



**CITY OF CLEVELAND
MUNICIPAL AIRPORT AUTHORITY
AGENDA
October 16, 2015
9:00 A.M.**

- I. CALL TO ORDER**

- II. ROLL CALL**
 - A. _____ Lou Patten (Chairman)
 - B. _____ Verrill Norwood (Vice Chairman)
 - C. _____ LeRoy Rymer, Jr. (Secretary-Treasurer)
 - D. _____ Mike McCoy
 - E. _____ Steve Wright

- III. ACCEPTANCE OF MINUTES (August 2015)**

- IV. ELECTION OF OFFICERS**

- V. UPDATES**
 - A. Construction (Rick Hudgens)
 - B. Director's Report (Mark Fidler)
 - C. Financial Report (Mark Fidler)
 - D. FBO Report (Taylor Newman)

- VI. OLD BUSINESS**
 - A. Discussion of NDB Site – Surplus Property

- VII. NEW BUSINESS**
 - A. Operations Plan and Budget (January – June 2016)

- VIII. BOARD MEMBER REPORTS**
 - A. Lou Patten
 - B. Verrill Norwood
 - C. LeRoy Rymer, Jr.
 - D. Mike McCoy
 - E. Steve Wright

IX. ADJOURNMENT

Next Scheduled Meeting – November 20, 2015

Informational Attachments:

Authority Attendance Log (Page 1)

Payments (Page 2)

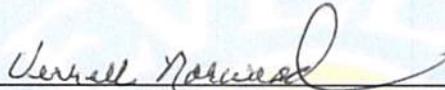
CLEVELAND MUNICIPAL AIRPORT AUTHORITY

- ROLL CALL -

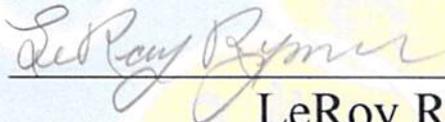
MEETING DATE: Oct. 16, 2015



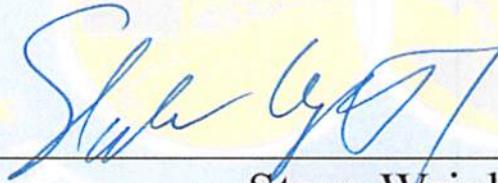
Lou Patten



Verrill Norwood



LeRoy Rymer, Jr.



Steve Wright



Mike McCoy

CLEVELAND AIRPORT AUTHORITY

SIGN IN SHEET

MEETING DATE: Oct 16 2015

Name & Company Name: (<u>PRINT</u>)	Address:	E-mail:
1 <u>Patrick Butler</u>	<u>251 Dry Valley Road</u>	<u>pbutler@jonesmanagement.com</u>
2 <u>Frank Basadre</u>	<u>6487 Basadre Lake Ln #7341</u>	<u>Frank@Basadre.com</u>
3 <u>Rick Tubens</u>		<u>Rhtubens@PDCconsultants.com</u>
4 <u>David Davis</u>	<u>city</u>	
5 <u>Stacy Wylk</u>		
6 <u>Dakota Brown</u>	<u>Cleveland TN</u>	
7 <u>Joyanna Love</u>		
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Payments

Hinkle Construction
Hinkle Construction
Hinkle Construction
PDC
PDC
PDC

South Development
South Development
South Development
Apron Construction
Apron Construction
Apron Construction

Invoice 2	\$ 24,635.08
Partial Retainage #2	\$ 7,108.30
Final Retainage	\$ 4,738.86
Invoice 7A	\$ 4,013.00
Invoice 8A	\$ 12,184.00
Invoice 9A	\$ 8,669.00

**Cleveland Municipal Airport Authority
Cleveland Regional Jetport (KRZR)**

Operating Revenues and Expenses

FY 2015: July 1, 2015 thru June 30, 2016 (September, 2015 = 25% of FY2016)

