

Morehead-Rowan County Airport Board Meeting Agenda

Thursday, 28 September 2023– 6:00 PM

Morehead-Rowan County Clyde A. Thomas Regional Airport

1800 Rodney Hitch Blvd., Morehead, Kentucky

- A. Call to Order
- B. Confirmation of a Quorum
- C. Recognition of Guests
- D. Approval of Minutes from the August 2023 Meeting
- E. Receive Financial Report for August 2023
- F. Public Comment
- G. Reports
 - a. FBO Activity Report: Mr. Holley
 - 1. T-Hangar door repair
 - 2. KDA Inspection Report actions
 - b. Garver Report: Mr. Sisemore
 - 1. Electrical Project – Radio interference
 - 2. Apron Expansion Project
 - 3. AWOS Project
 - 4. 2024-28 ACIP
 - c. Building and Grounds: Mr. Oliver/Dr. Derrickson
 - d. Legal Report: Mr. Rogers
 - e. Chair Report: Dr. Mattingly
- H. Old Business:
 - a. Approval of Commitment letter to borrow funds for Apron project.
- I. New Business:
- J. Adjournment

Next Regularly Scheduled Meeting – 6:00 pm 26 October 2023

Morehead-Rowan County Airport Board Meeting
Meeting Minutes
August 31, 2023

Chairman Bruce Mattingly called the meeting to order at 6:00 pm in the Airport Conference Room with board members Tim James, Charles Derrickson, Porter Dailey, David Perkins, and Tom Fossett. Members present via Zoom were Shannon Murphy and Wes Holland. Members absent were Ron Oliver and Bob Helton. Guests present via Zoom were Jack Holley, Jr. – FBO, Holley Aviation LLC and Will Adams – PE, Garver. The guests present were Earl Rogers III – Attorney, Campbell Rogers & Stacy PLLC; James Taylor – Student Pilot; Jason Slone, CEO/President, Morehead-Rowan County Chamber of Commerce and Economic Development; Michael Dement – MSU Farm Manager; and Barbara Marsh – Assistant Secretary/Treasurer.

Dr. Mattingly presented the Minutes of the July 2023 meeting. The motion to approve the July 27, 2023, Meeting Minutes was made by Dr. Fossett, seconded by Mr. James, and approved unanimously.

Dr. Mattingly presented the July 2023 financial reports consisting of Statements of Activity and Financial Position. The motion to approve the July 2023 financial reports was made by Dr. Derrickson, seconded by Mr. James, and approved unanimously.

Public Comment

Deeds. Mr. Slone reported that the Industrial Authority had purchased 200 acres from the Conn property near the airport for the Eastern Light Distilling future venue. In completing the survey, it was found that the Kissick and Rodney Hitch Blvd and service roads were not properly recorded. The motion to authorize the Board Chairman to exercise Deeds of Conveyance for the exchange of property with Morehead-Rowan County Industrial Development Authority, Inc. and Rowan County Fiscal Court regarding Rodney Hitch Boulevard upon review by legal counsel was made by Mr. James, seconded by Mr. Perkins, and approved unanimously.

Reports

a. **FBO Report.** Mr. Holley reported on airport activities, maintenance, and fuel.

1. Fuel Report July. 874 gallons AvGas100LL; 1589 gallons JETA.

2. Community Hangar/Tie Downs. Matt Oldham-Eagle Upholstery; Zane McGlade; Brandon Hamilton. Tie Downs: Charlie Hamilton and Johnnie Broughton.

3. Hangars. Mr. Beller is still looking for a plane. Dr. Mattingly reported that Kim Bozarth Lee (A9) is now over 2 months late with hangar payments. A letter was sent terminating the lease with Ms. Bozarth Lee. She will vacate the hangar by Sept 7, 2023. Approval was given for Mr. Aaron Roberts to move from B9 to A9.

