



# DeKalb County Airport

## Board of Aviation Commissioners

DeKalb County  
P.O.Box 4 – Auburn, IN 46706

Jim Mason, President  
Jeff Turner, Vice President

Derald Kruse, Attorney

George Wappes, Secretary  
Brad Stump, Treasurer  
Phil Rader, Member

### MINUTES

March 17, 2006

#### **BOAC Executive Session:**

The DeKalb County Aviation Board met in executive session at 12:30 to discuss the lease of real property. Present were Jim Mason, Jeff Turner, George Wappes, Brad Stump, Phil Rader Don Manley, Derald Kruse and Russ Couchman.

#### **BOAC Regular Scheduled Meeting:**

The DeKalb County Board of Aviation met at the DeKalb County Airport in the conference room for their 1:00 PM scheduled meeting. President Mason called the meeting to order. BOAC members Mason, Wappes, Turner, Stump, Rader and Board Attorney Kruse were present. Also attending was Airport Manager Russ Couchman, Don Manley from Butler, Fairman, & Seufert, Contract Airport Project Manager Gene Powell, Layden Rieke Airport Consultant, Dionne Couchman, Dean Kruse, Shannon Kruse, Lara Zook-Gaerte GWB AOPA Liaison, Angela Mapes from the Journal Gazette, Bill Gisel from the Evening Star, County Commissioner Connie Miles, County Commissioner Don Kaufman and County Attorney Jim McCanna.

#### **Secretary Report:**

Wappes presented the minutes of the previous meetings. A motion was made by Turner with a second by Stump to accept the minutes. The motion carried when put to vote. After some conversation it was decided that Couchman should contact Hicksville Bank and query them on the possibility of removing the home located at 6278 CR 27 rather than spending the money to fix it. At this point it would take close to \$18,000.00 to bring the home into livable condition.

#### **Treasurer Report:**

Claims: The treasurer presented March 2006 claims for the Board's approval: Stump moved to accept the claims as presented, Wappes seconded and the motion passed.

T-Hangar and Tennant Accounts: Couchman noted that he has leased C-7 but now C-3 is vacant.

### March 2006 Claims

99-1114	Employee Wages		\$28,171.00
3/3/2006	Russ Couchman	-\$1,338.50	\$26,832.50
3/17/2006	Russ Couchman	-\$1,338.50	\$25,494.00
99-1080	Other Pay		\$3,575.00
3/16/2006	Board Members' Salaries for February 17th Meeting	-\$260.00	\$3,315.00
99-1210	PERF		\$1,455.17

2/23/2006	3/3/2006 Payroll		-\$70.27	\$1,384.90
3/9/2006	3/17/2006 Payroll		-\$70.27	\$1,314.63
99-1220	Insurance			\$4,731.64
3/9/2006	3/17/2006 Payroll		-\$734.18	\$3,997.46
99-1230	Social Security			\$1,888.56
2/23/2006	3/3/2006 Payroll		-\$79.10	\$1,809.46
3/9/2006	3/17/2006 Payroll		-\$79.10	\$1,730.36
99-1240	FICA (actually medicare)			\$428.78
2/23/2006	3/3/2006 Payroll		-\$18.50	\$410.28
3/9/2006	3/17/2006 Payroll		-\$18.50	\$391.78
99-2231	Repair and Maintenance Supplies			\$6,652.62
3/14/2006	Auburn City Hardware		-\$469.20	\$6,183.42
3/14/2006	Tri-County New Holland		-\$1,036.20	\$5,147.22
3/14/2006	Home Depot		-\$47.44	\$5,099.78
3/14/2006	Lowe's		-\$69.02	\$5,030.76
3/14/2006	Irving Gravel		-\$468.24	\$4,562.52
99-3282	Legal Fees			\$9,600.00
3/14/2006	Derald Kruse		-\$500.00	\$9,100.00
99-3284	Consultant Fees			\$9,416.67
3/14/2006	BF&S		-\$583.33	\$8,833.34
99-3324	Telecommunications			\$733.82
3/14/2006	Qwest		-\$3.07	\$730.75
99-3351	Electric			\$17,655.98
3/14/2006	Indiana Michigan Power		-\$748.54	\$16,907.44
3/14/2006	Indiana Michigan Power		-\$1,439.15	\$15,468.29
99-3354	Utilities			\$3,518.38
3/14/2006	Taylor Rental		-\$40.00	\$3,478.38
3/14/2006	Auburn City Utilities		-\$76.12	\$3,402.26
3/14/2006	NIFL Maintenance Building		-\$340.45	\$3,061.81
99-3368	Repairs and Maintenance			\$8,211.50
3/14/2006	MB Companies		-\$351.95	\$7,859.55
3/14/2006	OTIS		\$331.27	\$8,190.82
99-3433	Contractual Services			\$22,137.55
3/14/2006	Jim Mason		-\$325.00	\$21,812.55
3/14/2006	Robert E. Powell		-\$1,612.39	\$20,200.16
99-5000	Non-Budgeted Expense			N/A
3/14/2006	Zach Gillenwater deposit refund 6278 CR 27		-\$725.00	N/A

