized to proceed with construction by the Department of Housing, Buildings and Construction. The electrical work will be done at a later time. The shed will be set on concrete blocks and anchored by state guidelines. Mr. Williams will present the plans and building diagram after they are received from Rocky Branch Barns LLC, Grayson, KY. The project shed will brought be to the Board for approval are reviewed.

Mr. Josh Clark requested that hangar lease payments be waived for the month of June due to the trench drain repairs in front of hangars A7-A12. In a pre-construction meeting for the repair, the state requested that not even foot traffic be allowed in the area for liability and safety reasons. The motion to prorate rent for the trench drain repair during the length of construction (May 22-June 20, 2018) was made by Mr. Harry Clark, seconded by Mr. LeMaster, with Mr. Gray abstaining, and approved.

Mr. Helton reported that the EDC is working on a project which would be located in the Aviation Business Park on the other side of the new school location. There may be an opportunity for a separate entrance for the airport or it could be shared with the new school entrance. The goal would be to relieve truck traffic to Eagle Trace subdivision and golf course.

a. **FBO Activity Report**. Ms. Holley reported on fuel sales, maintenance, and Airport activity.
1. Fuel Sales in April were 1806 gallons of 100LL vs. 1994 gallons in April 2017 and 1033 gallons of JETA fuel vs 1394 gallons in April 2017.

2. Hangar Occupancy. Community hangar tenants have changed with only PHI and Kevin Brown's Cessna 340 in the hangar. There are 8 tie downs at this time. Cova Cornett's Beech Sport has been moved to the grass and tied down, along with the school's Grumman trainer AA1A and Kevin Brown's Cessna 172. The chart of occupants follows below.
3. Motor for JETA Farm. A fuel farm JETA hose reel rewind motor has been installed.
6. Coupling for AVGAS farm. The coupling for the AVGAS has been received and is ready to install.
7. Zero Turn Mower. The John Deere ZTrac Zero Turn mower is up and running
8. Locked gates. A person in the community mentioned the locked gates and feels like the taxpayers might get upset if they come out and find that they can't get in.
9. Areas to be mowed/weedeated. Dr. Derrickson will point out the exact areas where the University is going to cut hay. Areas where grass matts were placed on banks need special attention. They should not be weedeated too close to the ground in order to allow the grass to grow.

MAY 2018

COMMUNITY HANGAR TENANTS

PHI	Helicopter N383PH
Kevin Brown	Cessna 340 N76WD

TIE DOWN TENANTS

Johnny Broughton	Cessna 150 N60652
Charlie Hamilton	Cessna 172 N8161B
Josh Clark	Cessna 150 N9482U
Kevin Brown	Cessna 310 N5461J
Darrell Lewis	Cessna 150 N8999S
Josh Johnson	Cessna 210 N9640T
Perry Sloan/Chris Haddix	Cessna 152 N757BS
Josh Clark	Cessna 150 N5597G

b. **Garver Report**. Mr. Upchurch, PE
1. Apron Reconstruction and Drainage Improvement Project. The project is scheduled to last from May 22-June 20, 2018. Milling is scheduled all the way to the hangars. A progress meeting is tentatively scheduled for June 4. Mr. Oliver requested that he be notified of the next progress meeting. A Garver representative must be present any time construction on the project is occurring.

2. Runway Analysis Project. A cause/effect preliminary report on the heaving in the runway may be ready by June 15 (post meeting: The report will be ready by June 22). We will then have two weeks to review the results and comment.
3. Fuel Farm Rehabilitation Project. Mr. Farmer has given three airports in KY the go ahead for rehabilitation of their fuel farms which will use three different contractors. After analysis of the their finished projects, other contracts will be OK'd. Our fuel farm project may be given the go ahead in August. Mr. Upchurch will follow up with Mr. Farmer.
4. Airfield Electrical. Garver inspectors will be on-site June 4 to inventory the existing conditions of the airfield electrical systems.
5. FAA Supplemental Appropriations. The FAA released information that Congress has authorized funds for non-primary airports. $1B to be spent by end of FY2020. These projects would be 100% federally funded. In May, the FAA released a preliminary list of airports that would be eligible. Morehead-Rowan County Airport was on this preliminary list. In June, the FAA will review/finalize the list of eligible airports. Approximately thirty days later after the FAA's published listed (via Federal Register Notice), airports that are eligible are invited to notify the FAA of their desire to be considered for FAA FY2018 grant. With this in mind, we will push forward with design of infrastructure for a new ramp/apron. By October 15, the FAA will update their list of airports in the NPIAS and those who meet the "priority consideration". By October 31, we need to have justification for which projects we wish to engage and notify the FAA. The Airport Board has done a good job of staying on top of the grant assurances. Mr. Harry Clark mentioned that we may want to pursue the runway heaving issues (pending Terracon's analysis) as this is a safety issue. The runway heaving issue would be a higher priority on the list than a ramp. Mr. Upchurch concurs with Mr. Clark's comment. Garver will continue to have discussions with the FAA on behalf of the Airport Board regarding this potential additional funding. The entire FAA Briefing Report is attached as a separate attachment.