4. REIL Lights. Brewer electric has been contacted to see about the issue.

5. Apache Helicopters. We are expecting a fleet of helicopters next week.

b. Garver Report. Mr. Adams

1. Airfield Electrical – Radio Interference. ADB (manufacturer of the runway/taxiway lighting equipment) has not responded to the issue. They've been "kicking the can down the road" when we do get them on the phone. Mr. Adams has discussed the issue with Garver electrical engineers and Montgomery Brothers, a subcontractor with the Apron Project. The existing issue with the radio interference pre-existing condition and possible remedy has been seen by them. The issue will be addressed during the Apron project and won't increase work costs. Mr. Adams indicated he had not discussed the issue with the Kentucky Department of Aviation. Mr. Rogers has been given documents to pursue a legal avenue.

2. Apron Expansion Project.

- The project was underway on August 14, 2023.
- The contractor has hauled 2500 cu yards of dirt.
- Quality Control & Assurance has been approved.
- The fill is good, and the weather has been cooperative for earthwork.
- Concrete for apron work should start September 3rd or 4th.
- Before placement of concrete, will have a meeting with board members.
- Soil is better than we thought.
- What do we have to do to make sure all 60' outside of apron meets contract documents? Proof Roll.
- What is the weight without reinforcing if hangars are built? 40,000 lbs. which is the weight of a 20-ton dump truck.
- When the project is completed, will we know that 30' on the south end of the Apron in each direction - 60' total) from the Apron Project will meet weight bearing specs? Yes all 60' (both directions – 30') will be validated.
- We will need to give a weight figure as part of any land lease for hangars and have testing done before time.
- The Apron is designed for 100,000 lb. planes.

c. Buildings & Grounds Report. Mr. Oliver, Dr. Derrickson

Hay. Mr. Dement, MSU Farm Manager, thanked us for applying fertilizer on the hay areas and reported an improved quality of the hay. MSU farm overseeded everything between the runways to get grass sewn down by September 15, 2022. They took the second cutting, but it was not as good as wanted. Even with this said, they took 207 rolls this year vs. 181 rolls last year including hillsides with weeds. There is room for improvement. Broadleaf weeds are not good for forage and inexpensive to eliminate. MSU provides seeds. They will lay down two types: timothy and orchard grass in one area and timothy in the other. They are concentrating on making the areas between the runways look smooth. Spots on the west side of runway need addressing and didn't seed down well. At one point the City hauled manure from the farm. Getting organic matter on the areas has been a continuing project for the last 10 years. The farm has compost which is easy to spread and estimates the volume to be at least 100 loads out of horse barns. For weight hauling, the material is light and fluffy. The county will be contacted for help with hauling possibly 10 loads a day for 5 days. It is best done when the weather is dry, possibly late fall. If this could be done for a couple of seasons, areas would be improved. The farm will be bushhogging. The farm needs 4000 square bales of hay per year. A 4 x 5' hay roll contains 10-12 square bales. It takes 1 ½ days to cut the airport fields. At \$4.50 per gallon for diesel fuel, the work is scheduled with enough farm help and machinery to be done in a cost-effective manner.

d. **Legal Report.** Mr. Rogers
None

e. **Chair Report.** Dr. Mattingly, Chair
Apron Project. The project is now 100% funded.

H. **Old Business**
None.

I. **New Business**
Purchase of Property. The motion to go into Executive Session was made by Mr. Perkins, seconded by Dr. Derrickson, and approved unanimously. The motion to come out of Executive Session was made by Mr. James, seconded by Mr. Perkins, and approved unanimously. No action taken.

J. **Adjournment**
The meeting was adjourned at 8:06pm.



September 15, 2023

David Perkins, Secretary-Treasurer
Morehead/Rowan County Airport Board

**RE: Frontier Housing Lending Commitment – Morehead/Rowan County Airport,
Construction-Bridge Loan**

Dear Mr. Perkins,

Frontier Housing (the “Lender”) is pleased to provide Morehead/Rowan County Airport Board (the “Borrower”), with a bridge loan to support the expansion of the Morehead/Rowan County Airport. This airport expansion will include improvements to the land to accommodate new hangars for interested corporate entities.

