CHARLOTTE
MONROE
EXECUTIVE AIRPORT

Airport Commission Regular Meeting
Monroe City Hall – Conference Room
5:00 pm – November 9, 2020

MEETING AGENDA

1.	**Call to Order and Welcome Guests**	**Keziah**
2.	**Minutes for Approval** ***ACTION REQUESTED:*** *Approval of September 14, 2020 Regular Meeting Minutes*	**Keziah**
3.	**Department Report** **a)** Operations Report **b)** Finance Summary **c)** Project/Grant Status Report	**Cevallos**
4.	**Budget Amendment - Quonset Hangar Reactivation**	**Cevallos**
5.	**Airport Layout Plan Update – 1st Draft**	**Cevallos**
6.	**Adjourn**	**Keziah**

Next Meeting:
December 14, 2020
Charlotte-Monroe Executive Airport

Monroe Airport Commission Regular Meeting
Horne Terminal Building – Terminal Lobby
5:00 pm – September 14, 2020

Chairman: Mr. Lynn Keziah

Attending Members: Mr. Don Edwards, Mr. Ken Haigler, Mr. Howard Heda, Mr. John Stephens, and Mr. Bob Smith.

Staff in Attendance: Mr. Peter Cevallos, Mrs. Carmen Crump, Mr. Don Ray, Mrs. Ashley Britt (via telephone /partial)

Engineer of Record Attendee: Mr. Pat Turney

Guest: Mr. Brandon Atkinson, Aerowood Aviation

Absent: Mr. Cress Horne, Ms. Hayden Desio-Munn, Mr. Larry Faison

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1. **Call to Order and Welcome Guests**
   Chairman Lynn Keziah called the meeting to order at 5:00 pm on September 14, 2020, welcoming the Commissioners, staff, and guests in attendance.

2. **Minutes for Approval**
   Chairman Lynn Keziah asked for a motion to approve the regular meeting minutes for the June 8, 2020 meeting. Mr. Bob Smith made a motion to accept the minutes and Mr. Don Edwards seconded the motion. The motion carried unanimously.

3. **<u>Department Reports</u>**
Presenter:
Mr. Peter Cevallos

a.) Operations
Summary:
Mr. Cevallos briefed the current airfield status is green. He reviewed the active NOTAMs, elaborating that four of the five NOTAMs are "FDC" NOTAMs for adjustments being made to the Airport's instrument approaches because of obstructions. He went on to provide detail and background on the obstructions stating they were trees off the end of runway that required "topping" so they don't affect the approaches. He concluded that with the help of the Airport Engineer Mr. Pat Turney a project was being developed to mitigate these trees, and if necessary, a grant request would be made to NC DoT to fund the project.

Mr. Cevallos provide a general overview of the provided operations report for the months June through August. He went over the graphic representation of the fiscal year's statistics, explaining that the FBO operations have ended the summer in very positive terms, and hopefully they will continue in that direction.

b.) Financial
Summary:
Mr. Cevallos explained the Budget to Actual Reports were not available from the City Finance Department as they were working on reconciling the posted Airport revenues. Mr. Cevallos stated that he would provide those reports to the Commission for their review once they were completed.

c.) Project/Grant Status Report
Summary:
Mr. Cevallos reviewed the project status report as produced by the Airport Engineers Talbert, Bright and Ellington, summarizing the status for the 12,000 square foot hangar and corporate site development, the Apron Rehabilitation and the Airport Layout Plan Update projects.

4. **<u>Customs Agreement – Reimbursable Services Program Application</u>**
Presenter:
Mr. Peter Cevallos

Summary:
Mr. Cevallos briefed the Commission on the opportunity to change the existing agreement the City has with US Customs Border Protection (CBP), participating in the User Fee Facility program to their Reimbursable Services Program. Mr. Cevallos explained that in June he brought a request for a budget amendment to support an increase in the annual fee the City is obligated to pay for the current service. He explained that the US Customs officials approached him in August offering a different program that may be more

financially beneficial to the City. The program is called the Reimbursable Services Program, and it differs from the current User Fee Facility Program because the Reimbursable Services Program only obligates the City to reimburse Customs when there is an international flight and they are called for services, with the cost being based on an hourly rate for the period the Customs service takes. Mr. Cevallos believes this program makes much more sense because it allows him to build a more accurate, realistic budget for the Customs operation because the new fee paid through this new program would be substantially less to the City, in comparison to the large annual fee. Mr. Cevallos explained the program conversion will take the entire fiscal year, emphasizing the first step is to submit the application. Board member Edwards asked if the City was still obligated for the fee in the current agreement, including the increase. Mr. Cevallos stated that he was correct, the City would remain obligated through the end of the fiscal year or June 30, if selected, then would convert to the new program beginning in fiscal year 2021.

