

**Airport Advisory Board Minutes  
October 14, 2015 5:30pm  
Airport Administration Building  
8807 Airport Boulevard  
Leesburg, Florida**

Attendance: Chuck Brainerd  
Mark Crawford  
Byron Oldham  
Greg Thorpe

**Call to Order**

Chairman Chuck Brainerd called the meeting to order at 5:30pm. Chairman Brainerd gave the invocation and led the Pledge of Allegiance.

**Approval of Minutes from August 12, 2015 Meeting**

Chairman Brainerd asked for a motion regarding the minutes from the August 12<sup>th</sup> meeting. Greg Thorpe made a motion to approve the meeting minutes from August 12<sup>th</sup>. Mark Crawford seconded the motion and it was approved unanimously (3-0).

**Sublease Agreement – Av-Mech, LLC & Brainerd Helicopter, Inc.**

Secretary Pam Hester noted that since this agreement includes Brainerd Helicopter, Chairman Brainerd will not be able to vote. Board member Oldham has not arrived yet so she is not certain if having only two voting members available for this item constitutes a quorum. City Manager (CM) Al Minner said he would call City Attorney Morrison for an answer on this matter. In the interim, the discussion can move to the next item on the agenda.

**Chairman Discussion Items:**

Security

Chairman Brainerd said a gate on Airport Boulevard was recently damaged. He asked Airport Manager (AM) Dean if she knows how it was broken. AM Dean said she suspects that one of the car transporters hit it but she has no way to prove that. The technician that made the repair had no way to determine the cause of the damage.

Board Member Oldham arrived at 5:34pm

Chairman Brainerd said he is concerned with threats against the nation. He asked what is being done regarding employees. He asked if background checks are being run and asked how they are issued badges. AM Dean said there are only two employees of the airport. Tenants are issued badges as long as there is a good reason. There is no background check done on tenants but she does make a copy of the ID they provide.

Sandy Bondar said the gate to the parking lot for the cars is often left open. Anyone can come from 441 onto the airport from that way. The car transporters are not closing the gate after they unload.

AM Dean said that is true. She has contacted Jenkins and they are working to resolve these problems.

Chairman Brainerd said the gates need to be secured. The broken gate was left open for a week. AM Dean said she understands that. She noted that the issue of the gates is continually being brought up and asked Chairman Brainerd for his ideas to resolve the problems. Chairman Brainerd said in that particular case the broken gate should have been secured from the first day. AM Dean noted that the gates at the individual businesses and Gates 4 and 5 can secure the airside. Gate 4 is left open because it is unnecessary and Gate 5 is operational but is not needed very often. She noted that Chairman Brainerd is proposing to remove Gates 4 and 5.

Chairman Brainerd said maybe a workshop needs to be held to discuss security issues. They have helicopters that are on the munitions list and The Villages has aircraft that could be used in an incident similar to 9-11. We need to make sure the airport is secure to protect people and their investments. AM Dean said the gates are in place so it is a matter of maintenance. They are going to go down occasionally. There is nowhere else to add additional gates. Chairman Brainerd said when a gate is inoperative it needs to be fixed pretty soon or secured until it is fixed. AM Dean said over \$20,000 has been spent fixing gates in the past year. There are only a couple companies that are familiar with our system so she has to schedule with them. They do their best to respond in a timely manner when she calls them.

Greg Thorpe asked how long the broken gate was down. AM Dean said about 2½ weeks. Greg Thorpe asked if that was a typical timeframe. AM Dean said it depends on their schedule. That was unusually long. The normal time is 2-3 days. This particular gate had structural damage and had to be removed to be repaired.

#### Gates at AV-Mech and Jet Sky

Chairman Brainerd said the Airport Boulevard gates were supposed to be at the ends of the road. The east gate was moved past Triangle Aviation to accommodate the request of Penny Wilson to have her business outside the gate. It has been discussed that the east gate should be moved to the end of the road and the gates going into the parking lots at Av-Mech and Jet Sky could be removed. There has been one instance of damage to an auto by the gate at Av-Mech. AM Dean asked when that happened. Chairman Brainerd said it was several years ago.