Borrower:	Morehead/Rowan County Airport Board
Loan Amount:	\$300,000
Loan Term:	24 months
Purpose/Limitations of Funds:	Bridge loan financing for FAA BIL funding, for an airport expansion project (Phase 1 of 2) which includes: the improvement of the land by laying cement for the runway, taxiway, and aprons to accommodate extra hangars. Draws shall be made based on percent of completion of the project as described in the project plans and specifications.
Payment:	Monthly payments of accrued interest; and principal payments equal to 100% of the Bipartisan Infrastructure Law grant funding from the FAA, within 30 days following receipt of funds from the FAA
Collateral:	Unsecured, with recourse all assets of to the Borrower

Guarantee:	N/A
Interest Rate:	6.00%
Origination Fee:	1.00%, due at the time of acceptance of this commitment to lend funds by borrower
Prepayment Penalty:	No penalty for early pre-payment
Closing Costs:	Borrower shall pay all reasonable third-party closing costs and expenses in connection with the closing, regardless of whether the bridge loan closes, and during the life of the loan. Such costs and expenses shall include, without limitation, legal and loan closing expenses of Lender. Expenses associated with the closing shall be due and payable at Closing; those associated with the closing of advances shall be due and payable at such closing.
Reporting Requirements:	<ol style="list-style-type: none"> 1. No material or adverse financial changes in Borrower 2. Quarterly submission of internally prepared financials for Borrower. 3. Annual submission of audited financials for Borrower. 4. Quarterly submission of project status report. 5. Any other items required by Lender or its attorney.
Additional Conditions:	<ol style="list-style-type: none"> 1. Copies of organizational documents and a certificate of existence not more than 90 days old being provided to Frontier prior to closing. 2. Borrowing resolution from the borrower's board of directors authorizing the borrowing. 3. Opinion of borrower's counsel that the borrower is legally able to take on the obligations of the debt with recourse to the borrower's assets if payment is not made in accordance with the loan documents. 4. A grant agreement for the BIL grant (take-out for Frontier Housing's loan) acceptable to Frontier Housing in its sole discretion, be provided to Frontier for review prior to closing. 5. Final plans and specifications for the project.

If you agree to the terms and conditions of this commitment, please sign and date this letter in the space noted below. If we do not receive an accepted letter by October, 15, 2023, this commitment will be null and void.

Thank you for your consideration, we look forward to working with you on this new facility.

Sincerely,



Tom Manning-Beavin
President & CEO

Accepted and Agreed to:

BY: Morehead/Rowan County Airport

By: _____

Date: _____

Morehead-Rowan County Airport Board
Airport Capital Improvement Program (ACIP) Project List
FY2024-FY2028

