



Board of Aviation Commissioners

DeKalb County
2710 CR 60, Suite 200 Auburn, IN 46706

Jim Mason, President
Jeff Turner, Vice President

Jim McCanna, Attorney

George Wappes, Secretary
Brad Stump, Treasurer
Brad Moore, Member – FBO Liaison

MINUTES

August 21, 2009

BOAC Executive Session:

The DeKalb County Board of Aviation did not meet in executive session this month.

BOAC Regular Scheduled Meeting:

The DeKalb County Board of Aviation met at the DeKalb County Airport in the Conference Room for its 1:00 PM scheduled meeting. BOAC President Mason called the meeting to order; in attendance were members Turner, Stump Wappes, Moore and Attorney McCanna. Also attending were Airport Manager Russ Couchman, Paul Shaffer from BF&S, Lara Gaerte of Century Aviation, Contract Project Manager Gene Powell, Nationwide Representative Mike Votaw, and Airport liaison Andy Crow.

Public Comment: None

Secretary Report:

Minutes: Mason presented the minutes of the previous meetings. A motion was made by Turner with a second by Stump to accept the minutes as submitted. The motion carried unanimously.

Treasurer Report:

Claims: Mason presented claim dockets for August 2009. Motion to accept the Claims Dockets was made by Turner, second by Stump, motion carried unanimously.

August Claims

600-11140.000.600	Employee Wages		\$16,642.65
7/24/2009	Russ Couchman	-\$1,386.89	\$15,255.76
8/7/2009	Russ Couchman	-\$1,386.89	\$13,868.87
600-10800.000.600	Other Pay		\$2,145.00
7/17/2009	Board Members Pay	-\$260.00	\$1,885.00
600-12100.000.600	PERF		\$1,195.70
7/24/2009	Russ Couchman	-\$93.62	\$1,102.08
8/7/2009	Russ Couchman	-\$93.62	\$1,008.46
600-12200.000.600	Insurance		\$3,626.56
8/7/2009	Russ Couchman	-\$734.18	\$2,892.38

600-12300.000.600	Social Security		\$1,747.75
7/24/2009	Russ Couchman	-\$74.15	\$1,673.60
8/7/2009	Russ Couchman	-\$74.15	\$1,599.45
600-12400.000.600	FICA (actually Medicare)		\$404.90
7/24/2009	Russ Couchman	-\$17.34	\$387.56
8/7/2009	Russ Couchman	-\$17.34	\$370.22
600.22110.000.600	Office Supplies		\$113.61
7/17/2009	Bassett Office Supplies	-\$101.97	\$11.64
600.22310.000.600	Repair and Maintenance Supplies		\$889.10
7/24/2009	Russ Couchman	-\$34.57	\$854.53
7/24/2009	CDI-Complete Drives	-\$9.90	\$844.63
7/27/2009	Home Depot	-\$3.98	\$840.65
8/3/2009	Home Depot	-\$15.97	\$824.68
8/12/2009	Wagner Electric	-\$8.88	\$815.80
600-32820.000.600	Legal Fees		\$10,000.00
8/17/2009	James McCanna/McCanna Law Offices	-\$4,410.00	\$5,590.00
600-32840.000.600	Consultant Fees		\$2,374.51
8/3/2009	BF&S	-\$583.33	\$1,791.18
600-32880.000.600	Permit Fees		\$400.00
7/17/2009	Indiana Dept. of Homeland Security - Elevator permit	-\$120.00	\$280.00
600.33220.000.600	Postage		\$400.00
7/17/2009	Postmaster	-\$400.00	\$0.00
600.33240.000.600	Telecommunications		\$555.44
7/27/2009	Verizon Wireless	-\$79.57	\$475.87
8/12/2009	Qwest	-\$1.82	\$474.05
600-33510.000.600	Electric		\$6,621.02
8/12/2009	Indiana Michigan Power	-\$2,033.82	\$4,587.20
8/12/2009	Indiana Michigan Power	-\$1,435.61	\$3,151.59
600-33540.000.600	Utilities		\$7,842.79
7/17/2009	City Utilities	-\$38.06	\$7,804.73
8/3/2009	NIF&L	-\$66.60	\$7,738.13
8/3/2009	NIF&L	-\$11.00	\$7,727.13
8/3/2009	Mediacom	-\$66.95	\$7,660.18
8/7/2009	National Serv-All	-\$67.62	\$7,592.56
600-33680.000.600	Repairs and Maintenance		\$0.00
7/24/2009	Larry's Lock & Safe SVC. INC	-\$863.95	-\$863.95
8/3/2009	Havel	-\$432.79	-\$1,296.74
8/19/2009	Taylor Rental	-\$40.00	-\$1,336.74
600-34330.000.600	Contractual Services		\$6,973.27
8/17/2009	Robert Powell	-\$1,903.40	\$5,069.87