AM Dean said Gate 4 is between Av-Mech and Angel Flight and is outside the security gate. Gate 5 is also outside of the Airport Boulevard security gate. She is working to get a quote to relocate the Airport Boulevard gate to the east end of the road. The estimate is not ready yet. It does not make sense to do anything with the Gates 4 and 5 until it is determined if the east gate can be moved. She noted that Gate 4 does intrude into the Av-Mech parking lot. There did not seem to be a problem before. The spot it goes into is striped off to warn about the gate. Now that Arnold Holmes has the site he feels there will be more traffic in and out and he wants a solution to this. The gate is powered off right now so unless it is moved manually it will not hit a vehicle. There are only 6 or 7 spots in the lot. The previous tenant had an agreement with Skybolt to use their parking lot. She believes Skybolt would be willing to work out a similar arrangement with Av-Mech. She suggested that the Av-Mech employees could park there and the parking lot at the Av-Mech hangar lot could be used for customers. Chairman Brainerd there is a

gate protruding into the entrance of the parking lot and that is not a good thing. Asking them to park at Skybolt is not a good solution. He compared it to asking AM Dean to park down the road and then walk to the Administration Building. That would be an inconvenience to her.

Byron Oldham said they must be practical. Moving gates is not cheap. If the parking spot with the gate issue is clearly and properly marked, he does not see a problem. AM Dean said it protrudes into part of the driveway. There is only one-way traffic in and out of the parking lot. She understands that long-term this could be a problem. She does not see an issue in the short-term. Chairman Brainerd said it is not an emergency. But if the east gate is moved to the end, these gates can be eliminated and sold as surplus. AM Dean said that a decision on this cannot be made until three things happen: 1 – the estimate is received to move the east gate; 2 – FDOT authorizes moving the gate; 3 – a budget and funding source are determined.

Chuck Bondar said the gate must be moved far enough down Airport Boulevard so the taxiway where Gate 5 is can be used again. He noted that the fence will also have to be moved which needs to be included in the cost. He said they have checked and Gate 4 taxiway is used by 30 aircraft. That is a lot of traffic to funnel into one taxiway. It would be much better if both taxiways were available for use.

Greg Thorpe suggested that AM Dean develop a written plan on this issue for the Board to look at. This subject seems to come up at every meeting. AM Dean said everything is dependent on the relocation of the east gate. That must be decided before anything else can be done and she is working on that.

Paul Harris said he is still concerned with Gate 6. It is essentially dysfunctional. It has no remote capabilities. There needs to be a plan for this gate.

Sandy Bondar said the three new Board members should take a tour of the airport with AM Dean so they can see the gates that are being discussed. Greg Thorpe said he has done that. It seems that there is no way to make everyone happy because different people have different concerns. A consensus needs to be reached. Mark Crawford noted that he has also looked at them with AM Dean. Chairman Brainerd said moving the east gate will solve all the problems. AM Dean said she hopes to get the quote for that next week. She will share it with the Board when she gets it.

#### **Sublease Agreement – Av-Mech, LLC & Brainerd Helicopter, Inc.**

Chairman Brainerd re-opened the discussion on this item. The arrival of Board member Oldham established a quorum for voting. CM Minner said CA Morrison did advise that having only two members eligible to vote on an item was not a quorum for this Board.

Chairman Brainerd said Av-Mech does not need the office space in their hangar. Brainerd Helicopter needs additional space and will be leasing the office area from Av-Mech. They will use it as a training area for their employees. The City requires a sub-lease agreement in these instances.

Byron Oldham asked if this is a standard agreement. AM Dean said it is. The City needs to make sure that the sub-lease complies with airport standards. Mark Crawford asked if there is any issue with the term. Chairman Brainerd noted there is not set duration. Greg Thorpe asked if the City Commission has given any direction for

specifics on sub-leases. AM Dean said the language is very standard. The agreement has been reviewed by the City Attorney and he accepted it. She noted that Av-Mech only has six years left on his lease agreement so that is the maximum term for the sub-lease.

Chairman Brainerd stated for the record that he has a conflict and will not be voting on this agreement.