Airport:	Morehead-Rowan County Airport, Clyde A. Thomas, Regional Airport	LOCID:	SYM	State:	KY	Date Submitted:	October 6, 2023		
Sponsor Contact:	Dr. Bruce Mattingly	Tele. Ph #	606-776-1232	E-mail:	b.mattingly@moreheadstate.edu				
Consultant Contact:	William C. Adams IV	Tele. Ph #	859-410-2627	E-mail:	wcadams@garverusa.com				
Project Description & Cost Estimate									
FY	Project Description	Project reflected on ALP	Sponsor Priority Number	Estimated Total Cost of Project	Cost Allocation \$				
					AIP Entitlements	BIL Allotment	AIP Discretionary/ State Apportionment/ Other	State Participation	Sponsor Participation
Federally Funded Projects					90% Max	90% Max	90.0%	5.0%	Varies
2024	Repay loaned AIP funds to 9I3			\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -
2024	Apron Expansion Project (Additional Funding)			\$ 145,000	\$ -	\$ 145,000	\$ -	\$ -	\$ -
2025	Repay loaned AIP funds to 9I3			\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -
2025	Repay private loan for Apron Expansion Project using BIL funding.			\$ 145,000	\$ -	\$ 145,000	\$ -	\$ -	\$ -
2026	Repay loaned AIP funds to EKQ			\$ 92,000	\$ 92,000	\$ -	\$ -	\$ -	\$ -
2026	Repay private loan for Apron Expansion Project using BIL funding.			\$ 145,000	\$ -	\$ 145,000	\$ -	\$ -	\$ -
2026	Carry over remaining NPE funding to FY2027			\$ -	\$ (58,000)	\$ -	\$ -	\$ -	\$ -
2027	Apron Expansion - Phase 3 (Planning/Environmental/Design)	Yes	1	\$ 40,000	\$ 36,000	\$ -	\$ -	\$ 2,000	\$ 2,000
2027	Carry over NPE funding to FY2028			\$ -	\$ (172,000)	\$ -	\$ -	\$ -	\$ -
2028	Apron Expansion - Phase 3 (Bidding and Construction)	Yes	2	\$ 300,000	\$ 270,000	\$ -	\$ -	\$ 15,000	\$ 15,000
2028	Carry over NPE funding to FY2029			\$ -	\$ (52,000)	\$ -	\$ -	\$ -	\$ -
Participation Totals				\$ 1,167,000	\$ 698,000	\$ 435,000	\$ -	\$ 17,000	\$ 17,000
State Funded Projects								100.0%	0.0%
2024	AWOS Relocation (Land Acquisition and Construction)			\$ 250,000				\$ 250,000	
Participation Totals				\$ 250,000				\$ 250,000	\$ -
Note: Attach additional sheets as necessary to fully describe projects or to add information needed for a full understanding of project scope, location and costs. Please indicate phasing of projects within project description.									

Morehead-Rowan County Airport Board

Statement of Activity

August 2023

	TOTAL
Revenue	
43400 Direct Public Support	
43420 County Operating Support	4,416.67
43440 City Operating Support	3,750.00
Total 43400 Direct Public Support	8,166.67
45000 Investments	
45030 Interest-Savings, Short-term CD	1,813.36
45031 Interest, checking account	3.93
45040 Interest Income, savings account	25.04
Total 45000 Investments	1,842.33
46400 Other Types of Income	
46430 Miscellaneous Revenue	
46481 Vehicle Surplus Sale	3,000.00
Total 46430 Miscellaneous Revenue	3,000.00
Total 46400 Other Types of Income	3,000.00
47500 Rentals	
47520 T-Hangars	4,002.00
47550 Late Fee	60.50
47570 Residence	500.00
Total 47500 Rentals	4,562.50
Total Revenue	\$17,571.50
GROSS PROFIT	\$17,571.50
Expenditures	
62100 Contract Services	
62150 FBO	3,000.00
62170 Administrative	833.33
Total 62100 Contract Services	3,833.33
62800 Grounds and Facility Support	
62830 Facility Repair and Maintenance	212.75
Total 62800 Grounds and Facility Support	212.75
63000 Insurance	
63040 Surety Bond	167.97
Total 63000 Insurance	167.97
64400 Utilities	
64410 Electric	643.79
64420 Telecommunications	201.09
64440 Water and Sewer	149.86
64450 TV	55.15
Total 64400 Utilities	1,049.89

	TOTAL
65000 General Administration	
65010 Bookkeeping Software and Subscriptions	973.04
65020 Postage, Mailing Service	2.55
65110 Promotions and Advertising Expenses	12.00
Total 65000 General Administration	987.59
Total Expenditures	\$6,251.53
NET OPERATING REVENUE	\$11,319.97
NET REVENUE	\$11,319.97

