

Rutherford County Airport Authority Agenda
September 17, 2013 5:30pm

I. Call to Order

A. Pledge of Allegiance

II. Public Comments

Comments should be limited to three (3) minutes. Written comments submitted prior to the Board meeting will be copied and distributed to the Airport Authority.

III. Minutes of August 13, 2013

IV. Financial Report

V. Old Business

A. Projects: Airport Improvements

B. Projects: Maintenance and Eastern Aviation

C. Drainage Issue

VI. New Business

A. Fuel Policy

B. Building Hangar

C. Emergency Response

D. Employee Safety

E. New Employee

VII. Closed Session

A. ATTORNEY CLIENT NCGS 143-318.11(a)(3)

Adjourn

MINUTES OF THE MEETING OF THE RUTHERFORD COUNTY AIRPORT AUTHORITY HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE COUNTY COMMISSIONERS' MEETING ROOM ON AUGUST 13, 2013 AT 5:30 PM.

**PRESENT: JULIUS OWENS
WILLIAM ECKLER
EDDIE HOLLAND
GREG LOVELACE
ROGER RICHARD-ABSENT**

CALL TO ORDER/Election of Chairman and Vice Chairman

County Manager Carl Classen called the meeting to order. First action is to elect a chairman. Julius Owens nominated Bill Eckler. There was a second by Eddie Holland. The motion passed with Chairman Eckler, Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

Chairman Eckler made motion to elect a Vice Chairman. Eddie Holland nominated Greg Lovelace and Chairman Eckler second. The motion passed with Chairman Eckler, Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

PLEDGE OF ALLEGIANCE

Vice Chairman Lovelace led in the Pledge of Allegiance.

County Manager Carl Classen requested to amend the agenda and move the date and time subject to after approval of rules of procedure. Chairman Eckler made a motion to amend the agenda by moving the date and time to after approval of rules and procedure, Vice Chairman Lovelace seconded. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

Approval of Rules of Procedure & Public Comments Guidelines/ Time and Date of future meetings

County Manager Carl Classen recommended applying the same rules of procedure as the County Commissioners. He also stated that the Airport Authority already uses the same procedures as the Commissioners with the only change of inserting a new date and time of the regular meetings. He also stated that a difference between the two is applying a second to voting because the current Airport Authority rules the second is not required. County Manager is recommending applying the second for consistency to the boards. The public comments guidelines would be the same as for the

county commissioners meetings. Beth Miller stated that the Airport Authority allows public comments but does not have any guidelines at this time.

Chairman Eckler made a motion to approve the rules of procedure and the meeting procedures and Eddie Holland seconded. County Manager Carl Classen recommended to amend the date and time of future meetings along with the rules of procedure. Chairman Eckler suggested the 3rd Tuesday of each month due to a conflict on the 2nd Tuesday. Beth Miller is available for the 3rd Tuesday of each month. Chairman Eckler and Mr. Holland withdrew their motion.

Chairman Eckler made a motion to approve the rules of procedure along with the meeting procedures with the date and time of the regular meetings to the 3rd Tuesday of each month and the motion was seconded by Eddie Holland. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

PUBLIC COMMENTS

Christine De Bow Kein from Loving Care Kennels and Grooming spoke about letters and pictures that she sent to the Airport Authority about water damage to her property at 245 Airport Rd. She feels that the Airport is responsible since the water is flowing from the airport property onto her property.

Minutes/July 9, 2013

Chairman Eckler made a motion to approve the minutes of the July 9, 2013 Meeting and Julius Owens seconded. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

Projects

James Luther reported the projects have been wrapped up at the airport from funding of the west terminal, paving water line installed and security fencing. The TIP program will be coming up in the next few months. There is a mandatory meeting on Friday the 23rd about how the state is going to fund the future projects. James Luther stated that all the grant money that the airport has received in the past couple of years has been completed. There were no questions.

Fuel Sales Update

Chris Roach reported fuel sales for the month of July to be 9743.94 gallons. He also stated the fuel sales from July 2012 was 5493.05 gallons.

Other Matters

County Manager Carl Classen spoke about the transition from the board to the airport authority and the issues with the existing hangar leases being in compliance. He advised that the Airport Authority Attorney Beth Miller would be looking into the hangar leases being in compliance. The second issue is questions about authorization of commercial operations on the airport authority property and what are the rules. He stated that the airport authority needs a straight forward process to handle commercial operations on the property and the attorney can help set up these rules to help make sure everyone is in compliance. The County Manager Carl Classen also stated that this should not affect any existing businesses on the property unless they are not in compliance.

County Manager Carl Classen spoke on the drainage issue and recommended turning that over to the engineer, David Odom to give a report at the next meeting.

