

# AIRPORT COMMISSION MINUTES

December 14, 2021

4:00 P.M.

**Please note the January 11<sup>th</sup>, 2022 Airport Commission meeting is scheduled for 3:00 pm**

The following were present for the Danville Regional Airport Commission Meeting held on Tuesday, December 14, 2021.

## **Attendees:**

Marc Adelman, Director	Robert Jiranek	Alan Spencer, Deputy City Attorney
William Allgood, Chairman	Fred Shanks	Todd Pinekenstein, Bld. & Grounds Supt.
Jessie Barksdale	John Earl, FBO Manager	Lisa Bivens, Senior Admin. Assistant
Stephen Daniel	Earl Reynolds, Deputy City Manager	
Michael Duncan		

## **Approval of Agenda**

Michael Duncan made a motion to modify the order of the December 14, 2021 agenda to move items up that needed to be voted on during the meeting. Fred Shanks seconded the motion, all members in attendance were in favor and the motion passed.

## **Approval of Minutes**

Robert Jiranek moved that the minutes of the November 9, 2021 Airport Commission meeting be accepted as presented. Stephen Daniel seconded the motion, all members in attendance were in favor and the motion passed.

## **Communications from Visitors and Commission Members**

Sid Allgood said he attended the local Civil Air Patrol squadron (CAP) awards and promotion ceremony and commented that it was a very active group and a great event. He encouraged the Commission members to visit with them during a meeting when possible. The CAP meets every Tuesday evening at 6:30 pm at the airport.

**Topic:** FBO Management Update

**Action:** John Earl provided an update of FBO activities.

**Disposition:** Additional information will be provided next month by the FBO.

John Earl said that after discussing marketing objectives with Marc Adelman to recruit tenants for hangars that will be constructed in the near future, he decided to reach out to Titan to see if they could offer any assistance. He said he talked to Titan's marketing department and they indicated they could help with sending an email blast to everyone on their email list and to those individuals that use their apps to promote rental opportunities. John Earl said he will also give fuel points to those that visit the airport to review available facilities.

**Topic: Sky Pilot Aero Club**

**Action:** Members voted to approve the Sky Pilot Area Flying Club to operate on the airfield

**Disposition:** Approval is pending from the Internal Revenue Service (IRS) for the club's official non-profit status.

Michael Duncan said he plans to recuse himself from any vote or discussion other than giving reports regarding the flying club since he is the president. Michael Duncan asked the Commission to approve the club under the Airport Minimum Operating Standards as exempt from being a traditional FBO. The Sky Pilot Aero Club is designed to be a non-profit organization in the Commonwealth of Virginia and the application was filed in early November with the IRS. He recently received a letter that indicated their application was received and the determination is pending. *After discussion a motion was made by Stephen Daniel and seconded by Fred Shanks to approve the club to operate as a non-profit organization on the airfield and be exempt as per the airport's Minimum Operating Standards. All members in attendance were in favor and the motion passed.*

**Topic: Update on Capital Projects for the February 2022 Virginia Aviation Board Meeting**

**Action:** Marc Adelman updated the Commission on the projects that will be submitted by December 17<sup>th</sup> for funding consideration during the February 2022 Virginia Aviation Board meeting.

**Disposition:** Grant applications will be submitted to the state in December and pricing information for all projects will be submitted in January.

Marc Adelman updated the Airport Commission on projects that will be submitted to the Virginia Department of Aviation for consideration at the February 2022 Board Meeting. These projects are identified below and on the following page.

He requested the Commission's approval to submit project grant applications to the Virginia Department of Aviation by Friday, December 17<sup>th</sup>. After discussion, *Fred Shanks made a motion for the projects discussed to be submitted to the State for funding consideration. Robert Jiranek seconded the motion, all members in attendance were in favor and the motion passed.* Marc Adelman informed the Commission that a pre-bid meeting for the terminal building renovation project is scheduled for December 21<sup>st</sup> at 10 am and a pre-proposal meeting for the terminal security project is scheduled for December 22<sup>nd</sup> at 10 am.