8/17/2009	Jack Rowlison	-537.50	\$4,532.37
8/17/2009	Kay Rowlison	-737.00	\$3,795.37

FUND 0605 LOAN REPAYMENT ACCOUNT

605-50000.000.605	Non-Budgeted Expense		\$19,224.58
7/24/2009	Indiana Banking	-\$1,121.00	\$18,103.58
7/24/2009	Hicksville Bank	-\$5,450.94	\$12,652.64
8/7/2009	Receipts	\$5,965.00	\$18,617.64
8/7/2009	Hicksville Bank	-\$5,450.94	\$13,166.70
8/17/2009	Receipts	\$2,365.00	\$15,531.70

FUND 0610 PUBLIC AIRPORT CAPITAL IMPROVEMENT

600-44210.000.600	Capital Outlay		\$113,988.74
7/24/2009	BF&S	-\$2,692.81	\$111,295.93
8/17/2009	JFNew	-\$1,690.00	\$109,605.93

Airport Authority Presentation – Tom Guevara, Crowe Horwath:

Mr. Guevara from Crowe Horwath explained the process of converting from a Board of Aviation to an Airport Authority in detail. He stated that in order to create such an Authority, the County Council would simply adopt a resolution to that effect. Then there is a 30 day remonstrance and if there is not a successful remonstrance, the establishment of the airport authority goes to the next July 1st or January 1st. There will be 4 board members appointed by the County Commissioners (2 and 2 political party) or the County Council can adopt a resolution to allow the County Commissioners 5 (3 and 2 political party). Once the Authority is created all power vested in the BOAC now transfers to the airport authority.

The basic budget limitations say that you can establish at a rate of 3 1/3 and for capital 1/3 of a cent per 100 of assessed value. The next possible date to establish an Authority is July 1, 2010 or January 1, 2011. If the Authority is established after July 1, 2010 then it could not be funded for 2011 because it must be established as a taxing unit in order to establish a budget, advertise budget and levy, hold public hearings, etc. All this means that the authority it's critical to start the process within the next 60 days or by November 1, 2009. With that said the first tax collections would not occur until June of 2011. It is possible to work with the County with an advance of up to 50k, tax anticipation warrant through a bank or Indiana bond bank, or possibly through transferring money from the aviation general fund and the capital improvement fund (Guevara will look into this, if this is the case we will need to work with the Council during the next budget cycle to ensure there is enough money to fund the authority for 6 months). While this is a new taxing unit and in effect, a new tax in the County, it is the goal of the BOAC to try to keep this transition as tax neutral as possible which would require cooperative efforts of the Council and a reduction in the existing County levy. Without the County Council agreeing to reduce the County levy somewhere near the equivalent of the current BOAC levy, the addition of an airport authority would most likely increase taxes.