Greg Thorpe made a motion to approve the agreement. Byron Oldham seconded the motion and it was approved unanimously with Chairman Brainerd abstaining.

### **Project Update**

Rob Hembrecht from Av-Con provided an update on the seaplane ramp project. The surveying and geo-tech work is complete. They should be at 15% of design by the end of the month. They have met with St. Johns regarding wetland mitigation. The area is in the flood plain so it will require compensation. The design will take 4-6 months. Once design and permitting are complete construction should take 9-12 months. They hope to have it done at the end of 2016. Chairman Brainerd asked there are any drawings/renderings of the project. Rob Hembrecht said he will bring them to the next meeting.

### **Airport Manager Update**

CM Minner said it was expressed to him that this Board wanted budget information on the Airport Enterprise Fund. He distributed a copy of the *Airport Fund Statement of Revenues and Expenditures* for the period ending August 31, 2015 to everyone present. (See attachment A) He noted that there are many different reports relating to the budget but he is trying to keep this simple. This report summarizes the revenues and expenses including depreciation and assets that are not cash value.

There are two columns for the budget – the revised and actual. During the budget process staff estimated a total of \$999,772 in revenue. That includes licenses/fees, charge for services (US Customs fees which are effectively a pass through) and rents. Expenditures include items such as building maintenance, gate repairs, salaries, utilities, etc. As an Enterprise Fund, the airport also has to pay a fee for the services of other City Departments that are utilized. This is based on a formula and the cost is listed by department under expenditures. Depreciation is also shown under expenditures but this is not a real number. All City enterprise funds budget for depreciation based on a formula and this amount is then set aside in an R&R fund. The airport does not have enough dollars to set this amount aside. However, GASB requires that an amount be shown on the accounting reports. Essentially the expenditures are deducted from the revenues and the balance (approximately \$500,000) is left to leverage for grant matches and other projects. The section for non-operating revenue(expense) includes grants and interest. It also includes approximately \$2 million that is grant money carried over from previous years.

The heartbeat of the budget is that the revenues for the airport usually run about \$1 million less regular expenditures.

The transfers from the General Fund will not continue. When the Enterprise Fund was created, the airport monies in the General Fund were calculated at \$450,000. That

amount was moved to the Enterprise Fund. That is shown under transfers. Also under transfers is a Special Item for \$23 million. The assets for the airport had to be transferred from the General Fund to the Enterprise Fund. The GASB formula was used to determine this value. It is *not* a cash amount.

Right now the cash reserve for the airport is about \$1 million. The lion's share of that will probably be needed for the seaplane ramp project. He knows there are other projects that are desirable, but the City committed to the ramp as part of the Wipaire lease. It is on track to be completed on time. The estimated total cost for that project is \$2.2 million. The cost for professional services is about \$400,000. That leaves \$1.8 million for construction. There is about \$1 million in the cash reserve and \$300,000 in the budget. That leaves a shortfall of about \$500,000.

The goal is to develop a financial plan for the project because the airport may need a loan from the General Fund. He will suggest to the City Commission that the airport borrow from the Coreslab property purchase money and Solid Waste funds to cover this gap.

Having the airport in an Enterprise Fund allows for more transparency. It shows realistically where the airport is at financially. The revenues are steady and usually allow about \$500,000 to leverage. The budget report will be provided to the Board on a monthly basis.

Greg Thorpe asked if it is more common for an airport to be in the General Fund or in its own division. CM Minner said it is done differently all over. He believes it works better as an Enterprise Fund. It demands more accountability. He thinks FDOT and FAA prefer a separate fund.

Chairman Brainerd asked what percentage FDOT pays. AM Minner said FAA will not pay anything on a new project. They will fund refurbishments to existing infrastructure. For the seaplane ramp FDOT has provided a \$400,000 economic development grant. AM Dean said FDOT is still deciding if any additional monies for construction will be funded at 50/50 or 80/20. They also will only fund the part of the project that is built on airport property. Any portion that extends into the lake will not be funded. For the seaplane ramp, the biggest part of the project is in the lake. She is hoping to get \$182,000 more, but that may change. CM Minner noted that AM Dean has worked very hard to try to get as much funding as possible for this project.