c. **Buildings and Grounds**. Mr. Oliver – Chair, Dr. Derrickson, and Mr. Clark
1. MSU Hay and Organic Material Update. The hay contract is the same as last year.
2. Runway and Taxiway Lighting Update. Mr. Oliver reported that Trent's Electric has most of lights working on the runway/taxiway and that a better grade of bulb is being used. Approximately 10 lights still need repair.
Other: Terminal Building/Community Hangar LED High Bay/Outside Bulb Quotes. Mr. Oliver presented proposals from Trent's Electric to improve lighting in and around the terminal building. All are eligible for rebates from Fleming Mason Energy.
1. Office-Lobby-Pilot's Lounge LED Conversion: Remove 28 each 2-lamp lay in and ballasts to LED; direct wire pin sockets after removing ballasts; install 56 -14 watt LED lamps: $1054.
2. Convert Four High Bay Fixtures in Community Hangar and replace one sent to us as warranty: $1,355.
3. Exterior Wall Packs: Around the outside of building: Replace 8 each: 400W w/LED: $2,175.

The motion to authorize the expenditure of $4,584 to install/upgrade the lighting system in accordance with Trent's Electric proposals and to begin saving right away was made by Dr. Fossett, seconded by Mr. Gray, and approved unanimously.

Other: Guttering on Residence. Mr. Harry Clark will donate the gutters and have the guttering placed on the residence to mitigate the standing water under the DWMH.

d. **Legal Report.** Mr. Rogers
Mr. Cornett. No update.

London Calling Movie. A six-page contract was presented to the board by the London Calling movie for use of the airport property and facilities including the possible use of the conference room . Mr. Rogers will review the contract and provide comments.

e. **Communications and Security.** Mr. Roberts
Lock Replacement. All locks have been installed. We need one extra padlock for the service gate on the north side.~~gate to the residence.~~ One final consideration is a Knox Box for the fire department. Mr. Darrell Glover, Chief, MMRC Fire Department, will be contacted about the need for a secure box for keys to the building and facility. (The Knox rapid access system provides non-destructive emergency access.) The pilot's lounge door lock has been installed. It auto locks when it shuts and you can always get out. The airport may need to install a blank plate for the new handle style which did not match up with the old faceplate. The left gate on the back of the building will be unlocked during business hours.

g. **Chair Report.** Mr. James
1. Courtesy Car from Fannin's. A 2006 Surburban has been loaned to the airport by Mr. Larry Fannin. The cost to add the $5,000 vehicle to our auto policy is $700 and carries full coverage. It is important to keep mileage records on the vehicle.
2. Signage. Mr. Roberts will complete the last sign to be hung on the back of the terminal building very soon.
3. 100LL Fuel Truck. The 100LL fuel truck has been placed on Ebay and presently the two bidders are at $850. A company in Jeffersonville would pay $700. Dr. Fossett reported that there aren't any recycling companies which can handle the truck in Rowan county. The 100LL truck filtering system is not up to specs at this time.

OLD BUSINESS

None

NEW BUSINESS

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a. Terminal Building Light Replacement. Please see page 3/Buildings & Grounds/Other.
b. ~~b.~~ Nomination Committee Report. Dr. Derrickson, Chairman, Nominating Committee, and committee members Dr. Fossett and Mr. Gray, reviewed the list of members. After speaking with the proposed officers, the committee nominated Dr. Mattingly, Chairman; Mr. James, Vice Chairman, and Mr. Oliver, Secretary-Treasurer. Mr. Dailey will step down as an officer after serving twelve years. Mr. Dailey's contributions to the airport's success in both financial and contractual matters "have been immeasurable." The proposed officers and Mr. Gray will make up the Executive Committee. The election on the nominated officers will take place at the annual meeting on June 28, 2018.

ADJOURNMENT

The meeting was adjourned at 7:35pm.