**FUND 0605 LOAN REPAYMENT ACCOUNT**

99-5000	Non-Budgeted Expense		\$20,778.65
3/14/2006	Hicksville Bank Loan Repayment (hangars, residences)	-\$5,450.94	\$15,327.71
3/14/2006	Wells Fargo T-Hangar Construction Loan Repayment	-\$1,121.00	\$14,206.71
2/16/2006	Reciepts		

**FUND 0610 PUBLIC AIRPORT CAPITAL IMPROVEMENT**

99-4421	Capital Outlay		\$35,710.94
3/14/2006	JF New	-\$375.00	\$35,335.94
3/14/2006	BF&S (South Development)	-\$983.52	\$34,352.42

DeKalb Co. Airport Bldg. Corp. First Mortgage Bonds, Series 2005		BALANCE	
9/27/2005	Beginning Balance as of September 27, 2005	\$1,861,595.63	\$1,861,595.63
9/27/2005	Barbara Dollier (65 Acres to the East of Airport)	-\$430,926.40	\$1,430,669.23
9/27/2005	Auburn Abstract	-\$2,600.00	\$1,428,069.23
9/27/2005	Hilliard Lyons	-\$954.00	\$1,427,115.23
9/27/2005	Wells Fargo Corporate Trust Services	-\$8,500.00	\$1,418,615.23
9/27/2005	James McCanna (Legal Services)	-\$20,000.00	\$1,398,615.23
9/27/2005	Derald Kruse (Legal Services)	-\$10,000.00	\$1,388,615.23
11/1/2005	Icom America (Equipment-Radios)	-\$3,631.83	\$1,384,983.40
11/1/2005	Allied (Shipping of Equipment-Patrol Vehicles)	-\$1,530.00	\$1,383,453.40
11/1/2005	Auburn Abstract	-\$2,375.00	\$1,381,078.40
11/1/2005	Baker & Daniels (Professional Services on Bond Process)	-\$30,104.93	\$1,350,973.47
11/1/2005	BobCat (Equipment)	-\$45,684.58	\$1,305,288.89
12/1/2005	New Holland (Equipment-Tractor)	-\$74,874.48	\$1,230,414.41
12/1/2005	New Holland (Equipment-Plow and Blower Minus Trade)	-\$9,510.00	\$1,220,904.41

**Zoning:** – Theresa McLarren, A three-lot residential Subdivision of Land to be known as “Rowe Addition Sec V” located in the SW Quarter of Section 10, Jackson Township, NE corner of CR 35 and CR 56, containing 18.00 acres more or less. This development lies within the Horizontal and Conical Surfaces of the DeKalb County Airport. Maximum allowable height is 75 feet AGL.

**FBO Operator Report:** President Mason stated that Attorney Derald Kruse will not be representing the Board of Aviation Commissioners on issues related to the negotiation of the Fixed Base Operator lease due to the appearance of possible conflicts of interest. Mr. Jim McCanna, County Attorney, stated that the two County Commissioners in attendance were asked to be there by Mr. Dean Kruse but were only here to listen and since no notice was given of an official meeting of the County Commissioners, they could not take any official action.