Charles Bondar asked for the best guess on the impact Wipaire will have on the airport in five years. AM Minner said his best guess is that it will be minimal. The other side is non-tangible. They are providing 55 jobs which has a huge regional impact. It will impact the surrounding community more so than the airport. Charles Bondar noted that it becomes a long-term investment.

Charles Bondar asked for the status on the agreement with the Condo Hangars. CM Minner said the agreement was approved by the City Commission on Monday. They will be paying \$5,000 annually to the airport.

Paul Harris said a marketing plan needs to be developed to attract new tenants to the airport. If the airport will be on the hook for loan payments, that means lost revenue. There needs to be a plan to increase revenues and recoup that.

CM Minner said the Commission has been looking closely at airport leases. The lease rates need to be at fair market value with an emphasis on job creation. The older leases are below fair market. Each project will be weighed individually. The City Commission supports the airport and will continue to approve projects that have impact. They are committed to the airport, economic development and spending resources wisely.

Paul Harris said they should develop new leases with proactive marketing about the seaplane ramp. They should link with Tavares so that planes that are going there will come to Leesburg for service.

Sandra Bondar asked how airplanes are going to reach the new SunAir hangar. CM Minner said the airport has received a grant to build an apron. The gates and fence will be relocated. There will be work on the service road and sewer line. Brian Sapp has been kept up to speed. The design should be complete in about a month and it should be built after the first of the year.

#### Rotating Beacon status update

AM Dean said the plan is for the beacon to remain at its current location. The shield has been taken down. The tower operators have agreed it is not a problem. If the issue arises in the future there are reasonable fixes available such as installing a "shutter". New shades are also being installed in the tower which will be an additional help. She said the tower roof was not designed to hold something like the beacon which is why the cost to move it there is so high.

Chairman Brainerd asked why the shield was installed in the first place. AM Dean said prior tower staff complained about the beacon light. Chairman Brainerd asked if the brightness of the light has been measured. AM Dean said the controllers have told her it is a non-issue. They are the professionals and she is deferring to their expertise. Chairman Brainerd said he would like to see for himself how the light shines in the tower. AM Dean said she will work with him to arrange that.

#### Moving the East Gate – quote

AM Dean noted this issue was discussed earlier in the meeting.

#### Discussion on Tours

AM Dean said she has received several requests for airport tours. She is working to develop a plan and has spoken to other airport managers to see how they handle this. There are some logistical issues because she is the only staff member available to guide the tours and she has no way to transport a group around the airport. The last school tour was a problem because the bus hit one of the gates. She plans to reach out to EAA for assistance. She will also be preparing a survey form for the requestors to complete to determine their specific needs.

Chairman Brainerd said they are always open to tours. He believes it is a good thing and they should be done. AM Dean said they require a lot of coordination. Sandy Bondar asked who has made the requests. AM Dean said the most recent were from a church group and kindergarten classes.

## **New Business**

John Vizslay asked if anyone has asked why the auto transporters find it necessary to be on the airport. Vidar Einarsson said there was a fatal accident on 441 when they were trying to offload on the highway. It is also hard for them to offload on the car lots.

AM Dean said an employee from Jenkins is supposed to escort each transporter. They have had an agreement since 2012 to unload by coming through the airport. She is working to relocate them off the airside and resolve this situation.

Byron Oldham asked if there is a way to hold them accountable if they are not obeying the rules. AM Dean said the transporters come at all hours. There are many complicating factors and no easy solution. Chairman Brainerd said he thinks they should be stopped from using airport property. AM Dean said they are providing revenue to the airport. She believes it is better to continue collecting the fees until she can relocate them. Byron Oldham said they will figure out a way to unload if the airside is no longer available to them. AM Dean said she will look at it again.

Byron Oldham said he spoke to his appointing commissioner regarding the lease issue. He was told that the Commission is looking at employees/jobs, capital improvements, lease terms, programs and growth strategy. Anything over 20 years will be turned down unless these other significant intrinsic added values are included in the lease. They will not approve without that caveat. Greg Thorpe noted the Commission does not appreciate AM Dean bringing a lease to them that does not meet their recommendations.