Morehead-Rowan County Airport Board

BALANCE SHEET

As of June 22, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
CD- Certificate of Deposit	45,000.00
Construction Account	12,072.10
Depreciation Reserve	40,495.62
Fuel Account	6,363.36
Money Market Account	0.00
Operating Account	39,458.78
Total Bank Accounts	**$143,389.86**
Accounts Receivable	
Accounts Receivable (A/R)	0.00
Total Accounts Receivable	**$0.00**
Other Current Assets	
46495 Sale of Surplus Vehicles	57.50
Total Other Current Assets	**$57.50**
Total Current Assets	**$143,447.36**
Fixed Assets	
15000 Furniture and Equipment	643.94
Total Fixed Assets	**$643.94**
TOTAL ASSETS	**$144,091.30**
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
30000 Opening Balance Equity	321,615.30
32000 Unrestricted Net Assets	-255,503.45
Net Income	77,979.45
Total Equity	**$144,091.30**
TOTAL LIABILITIES AND EQUITY	**$144,091.30**

Morehead-Rowan County Airport Board

PROFIT AND LOSS

July 1, 2017 - June 22, 2018

	TOTAL
Income	
43400 Direct Public Support	
43420 County Operating Support	30,000.00
43440 City Operating Support	30,000.00
Total 43400 Direct Public Support	**60,000.00**
44500 Government Grants	
44520 Federal Grants	81,658.00
44540 State Grants	194,657.40
Total 44500 Government Grants	**276,315.40**
45000 Investments	
45030 Interest-Savings, Short-term CD	4.04
45031 Interest, checking account	28.25
45040 Interest Income, savings account	5.58
Total 45000 Investments	**37.87**
46400 Other Types of Income	
46430 Miscellaneous Revenue	23.00
Total 46400 Other Types of Income	**23.00**
47500 Rentals	
47510 Tie Downs	490.00
47520 T-Hangars	51,800.56
47530 Community Hangar	2,900.00
47550 Late Fee	221.00
47560 Trailer Parking	288.00
47570 Residence	9,600.00
Total 47500 Rentals	**65,299.56**
47600 Fuel Sales	
47630 Credit Card Fuel Sales	84,891.68
47640 PVT Fuel Sales	4,912.63
47650 Fuel Sales From FBO	22,742.34
Total 47600 Fuel Sales	**112,546.65**
65235 Fuel Truck Sale	850.00
Total Income	**$515,072.48**
GROSS PROFIT	**$515,072.48**
Expenses	
62100 Contract Services	
62112 AWOS Maintenance	2,628.00
62120 Web Fees	500.00
62140 Legal Fees	1,420.00
62150 FBO	27,510.00
62170 Administrative	6,600.00
Total 62100 Contract Services	**38,658.00**
62800 Grounds and Facility Support	

	TOTAL
62830 Facility Repair and Maintenance	7,941.81
62840 Equipment, Repair, and Maintenance	4,370.42
62870 Vehicle Registration/Repair/Mainte	571.57
Total 62800 Grounds and Facility Support	**12,883.80**
63000 Insurance	
63010 Insurance - Property, Er/Omis	8,381.34
63030 Crime Insurance	302.35
63040 Surety Bond	153.71
63050 Liability Insurance	2,923.70
63070 Hangar Keepers Insurance	114.02
Total 63000 Insurance	**11,875.12**
64400 Utilities	
64410 Electric	9,463.40
64420 Telecommunications	3,581.25
64430 Waste Disposal	135.85
64440 Water and Sewer	804.56
64450 TV	924.77
Total 64400 Utilities	**14,909.83**
65000 General Administration	
65010 Bookkeeping Software and Subscriptions	525.99
65020 Postage, Mailing Service	297.67
65030 Printing and Copying	61.00
65040 Material & Supplies	601.66
65060 Technology Support	150.00
65110 Promotions and Advertising Expenses	288.75
65140 Bank Fees	64.94
65150 Memberships and Dues	677.00
65890 Events, Ceremonies, & Meetings	2,698.78
Total 65000 General Administration	**5,365.79**
65200 Fuel Expenses	
47620 Tax Reimbursement	-5,681.85
65210 Fuel Purchases Eastern Aviation	55,157.86
65230 Fuel Truck	2,146.08
65240 Fuel Profit	14,996.21
65250 Repair and Maintenance	1,776.83
65270 Sales Tax - Motor Fuel	5,842.77
65290 Credit Card Terminal	1,095.00
Total 65200 Fuel Expenses	**75,332.90**
80100 Capital Purchases	
80120 Capital Purchase REILs Project	49,995.84
80140 Capital Purchases Runway	0.00
80160 Debt Service	97,810.77
80191 Capital Purchase Apron Recon/Drainage (Trench Drain)	130,260.98
Total 80100 Capital Purchases	**278,067.59**
Void	0.00
Total Expenses	**$437,093.03**
NET OPERATING INCOME	**$77,979.45**
Other Income	
46450 Vending Revenue	0.00