McCanna asked if the County Council will have budgetary oversight and to what degree. Mr. Guevara stated that the Council will have control over the Authority budget beyond just the cursory non-binding review that might be expected in the case of Auburn city for example, and instead will have absolute statutory binding control over the authority budget. This is primarily because the governing board of the authority are appointed by the County Commissioners and not elected.

Annual auditing can be accomplished through a third party or through the State Auditors. If a third party is retained the cost could be anywhere from just a few thousand per year up to 30k depending on what is required. The authority can have an accounting firm as involved as they feel appropriate but there are no rules governing or mandating involvement of a third party. It's a matter of what the Authority feels it can handle on a daily basis. Some functions can remain with the County if interlocal agreements can be reached. Functions such as payroll, budgets and even health and liability insurance and PERF can still be handled by the County if an agreement can be made at the inception of the authority. The law does specifically permit the authority to provide its own retirement and pension plans, if it so desires, and the law allows municipal corporations to provide health insurance and it even allows joining the state's plan.

There is no limit to how much the Authority can retain in its non-reverting capital improvement fund. The law recognizes that this is in effect a savings account for large projects. McCanna asked if it was fair to say that this was

one of the major advantages to creating an authority over a BOAC, and he stated that this could potentially save hundreds of thousands of dollars in expenses over a relatively short period of time compared to bonding. Mr. Guevara concurred but for the extended time required to save the money. He went on to say that if capital assets are all in fairly decent shape this shouldn't be a problem and at the very least the Authority would dramatically cut down on the amount that might need to be borrowed. Stump asked if an Authority has money left at the end of the fiscal year can it then create a rainy-day fund, Guevara will look into this. Mr. Guevara stated that the spreadsheet that Stump developed to show the maximum budget for the Authority was absolutely correct with \$711,422.00 and \$70,501.00 without TIF as a factor.

FBO Operator Report:

Lara Gaerte reported an increase in the flight school this month up 7% in aircraft rental and 28% in flight instruction. Chart sales are up 8% and during Oshkosh chart sales were up 70%. Fuels sales during Oshkosh is similar to last year given the decrease overall. Century served lunch to all that stopped in on their way to and from Oshkosh and many stopped in heading both directions. Century had another positive feedback on AirNav. Century purchased some minor tools, a tug, and a ground power unit at an auction at the Stueben County (Angola) Airport. Maintenance and fuel sales are down for the month and still down for the year.

Maintenance Project Manager Report: Wappes reported that Gene logged 106 hours for the month. Mowing has been up and down this year with alternating rain and dry weather. Gene completed normal replacement of lights. Equipment maintenance continues to be a full-time task. Most of the efforts this month have been in maintaining equipment, which is grueling as we approach the end of summer.

Airport Manager Report:

Sanderson Proposal: Couchman reported that we are still waiting on items from Sanderson. At this point Todd is uncomfortable with the cost of insurance so he is regrouping and has promised another proposal for Board review.

Century Lease Renewal: Couchman stated that the East hangar lease has expired and Century has requested in writing that we renew the lease for another year. He asked that the Board consider drafting a lease with the same end date as the FBO lease (September 30, 2012) so that we don't have to revisit this for several more years. The BOAC asked that Century (Lara and Tony) get together with Couchman and produce a recommendation for the next meeting.

Home Removal on CR 27: Couchman reported that he has received bids to raze the home to include all concrete removal but what was not included was septic removal. The Board asked that Couchman liaise with the County Health Department to determine the correct procedure to remove/close the septic system and well then re-bid the project.

Wildlife/Security Fence Closeout Issue: Couchman deferred to Shaffer. Shaffer stated that Nationwide and the BOAC Subcommittee reached a tentative agreement that reduced liquidated damages down to 33 1/2 days, wetland and half the additional costs in the battery boxes which is 42% of Nationwide's original request for additional compensation. He recommended that the BOAC approve the agreement and close out the project. Turner made the motion to accept the agreement with Nationwide, Stump seconded and the motion carried.

Consultant/Engineer Report:

See BF&S update.