GRANT APPLICATION PROJECT ITEM	ESTIMATED COST
Terminal Building Renovation Project – Construction	\$900,000
Terminal Building Renovation Project – Construction Administration	\$17,250
Terminal Building Security Project – Access Control units and gate	\$31,370
Terminal Building Furniture Project – Replace Existing Furniture	\$53,043

**Topic: Update on Capital Projects for the February 2022 Virginia Aviation Board Meeting (Continued)**

GRANT APPLICATION PROJECT ITEM	ESTIMATED COST
Fuel Farm Expansion – Design Services to add one 22,000-gallon jet tank	\$111,089
Rehabilitate South Ramp including Construction Administration and Inspection Services –Tentative Allocation would be held until bid prices are received	\$3,195,700
<b>TOTAL</b>	<b>\$4,308,452</b>

**Topic: FY2023 Operating and Capital Budget Review**

**Action:** Marc Adelman and Lisa Bivens updated the Commission on the FY 2023 Capital and Operating budgets that will be submitted in December for consideration by the City’s Budget Office and City Manager’s Office.

**Disposition:** The Commission approved capital and operating budgets for FY2023.

Marc Adelman discussed potential projects for the FY2023 capital budget with the Airport Commission. Of significance, currently the city has \$632,660 in local funds budgeted for the terminal building renovations, which includes funding for proposed security improvements and replacing the furniture located inside the terminal. The total estimated cost for these improvements is \$1,001,660. However, if state funding is not approved for these projects an additional \$369,300 in local funding is needed. Individual capital projects that will be considered for the FY23 budget are identified below and on the following page.

AIRPORT CAPITAL PROJECT FOR FY23 BUDGET	TOTAL COST ESTIMATE	LOCAL COST ESTIMATE
Fuel Farm Expansion - Possibly Design and Installation <i>with approved \$200,000 state funding</i>	\$761,089	\$561,089
Rehabilitate South Ramp - Construction and Inspection Services with approved federal and state aid	\$3,195,700	\$63,914
Construct New T-hangar Building	\$1,600,000	\$1,600,000
Construct New Corporate Aircraft Parking Ramp adjacent to Taxiway H with approved state aid	\$1,200,000	\$240,000

**Topic: FY2023 Operating and Capital Budget Review (Continued)**

AIRPORT CAPITAL PROJECT FOR FY23 BUDGET	TOTAL COST ESTIMATE	LOCAL COST ESTIMATE
Terminal Building Renovation Construction Project - including furniture replacement, security improvements and construction administrative services <b>if state grants are not approved</b>	<b>\$1,001,660</b>	<b>\$369,300</b>
<b>LOCAL COST ESTIMATE – WITHOUT STATE RENOVATION FUNDS</b> <b>LOCAL COST ESTIMATE – WITH STATE RENOVATION FUNDS</b>	<b>\$7,777,789</b> <b>\$7,777,789</b>	<b>\$2,854,643</b> <b>\$2,485,343</b>

Lisa Bivens reviewed the proposed FY2023 operating budget with the Commission. Of significance, the airport is requesting an additional Airport Maintenance Security Technician position. Marc Adelman said several years ago the airport employed three full time maintenance technicians however, one position was eliminated when City Departments were asked to reduce their staff by one position. He added that this position will be needed to support additional passenger activity related to the casino. Also, during FY2023 the airport would like to purchase a turbine blower. Todd Pinekenstien said this blower would be used to keep the runways and taxiways clear of debris. He added that the blower can be pulled behind a pickup truck or ATV to assist with getting into tight areas near the t-hangar building and along the fence line that current equipment cannot access. The estimated cost to purchase the blower is \$9,000.

*After discussion a motion was made by Jessie Barksdale and seconded by Stephen Daniel to approve the FY2023 capital and operating budgets for the airport as presented. All members were in favor and the motion passed.*

**Topic: Committee report regarding Personal Property Tax and Hangar Rental Fee Increases**

**Action:** Marc Adelman reviewed the subcommittee’s recommendations with the Commission members.

**Disposition:** Recommendations for fee increases will be submitted to the City’s Budget Office.

During the last Airport Commission meeting, Michael Duncan and Phil Hall were appointed as members of a subcommittee to evaluate airport fees and report back to the Commission. Marc Adelman reviewed their findings with the Commission. In summary, the subcommittee recommended increasing hangar rental fees by 20%. In addition, the subcommittee recommended to increase the personal property tax rate on aircraft from \$.30 to \$.69 per \$100.

