

**Mount Airy/Surry County Airport Authority
Meeting of May 17, 2017**

The Mount Airy/Surry County Airport Authority met on May 17, 2017 for a Special Meeting. The meeting was held in Room 335, Surry County Government Center, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, R.F. "Buck" Golding, Larry Johnson, Larry Phillips, Greg Perkins, and Dr. Thomas Jackson.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Clerk to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Mayor David Rowe
Dennis Jones, RA-Tech
John Spane, RA-Tech
Attorney Jay Williams
Jeff Kirby, Parrish and Partners
News Media

Surry County Board of Commissioner Chairman Harris called the meeting to order.

Chairman Harris stated the Authority needs to consider electing officers for the remainder of the fiscal year ending June 30, 2017 and elect officers for fiscal year ending June 30, 2018.

Airport Authority Member Perkins made a motion to elect a Chairman and Vice-Chairman to serve from the current date until June 30, 2018. Airport Authority Member Dr. Jackson seconded the motion. The vote was unanimous.

Airport Authority Member Golding nominated Airport Authority Member Harris to serve as Chairman of the Mount Airy/Surry County Airport Authority with a term ending June 30, 2018. Airport Authority Member Tucker seconded the motion.

Airport Authority Member Johnson discussed making the terms concurrent with the Board of County Commissioners chairmanship terms.

Airport Authority Member Dr. Jackson expressed concerns regarding the Chairman being a qualified business man, having aviation experience and qualified to understated FAA guidelines.

Airport Authority Member Johnson stated the Authority will do what is necessary to make the airport operate efficiently.

A vote was taken on the motion. The vote was unanimous.

Airport Authority Member Johnson nominated Airport Authority Member Tucker to serve as Vice-Chairman of the Mount Airy/Surry County Airport Authority with a term ending June 30, 2018. Airport Authority Member Golding seconded the motion. The vote was unanimous.

Airport Authority Member Phillips made a motion to approve the April 10, 2017 minutes. Airport Authority Member Perkins seconded the motion.

Jeff Kirby stated there needed to be an amendment to the minutes on page 2, item 5 (e). to state: "The project request was submitted for reimbursement for the purchase of 282 Holly Avenue, the portion from Holly Springs Baptist Church and the portion from Mrs. Love." The grant has not been issued.

Airport Authority Member Perkins seconded the motion. The vote was unanimous.

Upon motion of Airport Authority Member Johnson, seconded by Airport Authority Member Perkins, the Authority voted unanimously to appoint Surry County Finance Officer Sarah Bowen as the Finance Officer for the Mount Airy/Surry County Airport Authority.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Tucker, the Authority voted unanimously to appoint Conchita Atkins as Clerk for the Mount Airy/Surry County Airport Authority.

Airport Authority Chairman Harris stated the Authority needs to consider the contract for General Management and Financial Services with Surry County.

There was discussion of the airport being operated as a blended component unit with a separate operating fund. Approximately \$1 M will be placed in the Airport Authority's budget to pay outside bills. The County will take all aspects of funding to remain in compliance.

Airport Authority Member Phillips asked RA-Tech to compile incident reports to insure the operations at the airport are safe and addressed, if necessary.

Upon motion of Airport Authority Member Johnson, seconded by Airport Authority Member Perkins, the Authority voted unanimously to approve the Contract for General Management and Financial Services with Surry County as presented.

There was discussion of misrepresentations regarding the direction that the County plans to take at the airport. Airport Authority Member Tucker stated the County plans to run the airport and complete the runway project. Chris Knopf stated the County will need to keep the airport open for twenty-years after all of the grants are completed.

The Authority discussed a proposed set of bylaws. Airport Authority Member Perkins expressed concerns with the language in Section 7.0 "Airport Manager" of the bylaws. Mr. Perkins would like it to include the Fixed Base Operator. Chris Knopf stated the bylaws must be reviewed for seven days and will be presented at the next Airport Authority meeting.

Jeff Kirby, Parrish and Partners, addressed the Authority regarding a bid for paving of the airport runway. Mr. Kirby stated bids were taken and only one bid was received, from Carl Rose & Sons, Incorporated. The bid was not opened due to only receiving one bid. Bids were advertised a second time and Carl Rose & Sons, Incorporated submitted a base bid option 1 \$4,573,428.90 and base bid option 2 \$5,008,108.45. The bids left a shortfall of funds needed from the State/FAA in the amount of \$877,500. Mr. Kirby stated there could be a conversation with the Division of Aviation to seek additional

funds for the paving project. Mr. Kirby discussed three options: Approaching the Department of Aviation for additional funds, reject the Carl Rose, Incorporated bid, or change the scope of the project and go back to the drawing board. Mr. Kirby stated the bid on the project was good for 120-days. The bid was received May 9, 2017.

There was discussion regarding the shortfall, additional funds needed and pursuing additional funds from the Division of Aviation. Mr. Kirby will work with the Division of Aviation on securing additional funds for the project.

Chris Knopf asked the Airport Authority to consider the following resolution.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Authority voted unanimously to approve the following resolution:

RESOLUTION
CLOSING THE SURREY BANK
MOUNT AIRY-SURRY COUNTY AIRPORT
AUTHORITY BANK ACCOUNT

WHEREAS, the Mount Airy/Surry County Airport Authority approved a contract with the County of Surry for General Management and Financial Services on May 17, 2017; and

WHEREAS, the Mount Airy/Surry County Airport Authority wishes to operate as a blended component unit of the County of Surry.

NOW, THEREFORE, BE IT RESOLVED that the Mount Airy/Surry County Airport Authority gives permission to the Mount Airy/Surry County Airport Authority Finance Officer to close any accounts with Surrey Bank in order to move funds into the fiscal control of the County of Surry.

There was discussion of the grading invoice from the Bannertown Volunteer Fire Department. The Authority also discussed deeding the land where the fire department is located.

Upon motion of Airport Authority Member Phillips, seconded by Airport Authority Member Tucker, the Authority voted

unanimously to pay the grading invoice to Bannertown Volunteer Fire Department for work completed by Sowers Construction.

Jeff Kirby discussed the Mount Airy/Surry County Airport 2017 CIP Planning Table. Mr. Kirby stated the table is a wish list for the airport. The list does not commit the Authority to funds. It is a list of long-range projects that would be approved by the Authority Board. The Division of Aviation would fund the projects at 90% with a local match of 10%. The Division of Aviation's goal is to compile a completed and updated list of projects recommended for funding by July 28, 2017.

It was the consensus of the Board to review at the next Airport Authority Meeting.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

Flowage fees from Ra-Tech Aviation for April, 2017 were as follows: Avgas sales 1,780.6 gallons, Jet-A sales 3,145.2 gallons. A check for \$492.58 has been deposited to cover these fees.

- New tenants have moved into the house on 282 Holly Avenue.
- Tenants at 310 Holly Avenue have not paid March or April rent, and the tenants have moved out.
- House at 310 Holly Avenue has been cleaned and relisted for rent.

Maintenance Items:

- Repairs were made to the crew car. Authority approved up to \$1,500 for repairs. The repairs cost \$492.95.
- Key Pad and post have been ordered to secure the upper gate.
- New water heater was installed at rental house on Sage Lane; Authority approved up to \$1,200 for repairs. The water heater costs \$577.99.
- Mowing has been completed in April per contract.
- Repairs to the Insteel hangar door have been completed.
- Door locks have been replaced at 310 Holly Avenue, carpet steam cleaned, walls washed, kitchen sink faucet replaced and side door repaired.

- New appliances were installed at 282 Holly Avenue, Authority approved up to \$1,500 for the purchases, the cost was \$1,096.28.

Safety Operations:

- SWPPP has been completed for the first quarter with no issues found.

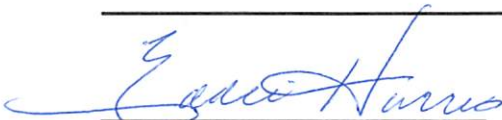
Monthly Sales:

- Invoiced \$7,928 for hangar rent, \$390.04 in house rental, collected \$2,000 in security deposits, \$492.58 in flowage fees from RA-Tech Aviation. Invoiced amount for April 2017 was \$13,810.62 minus \$75 utility credit leaving a net balance of \$13,735.62.


Mr. Jones stated the airport is manned every day from 8:00 a.m. until sunset.

There was discussion regarding RA-Tech providing Authority members with safety reports and safety issues. There was also discussion regarding a Bannertown Volunteer Fire Department need for a gate code in case of a fire at the airport. Mr. Spane stated he had worked with the Surry County Emergency Services Director on this matter.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Authority voted unanimously to adjourn. The meeting ended at 8:45 p.m.



Eddie Harris
Airport Authority Chairman



Conchita Atkins
Secretary to the Board



Mount Airy/Surry County Airport Authority
Meeting of June 15, 2017

The Mount Airy/Surry County Airport Authority met on June 15, 2017 for a Special Meeting. The meeting was held in Room 335, Surry County Government Center, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, R.F. "Buck" Golding, Larry Johnson, and Nolan Kirkman.

Authority Members Larry Phillips and Dr. Thomas Jackson were unable to attend.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
~~Mayor David Rowe~~ Remove Corrected July 20th
Dennis Jones, RA-Tech
John Spane, RA-Tech
Attorney Jay Williams
Jeff Kirby, Parrish and Partners
~~News Media~~ Remove Corrected July 20th

Airport Authority Chairman Harris called the meeting to order.

Airport Authority Chairman Harris asked for approval of the May 15, 2017 minutes of the meeting.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Johnson, the Board voted unanimously to approve the May 15, 2017 minutes as presented.

Sarah Bowen, Finance Officer, stated a public hearing was required for the FY 2017 and 2018 Mount Airy/Surry County Airport budget. Ms. Bowen stated the Airport budget is set at \$237,671.00. Ms. Bowen discussed the general fund transfer.

Airport Authority Chairman Harris then declared the meeting to be a public hearing for the FY 2017-2018 budget.

No one spoke.

Airport Authority Chairman Harris then closed the public hearing.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Johnson, the Board voted unanimously to approve the following budget as presented.

81-4985	Airport Operations	237,671
TOTAL APPROPRIATIONS – AIRPORT OPERATIONS FUND		237,671

CODE	REVENUE SOURCE	AMOUNT
81-4985-44572	Fuel Flowage Fee	14,000
81-4985-44573	Access Fee	8,800
81-4985-48615	Rent-Hangars	95,136
81-4985-48620	Rent-Property	40,000
81-4985-49800	Transfer General Fund	79,735
TOTAL ESTIMATED REVENUES – AIRPORT OPERATIONS FUND		237,671

Jeff Kirby, Parrish & Partners, updated the Board regarding the State's initial funding for the extended runway and taxiway; rehabilitation, widening and strengthening project. The Department of Aviation has forwarded a letter of intent that additional funds have been allocated in the amount of \$877,500 for project no. 3619 for FY 2017. Mr. Kirby stated for the State to facilitate the grant process, several grant requests have been consolidated into a single project request for better pricing. This shows a commitment from the State Division of Aviation. Mr. Kirby discussed a recommendation of an award letter. The letter is to award the project to the lowest bidder, Carl Rose & Sons, Incorporated, for an adjusted contract cost of \$3,598,428.60. Mr. Kirby stated the project needs to begin as soon as possible. Mr. Kirby discussed supplemental agreement number one which will allow the contract to begin work.

The Board discussed guarantees on work performed from the contractor.

Mr. Kirby discussed the paving project and testing that will take place by Parrish & Partners.

The Board discussed any possible drainage issues that could occur, the length of time the runway will be closed, installation of lightning and possible surplus of any unused equipment.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Kirkman, the Board voted unanimously to award the runway extension paving, lighting and strengthening to Carl Rose and Sons, Incorporated, including supplement agreement number 1.

Jeff Kirby, Parrish & Partners, addressed the Board regarding work authorization number 9 for services provided by Parrish & Partners for runway and taxiway extension, paving and lighting and to oversee the contractor during construction.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Board voted unanimously to approve work authorization number 9 with Parrish & Partners.

Jeff Kirby, Parrish & Partners, addressed the Board regarding the submittal of grant paperwork for the project.

Upon motion of Airport Authority Member Johnson, seconded by Airport Authority Member Tucker, the Board voted unanimously to allow County staff to submit the grant paperwork for the project.

Chris Knopf, County Manager, presented a draft set of by-laws for the Mount Airy/Surry County Airport Authority.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Kirkman, the Board voted unanimously to approve the following by-laws for the Mount Airy/Surry County Airport Authority:

Bylaws
Of the
Mount Airy/Surry County Airport Authority

1.0 Organization

- 1.1 The name of the organization shall be the Mount Airy/Surry County Airport Authority (herein the "Authority").
- 1.2 The Authority is a quasi-governmental body created by a "Contract and Agreement for a New Airport Authority" between Surry County and the City of Mount Airy on March 18, 2010 ("herein the "Agreement").
- 1.3 The Authority is a public body as defined by North Carolina General Statutes and shall conduct itself accordingly.

2.0 Purpose

- 2.1 The purpose of the Authority is to develop, maintain, manage and improve the Mount Airy/Surry County Airport, and to develop and enhance aviation opportunities within the community.

3.0 Commissioners

- 3.1 Subject to the terms of the Agreement and these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Authority shall be managed under the direction of the Airport Authority Members.
- 3.2 The Airport Authority shall have seven (7) Members. Two shall be appointed by the Mount Airy City Board of Commissioners (herein the "City Appointees") and five (5) shall be comprised (at any point in time) of the five individuals then seated on the Surry County Board of Commissioners.
- 3.3 All Members must reside in Surry County.
- 3.4 Subject to the terms hereof, the City Appointees shall be appointed for terms of four years, expiring on December 31 of the fourth year.

3.5 Any vacancy created by the resignation of a Member, or for any other reason, shall be filled by the party (either the City of Mount Airy or Surry County) who initially appointed the Member.

3.6 Members of the Authority will not be compensated for their services. Members will, however, be paid or reimbursed for any ordinary and reasonable business expenses incurred by them in connection with services as a Member. Any business expenses incurred, or to be incurred, by a Member on behalf of the Authority must be approved, in advance, by the Chairman of the Authority.