Mr. Dean Kruse spoke and stated that Victory staff did a survey and based on that survey they feel that they pay more than any other local airport. He noted that “when the airstrip gets longer, then we can afford to do some advertising and promotion to get jets to stop here on the long flight across”. He stated that “this (Victory Aviation) has not been a money making deal but that he is interested in aviation”. Mr. Kruse offered to lease half of the office space (2,500 sqr feet) rather than the 5,000 that they have been leasing at \$2.40 per square feet. He also offered to rent the hangar at \$1.40 per sqr foot. He stated that the only way they can make money is to sell fuel. Mr. Jeff Turner stated that these numbers are not far from what the Board had proposed several months ago. Turner also stated that the Board is not anxious to get a new FBO because change is tough for everyone. He went on to say that there are other issues in the lease that both Victory and the Board would like to change. Turner said that there are also minimum standards that we are looking to change because neither one of us are completely complying with these minimum standards (Note of correction: The minimum standards do not apply to the Airport but instead provide minimums that the service providers on the Airport must meet). He restated the history of negotiations to include verifying that the appraisal did represent fair market for an FBO that would in turn sub-lease in order to make a profit. He noted that Mr. McCutchan presented data that Victory claimed was a better representation of what fair market would be. Turner also noted the difference between a professional appraisal and a survey completed by Victory staff. He went on to say that there is no possible way that the Board could disregard the professional appraisal for a survey completed by the company in which we are negotiating with. He explained that because there

are no two leases alike, it is very difficult to reconcile the different prices that are paid by various FBO's at different airports. He stated "Dean, I'm your friend on this deal, but neither Brad nor I could figure out what the numbers that were presented by Victory staff meant or what the various FBO's polled were actually paying". Turner went on to state that the Airport is a public facility and the Board is a public entity and therefore we absolutely must base our decisions on our professional appraisal. He stated that the numbers proposed by Mr. Kruse are starting to get close to where we would like to be. For the benefit of the audience he also stated that "we are not battling with Victory, we don't want to change the FBO if we don't have to but we do need to get to fair market value". He indicated that Mr. Dean Kruse is a great supporter of this Airport and a great supporter of the community but the bottom line is it's the public's airport and we have to be fair to the public. Turner stated that the subcommittee will take these numbers and talk and then call Shannon Kruse (attorney for Mr. Dean Kruse). Mr. Dean Kruse restated that he believes a longer runway would make them profitable. Couchman replied that he would caution anyone from making statements to this affect thereby hanging our hat on the longer runway as the only impediment to making the FBO successful. He said that the busiest single runway commercial airport in the country only has declared distances of 4,600 feet and again stated that our runway length is not our biggest or worst impediment to making the FBO or the Airport a success. We have been and continue to work diligently at collecting data to justify a longer runway, this data will ultimately tell us just how long the runway absolutely needs to be. Couchman stated that solid data from the FBO would be helpful in this endeavor but thus far we have not yet been able to coordinate this support. Mr. Don Manley went on to say that service letters from aircraft operators that would like to use the airport but do not at this time or do so at a lower level would be helpful in this endeavor.

Mr. McCanna addressed Mr. Dean Kruse and stated that he was very concerned that somehow the recent quote in the Evening Star where Victory's Todd McCutchan offered to fly the County Commissioners and the Board of Aviation Commissioners to various airports went unanswered, or maybe that it was misquoted, and went on to say that the County Commissioners never heard that there was such an offer made. He stated that he did not want Mr. Kruse to think that the County Commissioners were shunning him. Mr. Dean Kruse exited the meeting.

Mr. Derald Kruse cautioned Couchman about directing or telling any entity how to conduct their business on the Airport and referenced the conversation about runway length. He also observed that Mr. Turner did a fantastic job speaking.

Turner then went on to say that this latest offer is a far cry from where we left the negotiation and that we are really not out to get rid of the FBO but instead to get a fair deal for the Airport. Couchman stated that the focus should be what is best for the Airport, and he believes that the competitive bid process is absolutely the best, most fair and objective route to take for all parties.