Bill Pike from Wipaire said they are in a catch 22 in this case. They are being asked to create 50 jobs but the City will not approve the lease for a facility so they have room to expand and create the jobs. It puts them in a untenable situation. Chairman Brainerd said grant assurances must be considered and the FAA will not appreciate smaller businesses being discriminated against.

Board member Greg Thorpe excused himself from the meeting.

## **Adjournment**

Byron Oldham made a motion to adjourn. Mark Crawford seconded the motion. The meeting adjourned at 7:03pm.

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Chairman

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Secretary

ATTACHMENT A

City of Leesburg Airport Fund  
 Statement of Revenues and Expenditures  
 For the Eleven Months Ended August 31, 2015

	Revised Budget	2015 Actual	Open Purchase Orders	Actual Including Open Purchase Orders	% of Revised Budget	Variance Favorable (Unfavorable)	Actual Prior Year
<b>Revenue</b>							
Licenses & Permits	\$ 3,300	\$ 7,624	\$ -	\$ 7,624	217.83%	\$ 4,124	\$ 6,528
Charges for Services	148,438	149,213	-	149,213	100.52%	775	160,182
Rents&Royalties	847,834	835,839	-	835,839	98.59%	(11,995)	760,681
Revenues from Outside Sources	999,772	992,676	-	992,676	99.29%	(7,096)	927,391
<b>Other Sources</b>							
Fund Balance Appropriated	131,994	-	-	-	0%	(131,994)	-
Total Other Sources	131,994	-	-	-	0%	(131,994)	-
<b>Total Revenues</b>	1,131,766	992,676	-	992,676	88%	(139,090)	927,391
<b>Expenditures</b>							
Airport Maintenance	609,712	333,120	-	333,120	87.44%	276,592	344,683
City Commission	1,072	983	-	983	91.70%	89	-
City Manager	3,943	4,179	-	4,179	70.32%	1,764	-
City Clerk	2,312	2,238	-	2,238	97.66%	74	-
Accounting	9,397	8,334	-	8,334	90.82%	1,063	-
IT	22,342	19,418	-	19,418	86.91%	2,924	-
Facilities	2,547	2,418	-	2,418	94.94%	129	-
Depreciation	-	1,239,687	-	-	0.00%	-	-
Total Operating Expenses	633,325	1,830,597	-	370,910	87.39%	262,687	344,683
<b>Net Income From Operations</b>	478,441	(837,921)	-	421,766	0.88	(56,673)	382,706
<b>Non-Operating Revenue(Expense)</b>							
Grants	1,417,194	399,694	-	399,694	0.42	1,017,500	22,240
Interest Income	-	3,144	-	3,144	0.00%	(3,144)	-
Other Non-Operating Income	30,000	2,043,068	-	2,043,068	681.0%	(2,013,068)	-
Total Non-Operating Income	1,447,194	2,645,906	-	2,645,906	183%	(1,198,712)	22,240
<b>Income Before Transfers</b>	1,925,635	1,807,985	-	3,067,672	159%	(1,142,037)	404,946
<b>Transfers from Other Funds</b>							
General Fund	430,000	430,000	-	430,000	100%	-	-
Special Items	-	23,711,845	-	23,711,845	0.00%	(23,711,845)	-
Total Transfers	430,000	24,161,845	-	24,161,845	5369%	(23,711,845)	-
<b>Net Income After Transfers</b>	2,375,635	25,969,830	-	27,229,517	1146%	24,853,882	404,946
<b>Other Sources</b>							
Reserve for Future Use	(460,730)	-	-	-	0%	(460,730)	-
Capital Projects	(1,914,905)	-	(470,668)	(470,668)	25%	(1,444,237)	(32,981)
Net Other Sources	(2,375,635)	-	(470,668)	(470,668)	20%	(1,904,967)	(32,981)
<b>Contribution to Fund Balance</b>	\$ -	\$ 25,969,830	\$ (470,668)	\$ 26,758,849	0.00%	\$ (26,758,849)	\$ 351,963