4.0 Officers

4.1 The officers of the Authority shall be a Chairman, Vice-Chairman, Secretary, and Treasurer/Finance Officer, and any other officers as may from time to time be appointed or elected by or under the authority of the Airport Authority. The Chairman and Vice-Chairman of the Airport Authority must be members of the Surry County Board of Commissioners.

4.2 Officers will be elected for a term of one (1) year by the Authority. A vacancy in any office shall be filled for the remainder of the term by the Authority.

4.3 The Chairman shall preside at meetings of the Authority and shall represent the Authority with outside agencies and groups.

4.4 The Vice Chairman shall assist the Chairman and, in the absence of the Chairman, shall assume those duties. If the Chairmanship becomes vacant during the year, the Vice Chairman shall become the Chairman.

4.5 The Secretary shall: (a) keep the minutes of the meetings of the Airport Authority, and of all committees in one or more books provided for that purpose; (b) see

that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) maintain and authenticate the records of the Authority as necessary; (d) sign with the Chairman or Vice-Chairman, any deeds, mortgages, bonds, contracts, or other instruments which the Airport Authority has authorized to be executed; (e) attest the signature or certify the incumbency or signature of any officer of the Authority; and (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the Chairman or by the Airport Authority.

- 4.6 The Treasurer/Finance Officer shall: (a) in general supervise the financial affairs of the Authority, (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, such annual financial statements of the Authority as may be required by law; and (d) in general perform all the duties incident to the office of treasurer/finance officer and such other duties as from time to time may be prescribed by the Chairman or Airport Authority.

5.0 Committees

5.1 The Authority may create one or more committees of the Airport Authority and appoint members of the Authority to serve on them. The creation of a committee and the appointment of members to it must be approved by the Airport Authority.

5.2 Each committee of the Authority must have two or more Members.

5.3 Each committee member serves at the pleasure of the Airport Authority.

6.0 Finance

- 6.1 The Authority shall contract with Surry County to handle the day to day financial operations for the Authority to include, but not limited to: collections, accounts receivable and payables, banking, all financial reporting requirements, and audit engagement.
- 6.2 The Authority's fiscal year shall be from July 1 through June 30.
- 6.3 The Members shall adopt a budget for the Authority for the upcoming year no later than June 30. The Members shall amend the Authority's budget as required during the year. All budgets and any amendments must also be approved by the Surry County Board of Commissioners.
- 6.4 The Airport Authority must have approval from the Surry County Board of Commissioners before any new revenue fees are established or any existing fee schedules are modified.
- 6.5 The Authority may own, develop and acquire real property in the course of carrying out its purpose outlined in Paragraph 2 above.
- 6.6 No funds of the Authority may be invested or expended without authorization of the Surry County Board of Commissioners.
- 7.0 Airport Management
 - 7.1 The Authority shall contract with Surry County for oversight of the day-to-day operations of the Airport including any Fixed Based Operators.
 - 7.2 Surry County shall be responsible for representing the Authority with contractors, vendors, customers and state and local officials; maintaining the physical assets of the Authority; insuring safe operations at

the Airport; and enforcing the rules, regulations, policies and procedures of the Authority.

8.0 Meetings

8.1 The Airport Authority shall hold regular meetings at least once each quarter.

8.2 Special meetings may be called by the Chairman or by one third of the Members of the Authority.

8.3 Regular meetings of the Airport Authority may be held without notice. The person or persons calling a special meeting of the Authority shall, at least two (2) days before the meeting, give or cause to be given notice thereof by any usual means of communication. Except as otherwise provided in these Bylaws, such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the Members to a later time without further notice.

8.4 A Member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the Member entitled to the notice, and delivered to the Authority for inclusion in the minutes or filing with the corporate records. A Member's attendance at or participation in a meeting waives any required notice of such meeting unless the Member at the beginning of the meeting, or promptly upon arrival, objects to holding the meeting or to transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

8.5 Unless applicable law or these Bylaws provide otherwise, a majority of the number of Members fixed by or pursuant to these Bylaws shall constitute a quorum for the

transaction of business at any meeting of the Airport Authority.

8.6 Except as otherwise provided by law or these Bylaws, the affirmative vote of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Airport Authority.

8.7 Any one or more Members of a committee may participate in a meeting of the Airport Authority or a committee by means of a conference telephone, internet or web access or other similar communications means that allows all Members participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

8.8 All meetings shall be conducted according to Robert's Rules of Order and shall be subject to North Carolina's Open Meetings Law.

9.0 Policies and Procedures

9.1 The Airport Authority shall adopt Policies and Procedures for operations at the Airport that are not inconsistent with mandates from North Carolina Department of Transportation and the Federal Aviation Administration.

9.2 The Airport Authority shall provide a mechanism for public comment and input by local pilots prior to the adoption or amendment of such Policies and Procedures.

9.3 Notice of proposed changes to the Policies and Procedures shall be posted at the Airport seven (7) days prior to the meeting at which such changes are considered.

10.0 Operations

- 10.1 Flight operations and activities shall be governed by the Federal Aviation Regulations issued by the Federal Aviation Administration.
- 10.2 The Authority shall maintain, or cause to be maintained, a mechanism for the sale and delivery of aviation grade fuel suitable for aircraft.
- 10.3 The Authority shall construct, or cause to be constructed, hangars for the storage of aircraft. The number of hangars shall be at the sole discretion of the Authority, taking into consideration market demand and availability of funds.
- 10.4 The Authority shall provide, or cause to be provided, a flight planning area equipped with electronic devices to assist in acquiring weather information and filing of flight plans.
- 10.5 The Authority shall maintain, or cause to be maintained, the runway, taxiways, ramp areas, lighting systems, hangars, buildings, access roads, fencing, security systems and all other equipment and systems located on the Airport.
- 10.6 The Authority may provide, or cause to be provided, flight instruction; airframe and engine maintenance; avionics installation and repair; and other services related to aviation.
- 10.7 The Authority may enter into contracts and agreements necessary for the operation of the Airport with prior approval of the Surry County Board of Commissioners.
- 11.0 Indemnification
 - 11.1 Any person who at any time serves or has served as an officer or Member of the Authority shall have a right to be indemnified by the Authority to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees

incurred by him or her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Authority, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity, and (b) reasonable payments made by him or her in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which he or she may have become liable in any such action, suit, or proceeding.

11.2 The Airport Authority shall take all such action as may be necessary and appropriate to authorize the Authority to pay the indemnification required by this Bylaw, including, without limitation, making a determination that indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him or her. The Airport Authority may appoint a committee or special counsel to make such determination and evaluation.

11.3 Any person who at any time after the adoption of these Bylaws serves or has served in the aforesaid capacity for or on behalf of the Authority shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled to a part from the provisions of these Bylaws.

12.0 Amendments

12.1 Alterations, amendments or repeal of these Bylaws may be made by a majority of the Members of the Authority entitled to vote at any meeting. In order to be considered by the Authority at a meeting, notice of the proposed alteration,

amendment or repeal must be provided to the Members no less than seven (7) days prior to the meeting by mail, email or fax.

Chris Knopf and Dennis Jones addressed the Board regarding a proposal submitted to the Airport Authority from the renter located at 310 Holly Avenue. The renter stated the house has odor of tobacco usage from a previous renter. The renter proposed the following:

1. The carpet be replaced by the Authority.
2. The air ducts be cleaned by a trained HVAC employee.
3. The return of their deposit of \$600.00.
4. Reimburse the renter for any materials bought to help eliminate the odor.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Board voted unanimously to return the \$600.00 deposit to the renter, reimburse the renter \$200.00 for material bought to eliminate the tobacco odor. The renter will need to provide receipts for purchases. The renter will need to vacate the property in thirty days from the day of notification.

The Authority discussed the need for a no pet and no smoking policy for the rental properties. The Airport Authority Attorney will bring the policies to the next Airport Authority Meeting for the Board to review.

Sarah Bowen, Finance Officer, discussed a Runway Extension Capital Project Ordinance that was adopted by the Board of County Commissioners at the June 5, 2017 Board meeting.

Upon motion of Airport Authority Member Johnson, seconded by Airport Authority Member Tucker, the Board voted unanimously to approve the following Capital Project Ordinance:

MOUNT AIRY SURRY COUNTY AIRPORT AUTHORITY
CAPITAL PROJECT ORDINANCE

RUNWAY EXTENSION PROJECT

BE IT ORDAINED by the Board of Commissioners of the County of Surry that pursuant to Section 13.2 of Chapter 159 of the General

Statutes of North Carolina, this capital project ordinance is hereby adopted.

Section 1: The project authorized by this ordinance is the extension, strengthening, and repaving of the runway at the Mount Airy Surry County Airport.

Section 2: The officers of this governmental unit are hereby directed to proceed with this capital project within the guidelines set by the budget contained herein.

Section 3: The following revenues are anticipated to be available to complete this project and are hereby appropriated or referenced by prior appropriation.

Transfer from General Fund	<u>\$1,184,597</u>
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Total Revenues	\$1,184,597
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Section 4: The following amounts are available for expenditures for the project:

Professional Services -	
Engineering	\$ 310,000
Project Construction	850,000
Contingency	<u>\$ 24,597</u>

Total Appropriation	\$1,184,597
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Section 5: The Finance Officer is directed to report quarterly to the Mount Airy Surry County Airport Authority on the financial status of this project.

Section 6: The Budget Officer is directed to include an analysis of past and future costs and revenues for this capital project in each annual budget submitted to the Mount Airy Surry County Airport Authority for as long as this ordinance shall remain in effect.

Section 7: Any unexpended funds appropriated shall be reserved by the Grantor and the Board of Commissioners for use as provided by applicable law or regulation.

Section 8: Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Sarah Bowen, Finance Officer, addressed the Authority regarding budget amendment no. 1.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Tucker, the Board voted unanimously to approve the following budget amendment as presented:

Amendment #1

The Board of County Commissioners approved an amendment to the FY2016-2017 Budget Ordinance at their meeting on June 5, 2017

Presented for approval at the Mount Airy Surry County Airport Authority Board at their meeting on June 15, 2017

ACCOUNT CODE	DESCRIPTION	PREVIOUS AMOUNT	CHANGE	REVISED AMOUNT
<u>AIRPORT FUND (NEW)</u>				
<u>EXPENDITURES</u>				
<u>Airport Operations</u>				
8154985 51720	Contracted Services	0	70,036	70,036
8154985 52010	Supplies & Materials	0	18,500	18,500
8154985 52350	Automotive Supplies	0	2,000	2,000
8154985 53010	Buildings & Grounds Maintenance	0	25,000	25,000
8154985 53020	Equipment Maintenance	0	15,000	15,000
8154985 54200	Telephone	0	2,000	2,000
8154985 54250	Postage	0	50	50
8154985 54300	Utilities	0	2,500	2,500
8154985 55020	Rent-Buildings & Equipment	0	500	500
8154985 55150	Insurance & Bonding	0	1,000	1,000
8154985 55500	Dues & Subscriptions	0	500	500
8154985 55650	Miscellaneous	0	1,000	1,000
	Increase departmental totals.	0	138,086	138,086
<u>REVENUE</u>				
8144985 44572	Fuel Flowage Fee	0	300	300
8144985 48615	Rent - Hangars	0	10,000	10,000
8144985 48620	Rent - Property	0	4,000	4,000

8144985	49950	Retained Earnings	0	123,786	123,786
		Increase fund totals.	0	138,086	138,086

AIRPORT CAPITAL PROJECT FUND (NEW)EXPENDITURESRunwayExpansion

99754987	51560	Professional Services- Engineering	0	310,000	310,000
99754987	51640	Project Construction (NEW)	0	850,000	850,000
99754987	59500	Contingency	0	24,597	24,597
		Increase departmental total.	0	1,184,597	1,184,597

REVENUE

99744987	49800	Transfer from General Fund	0	1,184,597	1,184,597
		Increase fund totals.	0	1,184,597	1,184,597

Sarah Bowen, Finance Officer, gave the Authority a Year-to-Date budget report as of May 31, 2017.

Sarah Bowen, Finance Officer, addressed the Board regarding an audit contract with Dixon Hughes Goodman, LLP to provide audit services for the Mount Airy/Surry County Airport Authority. The cost for audit is up to \$28,000. The auditor will do internal control testing for the former Airport Authority financials and the current Airport Authority financials.

Upon motion of Airport Authority Member Kirkman, seconded by Airport Authority Member Tucker, the Board voted unanimously to approve the audit contract with Dixon Hughes Goodman, LLP.

Sarah Bowen, Finance Officer, addressed the Board regarding the Authority's intent to use the financial, purchasing and procurement card policies and procedures in place by Surry County. Ms. Bowen asked for approval of the following resolution:

Mount Airy/Surry County Airport
Authority
RESOLUTION

WHEREAS, the Mount Airy/Surry County Airport Authority (the "Authority") intends to use the policies and procedures in place by the County of Surry (the "County"), including, but not limited to, the Financial Policy, as applicable, the Purchasing Policy, and the Procurement Card Policy;

WHEREAS, the Authority has contracted with the County for all management and financial services.

NOW, THEREFORE, BE IT RESOLVED, that the Mount Airy/Surry County Airport hereby declares its official intent to abide by all policies and procedures in place by Surry County as a manner of ensuring compliance with applicable auditing standards and the Local Government Commission guidelines.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Johnson, the Board voted unanimously to approve the resolution as presented.

Chris Knopf addressed the Board regarding the acceptance of a Public Official Bond for Sarah Bowen as the Airport Authority Finance Officer.

Upon motion of Airport Authority Member Johnson, seconded by Airport Authority Member Kirkman, the Board voted unanimously to approve the Airport Board to accept the Public Official Bond for the Airport Authority Finance Officer, Sarah Bowen, with the bond being recorded in the Clerk of Court's Office.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

Flowage fees from Ra-Tech Aviation for May, 2017 were as follows: Avgas sales 1,732.4 gallons, Jet-A sales 1,566.4 gallons. A check for \$329.88 has been deposited to cover these fees.

Maintenance Items:

- Replaced light switches, 13 receptacles and starter capacitor on air condition unit at 342 Sage Lane.
- Installed new sump pump in basement at 219 Airport Road.
- Mounted pole and installed keypad and receiver at the North Gate exit.

- The mowing is complete per the May 2017 Contract.