County Manager Carl Classen spoke on a request from the Forest City Kiwanis Club about using the airport property on Saturday, September 14th to offer free airplane rides to kids from the age of 8 to 17. The Attorney Beth Miller has drafted a motion to allow the Kiwanis Club to use the airport property but not sponsoring the event. Greg Lovelace made a motion to allow the Forest City Kiwanis Club to use the airport property to offer free rides to kids from age 8 to 17 and Eddie Holland seconded. Julius Owens asked if there was going to be a disclosure for parents to sign for each child and the Attorney Beth Miller stated that there would be a disclosure for the parents to sign. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

Hangar Transfer

Chairman Bill Eckler asked if there were any hangar transfers and the Attorney Beth Miller mentioned two hangar transfers, one for Mickey Cochran to Michael Lynch and one for Gerald Lipscomb to David Font.

Chairman Bill Eckler made a motion to give consent to transfer the lease from Mickey Cochran, hangar 3E, to Michael Lynch and that the Attorney Beth Miller would work with the attorneys and assign the documents on behalf of the board, Greg Lovelace seconded the motion. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

Chairman Bill Eckler made a motion to give consent to transfer the lease Lipscomb Aviation, LLC, Gerald Lipscomb, hangar 3E&F, to Prestige Preparatory Schools Network LLC, David Font, Eddie Holland seconded the motion. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

Julius Owens requested seeing the maps involving hangar transfers in the future. Attorney Beth Miller stated that the deeds were kept on file with the Register of Deeds.

ADJOURNMENT

Greg Lovelace moved to adjourn. Eddie Holland seconded the motion. The motion passed with Chairman Eckler, Vice Chairman Lovelace, Holland, and Owens voting aye; no Commissioner voting no; no Commissioners excused; and Commissioner Richard absent.

5:59 P.M. - Adjourned.

Chairman, Airport Authority

Vice Chairman, Airport Authority

Attest:

Secretary to the Airport Authority

RUTHERFORD COUNTY
 Airport - Revenue and Expense
 Report dates 07/01/2012 - thru - 06/30/2013

Account Number	Account Description	Amended Budget	Period Activity 06/01/2013 to 06/30/2013	Fiscal Year to Date 07/01/2012 to 06/30/2013	Encumbrances	Available Budget
10-3453-410-01-000	Airport Fuel Sales	430,000.00	-19,979.13	-358,671.97	0.00	71,328.03
10-3453-800-00-000	AIRPORT MISCELLANEOUS REVENUES	0.00	65.00	-218.25	0.00	-218.25
AIRPORT		430,000.00	-19,914.13	-358,890.22	0.00	71,109.78
10-3834-800-01-000	RENTS-AIRPORT	9,800.00	-3,372.25	-25,827.69	0.00	-16,027.69
MISCELLANEOUS REVENUE RENTS		9,800.00	-3,372.25	-25,827.69	0.00	-16,027.69
Total Revenue		439,800.00	-23,286.38	-384,717.91	0.00	55,082.09
10-4530-122-00-000	AIRPORT SALARIES OVERTIME	13,000.00	278.46	13,085.10	0.00	-85.10
10-4530-126-00-000	SALARIES PART TIME	38,278.00	3,569.06	41,676.28	0.00	-3,398.28
10-4530-181-00-000	F I C A	3,422.00	238.40	3,435.99	0.00	-13.99
10-4530-181-01-000	MEDICARE FICA	804.00	55.76	803.55	0.00	0.45
10-4530-183-00-000	AIRPORT HEALTH AND LIFE INSURANCE	0.00	0.00	0.00	0.00	0.00
10-4530-189-01-000	AIRPORT OTHER FRINGE BENEFITS	0.00	0.00	90.00	0.00	-90.00
10-4530-192-00-000	PROFESSIONAL SERVICE LEGAL	8,000.00	8,800.80	13,640.80	0.00	-5,640.80
10-4530-251-01-000	AV FUEL PURCHASES	370,750.00	26,212.32	338,678.20	0.00	32,071.80
10-4530-260-00-000	OFFICE SUPPLIES	1,400.00	22.17	1,471.19	0.00	-71.19
10-4530-260-02-000	Airport Supplies	1,386.00	41.25	1,312.53	0.00	73.47
10-4530-299-00-000	PUBLIC RELATIONS	260.00	0.00	258.67	0.00	1.33
10-4530-311-00-000	TRAVEL/EXPENSE REIMBURSEMENT	140.00	0.00	0.00	0.00	140.00
10-4530-321-00-000	TELEPHONE	2,100.00	246.59	2,008.90	0.00	91.10
10-4530-325-00-000	POSTAGE	75.00	0.00	49.90	0.00	25.10
10-4530-331-00-000	UTILITIES SEWER WATER ELECTRICITY	7,000.00	633.33	7,963.79	0.00	-963.79
10-4530-351-00-000	REPAIRS & MAINTENANCE AIRPORT	28,445.00	1,025.90	29,487.46	0.00	-1,042.46
10-4530-352-00-000	MAINTENANCE TO EQUIPMENT	7,400.00	571.50	7,870.30	0.00	-470.30
10-4530-353-00-000	MAINTENANCE TO VEHICLES	1,150.00	78.80	1,179.24	0.00	-29.24
10-4530-370-00-000	ADVERTISING	550.00	70.90	619.48	0.00	-69.48
10-4530-440-00-000	SERVICE & MAINTENANCE CONTRACTS	27,400.00	5,975.00	26,700.00	0.00	700.00
10-4530-451-00-000	Property/Operations Insurance	12,052.00	0.00	12,052.00	0.00	0.00
10-4530-452-00-000	INSURANCE-LIABILITY BOARD MEMBERS	0.00	0.00	0.00	0.00	0.00
10-4530-491-00-000	DUES & SUBSCRIPTIONS	300.00	0.00	220.00	0.00	80.00
10-4530-510-01-000	FIBER INSTALLATION	42,850.00	0.00	0.00	0.00	42,850.00
10-4530-580-01-000	Obstruction Clearing	3,665.00	0.00	0.00	0.00	3,665.00
10-4530-580-02-000	ROOF REPAIRS - HAIL DAMAGE	9,000.00	0.00	7,707.80	0.00	1,292.20
AIRPORT		579,427.00	47,820.24	510,311.18	0.00	69,115.82
Total Expense		579,427.00	47,820.24	510,311.18	0.00	69,115.82

