

Lemhi County Airport Board Meeting - September 14th, 2017

The meeting was called to order by Richard Natelson board chairman at 18:00 h

Additional board members in attendance were: Don Jakovac, Jim Crawford, Nathan Bills, David Weston, Fred McDonald, Tony Latham, and Bob Duerloo. Dave Shallow with Middle Fork Aviation, Lenny Skunberg, Melvin Wagoner and Laura Nichols from AvCenter/McCall Aviation, Dan Schroeder, Joann Wolters and David Schroeder with GemAir were also present.

Minutes from August's meeting were reviewed. A motion was made by Tony to accept the minutes, it was seconded by Fred. It passed unanimously.

Fuel & Facilities Report

Current available fuel:

Avgas - Pump #1 - 5,947 gallons
- Pump #2 - 6,898 gallons
Jet A - 7,929 gallons

Lenny reported that all fuel systems are functioning properly. One runway light is not working, all REIL's are now functioning properly.

AWOS still seems to be functioning when listened to on the radio, but when called by phone, it doesn't work correctly. Lenny called the FAA, they know the issue exists but Lenny hadn't heard back from them. Rich is going to call the FAA (Teton Communications) regarding the issue.

Financial Report

Bills to be paid were reviewed, Don made a motion to pay them, it was seconded by Tony, it passed unanimously.

The financials through August 31st were stated as follows:

Cash on hand - \$230,124
Inventory on hand - \$79,244
Accounts Receivable - \$32,781
Accounts Payable - \$22,744

Revenue - \$280,038
Cost of goods sold - \$195,155
Gross Profit - \$84,883
Ordinary Expenses - \$44,107
Net Ordinary Income - \$40,775

Don submitted a renewal application to Rich regarding Petroleum Storage insurance needing a signature.

A motion was also made by Tony to pay the invoice due to ABS for the revenue study. It was seconded by Fred, it passed unanimously.

Old Business

In August's meeting, a motion passed to increase the fuel flowage fee for privately procured fuel brought onto the airport from 25 cents per gallon to 78 cents per gallon. Gem Air purchased a load of fuel days prior to the meeting under the terms of the previous 25 cent per gallon flowage fee. Before the meeting was adjourned, McCall Aviation requested they be allowed to bring a load of privately procured fuel onto the field at the previous 25 cent per gallon flowage fee, but were turned down under the ruling that the flowage fee had just been changed. After the meeting, it was later noticed that as per the Rules & Regulations of Lemhi County airport, that a newly introduced rule does not go into effect for 10 days from the time it is voted on. In September's meeting, Don explained that to compensate, he took care of the issue, and that Mrs. Allen from Allen accounting would adjust the price from her end. The fuel was pumped out of Lemhi County's tanks.

Airport Improvements - Don reported that the FAA was coming to do an inspection this week, and that he'd be meeting the inspector at the airport.

Campers at the Airport - RVs are parked outside of fence to the north of Gem Air's hangars. A letter has been composed requesting they be removed. Joann Wolters of Gem Air was present and said they would be leaving this week.

Gem Air asked if their clients here to float the river were allowed to camp just overnight on the lawn. Ultimately, they were told that it wasn't a problem, but that the long-term camping was. Tony said that long-term camping was considered a new commercial practice for Gem Air and that pursuant to Lemhi County Rules & Regs, an application would have to be submitted for any new commercial activity. David stated the campers didn't belong to Gem Air, and weren't part of the commercial operations of Gem Air.

It was ultimately decided that the board should review any and all regulations in regards to camping, and restructure the Rules & Regs accordingly.

Airport Revenue Study - The revenue study received was discussed, the board members shared the sentiment that it wasn't as conclusive and helpful as all had hoped it would be. Some recommendations given are simply not feasible. Further discussion regarding how to utilize the information received will be forthcoming, as will further plans to better deal with the current issues the airport is faced with, i.e. fuel pricing for commercial operators, land leases, airport generated tax revenue, etc.