Safety Operations:

- Mowing of the newly sowed grass on the north end, which is getting extremely high. Mr. Jones stated that mowing of the new grass is not a part of RA-Tech Aviation's contract. Mr. Jones is concerned there is a lot of wildlife at the north end of the runway. Mr. Jones stated that RA-Tech Aviation usually gets \$45.00 per hour to mow grass that is outside the contract.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Board voted unanimously to allow RA-Tech Aviation to mow the north end of the runway.

Airport Authority Member Kirkman made a motion to amend the previous motion to cap the mowing amount at \$1,000. Airport Authority Member Tucker seconded the amended motion. The vote was unanimous.

Monthly Sales:

- Invoiced \$7,928.00 for hanger rent, \$3,950.00 in house rental, made \$600 security deposits for 310 Holly Avenue. Invoiced \$329.88 in flowage fees from Ra-Tech Aviation. Collected \$1,702.68 in flowage fees from Renfro Corporation. The invoice amount for May 2017 was \$14,510.56, minus \$75.00 utility credit, leaving a net balance of \$14,435.56.

Jeff Kirby discussed erosion control ponds that are located on the property until the project is complete. Once the project is complete and stabilized, the ponds can be eliminated. The Board discussed modifying the ponds, if approved by DENR.

Jeff Kirby stated the CIP Planning Table is due to the State by July 28, 2017. Mr. Kirby stated he needs direction from the Authority regarding what projects to submit.

It was the consensus of the Board to discuss at the next Airport Authority Board meeting.

Airport Authority Member Johnson expressed concerns regarding a recent letter to the editor in the Mount Airy News on Wednesday, June 14, 2017. He will respond to the letter.

Airport Authority Member Kirkman discussed the DNO insurance that was previously on seven Airport Authority Board members and needs to be reduced to two Airport Authority Board members since the Board of County Commissioners already have the insurance.

It was the consensus of the Board for the Assistant County Manager for Human Resources and Operations to research.

Jeff Kirby stated the roadway relocation of the project will coming be in around \$200,000 under budget. The cypher project grant will be under \$400,000 of the grant amount. The excess funds will go back to the State.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Authority voted unanimously to adjourn. The meeting ended at 7:34 p.m. The next meeting will be July 20, 2017 at 6:00 p.m. at the Mount Airy/Surry County Airport.

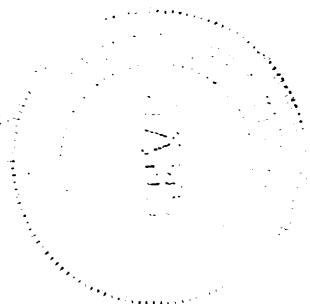
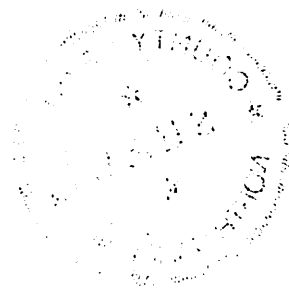


Eddie Harris
Airport Authority Chairman



Conchita Atkins
Secretary to the Board





Mount Airy/Surry County Airport Authority
Meeting of July 20, 2017

The Mount Airy/Surry County Airport Authority met on July 20, 2017 for an Airport Authority Meeting. The meeting was held at the Mount Airy/Surry County Airport, Mount Airy, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, R.F. "Buck" Golding, Dr. Thomas Jackson and Nolan Kirkman.

Authority Members Larry Phillips and Larry Johnson were unable to attend.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Dennis Jones, RA-Tech
John Spane, RA-Tech
Attorney Jay Williams
Jeff Kirby, Parrish and Partners

Airport Authority Chairman Harris called the meeting to order and welcomed everyone.

Airport Authority Chairman Harris asked for approval of the June 15, 2017 minutes of the meeting.

Upon motion of Airport Authority Member Kirkman, seconded by Airport Authority Member Dr. Jackson, the Board voted unanimously to approve the June 15, 2017 minutes with a change to remove Mayor David Rowe and news media from the attendance list.

Attorney Jay Williams addressed the Authority regarding a proposed rental agreement and pet agreement (that will become part of the lease agreement). Attorney Williams stated at the last Airport Authority Meeting there were two requests made for amendments for existing leases for rental properties that

related to dangerous animals and a no smoking provision. Attorney Williams stated the lease agreement presented is revised and should be applicable to any of the rental properties except for the Cook property which has a pool and tennis court. The Cook rental property will need to be addressed regarding additional liabilities. A no-smoking provision is included that may or may not be enforceable under the existing rules for residential property. A no-pet clause has been included which is enforceable. The no-pet provision allows for an exclusion if there is a separate pet agreement. The insurance company designates whether a specific breed is dangerous which can vary from company to company. Attorney Williams stated he had spoken to other rental agencies and their biggest problems are small dogs that are kept inside the homes. Attorney Williams went over specifics in the pet agreement. Attorney Williams submitted the policies for Board consideration.

Airport Authority Member Golding asked about the property with the pool. Attorney Williams stated it needs to be a specific lease. County Manager Chris Knopf stated this property will be discussed later in the meeting.

It was the consensus of the Board to review the documents and readdress them at the August meeting.

It was also the consensus of the Board to address the rental agreement for the property that includes a pool and tennis court.

Jeff Kirby, Parrish & Partners, addressed the Board regarding runway extension site preparation change order no. 5 with Sowers Construction. It is a net zero change order. The change order includes reimbursement and paying Sowers Construction for erosion control repairs that have been identified by the permitting agencies. Mr. Kirby stated it was a legitimate expense.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Kirkman, the Board voted unanimously to approve the change order.

Jeff Kirby, Parrish & Partners, presented a 2017 Capital Improvement Planning Table for the Mount Airy/Surry County Airport. Mr. Kirby stated that every year the State of North Carolina asked airports to upload their "wish list". They asked

all airports if they want to be considered for funding in the next year cycle. Mr. Kirby stated the table is a recommendation to the Board for review and approval. The plan is to be submitted by July 28, 2017. Mr. Kirby discussed each project as follows:

Priority 1. (year 2018) Project description: Land acquisition West Phase II reimbursement (Holly Springs Church, James Love, Sage Lane). Preliminary estimated cost: \$70,000.

Priority 2. (year 2018) Project description: Land acquisition reimbursement 282 Holly Avenue. Preliminary estimated cost: \$125,000.

Priority 3. (year 2018) Project description: Partial parallel taxiway to the South (Runway 36). Preliminary estimated cost: \$2,300,000. This is a safety enhancement.

Priority 4. (year 2020) Project description: Taxiway rehabilitation. Preliminary estimated cost: \$1,494,000. Considered a maintenance project.

Priority 5. (year 2018) Project description: Airport Layout Plan (ALP) update. Preliminary estimated cost: \$175,000. Needs to be updated every 5-7 years.

Priority 6. (year 2023) Project description: General aviation area expansion. Preliminary estimated cost: \$1,216,000.

Priority 6. (year 2023) Project description: Apron expansion. Preliminary estimated cost: \$532,000.

Priority 6. (year 2023) Project description: General aviation area expansion-Phase II. Preliminary estimated cost: \$3,110,000.

Priority 6. (year 2023) Project description: Hanger Construction (12 midsize t-hangers). Preliminary estimated cost: \$1,112,000. The State does not typically pay for hangers, but in this particular project, it is included.

Priority 6. This rolls all of priority number 6 into a single project. (year 2023) Project description: Corporate Area Development. Preliminary estimated cost: \$5,970,000.

Mr. Kirby stated five sets of hangers were constructed ten years ago, at a cost of \$400,000. With priority 6, the project

would get the airport 12 additional hangers for \$600,000 with 90% of the cost paid by the State. This project will include an access road and water and sewer to serve the project. It would provide something for the airport to sell to tenants. You would generate revenue from the hangers, and the Airport Authority has only invested 10% to the project. The project is set for 2023. Just submitting these projects does not imply you are committed to funding today, it just states that the Board supports the projects.

Chairman Harris stated at the time of funding in 2023, the Board can still walk away from the project.

Mr. Kirby stated that every grant that he has been associated with in North Carolina states that airports submit their "wish list" and they load the requests in the system and they can remain there for 4 or 5 years. The Division of Aviation can decide if they support the project and can put it in the next year's funding cycle. They will call the project sponsor and ask if they will contribute the matching funds for the project. If the answer is yes, there is a good chance the project will be funded. If the sponsor says no, the project will not move forward at that time. All projects require a 10% County match. The list must be presented before any projects are considered.

The Authority discussed excess dirt on the property and erosion control measures. The erosion control measures must be in place during construction. After construction is completed, the erosion control measures can be removed.

Mr. Kirby stated that all general aviation airports are entitled to a certain amount of FAA funds through Vision 100. It entitles general aviation airports to \$150,000 per year to be used on whatever projects that have submitted as long as it is in the eligibility requirements. It comes with a 10% match from the County. To be eligible, the airport must show a need.

Upon motion of Airport Authority Member Dr. Jackson, seconded by Airport Authority Member Golding, the Board voted unanimously to accept the recommendation of the engineer for the Capital Improvement Plan.

Mr. Kirby stated the runway will be closed September 1, 2017 for 40 calendar days. The runway will reopen on October

10, 2017. The Fixed Based Operator will notify tenants of the closure.

Sarah Bowen, Finance Officer, presented Capital Project Ordinance Amendment no. 1, budget amendment no. 1, Capital Project no. 2 and budget amendment no. 2.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Dr. Jackson, the Board voted unanimously to approve the following Capital Project Ordinance Amendment no. 1 and no. 2 and budget amendment no. 1 and no. 2 as follows:

MOUNT AIRY SURRY COUNTY AIRPORT AUTHORITY
CAPITAL PROJECT ORDINANCE
AMENDMENT #1

RUNWAY EXTENSION PROJECT

BE IT ORDAINED by the Board of Commissioners of the County of Surry that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, this capital project ordinance is hereby adopted.

Section 1: The project authorized by this ordinance is the extension, strengthening, and repaving of the runway at the Mount Airy Surry County Airport.

Section 2: The officers of this governmental unit are hereby directed to proceed with this capital project within the guidelines set by the budget contained herein.

Section 3: The following revenues are anticipated to be available to complete this project and are hereby appropriated or referenced by prior appropriation.

Transfer from General Fund \$1,159,847

Total Revenues \$1,159,847

Section 4: The following amounts are available for expenditures for the project:

Professional Services -
Engineering \$ 310,000

Project Construction	825,250
Contingency	<u>\$ 24,597</u>
Total Appropriation	\$1,159,847

Section 5: The Finance Officer is directed to report quarterly to the Mount Airy Surry County Airport Authority on the financial status of this project.

Section 6: The Budget Officer is directed to include an analysis of past and future costs and revenues for this capital project in each annual budget submitted to the Mount Airy Surry County Airport Authority for as long as this ordinance shall remain in effect.

Section 7: Any unexpended funds appropriated shall be reserved by the Grantor and the Board of Commissioners for use as provided by applicable law or regulation.

Section 8: Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

ADOPTED BY THE SURRY COUNTY BOARD OF COMMISSIONERS this the 5th day of June 2017. AMENDED ON this the 19th day of June 2017.

ADOPTED BY THE MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY this the 15th day of June 2017. AMENDED ON this the 20th day of July 2017.

The Mount Airy-Surry County Airport Authority approved an amendment to the Multi-Year Capital Project Ordinance at their meeting on July 20, 2017.

ACCOUNT CODE	DESCRIPTION	PREVIOUS AMOUNT	CHANGE	REVISED AMOUNT
<u>AIRPORT CAPITAL PROJECT FUND</u>				
<u>EXPENDITURES</u>				
<u>RUNWAY EXPANSION</u>				
	Prof. Services -			
99754987 51560	Engineering	310,000	100,000	410,000
99754987 51640	Project Construction	825,250	200,000	1,025,250
	Increase departmental			
	total.	1,159,847	300,000	1,459,847

REVENUES

99744987	43388	NC DOT Grant	0	300,000	300,000
		Increase fund totals	1,159,847	300,000	1,459,847

MOUNT AIRY SURRY COUNTY AIRPORT AUTHORITYCAPITAL PROJECT ORDINANCERUNWAY EXTENSION PROJECTAMENDMENT #2

BE IT ORDAINED by the Board of Commissioners of the County of Surry that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, this capital project ordinance is hereby adopted.

Section 1: The project authorized by this ordinance is the extension, strengthening, and repaving of the runway at the Mount Airy Surry County Airport.

Section 2: The officers of this governmental unit are hereby directed to proceed with this capital project within the guidelines set by the budget contained herein.

Section 3: The following revenues are anticipated to be available to complete this project and are hereby appropriated or referenced by prior appropriation.

NC DOT Aviation Grant	\$ 300,000
Transfer from General Fund	<u>\$1,159,847</u>
Total Revenues	\$1,459,847

Section 4: The following amounts are available for expenditures for the project:

Professional Services -	
Engineering	\$ 410,000
Project Construction	\$1,025,250
Contingency	<u>\$ 24,597</u>
Total Appropriation	\$1,459,847

Section 5: The Finance Officer is directed to report quarterly to the Mount Airy Surry County Airport Authority on the financial status of this project.

Section 6: The Budget Officer is directed to include an analysis of past and future costs and revenues for this capital project in each annual budget submitted to the Mount Airy Surry County Airport Authority for as long as this ordinance shall remain in effect.

Section 7: Any unexpended funds appropriated shall be reserved by the Grantor and the Board of Commissioners for use as provided by applicable law or regulation.

Section 8: Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

ADOPTED BY THE SURRY COUNTY BOARD OF COMMISSIONERS this the 5th day of June 2017. AMENDED ON this the 19th day of June 2017. AMENDED ON this the 17th day of July 2017.

ADOPTED BY THE MOUNT AIRY/SURRY COUNTY AIRPORT AUTHORITY this the 15th day of June 2017. AMENDED ON this the 20th day of July 2017.

The Mount Airy-Surry County Airport Authority approved an amendment to the Multi-Year Capital Project Ordinance at their meeting on July 20, 2017.