Revenue Sources as of 10/08/2015	September			Year to Date			YTD %'age of Budget	Budgeted	
	Quantity	\$ Amount	%'age	Quantity	\$ Amount	%'age		\$ Amount	%'age
Jet-A	16,372.00	\$ 44,083.99	62.6%	35,042.80	\$ 104,291.93	59.4%	11.8%	\$ 886,400.00	70.3%
AVGAS	2,821.90	\$ 12,993.95	18.5%	7,728.24	\$ 35,800.71	20.4%	17.7%	\$ 202,500.00	16.0%
Total Fuel	19,193.90	\$ 57,077.94	81.1%	42,771.04	\$ 140,092.64	79.8%	12.9%	\$ 1,088,900.00	86.3%
4.5% Fuel Tax		\$ (2,568.51)	(3.6%)		(6304.17)	(3.6)%	12.9%	\$ (49,000.00)	(3.9)%
NET FUEL		54,509.43	77.5%		\$ 133,788.47	76.2%	12.9%	\$ 1,039,900.00	82.4%
Ramp Fees	23	\$ 1,725.00	2.5%	49	\$ 3,750.00	2.1%	23.4%	\$ 16,000.00	1.3%
Tie Downs	16	\$ 475.00	0.7%	45	\$ 2,188.70	1.2%	55.0%	\$ 4,000.00	0.3%
GPU Fees	1	\$ 25.00		7	\$ 175.00	0.1%		\$ -	0.0%
Total Fees		\$ 2,225.00	3.2%		\$ 6,113.70	3.4%	30.6%	\$ 20,000.00	1.6%
Total Ramp Op's		\$ 56,734.43	80.7%		\$ 139,902.17	79.7%	13.2%	\$ 1,059,900.00	84.0%
T-Hangar Leases	22	\$ 6,350.00	9.0%	59	\$ 16,600.00	9.5%	16.5%	\$ 100,800.00	8.0%
Property Leases	9	\$ 6,860.85	9.7%	24	\$ 18,169.29	10.3%	28.0%	\$ 65,000.00	5.2%
Total Leases		\$ 13,210.85	18.7%		\$ 34,769.29	19.8%	21.0%	\$ 165,800.00	13.1%
FBO %'age Return		\$ 114.84	0.2%	2	\$ 220.29	0.1%	14.7%	\$ 1,500.00	0.2%
Facility (Room) rent	2	\$ 330.00	0.5%	5	\$ 705.00	0.4%	9.4%	\$ 7,500.00	0.6%
Advertising								\$ 15,000.00	1.2%
Special Events								\$ 11,500.00	0.9%
Other		\$ -			\$ -			\$ -	0.0%
Other		\$ -			\$ -			\$ -	0.0%
Total Other Revenue		\$ 444.84	0.7%		\$ 925.29	0.5%	2.6%	\$ 35,500.00	2.9%
Total Ops Revenue		\$ 70,390.12	100%		\$ 175,596.75	100%	13.9%	\$ 1,261,200.00	100%
Budgeted Expenses - Prorated Retained		\$ 105,100.00 149.3%		\$ 315,300.00 179.6%		25.0%	\$ 1,261,200.00 100%		
		\$ (34,709.88) (49.3%)		\$ (139,703.25) (79.6%)					
Actual Posted Expen: 10/05/15 Retained		\$ 75,487.99 107.2%		\$ 159,193.89 90.7%		12.6%	\$ 1,261,200.00 100%		
		\$ (5,097.87) (7.2%)		\$ 16,402.86 9.3%					
Other:		\$ -		\$ -			\$ -	100%	

Notes:

**Cleveland TN Regional Jetport
Monthly Fuel Quantity Report
September, 2015**

	Jet Fuel		AvGas		Total	
As of 1 September, 2015						
Tank	3,023.00		3,097.00		6,023.00	
Truck	<u>3,000.00</u>	6,023.00	<u>1,000.00</u>	4,097.00	<u>4,097.00</u>	10,120.00
Fuel Purchased:						
September 2, 2015	8,138.00					
September 16, 2015	7,721.00	23,846.00			23,846.00	
September 28, 2015	<u>7,987.00</u>				<u>7,388.00</u>	31,234.00
September 4, 2015			7,388.00	7,388.00		
As of 1 October, 2015 and Purchases		<u>29,869.00</u>		<u>11,485.00</u>		<u>41,354.00</u>
Remaining Inventory as of 1 October, 2015						
Tank	10,355.00		7,600.00		17,955.00	
Truck	<u>3,000.00</u>	<u>13,355.00</u>	<u>1,000.00</u>	<u>8,600.00</u>	<u>4,000.00</u>	<u>21,955.00</u>
Estimated Fuel Sales from Farm		16,514.00		2,885.00		19,399.00
Metered Fuel Sold, September 2015		16,372.00		2,821.90		19,193.90
Difference from Estimated Fuel Sold		142.00		63.10		205.10
Percentage from Estimated		1.1%		0.7%		0.9%

Fuel on hand readings are based on calibrated dip-stick findings. Inherent errors accumulate during the fuel storage and transfer process (temperature fluctuation, residual fuel in system and pipes, evaporation loss, etc).