RUTHERFORD COUNTY
 Airport - Revenue and Expense
 Report dates 07/01/2013 - thru - 07/31/2013

Account Number	Account Description	Amended Budget	Period Activity 07/01/2013 to 07/31/2013	Fiscal Year to Date 07/01/2013 to 07/31/2013	Encumbrances	Available Budget
10-3453-410-01-000	Airport Fuel Sales	350,000.00	-42,507.81	-42,507.81	0.00	307,492.19
10-3453-800-00-000	AIRPORT MISCELLANEOUS REVENUES	0.00	-37.50	-37.50	0.00	-37.50
AIRPORT		350,000.00	-42,545.31	-42,545.31	0.00	307,454.69
10-3834-800-01-000	RENTS-AIRPORT	18,400.00	-1,403.75	-1,403.75	0.00	16,996.25
MISCELLANEOUS REVENUE RENTS		18,400.00	-1,403.75	-1,403.75	0.00	16,996.25
Total Revenue		368,400.00	-43,949.06	-43,949.06	0.00	324,450.94
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10-4530-122-00-000	AIRPORT SALARIES OVERTIME	0.00	298.35	298.35	0.00	-298.35
10-4530-126-00-000	SALARIES PART TIME	50,786.00	3,770.62	3,770.62	0.00	47,015.38
10-4530-181-00-000	F I C A	3,149.00	252.12	252.12	0.00	2,896.88
10-4530-181-01-000	MEDICARE FICA	736.00	58.96	58.96	0.00	677.04
10-4530-183-00-000	AIRPORT HEALTH AND LIFE INSURANCE	0.00	0.00	0.00	0.00	0.00
10-4530-189-01-000	AIRPORT OTHER FRINGE BENEFITS	0.00	0.00	0.00	0.00	0.00
10-4530-192-00-000	PROFESSIONAL SERVICE LEGAL	9,000.00	300.00	300.00	0.00	8,700.00
10-4530-251-01-000	AV FUEL PURCHASES	300,000.00	21,246.85	21,246.85	0.00	278,753.15
10-4530-260-00-000	OFFICE SUPPLIES	1,000.00	20.96	20.96	0.00	979.04
10-4530-260-02-000	Airport Supplies	500.00	0.00	0.00	0.00	500.00
10-4530-299-00-000	PUBLIC RELATIONS	500.00	0.00	0.00	0.00	500.00
10-4530-311-00-000	TRAVEL/EXPENSE REIMBURSEMENT	300.00	0.00	0.00	0.00	300.00
10-4530-321-00-000	TELEPHONE	1,500.00	139.10	139.10	0.00	1,360.90
10-4530-325-00-000	POSTAGE	75.00	23.54	23.54	0.00	51.46
10-4530-331-00-000	UTILITIES SEWER WATER ELECTRICITY	7,000.00	700.93	700.93	0.00	6,299.07
10-4530-351-00-000	REPAIRS & MAINTENANCE AIRPORT	20,000.00	1,122.69	1,122.69	817.02	18,060.29
10-4530-352-00-000	MAINTENANCE TO EQUIPMENT	5,000.00	0.00	0.00	0.00	5,000.00
10-4530-353-00-000	MAINTENANCE TO VEHICLES	1,000.00	9.04	9.04	0.00	990.96
10-4530-370-00-000	ADVERTISING	500.00	0.00	0.00	0.00	500.00
10-4530-440-00-000	SERVICE & MAINTENANCE CONTRACTS	27,000.00	0.00	0.00	26,700.00	300.00
10-4530-451-00-000	Property/Operations Insurance	7,949.00	0.00	0.00	0.00	7,949.00
10-4530-452-00-000	INSURANCE-LIABILITY BOARD MEMBERS	2,500.00	0.00	0.00	0.00	2,500.00
10-4530-491-00-000	DUES & SUBSCRIPTIONS	300.00	98.00	98.00	0.00	202.00
AIRPORT		438,795.00	28,041.16	28,041.16	27,517.02	383,236.82
Total Expense		438,795.00	28,041.16	28,041.16	27,517.02	383,236.82
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RUTHERFORD COUNTY
 Airport - Revenue and Expense
 Report dates 07/01/2013 - thru - 08/31/2013