ACCOUNT			PREVIOUS		REVISED
<u>AIRPORT CAPITAL PROJECT FUND</u>					
<u>EXPENDITURES</u>					
<u>RUNWAY EXPANSION</u>					
99754987	51640	Project Construction	850,000	(24,750)	825,250
		Decrease departmental			
		total	1,184,597	(24,750)	1,159,847
<u>REVENUE</u>					
99744987	49800	Transfer from General Fund	1,184,597	(24,750)	1,159,847
		Decrease fund totals.	1,184,597	(24,750)	1,159,847

The Mount Airy-Surry County Airport Authority approved an amendment to the Multi-Year Capital Project Ordinance at their meeting on July 20, 2017.

ACCOUNT			PREVIOUS		REVISED
<u>AIRPORT CAPITAL PROJECT FUND</u>					
<u>EXPENDITURES</u>					
<u>RUNWAY EXPANSION</u>					

99754987	51640	Project Construction	850,000	(24,750)	825,250
		Decrease departmental			
		total	1,184,597	(24,750)	1,159,847

REVENUE

99744987	49800	Transfer from General Fund	1,184,597	(24,750)	1,159,847
		Decrease fund totals.	1,184,597	(24,750)	1,159,847

Sarah Bowen, Finance Officer, updated the Board on a year-to-date budget regarding the runway extension project as of July 10, 2017.

Sarah Bowen, Finance Officer, discussed the 310 Holly Avenue rental property. The Fixed Based Operator wants to know when they can seek tenants.

It was the consensus to wait until the Board reviews the draft lease agreement distributed earlier by Attorney Williams.

Mr. Jones stated 310 Holly Avenue needs the grass mowed.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Dr. Jackson, the Board voted unanimously for the Fixed Based Operator to mow the grass at 310 Holly Avenue and other properties that the airport own, subject to Board review.

The Fixed Base Operator stated they would mow any rental property yard, except Sage Lane, for \$45.00.

Sarah Bowen, Finance Officer, received two calls, one from YOLO Aviation and one from the Puckett family regarding receiving invoices from the County for hanger rent.

The Board discussed mailing the invoices to each renter each month.

It was the consensus to mail the renters an invoice.

Sarah Bowen, Finance Officer, stated the former tenant at 310 Holly Avenue submitted an invoice in the amount of \$60.93 for work performed on the property while they occupied the

house. At the June 15, 2017 Airport Authority Meeting, the Board voted to return the tenant's deposit and to reimburse the renter up to \$200.00 for materials purchased to eliminate odors. The renter was asked to provide receipts of purchases. The renter could only provide a receipt in the amount of \$60.93. They could not provide additional receipts for purchases. The renter is asking for the full \$200 for materials purchased.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Dr. Jackson, the Board voted unanimously to reimburse the tenant \$200 for material purchased.

Sarah Bowen, Finance Officer, discussed damage to the pool at the Sage Lane rental property. The renter has invoices for pool repairs in the amount of approximately \$1,100. The invoices are related to the pool which had not been winterized and sustained damage. The former Authority had instructed the tenants to have it repaired and forward the bills to the Authority. Ms. Bowen stated the work is not complete yet.

Chris Knopf, County Manager, stated the original lease on Sage Lane stated that the pool and tennis court maintenance was the responsibility of the tenant. When the second lease was completed, the Authority did not use the same template, but used another lease, which did not include the pool and tennis court maintenance due to this decision the Airport Authority is exposed and responsible for maintenance on the pool. The Board needs to consider a revised lease agreement on the property. The liability on the property has been dropped by the insurance company because of the pool.

The Board discussed concerns of not having liability insurance on the property and discussed what action to take regarding the pool. The Board also discussed the reason the property was purchased.

The Board discussed when the property could be sold. The engineer stated the property needs to be under the ownership of the Airport Authority until the program is complete which could be spring 2018.

Sandy Snow, Assistant County Manager for Human Resources and Operations, stated she would like to work with current insurance agents of the County and of the Airport Authority regarding insurance coverage at the airport.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Golding, the Board voted unanimously to approve for County staff to work with current insurance agents of the County and the Airport Authority to evaluate and implement any needed coverage for the airport.

Jay Williams discussed the reason the Airport Authority purchased the property.

Dennis Jones explained that when the individuals moved out of Sage Lane, he was told by former Airport Authority Members to get the pool fixed and rent the property quickly. Mr. Jones stated that \$350 has been spent to date to repair the pool, but the repairs are not completed.

Chris Knopf stated the Airport Authority needs to pay the bills for the pool repairs due to the incorrect lease being used. The Authority's minutes of April 14, 2014 clearly stated that the pool maintenance should be addressed in the lease for this property.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Kirkman, the Board voted unanimously to pay the pool invoices.

Sarah Bowen, Finance Officer, stated there is a door on one of the hangers that needs maintenance. An invoice of \$548.00 was paid in June to Foothills Garage Doors for repairs to the door. The door has stopped working again. The Fixed Based Operator has called Overhead Doors. The company stated that the door has multiple problems. The cost from Overhead Doors to assess the door was \$361.66. The door will need additional parts, and the costs is forthcoming.

The Board discussed replacing the door, repairing the door and removing the door. A new door could cost \$35,000 to \$40,000. The Fixed Based Operator stated he is allowing the tenant to place his plane in their hanger.

Airport Authority Member Dr. Jackson made a motion to remove the door from the hanger and rewrite the lease agreement. Airport Authority Member Tucker seconded the motion.

The Board discussed possible issues with the tenant if the door was removed. The Board discussed the tenant fixing or

replacing the door. Chris Knopf discussed getting quotes for maintenance repairs on the door.

The Fixed Based Operator stated he did not feel that it is a good idea to remove the door. Airport Authority Board Member Dr. Jackson stated the Fixed Based Operator should talk to the tenant first.

Airport Authority Member Dr. Jackson withdrew his motion, and Airport Authority Member Tucker withdrew his second on the motion.

The Board discussed allowing the tenant to utilize space in the old Spencer's hanger or the commons area until the issue is resolved.

The Fixed Based Operator will discuss with the tenant and report back at the August meeting.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

Flowage fees from Ra-Tech Aviation for June, 2017 were as follows: Avgas sales 2,341.2 gallons, Jet-A Sales 2,189.0 gallons. A check for \$453.02 was deposited to cover the fees.

Maintenance Items:

- Mowing was completed per contract for the month of June.
- RA-Tech mowed 22 hours on the North End of the Runway. The Board budgeted \$1,000 for the mowing, but the mowing is not complete.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Dr. Jackson, the Board voted unanimously to allow RA-Tech to spend up to \$1,000 to finish the mowing on the north end of the runway.

- Reset tripped breaker on air conditioner unit at home on 219 Airport Road.
- Sprayed and removed all weeds from the runway and taxi way.

- Tenants at 310 Holly Avenue have moved out of the house.
- House at 310 Holly Avenue not rented, waiting on new lease agreement.

Safety Operations:

- SWPPP has been completed for the 2nd quarter. There were no issue discovered.

Monthly Sales:

- Invoiced \$7,928.00 for hanger rent, \$3,950.00 in house rental, \$453.02 in flowage fees from RA-Tech Aviation, invoiced amount for June 2017 was \$12,331.02 minus \$75.00 utility credit leaving a net balance of \$12,256.02.

Airport Authority Member Kirkman discussed insurance requirements for all based tenants. Incidents have occurred where there were not liability insurance. There are safety and liability concerns. The only people required to have liability insurance are the corporate tenants. Airport Authority Member Dr. Jackson stated the problem is there are tenants with ultralight planes that cannot get insurance. This would hurt some of the smaller pilots. He stated there has not been a problem in 45 years.

Airport Authority Member Kirkman stated there was a painting incident that cost about \$40,000 in damages, and one individual stated that it held the Airport Authority Board responsible because their plane was damaged. The individual who damaged the planes had liability insurance that paid for all damages.

Airport Authority Member Tucker stated we would have to accept the liability or we can require them to have liability insurance. Airport Authority Member Tucker asked how other Authorities handle liability insurance. Wilkes County requires liability insurance if the individual has a leased T-Hanger. Group hangers are not required to have liability insurance.

Sandy Snow stated as she evaluates insurance, she will talk to the agent and get recommendations on liability insurance and will bring back to the August meeting.

Airport Authority Member Kirkman stated that liability insurance is not expensive.

Airport Authority Member Kirkman presented information on the Aircraft Tax Revenue vs. County Funding to the Mount Airy/Surry County Airport. The numbers were generated by the Surry County Internal Auditor, County Administration, the Assessment and Collection Supervisor and the Tax Office. In the last few months there has been talk about the airport not generating revenue and the tax payers funding the airport. Airport Authority Member Kirkman presented the following report:

Aircraft Tax Revenue vs. County Funding to Mount Airy/Surry County Airport

	SURRY COUNTY	TAXES COLLECTED ON AIRCRAFT	Diff.
FY 2000	27,750.00	30,070.00	2,320.00
FY 2001	32,000.00	123,517.00	91,517.00
FY 2002	32,000.00	115,698.00	83,698.00
FY 2003	30,400.00	86,158.00	55,758.00
FY 2004	30,400.00	86,878.95	56,478.95
FY 2005	42,600.00	143,605.81	101,005.81
FY 2006	58,333.00	172,013.81	113,680.81
FY 2007	58,333.00	194,476.95	136,143.95
FY 2008	58,333.00	235,187.35	176,854.35
FY 2009	330,000.00	206,407.23	(123,592.77)
FY 2010	150,000.00	182,103.94	32,103.94
FY 2011	100,000.00	140,662.92	40,662.92
FY 2012	90,000.00	160,176.29	70,176.29
FY 2013	85,500.00	154,991.03	69,491.03
FY 2014	205,556.00	130,009.14	(75,546.86)
FY 2015	355,555.00	144,977.06	(210,577.94)
FY 2016	299,615.00	114,876.05	(184,738.95)
TOTAL	1,986,375.00	2,421,809.53	435,434.53

Information supplied by Internal Auditor, Surry County Administration and Assessment and Collection Supervisor, Surry County Tax Office

Airport Authority Member Kirkman stated the airport paid in many more taxes than was spent on the airport. The past 17 years the County was up \$435,434.53 over the allocations. Aircraft tax revenues are putting more in the County's coffers than the County is funding back to the airport, at least for the past 17 years. There were no tax collection records from the

County prior to that time. From 1965 until today, the County is still in the black. There were no funds spent on the airport for many years.

Airport Authority Member Golding stated that during most of those years, the responsibility of funding was with the City of Mount Airy.

Airport Authority Member Kirkman stated that 2017 will be a deficit and 2018 will depend upon projects and the tax base.

Airport Authority Member Tucker stated that FY 14, 15 and 16 funds have gone downhill fast. If we do everything on the "wish list", it will continue to go downhill for a long time. You could attract a \$6 million aircraft that is not here now or build more hangers to lease.

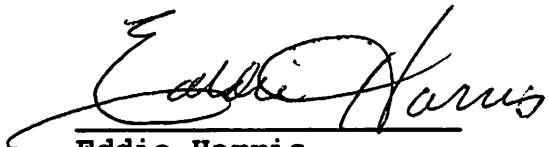
Chris Knopf stated the number will begin to vary since the airport is being run as an Enterprise Fund. Mr. Knopf explained how the Enterprise Fund operates. The County contributed over \$1 million to the fund a few months back that is not reflected in these numbers.

Airport Authority Member Tucker discussed the properties owned by the Airport Authority that have been taken off the tax role, because the Airport Authority is tax-exempt.

Airport Authority Member Dr. Jackson stated it has taken ten years to get the runway extended. The airport needed a longer runway. If the airport builds 12 more T-Hangers, it will generate more revenue for the airport. The airport operates in the black. Surry County needs an airport. We need businesses in the County, places to put hangers and a longer runway. Airport Authority Member Dr. Jackson stated that John Springthorpe did a good job running the airport, and Nolan Kirkman is very knowledgeable about airport operations.

Airport Authority Member Harris asked for a motion to adjourn.

Upon motion of Airport Authority Member Golding, seconded by Airport Authority Member Kirkman, the Authority voted unanimously to adjourn. The meeting ended at 7:45 p.m.



Eddie Harris
Airport Authority Chairman



Conchita Atkins
Secretary to the Board



Mount Airy/Surry County Airport Authority
Meeting of August 29, 2017

The Mount Airy/Surry County Airport Authority met on August 29, 2017 for an Airport Authority Meeting. The meeting was held at the Surry County Government Center, Room 335, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, Larry Phillips, Larry Johnson, Dr. Thomas Jackson and Nolan Kirkman.

R.F. "Buck" Golding was unable to attend.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Dennis Jones, RA-Tech
John Spane, RA-Tech
Attorney Jay Williams
Jeff Kirby, Parrish and Partners

Airport Authority Chairman Harris called the meeting to order and welcomed everyone.

Airport Authority Chairman Harris asked for approval of the July 20, 2017 minutes of the meeting.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve the July 20, 2017 minutes.

Attorney Jay Williams addressed the Board regarding rental lease agreements and the pet agreement. Attorney Williams stated there is a separate lease agreement for Sage Lane due to the uniqueness of the property. Attorney Williams stated the lease agreement includes a no smoking and no pets section. The pets section states that no pet will be allowed on the premises, either inside the dwelling or outside. Pets of a guest are also prohibited. Any deviation from this policy must be fully

outlined in a separate written Pet Agreement, which is to be signed by the parties prior to any animals being allowed on the premises. Attorney Williams discussed a separate Pet Agreement.

Dennis Jones asked what amount the pet security deposit would be in the agreement.

Attorney Williams stated the Pet Agreement requires an additional month of rent which would vary from property to property.

The Board discussed the Pet Agreement and cleanup costs after the lessee moves out of the property. The Board also discussed the amount needed for the pet deposit. There was discussion on allowing no pets on the property.

Attorney Williams stated the policy has a no dangerous animal policy. Attorney Williams spoke to some landlords, and they stated it is not the dangerous pets, but the small dogs, that do the most damage to the property. The agreement is a no pet policy unless a pet agreement is executed; if you have someone who is a responsible pet owner and is willing to pay the security deposit and additional rent, you can allow the Pet Agreement.

The Board discussed the deposit as being \$1.00 per square foot of the house.

Jeff Kirby stated there are individuals that have comfort animals or service animals that may need to be considered.

Attorney Williams stated the agreement that has been proposed will give the Authority some flexibility in exceptional pet circumstances.