Current and proposed hangar rental and personal property tax rate fee are identified on the following page.

**Topic: Committee report regarding Personal Property Tax and Hangar Rental Increases (Continued)**

RENTAL FEE/TAX RATE	CURRENT FEE	PROPOSED FEE
80' X 80' CLEAR SPAN	\$1040	\$1248
65' X 60' CLEAR SPAN	\$740	\$888
55' X 51' CLEAR SPAN	\$300	\$360
T-HANGAR (OLD)	\$150	\$180
T-HANGAR (NEW)	\$175	\$210
T-HANGAR FOR NEW BUILDING	NOT APPLICABLE	\$250
BOX HANGAR FOR NEW BUILDING	NOT APPLICABLE	\$450
TIE-DOWN	\$40	\$40
PERSONAL PROPERTY TAX RATE	\$.30/\$100 X ASSESSED VALUE	\$.69/\$100 X ASSESSED VALUE

Marc Adelman indicated that additional revenue is needed to support increased construction costs for the new proposed t-hangar building. The estimated construction cost for the building is \$1,600,000. Based on input from the city's Finance Director, the local cost to finance a bond for this project is \$81,000 per year over a thirty-year period. Marc Adelman also indicated that if the personal property tax rate on aircraft was increased from \$.30 to \$.69 per \$100 of the assessed value, then an additional \$28,541 could be generated annually. If all existing hangar rental fees were increased by 20% an additional \$18,888 could be realized. Furthermore, if t-hangar rental fees for the new building were set at \$250 and \$450 for the box hangar an additional \$17,400 could be generated. He estimated that \$64,829 in additional revenue could be received if all recommended fee adjustments were approved.

Marc Adelman also provided pricing information for other airports compared to Danville Regional's fees. He proposed to increase rental fees so the cost per square foot charged at the airport would be comparable to other nearby airports at \$.20 per square foot. *A motion was made by Fred Shanks and seconded by Robert Jiranek to recommend to the City's Budget Office and to City Council to raise the aircraft personal property tax rate to \$.69 per \$100 assessed value and increase the hangar rental fees to \$.20 per square foot (20%) except for the 55' x 51' box hangar which will be at \$.18 per square foot (28%) or \$505.00 per month. All members in attendance were in favor and the motion passed.*

**Topic: Update on Taxiway H Widening Project**

**Action:** Repairs completed for the Taxiway H Widening project were discussed.

**Disposition:** Final inspection of the project is scheduled for December 16, 2021.

Marc Adelman updated the Airport Commission concerning the status of the Taxiway H Widening project. Images were shown that identified repairs that were completed to date to mitigate ponding at the intersection of Taxiway H and Taxiway A and along the new taxi-lane that will provide access to the new t-hangar building. However, he indicated that he recently noticed that the repairs completed created bumps in the pavement where the patchwork was finished. He reported this information to WRA, the project inspectors, and they agreed that both pavement sections require additional rolling. This work will be completed by APAC, and the final inspection of the project is scheduled for December 16, 2021.

**Topic: Operating Policy and Procedures – Airport FBO**

**Action:** Copies of the airport and FBO's Operating Policy and Procedures were provided to the Commission Chairman.

**Disposition:** Sid Allgood said he will review the documents and contact other members to see who can service on the subcommittee.

Marc Adelman provided copies of the airport's Operating Policy and Procedures and commented that a few edits were completed since the last review. John Earl provided a flash drive of his current Operating Policy and Procedures to Sid Allgood. Sid Allgood said he will look at the policies and will contact other members to see who may be available to serve on the subcommittee to review the documents.

**Public Comment Period**

No public comments received.

**Communications**

Sid Allgood said that it was brought to his attention that it may be good idea to change the meeting time to 3:00 pm. Marc Adelman suggested polling everyone on the Commission.

**Adjournment**

The Commission meeting adjourned at 5:50 pm. The next regular Commission meeting is scheduled for **Tuesday, January 11, 2022 at 3:00 pm in the Airport's Eastern Conference Room.**