Account Number	Account Description	Amended Budget	Period Activity 08/01/2013 to 08/31/2013	Fiscal Year to Date 07/01/2013 to 08/31/2013	Encumbrances	Available Budget
10-3453-410-01-000	Airport Fuel Sales	350,000.00	-36,075.90	-78,583.71	0.00	271,416.29
10-3453-800-00-000	AIRPORT MISCELLANEOUS REVENUES	0.00	0.00	-37.50	0.00	-37.50
AIRPORT		350,000.00	-36,075.90	-78,621.21	0.00	271,378.79
10-3834-800-01-000	RENTS-AIRPORT	18,400.00	-1,562.80	-2,666.55	0.00	15,733.45
MISCELLANEOUS REVENUE RENTS		18,400.00	-1,562.80	-2,666.55	0.00	15,733.45
Total Revenue		368,400.00	-37,638.70	-81,287.76	0.00	287,112.24
10-4530-121-00-000	AIRPORT SALARIES REGULAR	34,568.00	0.00	0.00	0.00	34,568.00
10-4530-122-00-000	AIRPORT SALARIES OVERTIME	0.00	79.56	377.91	0.00	-377.91
10-4530-126-00-000	SALARIES PART TIME	26,540.00	3,743.26	7,513.88	0.00	19,026.12
10-4530-181-00-000	F I C A	3,789.00	236.84	488.96	0.00	3,300.04
10-4530-181-01-000	MEDICARE FICA	887.00	55.39	114.35	0.00	772.65
10-4530-182-00-000	RETIREMENT	4,276.00	0.00	0.00	0.00	4,276.00
10-4530-182-01-000	NC RETIREMENT 401K	1,123.00	0.00	0.00	0.00	1,123.00
10-4530-183-00-000	AIRPORT HEALTH AND LIFE INSURANCE	5,675.00	0.00	0.00	0.00	5,675.00
10-4530-189-01-000	AIRPORT OTHER FRINGE BENEFITS	0.00	0.00	0.00	0.00	0.00
10-4530-192-00-000	PROFESSIONAL SERVICE LEGAL	9,000.00	300.00	600.00	0.00	8,400.00
10-4530-251-01-000	AV FUEL PURCHASES	300,000.00	64,837.87	86,084.72	0.00	213,915.28
10-4530-260-00-000	OFFICE SUPPLIES	1,000.00	252.65	273.61	0.00	726.39
10-4530-260-02-000	Airport Supplies	500.00	223.53	223.53	0.00	276.47
10-4530-299-00-000	PUBLIC RELATIONS	500.00	0.00	0.00	0.00	500.00
10-4530-311-00-000	TRAVEL/EXPENSE REIMBURSEMENT	300.00	0.00	0.00	0.00	300.00
10-4530-321-00-000	TELEPHONE	1,500.00	192.12	331.22	0.00	1,168.78
10-4530-325-00-000	POSTAGE	75.00	0.00	23.54	0.00	51.46
10-4530-331-00-000	UTILITIES SEWER WATER ELECTRICITY	7,000.00	730.72	1,431.65	0.00	5,568.35
10-4530-351-00-000	REPAIRS & MAINTENANCE AIRPORT	20,000.00	2,262.66	3,385.35	0.00	16,614.65
10-4530-352-00-000	MAINTENANCE TO EQUIPMENT	5,000.00	0.00	0.00	0.00	5,000.00
10-4530-353-00-000	MAINTENANCE TO VEHICLES	1,000.00	0.00	9.04	0.00	990.96
10-4530-370-00-000	ADVERTISING	500.00	0.00	0.00	0.00	500.00
10-4530-440-00-000	SERVICE & MAINTENANCE CONTRACTS	27,000.00	2,225.00	2,225.00	25,175.00	-400.00
10-4530-451-00-000	Property/Operations Insurance	7,949.00	0.00	0.00	0.00	7,949.00
10-4530-452-00-000	INSURANCE-LIABILITY BOARD MEMBERS	2,500.00	0.00	0.00	0.00	2,500.00
10-4530-491-00-000	DUES & SUBSCRIPTIONS	300.00	0.00	98.00	0.00	202.00
10-4530-510-01-000	FIBER INSTALLATION	0.00	0.00	0.00	0.00	0.00
AIRPORT		460,982.00	75,139.60	103,180.76	25,175.00	332,626.24
Total Expense		460,982.00	75,139.60	103,180.76	25,175.00	332,626.24