SEPT. YTD EXP.	159,193.89
AUG. YTD EXP.	-83,705.90
ACT'L SEPT. EXP.	75,487.99
POSTED SEPT. EXP.	-74,797.90
DIFFERENCE	+ 690.09
CREDIT CARD	
FEES SHORT BY	- 690.09

RP1715GL

City of Cleveland
Expenditure Report
September 2015

TREASURER'S COPY

Page:
Id:

Date: 10/05/2015
Time: 08:53
GL6660
User: CHRISTY

Fund: 110-GENERAL FUND

Monthly Comparative % 25.0000

Acct Number	Account Name	ANNUAL BUDGET	MTD EXPENSES	YTD EXPENSES	UNEXPENDED
52500-111	SALARIES	73,400.00	5,640.48	14,468.14	58,931.86
52500-119	CONTRACTED SERVICES-FBO	92,000.00	8,056.91	15,629.25	76,370.75
52500-133	SOLD VACATIONS	1,500.00			1,500.00
52500-134	CHRISTMAS BONUS	200.00			200.00
52500-140	DENTAL INSURANCE				
52500-141	SOCIAL SECURITY TAX	5,900.00	458.26	1,401.56	4,498.44
52500-142	HEALTH INSURANCE				
52500-143	RETIREMENT EXP	12,600.00	995.61	3,045.00	9,555.00
52500-144	LIFE & DISABILITY INS	900.00	70.10	210.30	689.70
52500-145	VISION INSURANCE				
52500-149	WORKER'S COMP CLAIMS	500.00			500.00
52500-191	LAUNDRY & DRY CLEANING	600.00	13.90	13.90	486.10
52500-197	CLOTHING ALLOWANCE	400.00		350.00	50.00
52500-211	POSTAGE/SHIPPING EXP	300.00		43.56	256.44
52500-221	PRINTING EXP	500.00			500.00
52500-228	SERVICE AGREEMENT-CU				
52500-237	ADVERTISING	5,000.00			5,000.00
52500-239	SUBSCRIPTIONS/MEMBERSHIPS	1,000.00			1,000.00
52500-241	UTILITIES EXP	45,000.00	3,368.89	6,629.83	38,370.17
52500-245	TELEPHONE EXP	15,300.00	823.70	2,231.60	13,068.40
52500-251	CONTRACTED SVCS-SECURITY	1,000.00			1,000.00
52500-254	AIRPORT MASTERPLAN				
52500-266	BUILDING MAINTENANCE	6,000.00	514.00	955.65	5,044.35
52500-267	GROUND MAINTENANCE	8,000.00	1,250.00	3,591.40	4,408.60
52500-282	CAR ALLOWANCE	4,200.00	350.00	1,050.00	3,150.00
52500-283	TRAVEL & TRAINING EXP	3,000.00			3,000.00
52500-288	WORK SESSION MEALS	2,000.00			2,000.00
52500-290	CREDIT CARD FEES	12,000.00		1,859.08	10,140.92
52500-291	LEASE AGREEMENT EXPENSE	30,000.00	2,500.00	5,000.00	25,000.00
52500-292	FUEL TRUCK LEASES (2)	12,000.00	1,000.00	3,000.00	9,000.00
52500-319	OFFICE SUPPLIES	1,200.00	29.97	29.97	1,170.03
52500-321	OPERATING EXPENSES	1,500.00			1,500.00
52500-324	JANITORIAL EXPENSES	2,000.00			2,000.00
52500-331	GASOLINE EXP	3,000.00		184.29	2,815.71
52500-332	REPAIRS & PARTS	5,000.00		15.16	4,984.84
52500-333	AVGAS & JETFUEL PURCHASES	900,000.00	49,755.24	99,252.26	800,747.74
52500-511	INS-BLDGS & CONTENTS	9,800.00			9,800.00
52500-512	INS-VEHICLES & EQUIPMENTS				
52500-513	INS-GENERAL LIABILITY	3,500.00			3,500.00
52500-599	MISCELLANEOUS	500.00	-29.16	232.94	267.06
52500-921	HARDWICK BLDG-JONES				
52500-930	MITIGATIONS @ ROLLINGS HILL				
52500-942	SMALL EQUIPMENT	1,400.00			1,400.00
	TOTAL CLEVE REGIONAL JETPORT	1,261,200.00	74,797.90	159,193.89	1,101,906.11