Upon motion of Authority Member Dr. Jackson, seconded by Authority Member Johnson, the Board voted unanimously to approve a rental lease for Sage Lane, a generic rental lease agreement and the pet agreement as presented by Attorney Williams.

Dennis Jones discussed the length of the agreements. Attorney Williams stated that lease agreements are typically for one year.

Attorney Williams stated that Sage Lane has different terms in the lease agreement. The rent term was calculated on a

month-to-month basis. Attorney Williams stated the Authority can make the rental agreement for Sage Lane for one year.

There was discussion about Sage Lane being a month-to-month lease.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously to amend the Sage Lane rental agreement from month-to-month to a one year lease.

Authority Member Johnson asked if the Sage Lane property can be sold.

Attorney Williams stated it would have to be sold subject to the lease agreement in place.

Authority Member Kirkman stated the Authority would have to seek approval from the Department of Aviation and the FAA with most proceeds going back to the State. *Amended Sept. 26, 2017*

Authority Member Tucker asked if all properties were purchased due to being in an area that would be needed for future expansion of the airport.

Authority Member Kirkman stated the parcel is 40+ acres and the Airport Authority needed 1/3 of the property. The property owners wanted to sell the entire parcel or not sell at all.

Attorney Williams stated that Attorney Hugh Campbell made an inquiry on behalf of a client about purchasing a small parcel owned by the Authority on Airport Road. The property is parcel 5948-00-29-7630 which is 1.18 acres in size. Attorney Williams explained how and why the Hunter and Cook parcels were purchased.

Jeff Kirby stated that after the Hunter property was purchased, the Authority approached the State about selling the property. The Authority was strongly advised not to sell the property until after the completion of the expansion project. Mr. Kirby advised not to sell the Sage Lane property which is in the approach to the runway. Mr. Kirby said you can remove the house, but keep the land. If you release it, you may be purchasing it back in the future. Mr. Kirby stated as far as the Hunter property, there is no benefit for the airport to keep the property. The property would need to be kept by the

Authority until the completion of the expansion project. Mr. Kirby stated the property along Airport Road was purchased, and the Authority only needed a small portion of the property. It was vacant property, and it made sense to purchase the entire parcel. Mr. Kirby recommended the Authority keep the property because the Authority may need the property for the future.

Authority Member Dr. Jackson stated the Authority needs to hold on to the properties for now. It took ten years to purchase the property.

The Authority instructed Attorney Williams to write a letter to Attorney Hugh Campbell and stated the Authority does not wish to sell the property.

The Authority discussed the Airport's tax base and the contributions from the City of Mount Airy.

Jeff Kirby, Parrish & Partners, updated the Authority Board on the runway extension and lighting project. A full notice to proceed has been given to the contractor. Runway closure has been set for September 1, 2017 for a 40-day period. There was a request from the contractor to delay the beginning of the project until September 5, 2017, but Mr. Kirby recommended the closure date remain September 1, 2017.

The Authority discussed the procedures on closing the runway. Authority Member Dr. Jackson stated an X is placed on the runway, which shows the runway is closed and you cannot land a plane. Mr. Kirby stated that as of September 1, 2017, the runway is closed to incoming and outgoing traffic. If someone uses the runway, it will be at their risk. Pilots should not use the taxiway to take off or land during this time.

The Authority discussed the temporary erosion control ponds and the control measures.

Mr. Kirby stated the total construction period for the runway extension is set for 141 days from notice to proceed. Work will continue after the runway is open. Mr. Kirby discussed the delivery of the runway lightning. The contractor will not get their materials until November. There will be temporary lightning in place until the lightning materials arrive.

Jeff Kirby, Parrish & Partners, discussed work authorization no. 6, which covers professional services associated with the runway extension site preparation project which includes tasks for project management/grant services for phase I and II that were estimated not to exceed values of \$7,500 and \$6,500. Mr. Kirby stated as they continue to work through the project closeout, erosion control repairs and grant updates, the expenses have exceeded the not to exceed amounts. Mr. Kirby is requesting to invoice over the not to exceed amount for the two tasks. Mr. Kirby stated there are adequate funds in the grant to cover the costs. Mr. Kirby stated the excess from grant is approximately \$450,000. Mr. Kirby will discuss with the State what projects can be done with the excess funds. Mr. Kirby asked the Board to consider a not to exceed amount of \$14,000-\$35,000 for professional services. These funds will come from the grant.

Upon motion of Authority Member Tucker, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve paying for professional services, not to exceed up to \$35,000, with the funds coming from the grant.

The Authority discussed the remaining \$450,000 of the grant funds. Mr. Kirby will discuss with the Division of Aviation/FAA what projects can be utilized with the excess funds. The Authority discussed projects that could be completed. The Authority also discussed the letter of support that was sent to the Division of Aviation for the 2023 projects.

Sandy Snow, Assistant County Manager for Human Resources and Operations, discussed insurance for all rental homes. Ms. Snow stated that all houses, including Sage Lane, are insured. Ms. Snow is working on getting all insurance payments due on the same date each year. Ms. Snow is working with the County insurance carrier on recommendations for aviation liability coverage. Staff are also working with Belton Aviation, current Airport Authority carrier, to obtain quotes for higher limits on liability insurance. The Authority currently has Hanger Keepers coverage with a \$500,000 coverage limit per occurrence in addition to Ra-Tech's policy. Ms. Snow discussed increasing the liability insurance to one million dollars. Ms. Snow will continue to research the liability insurance and bring to the next meeting.

Mr. Knopf discussed reviewing the liability insurance when the Board discusses the hanger lease renewals.

Authority Member Dr. Jackson stated requiring liability insurance could cause a hardship on some tenants if the cost is too high.

Authority Member Kirkman stated he pays \$312.00 per year for a one-million-dollar coverage policy through Belton Aviation.

Ms. Snow will continue researching liability insurance.

The Authority Board discussed the pool at Sage Lane. Ms. Snow stated it was difficult to find anyone to insure the house due to the pool.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to notify the tenant located at 342 Sage Lane that the March 2018 lease agreement will not include the pool.

The Authority discussed adjusting the rent accordingly when the lease agreement expires, due to the pool closure.

Mr. Kirby stated any demolition costs of eliminating the pool can come from grant funds.

Sarah Bowen, Finance Officer, updated the Board on a year-to-date budget, as of July 1, 2017, on the runway expansion and airport operations.

Sarah Bowen, Finance Officer, discussed the runway closure at the airport. Ms. Bowen stated tenants could be forced to move their planes to other airports in the area if they wish to fly from September 1, 2017-October 10, 2017. The Authority could provide relief to tenants during the closure of the runway.

The Authority discussed a reduction in rent during the closure period. The Authority discussed a 50% reduction in rent for September and 25% for October as long as the runway is closed.

Upon motion of Authority Member Tucker, seconded by Authority Member Johnson, the Board voted unanimously to reduce rental fees by 50% for September and 25% for October, contingent upon the runway opening by October 10, 2017. If the runway does not open by October 10, 2017, staff will adjust the October rental rates.

Mr. Knopf stated some tenants have paid the September 2017 rental payment and will receive a credit toward the month of September. Ms. Bowen will send letters to everyone informing them of the rent changes.

Authority Member Kirkman abstained from voting due to *Amended* having a rental lease agreement with the Airport Authority. *Sept- 26, 2017*

Rhonda Nixon, Internal Auditor, addressed the Board regarding the loss of revenue for the Fixed Based Operator during the runway closure September 1, 2017-October 10, 2017. Ra-Tech is asking the Airport Authority to make up any difference so they will not incur a loss. They provided information for the last three years that show an average net income of \$4,495.54 in September and \$4,151.51 in October. Ms. Nixon stated an average for September and one-half of October will be \$6,571.29.

Ms. Nixon stated there will not be a final figure until the runway reopens. Mr. Jones stated he is not trying to make more money than they normally receive.

The Authority discussed the need for operating hours during the runway closure. The Authority discussed operating the airport Monday through Saturday from 9:00 a.m. until 1:00 p.m. and posting emergency phone numbers on the airport door.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously for Ra-Tech to open the airport Monday-Saturday from 9:00 a.m. until 1:00 p.m. until the runway reopens.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously to compensate Ra-Tech after the runway reopens, with the cost not to exceed the net average of the past three Septembers and a full financial review is complete.

Authority Member Johnson stated he has a request from an individual who wants to purchase an easement that follows Sage Lane. The individual's property joins the Airport property about 200 feet to the west of the driveway at Sage Lane, a private driveway.

The Authority discussed the request. Mr. Kirby stated any right-of-way's or access easements is subject to FAA/Division of Aviation approval. The Board discussed the need for the property for future expansions.

It was the consensus of the Board not to allow an easement.

Chris Knopf, County Manager, presented a grant agreement update between the Mount Airy/Surry County Airport and the Division of Aviation for Board information.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

Flowage fees from Ra-Tech Aviation for July, 2017 were as follows: Avgas sales 2,868.1 gallons, Jet-A Sales 2,109.9 gallons. A check for \$497.80 was deposited to cover the fees.

Maintenance Items:

- Mowing was completed per contract for the month of July.
- Mowing has been completed at the north end of the runway.
- Outside hangar lights are staying on during the day on multiple buildings. Ms. Snow will work with the Facilities Director on repairs to the lights.
- A large tree needs to be removed at rental property on Holly Springs Road. Mr. Jones stated that he had received a quote from Randy Brown Tree Service to remove the tree. The cost estimate is \$1,800.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve Randy Brown Tree Service to remove the tree at a cost of \$1,800, subject to the company having liability insurance.

- Mowed lawn at 310 Holly Avenue in July.
- House at 310 Holly Avenue not listed for rent, waiting on new lease agreement. It was the consensus of the Board to lease the property.
- Mike Shield hangar door has been repaired by Over Head Doors of Greensboro at a cost of \$1,021.19.

Safety Operations:

- Will be addressed at the next meeting


Ms. Nixon stated that there is no lease agreement on the property on Holly Springs Road. It was the consensus of the Board to ask the tenant to sign a lease agreement.

Mr. Jones stated there was an issue with an Air Ambulance they could not get the gate open for an emergency call. There is a code for the gate. They damaged the gate, but the gate will be fixed at no cost. Mr. Jones gave Board members the code for the gate. The Emergency Services Director also has the code.

Airport Authority Member Harris asked for a motion to adjourn.

Upon motion of Airport Authority Member Tucker, seconded by Airport Authority Member Kirkman, the Authority voted unanimously to adjourn. The meeting ended at 7:55 p.m.


Eddie Harris
Airport Authority Chairman


Conchita Atkins
Secretary to the Board



**Mount Airy/Surry County Airport Authority
Meeting of September 26, 2017**

The Mount Airy/Surry County Airport Authority met on September 26, 2017 for an Airport Authority Meeting. The meeting was held at the Surry County Government Center, Room 335, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, R.F. "Buck" Golding, Larry Phillips, Larry Johnson, Dr. Thomas Jackson and Nolan Kirkman.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Dennis Jones, RA-Tech
John Spane, RA-Tech
Attorney Jay Williams
Jeff Kirby, Parrish and Partners
Tim Gruebel, Parrish and Partners
Citizens

Airport Authority Chairman Harris called the meeting to order and welcomed everyone.

Airport Authority Chairman Harris asked for approval of the August 29, 2017 minutes of the meeting.

Authority Member Kirkman asked to amend the minutes on page 43 to convey that the funds would go back to the project, not the State.

Authority Member Kirkman also asked to amend the minutes on page 47 to remove the following statement: due to having a rental lease agreement with the Airport Authority. Authority Member Kirkman stated he did not state a reason for abstaining.

Mr. Kirby stated he was mistaken regarding the construction period for the runway extension which was set for 141 days from

notice to proceed, he should have stated 151 days from notice to proceed. Chairman Harris stated the correction was duly noted.

Upon motion of Authority Member Tucker, seconded by Authority Member Phillips, the Board voted unanimously to approve the August 29, 2017 minutes with changes duly noted.

Attorney Jay Williams addressed the Board regarding a hangar lease agreement. Attorney Williams stated that at the last meeting that all hangar leases had run their course and had transitioned to month-to-month. Attorney Williams presented a standard form lease just for the hangars, with one additional provision on page 2, paragraph 4, which included language regarding violations of the Airport Rules and Regulations, the Hangar Rental Policy, any applicable State or federal laws or County ordinances, including zoning ordinances, shall constitute a breach on the part of the tenant. The lease requires they be in compliance with all of the regulations.

Authority Chairman Harris asked if that would include individuals on the waiting list for hangars.

Attorney Williams stated there is a hangar policy, but this document is the actual lease agreement in which someone has been awarded a hangar. Attorney Williams stated the Authority needs to revisit the hangar policy. Attorney Williams stated he had not seen the waiting list. Attorney Williams stated his immediate concern is that there is no one with a lease agreement.

Authority Member Phillips asked if the FBO had reviewed the lease agreement, and the FBO stated no they had not reviewed the document. Authority Member Phillips recommended that the FBO review the document.

Chris Knopf stated that he and staff would meet with the Attorney to make some adjustments. Mr. Knopf stated he will also meet with FBO regarding the lease agreement. Mr. Knopf stated there will be a final draft at the next meeting.

Authority Member Tucker asked if the waiting list was extensive. Dennis Jones stated the list could potentially go back ten years. Rhonda Nixon stated there are several names on the list, and there are \$150 deposits for the individuals on the list.

Corrected 11/15/17
250.00

There was discussion of returning deposits if any individual came off the waiting list.

The County Manager will work with staff, Attorney Williams and the FBO to finalize the hangar lease.

Attorney Jay Williams addressed the Board regarding the Bannertown Volunteer Fire Department memorandum of lease and rental agreement. The original transaction between the Airport Authority and the Bannertown Fire Department provided that the Airport Authority would provide a site for the fire department on a thirty-year lease, with a ten-year extension with terms negotiated. At some point, the site changed from the original planned location on the field to the Armenta property because there were issues with the fire department and grading problems. Attorney Williams stated there was never a lease implemented for the site. A ground lease and memorandum lease were in the agenda for Board review. Attorney Williams stated there is not an actual legal description for the property leased to the fire department. Attorney Williams suggested it needs to go to David Hiatt, Attorney for the Bannertown Fire Department, for review.