152 East Main Street • Forest City, NC 28043
Phone (828) 247-4495 • Fax (828) 247-4498

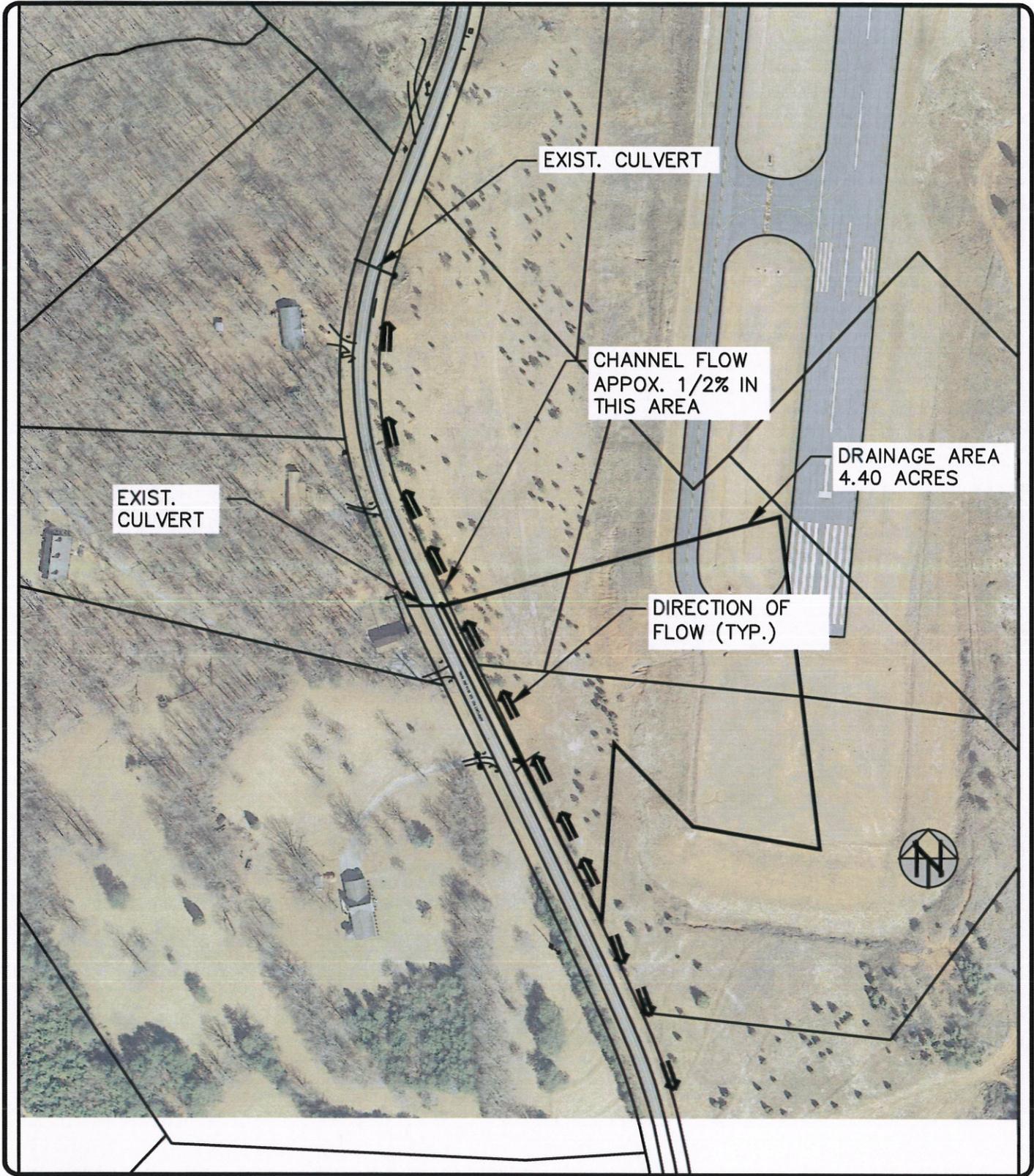
MEMORANDUM

Date: September 9, 2013
To: Carl Classen
From: David Odom
Re: Drainage Issues at Loving Kennels