President's Report: Mason stated that he, Stump and Couchman met with a representative from Trine University to explore the possibility of working with a college intern. There are several areas in which a Trine student could help us such as marketing and mapping. Couchman was directed to continue working with Trine with a spring 2010 goal for potentially bringing on a new intern. He also mentioned that we now have a new high school intern. Travis Hadfield will start next week.

Wappes stated that he will not be able to attend the September meeting.

Adjournment:

Mason adjourned the meeting at 2:50 p.m.

Next meeting September 18, 2009

**No Executive Session
Public Meeting at 1:00 PM
DeKalb County Airport
Glenn Rieke Terminal Building**

James Mason – President

George Wappes – Secretary

Jeff Turner – Vice-President

Brad Stump – Treasurer

Brad Moore

BFS Agenda Items for the 8/21/09 DeKalb BOAC Meeting

Action items on the agenda:

No action items at this time. Possible action on fence close out depending negotiations.

Discussion and Information items not included on the 8/21/09 agenda, but are being reported on before the meeting via email. Handouts will be available at the meeting. BOAC questions and concerns can be addressed at the meeting.

Open Grants:

Grant	Description	Scheduled Close Out	Total Grant All Shares	Financially Complete	Pay Request After Lasting Meeting
AIP-3-18-0004-014-2007	EA, Design Wildlife Security Fence	1-Mar-09	\$157,894 Balance to be adjusted based on amendment conversation with Al Richardson at the FAA	Move balance to AIP-15 Balance \$0.00	Fed: 0 State: 0
AIP-3-18-0004-015-2008	Install Perimeter Fencing and Phase 2	1-Oct-09	\$993,086.04	100% Balance \$0.00	Fed: 0 State: 0
AIP-3-18-0004-016-2008	Install Perimeter Fencing and Phase 2 AWOS III	1-Oct-09	\$61,559.00	0% Balance \$13,132.29	Fed: 0 State: 0
Summary All Fence Grants			\$1,175,779.26	98.88% Balance \$13,132.29	

1.0 Perimeter Wildlife and Security Fence AIP 14

- The close out letter with the liquidated damage assessment was sent to Nationwide on 8/12.
- Nationwide responded on 8/17. The response sighted delays in executing Change Order 1 as the reason for their delinquency of delivering the project on time. They claim the long negotiation time for Change Order 1 was the result of poor engineering, design and organization.
- The issues Nationwide sights in their 8/17 are supported by no factual details or information. The letter has no specifics with the exception of the battery back up modifications. The reality of the situation was all the so-called design issues were actually a result of their own failure to submit shop drawings per the specification. The design clearly identified that the communications performance was to be guaranteed by the contractor and the system was to perform to the performance-based specification they were given. This clearly requires engineering on their end. The fact that the locally supplied option was used rather than the approved TATUS resulted in an increased engineering effort required by the contractor. This is not a design issue. This is a simple case of the contractor not understanding the entire scope of the project they bid on.
- The amount of funds that are in dispute are 2.7% of the total project. The result is a local share of less than \$793. A spreadsheet has been attached to illustrate this point.
- Base on the relatively minor amount of funds in play we feel it is not prudent to pursue this matter legally. The legal cost would quickly mount in excess of \$793 local share. The only function legal action would serve is to prove a point and to uphold the principal of the matter. We would all like to do this but it is not the most prudent option financially for the airport.
- We will continue with verbal negotiations prior to the BOAC meeting to reach a compromise without pursuing legal action. We will report the results in the BOAC meeting.

2.0 Runway 9-27 Length Justification/EA

- We have begun to compile more data and expect to have a draft forecast for you in the next 30 days per the schedule in our agreement.

3.0 ITT – FAA Next Generation Coordination.

- We have the county road variance we needed.
- The next step is to get the Zoning Ordinance Variance we need.
- The project is on schedule at this point. ITT would like to solicit contractors to build the tower in November.