MINUTES
CITY OF CLEVELAND
MUNICIPAL AIRPORT AUTHORITY
October 16, 2015
9:00 A.M.



Be it recorded that the Cleveland Municipal Airport Authority met in a regular session on Friday, October 16, 2015, at 9:00 a.m. in the Cleveland Municipal Council Room.

MEMBERS PRESENT: Lou Patten, Verrill Norwood, Mike McCoy, Steve Wright and LeRoy Rymer, Jr.

MEMBERS ABSENT: None

CITY STAFF: Kristi Powers (PW Support Services Manager), Mark Fidler (Airport Manager), Renea Brown (Recording Secretary), John Kimball (City Attorney), David Davis (City Reporter), Beverley Lindsey (Executive Assistant to the City Manager), Melinda Carroll (Assistant City Manager), Janice Casteel (City Manager) and Shawn McKay (City Clerk)

FBO STAFF: Taylor Newman

CONSULTANTS: Rick Hudgens

GUESTS: Patrick Butler (Jones Airways), Dewayne Bowman and Frank Bassadre

MEDIA: Joyanna Love (Cleveland Banner)

CALL TO ORDER

The meeting was called to order by the Chairman, Lou Patten, at 8:58 a.m.

ROLL CALL

Chairman Patten called the roll and is recorded above as Members Present.

ACCEPTANCE OF MINUTES

The Chairman called for a motion to accept the minutes from the August 21, 2015, meeting. Verrill Norwood so moved, seconded by Mike McCoy and was unanimously passed.

ELECTION OF OFFICERS

Lou Patten opened up nominations for officers. **LeRoy Rymer nominated Lou Patten for Chairman; seconded by Steve Wright and was unanimously passed. Mike McCoy nominated Verrill Norwood for Vice Chairman; seconded by LeRoy Rymer and was unanimously passed. Verrill Norwood nominated LeRoy Rymer for Secretary/Treasurer; seconded by Steve Wright and was**

unanimously passed.

UPDATES

Construction Update

Rick Hudgens reported the t-hangars have the base stone in place. Since they didn't use as much stone as they anticipated, there will be a cost savings. Paving is planned for next Tuesday and Wednesday. The buildings are scheduled to arrive some time in November. Everything should be in place to where the cold weather will not be a factor. Immediately after paving, the seeding and top soiling will begin, as well as the sod work. Extra precautions will have to be taken when they erect the building so they don't damage the final layer of pavement.

Bids were taken on the utilities for the Southside Development project. Evans-Ailey was the only bidder. Their bid came in slightly over budget. Talks have already transpired with them to find ways to help reduce the cost. He is hoping to schedule a pre-construction conference sometime late next week. The labor department has to be made aware of the conference five days in advance. He wants to get started quickly; so there will be a quick turn-around time getting signatures, books and bonds.

Board Member Rymer asked if any ditch work was going to be needed on the north side of the taxiway. Rick said some of the concrete work will have to be dug up. When the concrete was poured, they did not know who would be moving in that area to build; so utilities were not laid. However, there were some provisions put in for conduits. This project should be completed in thirty days provided the weather holds up.

Provisions are also being put in for three buildings on the south side, and there's room for one building on the east side. Every building will be able to have water, sewer, electricity, cable and gas services.

Director's Report (and slide show presentation)

Construction Updates – Alvin Calhoun

Mark Fidler reported Alvin Calhoun's hangar has been delivered and erection should be completed two weeks from Monday. Mr. Calhoun currently has his aircraft on tie-down at the Jetport.