1. In June, I received a call from James Evans of the NCDOT regarding the waterline project. The DOT had been contacted by Ms. Klein of Loving Care Kennels and Grooming about the impact of the waterline installation project on her property. Mr. Evans indicated that we needed to get the contractor on site these issues as quickly as possible. We immediately contacted the contractor (this was while it was still raining I believe) who went to the site. We also went to the site to investigate. It appeared as though a good deal of straw had washed through the culvert onto Ms. Klein's property along with sediment from the recently disturbed trench. The contractor removed as much straw as practical from Ms. Klein's yard by hand, opened the culvert back up which had become stopped up with straw. They also installed some erosion matting on Ms. Klein's bank and channel to assist with erosion she had occurring in this area / outlet side of pipe on her property side.
2. I met Ms. Klein on site several weeks later after another rain event. The issue this time was more a function of the volume of water she was seeing, along with some sedimentation. I indicated to her that it was the contractor's responsibility to make sure the channels did not cause flooding over the roadway, and to get grass growth on the site, but that the amount of water flowing through the culvert was not impacted by the installation of the waterline. She indicated that the channel on the opposite side of the road was deeper than how the contractor had left it. We didn't have a topo or any prior data to confirm the channel depth. I spoke with the contractor who indicated that they did not eliminate the channel at their lay down area which is just east of the culvert. At my request, they did extend an additional berm from behind the culvert to divert as much water away from the culvert as possible. The channel west of the culvert drains to

the west. It is a very flat area (approximately 1/2%) so deepening that channel too much will cause it to either hold water or drain toward the culvert which would exacerbate the situation. Attachment 1 shows the location of the culvert, it's drainage area, and the direction of stormwater flow in the area.

3. Scott Roach, an associate from my office, met with Ms. Klein and Matt Taylor, PE, NCDOT Maintenance Engineer for Rutherford County, on July 16, 2013. This was after a series of heavy rain events occurred causing a large volume of water to drain on to Ms. Klein's property. During this meeting, Ms. Klein was informed that the NCDOT did have this road on the "repave" list, which would include any pothole or drainage repair prior to resurfacing. Mr. Taylor informed Ms. Klein that beyond the NCDOT right of way was her responsibility to maintain the natural drainage ditch that flowed through her property. Mr. Taylor again informed Ms. Klein of the uncharacteristically heavy rains in the area and that they had several areas throughout the county that needed attention for this very reason. Scott tried to discuss the "ditchline topographics" with Ms. Klein reassuring her that no substantial changes to the ditch depth, width, etc. had been made due to the installation of the water main and that the construction did not increase or decrease the amount of runoff that she would receive from any given rain event. Mr. Taylor did discuss relocating the drainage pipe approximately 30-40' north along Airport Road to allow the outlet side of the pipe to "line up" more with the natural ditchline through Ms. Klein's property. This relocation will be completed once NCDENR has released the waterline project. Attachment 2 shows the proposed culvert relocation.
4. One other option to consider is the possibility of eliminating the culvert. In order to accomplish this, several things would have to occur. First, the DOT would need to agree to it. Second, some construction would need to occur to ensure that the channel would flow with sufficient fall and to ensure sufficient capacity for the increased drainage flow in the channel. Third, additional right of way may need to be provided to the DOT. And finally, the downstream culvert would most likely need to be increased.
5. Overall, I do think that the heavy rainfall just after construction occurred resulted in some sediment on Ms. Klein's property. I do not think that the waterline project had any measurable impact on the volume of water discharging through the culvert or across the road. The ultimate cause of the water damage is the excessive rainfall that occurred, primarily in the month of July.