	TOTAL
Total Other Income	**$0.00**
NET OTHER INCOME	**$0.00**
NET INCOME	**$77,979.45**

Morehead-Rowan County Airport Board

PROFIT AND LOSS

May 2018

	TOTAL
Income	
43400 Direct Public Support	
43420 County Operating Support	2,500.00
Total 43400 Direct Public Support	**2,500.00**
45000 Investments	
45030 Interest-Savings, Short-term CD	1.72
45031 Interest, checking account	2.18
Total 45000 Investments	**3.90**
47500 Rentals	
47520 T-Hangars	2,035.00
47560 Trailer Parking	0.00
47570 Residence	800.00
Total 47500 Rentals	**2,835.00**
Total Income	**$5,338.90**
GROSS PROFIT	**$5,338.90**
Expenses	
62100 Contract Services	
62140 Legal Fees	25.00
62150 FBO	3,000.00
62170 Administrative	600.00
Total 62100 Contract Services	**3,625.00**
62800 Grounds and Facility Support	
62830 Facility Repair and Maintenance	314.94
62840 Equipment, Repair, and Maintenance	581.19
Total 62800 Grounds and Facility Support	**896.13**
64400 Utilities	
64410 Electric	729.36
64420 Telecommunications	299.99
64440 Water and Sewer	58.93
64450 TV	86.81
Total 64400 Utilities	**1,175.09**
65000 General Administration	
65010 Bookkeeping Software and Subscriptions	35.00
65020 Postage, Mailing Service	97.00
65030 Printing and Copying	61.00
65040 Material & Supplies	32.27
Total 65000 General Administration	**225.27**
65200 Fuel Expenses	
47620 Tax Reimbursement	-2,561.84
65250 Repair and Maintenance	110.00
Total 65200 Fuel Expenses	**-2,451.84**

	TOTAL
80100 Capital Purchases	
80140 Capital Purchases Runway	0.00
Total 80100 Capital Purchases	**0.00**
Void	0.00
Total Expenses	**$3,469.65**
NET OPERATING INCOME	**$1,869.25**
Other Income	
46450 Vending Revenue	-18.00
Total Other Income	**$ -18.00**
NET OTHER INCOME	**$ -18.00**
NET INCOME	**$1,851.25**