There was discussion regarding the fire department having interest in purchasing the property, releasing the property to the fire department, and upset bid laws if the property is released to the fire department since the Authority is an entity of County Government.

Attorney Williams will check and see if there are exemptions regarding the upset bid laws.

Mr. Kirby stated that the property where the fire department is sited was purchased with State money and other properties were purchased with federal funds. The property is 1.97 acres.

Authority Member Johnson stated that the Bannertown Fire Department would like to attend the next Airport Authority Meeting to discuss protection and safety issues.

There was discussion on how the property was acquired and the agreement of costs.

Attorney Williams stated regarding the Armenta property, there was an appraisal. The Department of the Transportation

authorized the purchase price of 125% of the appraisal value. The house was demolished.

Jeff Kirby updated the Board on the runway extension project. The project is going well. On September 1, 2017, the runway was closed. The reformation of the existing runway is complete, and new asphalt is being installed. At the end of today, the contractor will have two runs of asphalt on the runway. The runway should be completed by the end of the week, and work will begin on the taxiway. The runway will be reopened at the completion of paving within the forty days. There is still an issue with the lighting. The lightning will be completed around November 7, 2017. There will be a period of time where the runway will not be open at night. Mr. Kirby stated he feels the project will stay within budget. We are dealing with normal construction issues. Everyone on his end is pleased with the contractor so far.

Mr. Kirby introduced Tim Gruebel, Parrish and Partners, who is involved in the project.

There was discussion of temporary lighting. Mr. Kirby stated the contractor wanted extra funds to install temporary lightning. Mr. Kirby stated he did not know if it is worth the extra allocation. Temporary lighting was not specifically called for in the plan, and it was not anticipated. There was not a provision that forced the contractor to install temporary lightning. Mr. Kirby stated he would not take a different position than what has been taken with the contractor at this time. In forty days, the runway has to be opened.

Mr. Kirby stated the contractor proposed to have all the permanent lightning installed by November 7, 2017.

There was discussion of signage being replaced.

The Authority discussed night time lightning. Mr. Kirby stated he can go to the contractor and see what the cost would be for temporary lightning. Mr. Kirby stated they cannot force the contractor to put in temporary lights. Mr. Kirby would recommend not taking a position of liquidated damages at this time; he would wait until the runway is completely open and evaluate at that time.

Mr. Gruebel stated the temporary lighting would only be useful from the time the runway opens until October 16, 2017,

because the timeframe to install the new lighting, which the runway would not have to be closed for, is October 16, 2017-November 7, 2017. It would only give a week of temporary lightning.

Authority Member Johnson stated we owe it to the tenants to let them know when the runway will be closed at night for light installation.

The County Manger will update the tenants on the project.

Mr. Kirby updated the Authority regarding the unspent funds on the last two grants. Mr. Kirby stated he has had discussion with the Division of Aviation regarding the potential of using the remaining funds on extra items the Authority would like to address. The discussion is on-going with the Division of Aviation. There is a sense that the State wants to take all the funds back and give to another airport. Mr. Kirby still believes, if there is something critical and safety related, it will help the airport and benefit the aviation community. Mr. Kirby stated that, between the two grants, there is an excess of \$600,000 remaining. Mr. Kirby stated he does not enjoy giving money back to the State. Any project would have to be safety related or something related to preserving the infrastructure. These funds cannot be used to build a hangar. \$60,000 match would be required from the County.

Sandy Snow, Assistant County Manager for Human Resources and Operations, and Rhonda Nixon, Internal Auditor, addressed the Board requiring liability coverage from tenants. Ms. Nixon had discussed the coverage with Jerry and Carolyn Belton, with Belton Aviation, who currently carries the airport's liability insurance. Anybody can get liability coverage if the plane is not "air worthy".

Ms. Nixon presented two options as follows:

Option 1-Requiring to be named as an additional insured on the policy could add \$50-\$75 additional cost to the coverage. Per Carolyn Belton, this requirement seems to be the trend at most airports.

Option 2-The Authority can be named as a certificate holder at no extra charge to the aircraft owner. This will give the Authority a thirty-day notice if there is a cancellation on that policy.

Ms. Nixon stated liability insurance has been a requirement in the Airport Rules since 1993, but has not been enforced. It did not give a dollar amount, which will need to be specified. The quote given to Ms. Nixon was for a \$1 million liability coverage. Ms. Nixon discussed the FBO hangar that the FBO leases out to individuals. The FBO does not have leases; they lease month-to-month so the Authority would need to do something regarding that issue. Ms. Nixon stated you could not get insurance on a transient aircraft, but if they are based there you can get insurance. Attorney Williams stated he drafted a month-to-month lease a few years back.

Authority Member Phillips asked if it would be good idea to put proof of insurance on the hangar leases.

Attorney Williams stated he will always be an advocate for liability insurance coverage and an advocate for having the Authority named as an additional insured on the policy.

The Authority discussed the two options.

Sandy Snow stated she and Ms. Nixon recommend Option 1.

Authority Member Kirkman stated, when he talked to Jerry Belton, he indicated that he felt like most people were requesting Option 2.

Ms. Nixon stated she had discussed with the Belton's and Jerry leaned toward Option 2, but Carolyn was telling Ms. Nixon that the trend was going towards Option 1.

Attorney Williams stated Option 1 would provide some additional protection for the Authority should an incident occur.

There was discussion regarding a past lawsuit and the liability insurance.

Authority Member Tucker stated he feels the County would be less liable with Option 1.

Attorney Williams stated the Airport Rules authorize the Authority to mandate coverage with whatever limits they think are appropriate from time to time. The lease would need to include language mandating that, as a term of the lease, there is a minimum of \$1M general liability, and the Authority is

named as an additional insured, so they will receive notice and provide proof of insurance.

Upon motion of Authority Member Phillips, seconded by Authority Member Tucker, the Board voted unanimously to approve Option 1 as presented, with a required \$1M liability coverage in the lease agreements.

Sandy Snow stated that she received notification that the insurance for 340 Holly Avenue is being cancelled due to a problem with the roof. There are missing shingles. To keep the policy enforced, we need a letter from a roofer, by October 4, 2017, stating the roof will be repaired in thirty-days. Ms. Snow stated that Mr. Spane had discussed a potential metal roof for the house. Ms. Snow stated it is a simple roof line.

Chairman Authority Member Harris stated he is not for a metal roof and would go for a shingle roof.

The Board discussed getting quotes on a metal and shingle roof.

Sarah Bowen stated there will need to be three quotes for a metal roof and three quotes for a shingle roof.

Ms. Snow stated she needs to get a letter to the insurance company by October 4, 2007 authorizing staff to get quotes and work with a roofer.

Upon motion of Authority Member Golding, seconded by Authority Member Kirkman, the Board voted unanimously to approve staff to work on getting the roof replaced at 340 Holly Avenue.

Rhonda Nixon discussed replacement coverage on rental houses. If something happens to the houses and they are not going to be built back, the Authority would just need general liability on the rental houses, which would be cheaper, and there would be no replacement provision.

Ms. Nixon will bring estimates to the next meeting.

Rhonda Nixon addressed the Authority regrading an invoice from Sowers Construction Company for late fees in the amount of \$15,641.96 from past pay applications being late. The contract

states the Authority will pay within thirty days after receiving the approved pay application and that did not always happen. Ms. Nixon is not sure how they calculated the days and figures.

Mr. Kirby stated the contract does say, which is standard in every project, that the contractor will be paid within thirty days of an approved pay request. Mr. Kirby does not know what dates that Sowers Construction is using. The contractor sent the pay request to Parrish and Partners and sometimes there are things missing in the pay request, and they go back to the contractor, and the contractor modifies the pay request. It is not until the engineer gets a complete request that the process begins. Once the engineer received the pay request, it was sent to the former Airport Authority Chairman and Treasurer, with a recommendation for payment from the engineer, and that is when the clock starts for the thirty days. Mr. Kirby does not know when they actually got paid. Mr. Kirby is not sure how Sowers Construction came up with the total, and the engineer is going back into their records and determining the date that documents were received and passed to the Airport Authority for recommended payment. Mr. Kirby is researching the information.

Ms. Nixon will follow up with Sowers Construction, and let them know that the Authority needs supporting documents, and until we can all agree on the issue, that the additional late payment will not be applied.

Sarah Bowen addressed the Board regarding the following Capital Project:

MOUNT AIRY SURRY COUNTY AIRPORT AUTHORITY
CAPITAL PROJECT ORDINANCE

RW & TW EXTENSION

BE IT ORDAINED by the Board of Commissioners of the County of Surry that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, this capital project ordinance is hereby adopted.

Section 1: The project authorized by this ordinance is the extension, strengthening, and repaving of the runway at the Mount Airy Surry County Airport.

Section 2: The officers of this governmental unit are hereby directed to proceed with this capital project

within the guidelines set by the budget contained herein.

Section 3: The following revenues are anticipated to be available to complete this project and are hereby appropriated or referenced by prior appropriation.

Unencumbered Balance	\$ 490,499
NC DOT Grant	<u>4,414,496</u>
 Total Revenues	 \$4,904,995

Section 4: The following amounts are available for expenditures for the project:

Professional Services -	
Engineering	\$ 407,572
Project Construction	4,491,135
Contracted Services	<u>\$ 6,288</u>
 Total Appropriation	 \$4,904,995

Section 5: The Finance Officer is directed to report quarterly to the Mount Airy Surry County Airport Authority on the financial status of this project.

Section 6: The Budget Officer is directed to include an analysis of past and future costs and revenues for this capital project in each annual budget submitted to the Mount Airy Surry County Airport Authority for as long as this ordinance shall remain in effect.

Section 7: Any unexpended funds appropriated shall be reserved by the Grantor and the Board of Commissioners for use as provided by applicable law or regulation.

Section 8: Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Upon motion of Authority Member Tucker, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve the Capital Project Ordinance as presented.

Sarah Bowen presented budget amendment no. 3.

Upon motion of Authority Member Tucker, seconded by Authority Member Golding, the Board voted unanimously to approve budget amendment no. 3 as follows:

The Mount Airy-Surry County Airport Authority approved an amendment to the Multi-Year Capital Project Ordinance at their meeting on September 18, 2017.

ACCOUNT			PREVIOUS	REVISED
<u>AIRPORT CAPITAL PROJECT FUND</u>				
<u>EXPENDITURES</u>				
<u>RW & TW EXTENSION (NEW)</u>				
99754988	51720	Contracted Services (NEW)	0	6,288
		Professional Services-		
99754988	51560	Engineering (NEW)	0	407,572
99754988	51640	Project Construction (NEW)	0	4,491,135
		Increase departmental total.	0	4,904,995
 <u>REVENUES</u>				
99744988	43388	NC DOT Grant (NEW)	0	4,414,496
99744988	49900	Unencumbered Balance (NEW)	0	490,499
		Increase fund totals	300,000	5,204,995

Sarah Bowen presented a financial update for airport operations and the runway expansion.

Sarah Bowen addressed the Authority regarding a request from the renters at 219 Airport Road. The renters gave a thirty-day notice that they are leaving the property. The renters want the \$300 pet deposit and \$600 security deposit returned. The renters want the security deposit returned due to basement flooding, mold growing and the hot water heater not working properly after the flooding. The renters want the pet deposit returned due to the animal being a service animal.

The Authority discussed the refund requests.

Upon motion of Authority Member Chairman Harris, seconded by Authority Member Phillips, the Board voted to refund the tenants the security deposit.

Ayes: Authority Member Chairman Harris, Authority Member Phillips, Authority Member Johnson, Authority Member Dr. Jackson and Authority Member Kirkman

Nays: Authority Member Tucker and Authority Member Golding

Dennis Jones asked what action should the FBO take if the house is trashed once the renters are moved out.

Upon motion of Authority Member Chairman Harris, seconded by Authority Member Tucker, the Board voted unanimously that the return of the security deposit, that was previously approved, be contingent upon the FBO reviewing the condition of the interior of the house, and upon approval of the FBO seeing that the house is in the same condition when the renters occupied the house before the security deposit is returned.

Sarah Bowen addressed the Board regarding the renter at 282 Holly Avenue. The \$800 monthly rent has not been paid in August and September. The FBO has reached out several times to the renter.

The Authority discussed the rental payment.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Board voted unanimously to begin the eviction process, contingent upon ten days expiring, and the rent not being received.

Sarah Bowen reminded the Authority that the runway will be open as projected; a letter will be mailed stating that tenants will get 25% off hangar rent for the month of October.

Authority Member Kirkman stated the Authority has hired Richard Lowe to clean up the south end of the runway with a long arm bush hog. The cost was approximately \$1,500.

Upon motion by Authority Member Kirkman, seconded by Authority Member Tucker, the Board voted unanimously to allocate up to \$1,500 for long arm mowing to be completed by Richard Lowe.

The Authority discussed a need to spray along the fence.

Mr. Knopf asked if the Board would be okay to utilize the Parks and Recreation staff to complete the spraying.

Authority Member Chairman Harris recommended they spray with Remedy which will not kill the grass.

Authority Member Tucker stated spraying is time sensitive.

Upon motion of Authority Member Chairman Harris, seconded by Authority Member Kirkman, the Board voted to allow Surry County Parks and Recreation staff to investigate the possibility of herbicide treatment at the airport, with safety training from the FBO regarding being on airport property.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

Flowage fees from Ra-Tech Aviation for August, 2017 were as follows: Avgas sales 2,794.3 gallons, Jet-A Sales 2,987.4 gallons. A check for \$578.17 was deposited to cover the fees.

Maintenance Items:

- Mowing was completed per contract for the month of August.
 - Tree was taken down at the Holly Springs Road rental property at a cost of \$1,600.
 - Mowed the lawn at 310 Holly Avenue four times.
 - Listed 310 Holly Avenue for rent.
 - Installed pool rules at 342 Sage Lane.
-

Upon motion of Authority Member Tucker, seconded by Authority Member Johnson, the Board voted unanimously to go into closed session to discuss personnel pursuant to G.S. 143-318.11(a)(3).

The Airport Authority came out of closed session and resumed regular business.