After Commission discussion, Mr. Bob Smith made a motion to approve staff's request to forward the request to apply for the new program for City Council's approval; Mr. Ken Haigler seconded, and the motion carried unanimously.

5. <u>AIRPORT TOUR – New Aircraft Apron</u>

<u>Presenter</u>:
Mr. Peter Cevallos

<u>Summary:</u>
Mr. Cevallos provided the Commission a tour of the Airport facilities, beginning at the 12,000 square foot hangar that has been recently completed. Mr. Cevallos showed the entire building including offices and hangar bay where the corporate jets were housed. Mr. Cevallos then showed the Commission to the aircraft apron being rehabilitated, where he and Mr. Pat Turney answered questions about the project. Mr. Cevallos then escorted the Commission, at their request, to tour Hangar 6. Mr. Brandon Atkinson provided an overview of how the hangar is being used to foster his business growth. Mr. Atkinson went on to provide a tour of Hangar 5 which Aerowood Aviation leases to conduct their aircraft maintenance services for the Airport. At the conclusion of the tour, the Commission gave a general consensus of approval and appreciation for all the activity and business that is currently being conducted at the Airport.

6. <u>Adjourn</u>

At the conclusion of the Airport tour, Chairman Lynn Keziah requested a motion to adjourn. Mr. John Stephens made a motion to adjourn and Mr. Bob Smith seconded the motion. The motion was carried unanimously.

STAFF REPORT

TO:	Monroe Airport Commission
VIA:	E.L. Faison, City Manager
DATE:	November 9, 2020
FROM:	Peter Cevallos, Airport Manager
SUBJECT:	Budget Amendment – Quonset Hangar Re-activation and Leasing

SUMMARY STATEMENT

Staff is taking steps to re-activate the Quonset Hangar so the facility can be leased out: Aerowood Aviation will lease the entire office space for their flight school operation; the hangar area will be leased out for additional based aircraft. Re-activate the hangar will require a capital improvement budget of approximately $75,000 to repair roof leaks, and to refurbish the office space, make it leasable from the previous tenant. The requested budget amendment is required to accomplish the re-activation, with the necessary investment recouped within the first two years of lease revenue.

REVIEW

Staff is taking steps to re-activate the Quonset Hangar as that City-owned facility is being unutilized, and has the potential for additional revenue and a definitive need at the Airport. Aerowood Aviation continues to expand their flight school operation, their leased space in the main terminal is becoming inadequate to support the flight school operation. The Quonset Hangar offers the necessary office and classroom space where Aerowood can comfortably administer and operate their flight instruction. In addition, there is approximately 8,300 square feet of hangar area where additional based aircraft can be stored.

To re-activate the hangar, certain capital improvements are required: the roof has a number of leaks due to previous penetrations and holes that have developed, and the office space is not in the best condition since the previous tenant left. The office space will require repainting, new flooring, some bathroom fixtures refurbished or replaced, etc. To accomplish the re-activation, an outlay of approximately $75,000 has been budgeted, with the roof repairs estimated to be between $18,000 - $20,000, approximately $36,000 to re-furbish the inside of the facility, and the remaining funds to ensure the HVAC unit is serviced and operational.

Aerowood Aviation is interested in leasing the entire office space, which includes two stories and is approximately 3,217 square feet: per the fee schedule, the current rate is $5 per sq. ft., per year, which will generate an annual rent of $ 16,085; Aerowood will pay for the building's utilities. For the hangar area, Mr. Jeff Owens is interested in relocating three aircraft to the Airport for customers he manages: a turbo-prop King Air 200, a Falcon 10 corporate jet and a Baron small twin. The three aircraft will generate $ 18,540 in annual lease revenue and it is expected the aircraft will purchase quantities of fuel. With these three aircraft, there will a balance of space that will allow basing of additional aircraft, including any new Cirrus aircraft which Aerowood's customer have recently purchased.

RECOMMENDATION

Staff is requesting the Airport Commission support the action of requesting City Council approval of the budget amendment to fund the reactivation of the Quonset Hangar so that it can be leased out.

Attachment(s):
BA-2020-31

CITY OF MONROE
BUDGET AMENDMENT – REACTIVATION OF QUONSET HANGAR
BA-2020-31

1. Amendment necessary to appropriate funds for the reactivation of the Quonset Hangar so that it can be leased.

General Fund:

Revenues:

Appropriation from Unassigned Fund Balance	$75,000

Expenses:

Transfer to Airport Fund	$75,000

Airport Fund:

Revenues:

Transfer from General Fund	$75,000

Expenses:

Airport Operations	$75,000

Adopted this 1st day of December 2020.

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Bobby G. Kilgore, Mayor

Attest:

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Bridgette H. Robinson, City Clerk