Construction Updates – Erlanger Hospital/MedTrans Complex

MedTrans moved into temporary housing on-site August 27th. Typically, the helicopter arrives at the Jetport between 9:00 and 10:00 a.m. and works until 5:30 or 6:00 p.m. when it returns to the hangar at Erlanger Hospital. They have been staying busy, typically operating three missions per day from the Jetport. They work accidents, but their primary is transporting between the hospitals.

They should be able to move into their new building sometime in December or early January. Their site is prepped and the hangar has been delivered. Currently, the foundation work is underway.

Construction Updates – Other

The bid award letter for the utility project is ready to be signed.

Construction Updates – T-hangars

Both slabs have been poured and the base stone has been delivered.

Construction Updates – Southeast Jet Center

Frank Bassadre is one of the members associated with the jet center project. Mark asked him to provide

an update.

Mr. Bassadre advised they had broken ground but the rain has put them behind. The piers are marked and being dug now. They are probably a week away from pouring concrete. The main hangar slab will be poured first followed by the office area. The building is there, they are just waiting for the concrete to go down. They have also been tasked with the job of getting utilities under the driveway.

Mr. Bassadre said if the weather remains favorable, it should be finished by February. He is looking to pour everything on the outside right now, so they won't have to work in the mud. They still plan to make the front of the office building match the terminal.

Construction Updates – Property Leases

Michael Quayle is the newest lessee at the Jetport. He will be leasing parcel N-7 which is across from John Sheehan's hangar. His plans are to construct a 60 x 60 hangar to house his new Cirrus SR-22. He currently has a Cessna 182 that he keeps stored in John Sheehan's hangar.

Events

Civil Air Patrol held its second Pancake Breakfast on September 19th. Forty-four attendees turned out for the event according to event coordinator, Major Linda Quiett. She extends her thanks to the City and the Authority for the facility use. Their next breakfast will be Saturday, October 17th.

Board Member Rymer asked if there were other aviation organizations that could be solicited for similar events especially since the Sports Car Club revenue was lost. Mark will look into this.

The conference room is being utilized by local businesses.

Earlier in the week, Erlanger held a groundbreaking event for the LifeForce project. Approximately seventy people were in attendance. A catered reception was held afterwards in the large conference room.

Ageless Aviation Dreams returned to Cleveland on Monday afternoon and flew about ten senior citizens in a vintage Boeing Steering biplane.

Yesterday, the Jetport participated in the Cleveland Business Expo at Bradley Square Mall. Crystal Air and LifeForce were both invited to join in the event at the Jetport table.

Customs/Border Patrol

On Tuesday, the Customs and Border Patrol Mission Support Specialist from the New Orleans office called to say our case was reviewed by the new Port Director and has received his endorsement for further consideration at CBP headquarters in Washington. They have increased the staff levels at Chattanooga in anticipation of the Jetport becoming CBP General Aviation office in the foreseeable future. Process advancements will need to be made at the Jetport for handling CBP events.

Chairman Patten asked when the approval could be anticipated. Mark said he really did not know.

New AWOS

The AWOS equipment arrived last week. According to TDOT's Lisa Reany, it is scheduled to begin installation next week.

Financial Report

The financial reports were emailed to all Authority members. Jet fuel is down slightly due to Jones Airway's Falcon being down. T-hangar leases will begin in January.

Taylor Newman wanted to remind everyone that fuel sale prices have dropped. The same volume of fuel can be sold and still show a smaller amount of revenue.

FBO Report

Taylor Newman reported the following:

- Rentals and flight training were both up in September. Flight training has approximately twenty-six total students. There is currently a backlog due to not having enough planes or instructors available at the same time the students are available. Cleveland has two planes available...the 162 & 172. The 182 has not been replaced yet.
- Transient corporate traffic has been steady.
- The CAP breakfast brought in about twelve planes. Since they are housed locally, fuel sales from the event were minimal.
- Corn maze flyovers and fall color flights are really popular this time of year.

OLD BUSINESS

Discussion of NDB Site – Surplus Property

A letter was received from the State advising the property could be abandoned. After the property is advertised as such, it can then be disposed of. There was only one individual interested in the land locked property.

John Kimball asked if there was an appraisal for this piece of property. Board Member Patten said yes. Mr. Kimball suggested setting a minimum bid at the appraised price. This is what the City typically does. If there are no bids received, then decide how you want to proceed. The appraisal may need to be updated to take into account that it's a landlocked piece of property.