Upon motion of Authority Member Chairman Harris, seconded by Authority Member Golding, the Board voted unanimously to not renew the Hangar Lease Agreement between the Mount Airy-Surry

County Airport Authority and Dennis Dwain Angel and Wyatt Dwain Angel, and to give these tenants a seven-day notice on September 30, 2017 to vacate the hangar, and to remove Dennis Angel from the Airport Waiting List.

Airport Authority Member Harris asked for a motion to adjourn.

Upon motion of Airport Authority Member Tucker, seconded by Authority Member Kirkman, the Authority voted unanimously to adjourn. The meeting ended at 9:30 p.m.

Eddie Harris
Airport Authority Chairman

Conchita Atkins
Secretary to the Board

Mount Airy/Surry County Airport Authority
Meeting of November 14, 2017

The Mount Airy/Surry County Airport Authority met on November 14, 2017 for an Airport Authority Meeting. The meeting was held at the Surry County Government Center, Room 335, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, R.F. "Buck" Golding, Larry Phillips, Larry Johnson, Nolan Kirkman and Dr. Thomas Jackson.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Dennis Jones, RA-Tech
John Spane, RA-Tech
Tim Gruebel, Parrish and Partners

Airport Authority Chairman Harris called the meeting to order and welcomed everyone.

Airport Authority Chairman Harris asked for approval of the September 26, 2017 minutes of the meeting.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Board voted unanimously to approve the September 26, 2017 minutes.

Rhonda Nixon, Internal Auditor, stated she had incorrectly stated, on page 51 of the minutes, that the hangar deposit was \$150, but the correct total is \$250.

Tim Gruebel, Parrish and Parnters, updated the Board on the runway extension project. Mr. Gruebel stated that the paving and marking is complete and everything came out beautiful as far as the runway, taxiway and apron. The lighting system took a little longer than expected. The contractor is forming pads for

signage. They will be installed and operational in the next few weeks.

Mr. Gruebel stated they are currently performing an analysis on trees on the airport approach on the north end. Currently the trees are not obstructing the approach as of now, but this is based on the former runway length. While work is ongoing a preliminary review indicates that some land ought to be cleared north of the runway. Mr. Gruebel has asked Carl Rose and Sons to give a price quote for land clearing by the acre. Mr. Gruebel stated there is enough money in the budget to address the clearing. Originally, it would have been done under the Sowers Construction contract, however, the 18b survey took longer than expected. The Board has the option to use either contractor for the work. It is going to be approximately seven acres cleared.

Authority Member Kirkman asked if the trees would be cut and grubbing stumps.

Mr. Gruebel stated it is just to cut the trees.

The Authority discussed the location of the trees.

Authority Member Kirkman stated there is value to the trees. Authority Member Kirkman recommended getting a timber contractor to provide an estimate.

Mr. Gruebel stated the trees need to be removed by the time the FAA flies the new airport and approaches, which will be within a couple of months.

Mr. Gruebel will bring recommendations to the December meeting.

Mr. Gruebel stated there has been some preliminary discussion with the Division of Aviation regarding unspent funds on the Holly Springs Road contract. The project came in under budget. The Division of Aviation has verbally agreed to allow the remainder of the Holly Springs Road funds to be used to finish relighting the taxiway by putting in LED lights. The light system has already been designed. It could be a change order in the current contract.

The Authority discussed the existing electrical sub-contractor.

Mr. Gruebel will update the Authority on the project at the December meeting.

Mr. Gruebel stated there is 1400 feet of taxiway which was extended to match the runway that will utilize LED lights. The remaining 4300 feet to the south has incandescent lights which are close to the end of their life. The cables are buried there, and you cannot count on that to last more than 20 years. The Division of Aviation wants to do what they can for preventive maintenance and savings on electrical billing.

There was discussion of incandescent lights and LED lights.

Mr. Gruebel stated the remaining Road Relocation funds could be added to this project.

Sarah Bowen, Finance Officer, gave the Authority a financial update through October 2017 on airport operations and capital projects.

Sarah Bowen, Finance Officer, discussed a pet security deposit refund for 219 Airport Road. Ms. Bowen had received a letter from Blue Ridge Health stating that the former tenant has a service animal. The deposit is \$300.

Authority Member Chairman Harris made a motion to refund the pet deposit. The motion died for lack of a second.

Sarah Bowen, Finance Officer, stated that Finance received an invoice from Mr. Hooker for mowing a parcel the Authority owns in Pilot Mountain for a beacon.

Authority Member Kirkman stated there is a beacon that is approximately 1 acre off Warthog Lane. Mr. Hooker mows the property four or five times per year for \$150 per year. Authority Member Kirkman stated the beacon is out of service. Authority Member Kirkman stated he would be in favor of disposing of the property. The airport has no use for the property. The Authority would have to go through the proper channels to sell the property. Authority Member Kirkman stated that Parrish and Partners will need to review due to the property being purchased twenty-five years ago.

Mr. Gruebel stated, if surplus, the Authority would need to get fair market value and approval from the Division of Aviation.

Upon motion of Authority Member Golding, seconded by Airport Authority Member Dr. Jackson, the Authority voted unanimously to surplus the property off Warthog Lane with the intent to dispose of the property, contingent upon Division of Aviation authorization.

Authority Member Johnson addressed the Authority regarding plans for the 219 Airport Road rental property.

Mr. Knopf stated there is a counter-offer to purchase through the Economic Development Partnership. The Authority had decided not to engage the offer last month when submitted by Attorney Hugh Campbell. Eagle Carports went through the Economic Development Partnership and presented two master plans for new manufacturing facilities. A rezoning will come before the Board of County Commissioners at their November 20, 2017 meeting for some properties Eagle Carports own to the south of 219 Airport Road. 219 Airport Road is needed for their expansion plans. Eagle Carports is trying to acquire some property from Mrs. Love to the north of 219 Airport Road. Eagle Carports would like for the Airport Authority to dispose of 219 Airport Road, and they would grant an easement to the Airport Authority either on the north or south end of this property where they will locate a metal fabrication facility.

Mr. Knopf stated that he and Airport Authority Member Golding had toured the property located at 219 Airport Road and stated there is a root from a tree growing into the foundation of the basement which floods the basement. Mr. Knopf also stated there are no fire alarms in the house. Mr. Knopf stated there are some outbuildings that should be addressed before the house is rented. Mr. Knopf wanted to let the Authority review the offer from Eagle Carports first.

Ra-Tech has someone interested in renting the house.

Authority Member Kirkman stated the south portion of the property has a weather station located thirty-feet from the property line. The station must be buffered with an undeveloped area, which extends onto Eagle Carports property acquired from the Haymores, who were the previous owners. If something is

built in this area, the Authority will have to relocate the weather station.

Authority Member Kirkman stated the Authority will need to protect the weather station and the area around it.

Mr. Knopf stated it could take a long time to sell property that was purchased with funds from the Division of Aviation.

Mr. Gruebel will bring a map and information to the December Authority meeting for continued discussion.

Rhonda Nixon, Internal Auditor, discussed the Sowers Construction invoice for \$14,397.28 in late fees on the site preparation project. Ms. Nixon stated the Authority can consider paying the invoice. Ms. Nixon discussed the contract not being preaudited by the former Authority Board which is a major problem. Ms. Nixon discussed the preaudit process. Ms. Nixon stated the contract would not be enforceable since it was not preaudited.

Authority Member Tucker stated there have been a number of issues with Sowers Construction and the Bannertown Fire Department. He wants these issues to be addressed separately. There was a lapse in time from the time Sowers Construction billed until they received payment. Authority Member Tucker stated he is willing to pay Sowers Construction what they are due because he feels that is the right thing to do.

Authority Member Kirkman discussed the funds allocated to the Authority, when the funds were released by the Board of County Commissioners to the former Authority Board, and how the funds were utilized. Authority Member Kirkman also discussed when the invoices were received and paid. Authority Member Kirkman stated if the first invoice had been paid and all proper paper work was submitted to the Division of Aviation, the Division had enough backup to pay the invoices. If the former Authority Board had the seed money in the beginning, the former Authority could have kept Sowers Construction from being in arrears.

Authority Member Phillips stated the County was getting bills with no explanation. Authority Member Phillips stated Mr. Sowers should be paid what he is owed.

Authority Member Dr. Jackson stated he feels it was a failure of communication between the Board of County Commissioners and the former Authority Board. Authority Member Dr. Jackson stated that Sowers Construction needs to be paid.

Upon motion of Authority Member Kirkman, seconded by Authority Member Tucker, the Board voted to pay the invoice in the amount of \$14,397.28.

Mr. Gruebel stated since there are funds established for the clearing of trees, would it be worth talking to Sowers Construction and see if he would waive the late fees for clearing work and be entitled an additional mobilization of fees to get his resources on site if he were to be selected for the clearing project.

Authority Member Phillips does not want to do anything to hurt the brand of the airport. There is value in the airport. Authority Member Phillips wants to see what the airport can contribute.

A vote was taken.

Ayes: Authority Chairman Harris, Authority Member Tucker, Authority Member Phillips, Authority Member Johnson, Authority Member Kirkman and Authority Member Dr. Jackson.

Nay: Authority Member Golding

The Airport Authority Board continued to discuss the Eagle Carport requests and future planning for the airport.

It was the consensus of the Authority to discuss at the December meeting.

Rhonda Nixon, Internal Auditor, presented the Authority with a notebook of rules and regulations and hangar policy for review. The rules and regulations and hangar policy will be discussed at the December meeting.

Rhonda Nixon, Internal Auditor, discussed rental property coverage. Ms. Nixon discussed obtaining liability only coverage for rental properties (except Sage Lane) instead of carrying a landlord type policy with replacement coverage with Pruitt

Insurance Agency. Ms. Nixon discussed the cost to cover five rental properties located on Holly Springs Road, Airport Road and Holly Avenue. The coverage would be for liability only. The total cost is \$205.00 annually. The cost is less than what is currently paid for one rental property annually. Ms. Nixon stated it can all be rolled into one policy. There would be no replacement costs.

The Authority discussed selling 647 Holly Springs Church Road in the future.

It was the consensus of the Board for Ms. Nixon to get a new quote from Pruitt Insurance Agency for liability insurance only, excluding the 647 Holly Springs Church Road property and bring to the December Authority meeting.

Rhonda Nixon, Internal Auditor, discussed general liability renewal coverage for the airport. The renewal time is for December. Ms. Nixon discussed different options from Belton Aviation and Surry Insurance. Currently the insurance is with Belton Aviation for \$5,000,000. Ms. Nixon discussed additional coverage and quotes. Ms. Nixon discussed examples of negligence.

The Authority discussed optional terrorism coverage.

Upon motion of Authority Member Golding, seconded by Authority Member Kirkman, the Authority voted to renew general liability insurance with Surry Insurance in the amount of \$30,000,000 for a premium of \$4,439.

Chris Knopf, County Manager, addressed the Authority regarding Section 2.5 of the FBO Agreement between Ra-Tech Aviation and the Airport Authority. Staff gave Ra-Tech Aviation a 30-day notice on October 23, 2017 to vacate Hanger #21 since a corporate tenant has been identified. Shelton Vineyards, Incorporated signed a one-year lease at a lease rate of \$1,500 per month. Shelton Vineyards, Incorporated will move a corporate plane into Hanger #21 in November.

Chris Knopf, County Manager, discussed the Facility Condition Assessment for the airport. The assessment will cover existing conditions, site conditions, structural frame and building envelope, curtain walls, roofing, plumbing, heating,

ventilation, electrical, life safety, fire protection code items, ADA and environmental matters. Mr. Knopf discussed a proposal from EMG. Mr. Knopf stated the information will be helpful going forward in managing ongoing maintenance as well as assisting with future budgeting needs.

Chris Knopf, County Manager, updated the Board on the Angel hangar. Mr. Angel's plane has been removed from the hangar for some time. Mr. Angel left personnel property in the hangar. The summary ejection procedure will begin Friday, November 17, 2017.

Chris Knopf stated that Ra-Tech moved their tenants out of hangar #21, and they did not collect the November rent. Mr. Knopf stated that per the FBO Agreement, Ra-Tech Aviation's monthly fee will increase from \$6,400 per month to \$7,000 per month to offset their loss of rental income from subleasing Hangar #21. Mr. Knopf asked the Authority if they want to waive payment from Ra-Tech to the County for the month of November.

Upon motion of Authority Member Tucker, seconded by Authority Member Kirkman, the Authority voted unanimously to waive payment for Ra-Tech for the November rent.

Chris Knopf, County Manager, addressed the Authority regarding Ra-Tech Aviation requesting to discuss Section 3 of the FBO Agreement. The agreement has a five-year term that will expire on December 31, 2018. Section 3.2 of the contract allows both parties to extend the contract for not more than one additional two-year term under such terms as the parties may agree, provided that under no circumstances shall the agreement terminate later than December 31, 2020.

The Authority discussed Ra-Tech's service to date.

Upon motion of Authority Member Dr. Jackson, seconded by Authority Member Tucker, the Authority voted unanimously to extend the Fixed Based Operator agreement with Ra-Tech Aviation until December 31, 2020.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

- Flowage fees from Ra-Tech Aviation for September 2017 were as follows: Avgas sales 378.8 gallons, Jet-A Sales 356.6 gallons. A check for \$73.54 was deposited to cover the fees.
- Flowage fees from Ra-Tech Aviation for October 2017 were as follows: Avgas sales 1,172.6 gallons, Jet-A Sales 120.0 gallons. A check for \$129.26 was deposited to cover the fees.

Maintenance Items:

- Mowing was completed per contract for the month of September and October 2017.
- Mowing was completed on the North end of the runway now that the runway is active.
- Mowed lawn at rental property 31 Holly Avenue in September and October.
- Mowed lawn at rental property 282 Holly Avenue in September and October.
- Mowed lawn at rental property 219 Airport Road in September and October.
- House at 219 Airport Road has been rented effective November 1, 2017.
- Replaced keypad at the North gate with a wired keypad instead of wireless keypad.
- Painted picnic shed and post around the airport.
- Mark O'Neal has sold his plane and vacated hangar #7. The hangar is not available to rent. Mr. Knopf stated the Authority will address after review of the hangar policy.
- Mr. Jones asked the Authority about renovation at 282 Holly Avenue rental property. It has been vacant for two months. There is someone wanting to rent the house. There is need for some repairs to the property.

Sandy Snow stated the carpet needs to be replaced, painting and receptacle work.