Odom
Engineering
PLLC

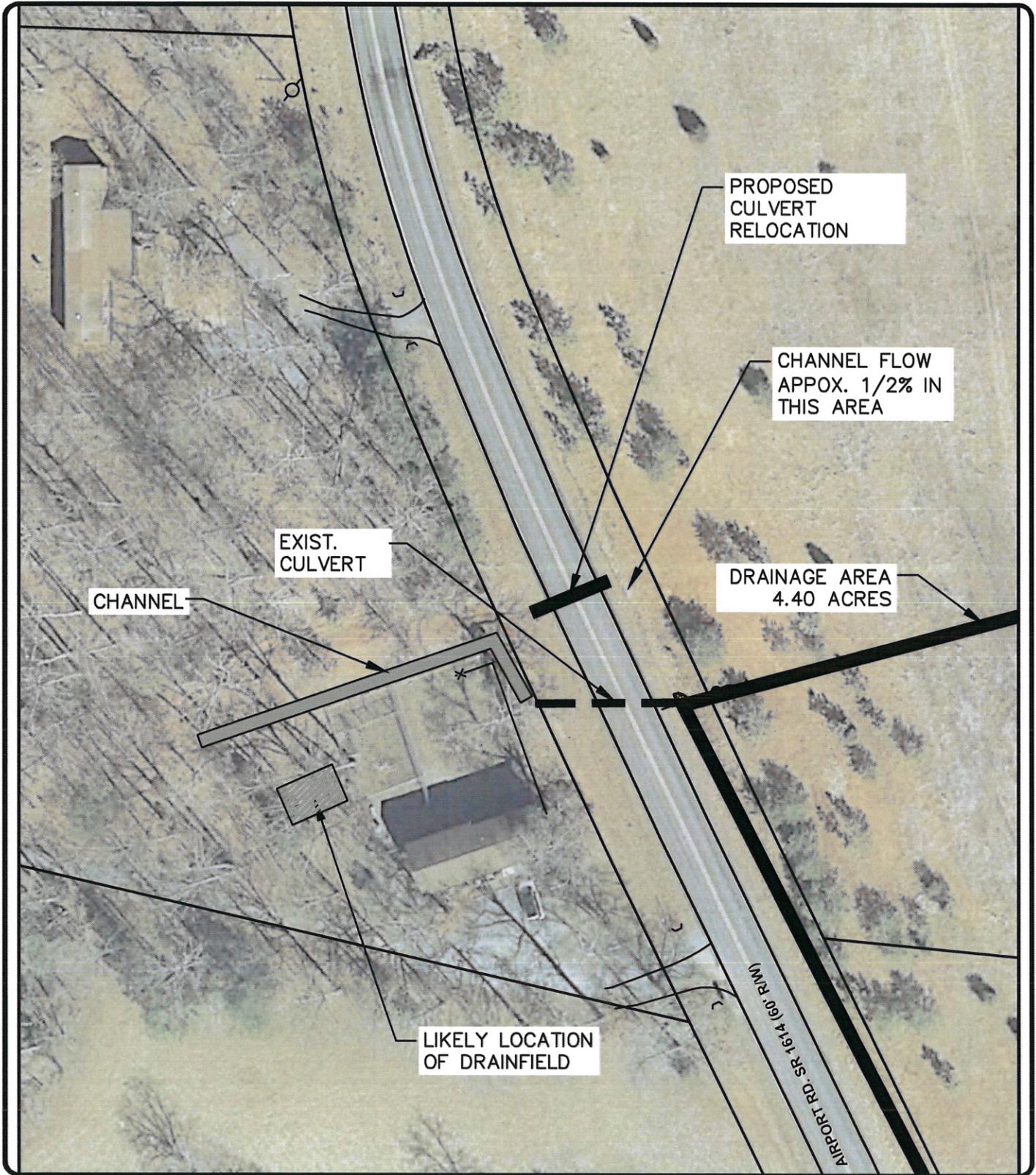
152 East Main Street, Forest City, N.C. 28043
ph: 828.247.4495 fax: 828.247.4498

STORM DRAINAGE ON
AIRPORT ROAD AT LOVING
CARE KENNELS

ATTACHMENT 1

AUGUST 5, 2013

SCALE: 1"=200'



Odom
Engineering
PLLC

152 East Main Street, Forest City, N.C. 28043
ph: 828.247.4495 fax: 828.247.4498

STORM DRAINAGE ON
AIRPORT ROAD AT LOVING
CARE KENNELS

ATTACHMENT 2

AUGUST 5, 2013

SCALE: 1"=50'

Brooke Watson

From: Carl Classen
Sent: Thursday, August 29, 2013 4:35 PM
To: County Commissioners
Cc: Hazel Haynes; Chris Roach; Brooke Watson; Beth Miller; Paula Roach
Subject: Airport - Fuel Pricing Policy - Rebate Proposal

Dear Commissioners –

One of the issues staff has been addressing in recent weeks is the fuel pricing policy. The policy of the Airport Board since July 1, 2012 when the Airport Board took over Airport Service Operations from the Fixed Based Operator (FBO) that resigned the account on June 30, has been to utilize low pricing to increase fuels sales; provide a benefit to aircraft based at the Airport; and encourage additional use of the Airport. Given the dramatic increase in fuel sales over the past year, the policy has been effective.