MOREHEAD-ROWAN COUNTY AIRPORT BOARD					
2016-2017 ALL FUNDS OPERATING BUDGET	**Final**	**Approved**	**Amended**	**Final**	**Proposed**
		6.29.2017	6.28.2108		
	2016-2017	**2017-2018**			**2018-2019**
REVENUES					
UNRESTRICTED FUNDS					
Prior Year Carry Forward - operating	$ 33,427	$ -	$ -	$ -	$ -
Prior Year Carry Forward - fuel					
Prior Year Carry Forward - construction					
Total					
Hangar Rentals	$ 48,654	$ 45,000	$ 55,699.00		$ 45,000.00
100LL truck sale			$ 850.00		$ -
Residence Rental - PHI		$ 9,600	$ 9,600		$ 9,600.00
City Contribution	$ 25,000	$ 30,000	$ 30,000		$ 35,000.00
County Contribution	$ 30,000	$ 30,000	$ 30,000		$ 35,000.00
Total	**$ 103,654**	**$ 114,600**	**$ 126,149**		**$ 124,600.00**
Total Unrestricted Funds	**$ 137,081**	**$ 114,600**	**$ 126,149**		**$ 124,600.00**
RESTRICTED FUNDS					
Fuel *	$ 121,514	$ 125,000	$ 112,547.00		$ -
Government Grants-FAA		$ 330,470	$ 81,658.00		$ 248,812.00
Government Grants-State	$ 266,666	$ 175,085	$ 96,671.00		$ 120,000.00
Government Grants-Debt Service	$ 100,674	$ 100,674	$ 97,986.00		$ -
Total Restricted Funds	**$ 488,854**	**$ 731,229**	**$ 388,862**		**$ 368,812**
Total Funds	**$ 625,935**	**$ 845,829**	**$ 515,011**		**$ 493,412**
EXPENSES					
Contracted Services					
Web Management	$ 500	$ 500	$ 500		$ 500.00
AWOS Maintenance	$ 3,228	$ 3,500	$ 3,000.00		$ 3,500.00
Legal	$ 1,247	$ 1,000	$ 1,420.00		$ 1,500.00
Attestation/Audit Fee		$ -			$ 5,500.00
FBO Stipend	$ 20,300	$ 34,800	$ 27,510.00		$ 36,000.00
FBO Temp - December	$ 2,500	$ -	$ -		$ -
Admin	$ 6,000	$ 7,200	$ 7,200		$ 7,200.00
Subtotal	$ 33,775	$ 47,000	$ 39,630		$ 54,200.00
Grounds and Facilities Support					
Facility repair and maintenance	$ 12,929	$ 15,000	$ 7,942.00		$ 15,000.00
Equipment Repair and Maintenance	$ 6,585	$ 5,000	$ 4,371.00		$ 5,000.00
Vehicle Registration/Repair/Maintenance	$ 2,489	$ 3,000	$ 600.00		$ 3,000.00
Subtotal	$ 22,003.00	$ 23,000	$ 12,913.00		$ 23,000.00
Insurance					
Property/Liability	$ 11,317	$ 12,000	$ 11,573.00		$ 13,000.00
Crime	$ 302	$ 500	$ 302.00		$ 400.00
Subtotal	$ 11,619	$ 12,500	$ 11,875		$ 13,400.00
Utilities					
Electricity	$ 9,815	$ 11,000	$ 10,250.00		$ 12,000.00
Water, Sewer and waste disposal	1382	$ 968	$ 950.00		$ 1,000.00
Telecom	$ 3,386	$ 4,500	$ 4,550.00		$ 5,000.00
Subtotal	$ 14,583	$ 16,468	$ 15,750		$ 18,000.00
General Administration					
Bookkeeping Software and subscriptions	$ 437	$ 500	$ 525.00		$ 500.00
Postage and mailing	$ 260	$ 350	$ 325.00		$ 350.00
Printing and Copying	$ 28	$ 100	$ 75.00		$ 100.00
Materials and Supplies	$ 656	$ 500	$ 650.00		$ 500.00
Promotions and advertising	$ 1,038	$ 300	$ 400.00		$ 300.00
Banking Fees	$ 70	$ 100	$ 75.00		$ 100.00
Memberships	$ 927	$ 1,000	$ 677.00		$ 1,000.00
Travel and Meetings	$ 3,378	$ 3,600	$ 2,700.00		$ 3,600.00
Subtotal	$ 6,794	$ 6,450	$ 5,427.00		$ 6,450.00
Fuel Expenses					
Fuel Expenses	$ 128,385	$ 125,000	$ 75,333.00		$ 3,000.00
Capital					
Debt Service	$ 100,675	$ 100,675	$ 97,811.00		$ -
KDA Runway/Taxiway repairs	$ 144,744	$ -	$ -		$ -
Trench Drain Repair/runway/ Tie-downs	$ -	$ 437,620	$ 130,260.00		$ 355,362.00
Equipment/Trailer Parking Lot	$ 4,830	$ -			$ -
KDA REILS	$ 12,886	$ 57,116	$ 49,995.84		$ -
KDA Runway/Taxiway Crack sealing	$ 105,154	$ -	$ -		$ -
KDA Fuel Tank refurbishing	$ -	$ 20,000	$ -		$ 20,000
Subtotal	$ 368,289	$ 615,411	$ 278,067		$ 375,362
Depreciation Reserve Addition	$ 40,487		$ -		
Total Expenses	**$ 625,935**	**$ 845,829**	**$ 438,995**		**$ 493,412**
Net Profit/Loss	$ -	$ -	$ 76,016		$ -

Salient Points

- Current year hangar revenues includes tie-downs, community hangar, parking rent for Decemeber, January, and February
- Budgeted hangar revenue based upon 90% occupancy
- State and federal grants include remaining funds for trench drain, runway repairs, tie-downs and fuel tanks
- Asst. Secretary/Treasurer: $600/month stipend
- Increased funding from City & County ($5,000 each)
- Residence/office rental to PHI ($800/month)
- Projected 2017-18 net profit includes $51,363 from fuel reserve and sale to Holley's -
  - Projected net revenue excluding fuel for 2017-18 = $24,653 ($76,016 - 51,363)