Rhonda Nixon stated the insurance company recommended the property have hardware with a battery back-up smoke detector.

Upon motion of Authority Member Johnson, seconded by

Authority Member Tucker, the Authority voted to allocate up to \$5,000 to renovate the property at 282 Holly Avenue.

There was discussion regarding obtaining three quotes for the work on 282 Holly Avenue due to the County's Financial Policy.

Mr. Jones discussed the Storm Waste Water Treatment Plan (SWWTP) that Ra-Tech completes quarterly. Mr. Jones stated Ra-Tech reviews the streams and ground-water around the airport. Mr. Jones stated that they did not complete the form due to the landscape change. Mr. Jones discussed obtaining a new map from Parrish and Partners.

Mr. Gruebel stated that at the current time it does not appear that an update is needed, but Parrish and Partners are reviewing the issue.

Mr. Jones and Mr. Spane discussed the change in the drain points.

Mr. Gruebel stated the drain points at the airport have not changed.

Mr. Spane discussed the drain points on the north end.

Mr. Gruebel stated the drainage basin were not changed.

Mr. Spane stated the drainage has always went back to the south end.

Authority Chairman Harris asked Ra-Tech and Parrish and Partners to work out the drain points.

Authority Member Kirkman stated he wanted to make sure that the Authority meetings are being advertised correctly.

Chris Knopf stated the Authority has been following the Special Meeting statues which is a 48-hour notice. Mr. Knopf stated at the December meeting, he will bring a meeting calendar for 2018.

Airport Authority Member Harris asked for a motion to adjourn.

Upon motion of Airport Authority Member Golding, seconded by Authority Member Kirkman, the Authority voted unanimously to adjourn. The meeting ended at 6:35 p.m.

Eddie Harris
Airport Authority Chairman

Conchita Atkins
Secretary to the Board

Mount Airy/Surry County Airport Authority
Meeting of December 12, 2017

The Mount Airy/Surry County Airport Authority met on December 12, 2017 for an Airport Authority Meeting. The meeting was held at the Surry County Government Center, Room 335, Dobson, North Carolina.

Authority members present for the meeting were Authority Chairman Eddie Harris, Vice-Chairman Van Tucker, R.F. "Buck" Golding, Larry Phillips, Larry Johnson, Nolan Kirkman and Dr. Thomas Jackson.

Others present for the meeting, at various times, were:
Chris Knopf, County Manager
Conchita Atkins, Secretary to the Board
Sandy Snow, Assistant County Manager
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Attorney Jay Williams
Dennis Jones, RA-Tech
John Spane, RA-Tech
Tim Gruebel, Parrish and Partners
Bannertown Fire Department Members
Todd Tucker, Economic Development Partnership President
Citizens

Airport Authority Chairman Harris called the meeting to order and welcomed everyone.

Airport Authority Chairman Harris asked for approval of the November 14, 2017 minutes of the meeting.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Authority voted unanimously to approve the November 14, 2017 minutes.

Authority Member Phillips discussed a certified flight school. Authority Member Phillips stated he wanted to make the airport a place for job creation. Authority Member Phillips stated that Liberty University has a school of Aeronautics. Authority Member Phillips distributed information regarding the program at Liberty University. Authority Member Phillips stated he sees Aeronautics becoming a career path for people that are

looking for jobs in aviation. This would be an effective use of the airport. Authority Member Phillips discussed a Flight Training Program at Liberty University. It is possible that students can come out of high school and enroll to the flight school on-line and graduate with a BS in aeronautics. Authority Member Phillips discussed Surry County's wage comparison compared to other counties in the region. Surry County continues to be a low pay, low wage county. Liberty University has a training program for students, so when they graduate, they will connect the student with regional airlines.

Todd Tucker, Economic Development Partnership, stated that Liberty University has been providing the course for over fifteen years. The university would come in to the airport and train students to get a two-year degree in aviation. This is a pathway that students can take to get a two-year degree from a four-year university. This will give Surry County another career path.

The Authority watched a video from Liberty University regarding an aviation school.

Airport Authority Member Phillips stated there are no flight schools in North Carolina. Mount Airy/Surry County Airport could become a job creator.

Upon motion of Authority Member Dr. Jackson, seconded by Authority Member Phillips, the Board voted unanimously to direct the FBO to explore the flight school and how much investment the airport would need to make to become involved with Liberty University and the 141 Certified Flight School.

Airport Authority Member Phillips left the meeting at 6:30 p.m. due to illness.

Tim Gruebel, Parrish and Partners, discussed the tree clearing at Sage Lane. Mr. Gruebel stated that someone has been located to cut the timber for free and will perform as a subcontractor with Carl Rose and Sons Paving. There would be a change order to Carl Rose and Sons contract which would be a 0-net change order and add a \$2,000 administration fee because Carl Rose would have to cover the company under their insurance. Mr. Gruebel stated that some of the trees that need to be cut are on the Cooke property, but the Authority has an avigation easement to clear the trees. The lines will need to be surveyed. Mr. Gruebel presented a map for the Authority to

review and discussed the clearing. Mr. Gruebel stated it is approximately 10-acres that needs clearing.

Authority Member Harris asked why not engage a timber company to remove the trees because we own the property fee simple. Authority Member Harris stated it would be good to receive some funds from the tree removal.

Mr. Gruebel stated there is an open construction contract with Carol Rose and Sons. Mr. Gruebel stated they did engage timber companies, but most were not interested or some stated it could be 6-8 months before they could cut the trees. The issue is that the FAA will come in January to fly the approaches and the trees need to be removed before the approach flight is complete. If the trees are not removed, the FAA could displace the thresholds and the Authority could lose the extension. Time is of the essence.

Authority Member Harris stated that letting someone have the trees free is a sweetheart deal. Most local cutters will remove timber on a 50/50 basis.

The Authority discussed concerns regarding timber cutters going in and out of the Sage Lane driveway.

The Authority discussed liability insurance, bonding, workers' compensation insurance and a timeline to get the tree cut.

Upon motion of Authority Member Harris, seconded by Authority Member Golding, the Authority voted unanimously to direct County staff to work with Parrish and Partners and the FBO to dispose of the marketable timber on Sage Lane with the individual having adequate insurance and minimal damage to the Sage Lane yard and driveway. Allow the County Manager to sign the appropriate agreement, as recommended by Parrish and Partners, if unsuccessful in finding an individual to cut the timber.

Tim Gruebel, Parrish and Partners, discussed 182 Warthog Lane and the request to dispose of the property. There is a deactivated beacon on the property. The North Carolina Department of Transportation is processing the request to see if the property can be sold by the Authority.

Tim Gruebel, Parrish and Partners, discussed the Holly Springs grant closeout. Mr. Gruebel has received notice of award from the State that \$135,000 of State funds and \$15,000 local funds can be used for new LED lights along the taxiway. Mr. Grueble stated the State has federal funds that need to be spent quickly and the Mount Airy/Surry County Airport is only one of two in the State that has an on-going construction project that can be funded.

Mr. Gruebel discussed the electrical subcontractor working under Carl Rose and Sons. The Authority discussed the original lightning agreement and changes.

Sarah Bowen stated there will be \$15,000 in the Airport Authority budget to fund the request.

Upon motion of Authority Member Golding, seconded by Authority Member Kirkman, the Board voted unanimously to commit to the local match funds of \$15,000 for new lighting.

Authority Member Kirkman asked Mr. Grueble to discussed the status of Sage Lane and the 20 to 1 and 34 to 1 approach and height of the house.

Mr. Gruebel stated when the study was completed, the way the house sits is a 35 to 1 approach. It is close to being an obstruction, but is currently not an issue.

Authority Member Dr. Jackson stated that Sage Lane has always been a problem and may need to be removed in the future.

Tim Gruebel, Parrish and Partners, presented a map for property located at 219 Airport Road and an access road that will tie into a road that is planned to go along the western boundaries of the airport property.

Authority Member Kirkman stated the Authority Authority was presented a scenario at the last meeting from Eagle Carports to purchase the property.

Mr. Gruebel stated the intent was just to show how much land would be required for an easement in that location. It is not proposing to place a road there. 219 Airport Road was purchased with federal funds and is federally obligated.

Disposing of the property will be very difficult. The FAA would probably not approve selling the land.

The Authority discussed leasing the remainder of the property at fair market value or a land swap.

The Authority discussed the Love property and the property owner not wishing to dispose of their property.

Mr. Gruebel stated this will affect the layout of the land and the AWOS. Mr. Gruebel stated moving the AWOS is not feasible; it is in the ideal location currently.

Todd Tucker stated that Eagle Carports told him that they were in negotiations to purchase a portion of the Love property. Eagle Carports also needs the strip of land owned by the Airport Authority. Eagle Carports will be constructing two facilities in the area, but they cannot build one building without the Airport Authority's land and a portion of the Love property.

Mr. Gruebel discussed the County's height overlay zoning. A building could not be taller than 15 feet near the AWOS.

Chris Knopf stated the County could possibly amend the Zoning Ordinance in the Airport Overlay District for the Mount Airy/Surry County Airport to restrict development within the AWOS area. The Authority would not own the property, but would control the development of the property through the zoning ordinance.

It was the consensus of the Authority for the County Manager to bring a recommendation to the January 25, 2018 meeting.

Tim Gruebel, Parrish and Partners, addressed the Authority regarding the \$6 million dollar STI project which is 100% funded with no local match. The DOA wants to know if the Authority would like to move the Project from 2023 to potentially 2018 for design and 2019 for construction.

Upon motion of Authority Member Dr. Jackson, seconded by Authority Member Kirkman, the Authority voted to accept the STI funding at an earlier date.

Rondale Ratcliff, Bannertown Volunteer Fire Department, addressed the Authority regarding services that can be provided to the airport by the fire department.

Scottie Chilton, Bannertown Volunteer Fire Department Fire Chief, discussed gate access through the Insteel entrance and potential issues if the fire department enters through the Insteel gate. Mr. Chilton feels the best and safest plan is to enter through the Insteel gate which is directly across from the fire department.

Mr. Ratcliff discussed training of the fire fighters.

The Authority discussed an Emergency Response Plan that is being developed by Emergency Services and the fire department being a part of the plan. Mr. Knopf stated Emergency Services is setting a date for all organizations involved in the plan to meet.

Mr. Ratcliff discussed the potential purchase of the parcel on which the fire department is located. The fire department currently has a 30-year lease. The fire department had rather purchase the property than to lease.

Mr. Gruebel stated the sale of the property would have to abide by the North Carolina Department of Transportation's policies. The property was purchased with State funds.

It was the consensus to readdress at the January 25, 2018 meeting.

The Authority took a ten-minute recess.

The Authority resumed regular business.

Authority Member Kirkman discussed leasing an open hangar on a month to month basis.

Upon motion of Authority Member Kirkman, seconded by Authority Member Dr. Jackson, the Authority voted unanimously for the FBO to do a month to month lease for hangar #7 until a lease is formalized.

Sarah Bowen, Finance Officer, gave the Authority a financial update through December 2017 on airport operations and capital projects. Ms. Bowen also discussed the Audit Reports. The audit has been finalized.

Rhonda Nixon, Internal Auditor, addressed the Authority regarding rental property coverage and replacement costs. Ms. Nixon stated she had went back to Pruitt Insurance and they did not change the premiums. The coverage is for liability only, which would cost \$205 and would cover seven houses. This does not include Sage Lane property which is a separate policy. Ms. Nixon discussed the premium totals and coverage details.

Authority Member Kirkman discussed keeping full coverage on 647 Holly Springs Road.

It was the consensus to leave the coverage as is.

Rhonda Nixon, Internal Auditor, discussed the Rules and Regulations and Hangar Policies and potential changes.

Authority Member Kirkman suggested, before the Rules and Regulations and Hangar policies are adopted, they be posted at the airport for public comments.

It was the consensus of the Authority to review at the January 25, 2018 meeting, post for public comment and approve at the February meeting.

Authority Kirkman discussed the FBO painting the compass rose on the ramp in front of the large hangars.

Upon motion of Authority Member Kirkman, seconded by Authority Member Golding, the Board voted unanimously for the FBO to paint the compass rose.

Chris Knopf, County Manager, presented a proposed Airport Authority 2018 meeting schedule.

January 25, 2018
March 22, 2018
May 24, 2018
July 26, 2018

September 27, 2018

November 2018 (date to be determined)

Authority Member Kirkman stated at some point he would like for some of the meetings be held at the airport.

Upon motion of Authority Member Golding, seconded by Authority Member Kirkman, the Board voted unanimously to amend the meeting calendar to hold a meeting in February and hold the meetings every other month at the airport starting March 22, 2018.

Authority Member Harris addressed the house at 219 Airport Road. Authority Member Harris asked if the property could be traded for other property. Mr. Gruebel stated if it was for other land identified to the FAA, that was a needed to trade.

The Authority discussed leasing the property.

The Authority discussed the outbuildings at 219 Airport Road and allowing the Public Works Department to demolish the outbuildings. Authority Member Kirkman also asked that the old barns be demolished at 647 Holly Springs Road. The Public Works Department will work with the FBO on the project.

The FBO will do a six-month lease at the 219 Airport Road property.

Dennis Jones and John Spane, RA-Tech Aviation, updated the Authority on the following:

Operations:

- Flowage fees from Ra-Tech Aviation for November 2017 were as follows: Avgas sales 1,657.1 gallons, Jet-A sales 1,281.3 gallons. A check for \$293.84 has been paid to cover these fees.
- An incident involving an aircraft at the North end of the Airport. No injuries were reported.

Maintenance Items:

- Mowed lawn at rental property 282 Holly Avenue.
- Mowed lawn at rental property 219 Airport Road.
- Mowed Spencer Hangar, Renfro Hangar, Insteel Hangar twice in November.

- Received three bids for new flooring at 282 Holly Avenue rental house. Waiting on three bids from painters.

Safety Operations:

- Working on an Emergency Plan for airport with Emergency Services.
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Airport Authority Member Harris asked for a motion to adjourn.

Upon motion of Airport Authority Member Kirkman, seconded by Airport Authority Member Johnson, the Authority voted unanimously to adjourn. The meeting ended at 8:15 p.m.

Eddie Harris
Airport Authority Chairman

Conchita Atkins
Secretary to the Board