Morehead-Rowan County Airport Board

Statement of Activity

July - August, 2023

	TOTAL
Revenue	
43400 Direct Public Support	
43420 County Operating Support	8,833.34
43440 City Operating Support	7,500.00
Total 43400 Direct Public Support	16,333.34
45000 Investments	
45030 Interest-Savings, Short-term CD	1,813.36
45031 Interest, checking account	9.19
45040 Interest Income, savings account	31.04
Total 45000 Investments	1,853.59
46400 Other Types of Income	
46430 Miscellaneous Revenue	
46481 Vehicle Surplus Sale	3,000.00
Total 46430 Miscellaneous Revenue	3,000.00
Total 46400 Other Types of Income	3,000.00
47500 Rentals	
47520 T-Hangars	10,562.00
47550 Late Fee	118.00
47570 Residence	1,000.00
Total 47500 Rentals	11,680.00
Total Revenue	\$32,866.93
GROSS PROFIT	\$32,866.93
Expenditures	
62100 Contract Services	
62112 AWOS Maintenance	807.00
62140 Legal Fees	125.00
62150 FBO	6,000.00
62170 Administrative	1,666.66
Total 62100 Contract Services	8,598.66
62800 Grounds and Facility Support	
62830 Facility Repair and Maintenance	476.85
Total 62800 Grounds and Facility Support	476.85
63000 Insurance	
63010 Insurance - Property, Er/Omis	12,930.39
63040 Surety Bond	167.97
Total 63000 Insurance	13,098.36
64400 Utilities	
64410 Electric	1,233.51
64420 Telecommunications	388.12
64430 Waste Disposal	63.15
64440 Water and Sewer	178.59

	TOTAL
64450 TV	110.30
Total 64400 Utilities	1,973.67
65000 General Administration	
65010 Bookkeeping Software and Subscriptions	1,058.04
65020 Postage, Mailing Service	2.55
65040 Material & Supplies	61.81
65110 Promotions and Advertising Expenses	12.00
65130 Business Registration Fee	25.00
Total 65000 General Administration	1,159.40
80100 Capital Purchases	
80197 2019 Runway Rehab Phase I CONSTRUCTION ONLY	30,000.00
Total 80100 Capital Purchases	30,000.00
Total Expenditures	\$55,306.94
NET OPERATING REVENUE	\$ -22,440.01
NET REVENUE	\$ -22,440.01

Morehead-Rowan County Airport Board

Statement of Financial Position

As of August 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Citizens Bank Bldg/Grnds Dep Reserve NOW Acct. .25%	21,357.04
Citizens Bank Construction Account NOW .05%	1,158.01
Citizens Bank Operating Account NOW .25%	19,702.07
LM&C Fund Offset	-77,230.00
Local Match & Construction Fund	0.00
LM&C June 2020	27,230.00
LM&C June 2022	50,000.00
Total Local Match & Construction Fund	77,230.00
Total Bank Accounts	\$42,217.12
Other Current Assets	
Edward Jones CD 2 mo 5.15% 6.5.23 matures 8.14.23	0.00
Edward Jones CD 1 mo 5.1% 8.17.23 matures 9.18.23	206,000.00
Edward Jones CD 3 mo 5.3% matures 9.11.23	30,000.00
Edward Jones CD 3 mo 5.3% matures 9.6.23	204,000.00
Edward Jones CD 3 mo 5.35% matures 10.27.23	30,000.00
Edward Jones Money Market	855.74
Total Other Current Assets	\$470,855.74
Total Current Assets	\$513,072.86
Fixed Assets	
15000 Furniture and Equipment	643.94
Total Fixed Assets	\$643.94
TOTAL ASSETS	\$513,716.80
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
30000 Opening Balance Equity	321,613.58
32000 Unrestricted Net Assets	214,543.23
Net Revenue	-22,440.01
Total Equity	\$513,716.80
TOTAL LIABILITIES AND EQUITY	\$513,716.80