Melinda Carroll agreed with Mr. Kimball's recommendation of setting the minimum bid at the appraised price. The value of the property is minimal.

Janice Casteel suggested noting in the advertisement the appraised value but not set it as a minimum. Everyone already knows you are going to accept less than that. You are not sending a clear message to those who might read that advertisement. Mr. Kimball said that would work. He wanted the Authority to realize the bids would be brought back to them for further action. It would be their decision to accept or reject them.

The advertisement will reflect the standard language of 'the Authority reserves the right to reject any and all bids'. No additional motions are needed from the Authority.

Other

A bid was received from Evans-Ailey for the Southside Development utilities. The engineer's estimate was \$98,000 but the bid was \$110,000. It is believed the cost can be reduced. This is needed in order to get the MedTrans/Erlanger Helicopter terminal building completed. **Chairman Patten called for a motion to approve the Evans-Ailey bid and authorize him to sign the award letter. Steve Wright**

so moved, seconded by Mike McCoy and was unanimously passed.

NEW BUSINESS

Operations Plan and Budget

At the last meeting, it was voted to exercise the option to terminate the FBO contract as of the end of the year. Chairman Patten asked Mark Fidler to put together a plan for going forward from January to the end of June. One of the things he feels they need to be aware of is, under the current situation with the State funding, they would need to maximize revenues as much as possible. There are several projects they would like to have completed and some they really need to have completed. If State funding is not available, they will probably have to see if the City will provide the funds for us to repay. Mark has put together a projection for the six month period. Last fiscal year, there was \$71,000 profit on LeRoy's budget; but then there was some insurance money that came back for damages to Hardwick Field. This makes the total close to \$91,000.

Chairman Patten said the proposed budget is based on staffing and other items that we would normally have; however, it does not recognize any of our revenue for debt service for the million dollar bond to build the t-hangars and the runway extension. Per Shawn McKay's advice, we added debt service on this projection of \$25,000. The Authority is already recognizing revenue on the t-hangars so this needed to be done as well.

Board Member Wright asked for clarification on the proposed plan. Is this the first step to the City fully operating the Jetport? Chairman Patten explained Mark would hire two full time employees and one part time employee; so, yes for the personnel.

Board Member Wright is opposed to this plan. He feels the Authority should consider, at a minimum, extending the current contract while they do an RFP. He agrees the contract should be severed with Crystal Air; but he was under the impression the Authority was going to apply for a Request for Proposals for private enterprise to take the place of private enterprise rather than have government fill the role.

Chairman Patten said of the fifteen most comparable airports in Tennessee, twelve are operated by municipalities.

Board Member Wright feels private enterprise can offer options that municipalities just can't due to governmental bureaucracy. His main concern is providing the very best service to the people who enter the Jetport, and doesn't feel this can be achieved with a governmental controlled airport or FBO facility.

Board Member McCoy agreed. He would like to see Crystal Air's contract extended until the end of June; giving the Authority time to complete the RFP's in order to see other options. Mr. Wright said it would also give Mark time to put together a plan. A budget proposal is not a plan.

Board Member Norwood advised he was undecided. He would like to see a personnel schedule so he can see how many people they are proposing it would take to run the airport. In his opinion, he cannot see how two full-time and one part-time will work to efficiently run the airport twelve hours per day, seven days a week. We need to figure out exactly what it's going to cost to run the airport.

Board Member Rymer does not want to get into detail. He feels they have a good manager who can make it work. If he can't, then they can do something different.

Chairman Patten scheduled a work session for November 12th at 4:00 p.m. in the Council Room. They will lay out plans and look at different options at that time.

BOARD MEMBER REPORTS

Lou Patten – None

Verrill Norwood – None

LeRoy Rymer, Jr. – None

Mike McCoy –None

Steve Wright – None

Adjournment

The next scheduled meeting is Friday, November 20th at 9:00 a.m. A work session is scheduled for November 12th at 4:00 p.m. in the Council Chambers. Since there was no further discussion, Chairman Patten adjourned the meeting at 9:52 a.m.

Respectfully submitted,

Renea Brown,
Recording Secretary

Attachments and Handouts:

Director's Financial Report

Information Attachments:

1. Authority Attendance Log
2. Payments