The retail fuel price for both 100 Low Level (100LL) and Jet A fuel has not changed at the Airport since March 13, 2013. After substantial review of the existing pricing policy, getting the most recent wholesale price of fuel, and reviewing fuel prices at nearby airports (Asheville, Hickory, Morganton, Shelby and Union, SC), the prices were increased to \$4.99 per gallon for Jet A and to \$5.36 for 100LL on August 27. The above airports had prices ranging from \$6.90 to \$4.70 for Jet A and from \$7.27 to \$5.30 for 100LL. Further, given that the vast majority of fuel sales are made via credit card and due to the difficulty of securely managing cash payments, the cash price will be discontinued though cash will continue to be accepted.

In the future, staff will review the wholesale fuel prices and the prices at the airports listed above weekly. Fuel price adjustments will be made accordingly. The goal will be to remain competitive on retail pricing while maintaining a margin to positive cash flow to help cover costs. By keeping prices low, Rutherford County Airport users will enjoy a special benefit that staff hopes will encourage owners to base their aircraft in the County.

Another policy established by the Airport Authority in FY2012-13 was to offer pre-purchase fuel opportunities to Jet A fuel users. Aircraft utilizing Jet A consume larger amounts of fuel so high volume users are a great asset to maintaining fuel operations at the Airport. Further, aircraft using Jet A typically have higher values and correspondingly pay higher taxes. As such, it is beneficial to the County to encourage owners to base these aircraft at the Airport.

The current policy allows Jet A users to pre-purchase fuel at a set price. This was positive if the price remained at the price it was sold but was negative if the price of fuel rose dramatically. Regretfully, some of the pre-sales have continued for substantial periods and a few now exceed one year.

So as to continue the program and to provide an incentive to Jet A aircraft to continue basing at Rutherford County Airport, staff recommends that a new high-user program begin December 1.

Under the program, aircraft using Jet A fuel and based at the Airport would receive the following rebates during the months of June and December if they purchase the following volumes during the prior 6-month period:

0 – 3,000 gallons	20 cents per gallon
3,001 – 6,000 gallons	40 cents per gallon
6,001 – 12,000 gallons	60 cents per gallon
Greater than 12,000 gallons	80 cents per gallon

Staff presently records the tail number of each aircraft purchasing fuel and that data will be used to calculate volumes purchased and the resultant rebates.

The program would commence December 1, 2013 and run in six-month cycles. Rebates would be paid in June so much of the rebate liability is off the books at the end of the fiscal year (June 30) and during December before taxes incur a penalty (early January). Anyone of the six current pre-purchase users that have not used up their allotment by December 1, 2013, would be refunded the unused portion of their pre-purchase payment.

I look forward to reviewing this proposed plan with the Airport Authority at its September 17 meeting. Prior to that, I will ask Chris Roach to discuss it with Airport users and get their comments. From the comments received, we will make necessary changes and clarifications before a final presentation to the Airport Board on September 17.

Please contact me with any questions.

Carl

Carl Classen
County Manager
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Brooke Watson

From: Chris Roach
Sent: Monday, September 09, 2013 3:28 PM
To: Brooke Watson; Carl Classen
Subject: Weekly Fuel Price Report

This week, the fuel prices of Eastern Aviation Fuels dropped.
Previously, last weeks prices were as follows:

Jet-A - 3.6080900
100LL (Half) - 4.6287880
100LL (Full) - 4.5326040

The following current prices are now valid for Sept. 10th - Sept 16th, 2013

Jet-A - 3.5306800 (-0.07741)
100LL (Half) - 4.5114780 (-0.11731)
100LL (Full) - 4.4152940 (-0.11731)

Jet-A dropped nearly 8 cents, while 100-LL dropped a staggering 12 cents)

Current fuel prices for Rutherford County Airport and surrounding areas:

KFQD - Rutherford - (100LL = \$5.36) (Jet-A = \$4.99)

KEHO - Shelby - (100LL self serv = \$5.30) (100LL full serv = \$5.70) (Jet-A = \$4.70) KMRN -
Morganton - (100LL = \$5.72) (JetA = \$5.50) KAVL - Asheville - (100LL = \$7.34) (JetA = \$7.06)
KSPA - Spartanburg - (100LL = \$5.60) (JetA = \$5.65) 35A - Union, SC - (100LL = \$5.30) (JetA =
not sold) KHKY - Hickory - (100LL = \$5.78) (JetA = \$5.67)

Spartanburg (KSPA) and Hickory (KHKY) are the only airports to raise fuel prices within the
last week.

KSPA - Raised 100LL prices from 5.55 to 5.60, and Jet-A prices from 5.50 to 5.65 KHKY -
Raised JetA prices from 5.61 to 5.67

All prices current as of 9/9/13 @ 3:15pm.
All prices include sales tax.

I would recommend leaving Rutherford's fuel prices as it currently is.

Thank you,

Chris

Christopher M. Roach
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