Mr. McCutcheon entered the meeting and presented the annual performance data for Victory Aviation. AvGas is again down for the month and year to date, Jet A is up in both areas. Rental cars are down, flight school is slightly up over the previous years month but still down for the year, maintenance is dramatically up across the board and the Part 135 operation had no data.

Couchman noted that the WSI weather has been inoperative for some time and stated that we need to address this immediately. McCutcheon stated that due to the uncertainty of the current lease he was unable to sign a full years lease with WSI.

Turner went on record by making a motion that the Board is willing to continue to pay or completely buy the remaining WSI annual contract (\$3,400.00) should negotiations fail thereby giving Victory a comfort level in restarting the service. McCutcheon agreed to do so. The motion was seconded by Wappes and carried when put to vote.

**Maintenance Project Manager Report:** Wappes presented the Project Manager Report from the Agenda which included normal items such as light repair and replacement, erosion issues, hangar maintenance, etc. Wappes noted that the incident where the aircraft nosed over on the runway was handled well and that there was not significant damage to the runway. He noted that the geese and deer are starting to be seen more. The drive in front of the fuel farm is still very muddy due to the lot expansion project. Powell has been working on installing hasps and locks on the Ease side of the D-hangar so that we are able to store equipment in these spots securely. Couchman noted that he included Powell's monthly report in the paperwork presented at this meeting and that he would not do that on a regular basis, only occasionally for information. There has been an inordinate amount of time spend on the vacant home at 6278 CR 27 trying to handle the drainage issues.

**Airport Manager Report:**

Annual performance data report: Couchman presented the 2005 annual performance data report to be reviewed.

C-3 heater issue: Couchman stated that a prospective tenant would like to add metal barriers to the top walls of hangar C-3 so that he can heat the unit with a propane heater. The Board unanimously stated that open flame propane heaters are not acceptable and that they don't feel modifying the building is in the best interest of the Airport.

Discussion regarding office help: After some discussion the Board decided to try and add this to next year's budget.

Broom Financing: Couchman stated that he has been seeking guidance from both the Board attorney (contacted on 3/7/2006) and the County attorney (contacted on 3/13/2006) and has not heard anything from either as of this date. The question at hand is whether we can move forward with local commercial financing without IDLGF approval if we plan on paying the loan of within the fiscal year and whether we need County Council approval. Couchman has asked Hicksville Bank to move forward with the process lacking and other guidance. The alternative is damaging to the County's credit rating and we may end up in a legal battle or with the broom repossessed.

Vacation time carryover: Couchman was unable to take vacation time last year and has asked, as the department head, if he can carry this time over to the current year. In question is 8 days making total vacation time available in 2006 18 days. Stump motioned to allow, Rader seconded and the motion carried.

Consulting services for RFP: Couchman presented the latest proposal for consulting services as they relate to the RFP and Minimum Standards. After some discussion the Board tabled the proposal pending further review of Victory's proposal. Couchman was directed to move forward with the Minimum Standards rewrite regardless of the consultant used.

**Management Assistance Consultant Report:**

See attached BF&S update: There were no questions on the update.

Present plans for Terminal Hangar Expansion, motion to accept and sign: Manley presented the plans for the terminal hangar expansion at 85% complete and asked for approval and signature. After some discussion and both Stump and Couchman stating that the plans were in order, Turner motioned to accept the plans, Wappes seconded and the motion carried.

Sign Grant AIP 11 and AIP 10: Pay request #5 for AIP grant 11 and par request #7 for grant 10 were signed by the Treasurer.

**Other Business:** President Mason asked a visitor to introduce herself. Ms. Lara Zook-Gaerte introduced herself as the new AOPA DeKalb County Airport liaison. The Board welcomed her and stated that they are glad she is here.

**Adjournment:**

Mason calls the meeting to adjourn.

**Next meeting April 21, 2006  
Executive Session at 12:30 PM followed by Scheduled Meeting at 1:00 PM  
DeKalb County Airport  
Glenn Rieke Terminal Building.**

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**George Wappes Secretary**