New Business

Outside fuel brought onto airport - Tony reported on a discussion had with Bruce Withers regarding Gem Air's bringing privately procured fuel onto the airport. As legal council for Lemhi County, Mr. Withers recommended to Tony that the board issue a cease and desist order to Gem Air in regards to their tanker trucks of self procured fuel coming onto and being stored on the airport, until a written application was submitted to the board pursuant to Lemhi County Rules & Regs. Tony stated that Mr. Withers' concern was the large quantity of fuel being brought onto the airport and its posing a hazardous liability. Tony also reported that Gary Goodman had mentioned anything over 1,000 gallons triggering concern for fire reasons. It was made mention that every truck and tank on the airport has a capacity larger than 1,000 gallons. Requesting an

inspection from the state fire marshal was discussed, it was decided to allow inspector Gary Goodman to continue working on that.

Tony made a motion to issue said cease and desist to Gem Air, to include current bulk tankers be removed, and to restrict commercial operators from privately procuring fuel to be brought on to Lemhi County airport, awaiting an application be submitted from Gem Air. It was seconded by Fred, the motion passed.

Tony agreed to stay in contact with Gary Goodman to coordinate an inspection by the state fire marshal.

Joann from Gem Air requested the board consult the FAA regarding the issue, and stated that as an FBO they have the right pursuant to FAA regulation to purchase and resell fuel without needing to apply to do so in advance. It was stated by Rich that the issue isn't regarding fuel per se, but that it was a safety issue. David from Gem Air expressed that if the issue was regarding safety, that the cease and desist should be issued to all operators with trucks on the airport over 1,000 gallons.

Dan stated that his belief was that the issue was not about the different issues that had been brought up and presented, but rather about money, and the lost revenue that the airport would incur with Gem Air choosing to procure their own fuel rather than buying it from Lemhi County. Rich agreed that the airport did not want to lose revenue from lost fuel sales, but that the funding has to come from somewhere. He referenced the possibility of airport generated property taxes being returned to the airport (see below).

DEQ/Fuel - Board member Jim Crawford had requested Guy Armstrong share information with the board regarding fuel on the airport with regards to the DEQ. Guy was unable to attend.

Non-aeronautical use of hangars - Jim explained that the airport is at risk to lose its federal funding from the FAA due to some known hangar owners that are leasing to people not using those hangars for aeronautical use. The FAA requires that hangars either be used primarily for aeronautical use, or that a rate be charged that is comparable to other local storage unit rents.

Non-airport use of property taxes - Discussion was had in regards to the taxes imposed on hangar owners, that are generated on and by the airport, but none of which are returned to the airport. It was expressed that the tax dollars generated by the airport should be returned to aid in sustaining the airport. Rich encouraged all commercial operators to request from the county commissioners that those taxes be returned to help fund the airport. It is estimated that \$10,000-\$12,000 in property taxes are collected annually from hangar owners.

Land leases - The current relatively low land lease rate of 10 cents per square foot was discussed (currently land leases only include the foot print of the building), as well as the region average being between 20 to 30 cents per square foot (other airports include an additional 20% around the building as 'usable space'). This could potentially aid in increasing airport revenue. Don explained that current signed leases may be difficult to get out of, or change, making the increase in revenue take a long amount of time. David stated that the FAA has some regulations that grant the airport sponsor that ability to modify those leases.

Additional revenue - Dan stated that the airport aids Lemhi County's economy in diverse ways. Other options for increased revenue were discussed to include charging out-of-town commercial operators that use our airport to help in funding airport maintenance. David gave some examples of what Gem Air is charged for operating on other airports around the region.

Tiered fuel pricing - A possible option was discussed that would allow commercial operators to pre-purchase fuel from the county in bulk quantities. For example, an operator could pay the county in advance for 5,000 gallons of fuel and their account would be credited that amount. The county could give them a discount based on their bulk purchase.

Jet A pricing - The higher mark up of Jet A fuel was discussed, as well as the possibility of reducing the pump price sooner than later.

The meeting was adjourned at 20:01 h.