

**AGENDA MINUTES
AIRPORT WORKSHOP
CITY OF ARCADIA
THURSDAY, MARCH 26, 2015
5:00 P.M.**

The following minutes reflect action items of the City Council of the City of Arcadia. For a verbatim copy of the minutes, you may contact City Administration to obtain a copy of the recorded meeting.

CALL TO ORDER AND ROLL CALL

The Mayor called the meeting to order at approximately 5:04 p.m. and the following members and staff were present:

Arcadia City Council

Mayor Judy Wertz-Strickland
Deputy Mayor Frierson
Councilmember Joseph E. Fink

Councilmember Susan Coker
Councilmember S. Delshay Turner

Arcadia City Staff

Interim City Administrator Beth Carsten Project Manager Shelley Peacock

Mayor Wertz-Strickland stated this was a workshop for the Arcadia City Council to try to help them make a decision on what they plan to do about the airport. She advised the acting City Administrator has a presentation and Mike Moon had issues that he would be bringing forward. The Mayor asked that anyone who had questions to wait until Ms. Carsten and Mr. Moon are finished. She then stated that following that portion of the meeting, if anyone had comments, they could come to the podium one (1) time for five (5) minutes. Mayor Wertz-Strickland then turned it over to the Interim City Administrator.

AGENDA ITEMS

Agenda Item 1 – Presentation of option for the management of the City of Arcadia Municipal Airport

a. Contract with an FBO to manage the airport

Ms. Carsten stated that option one (1) contemplates the City continuing with an FBO to manage the airport. She advised that if this was the direction the Council decided to go, it would be a very similar contract as to what the City has had for the last thirty (30) years. She stated the FBO would have to meet the minimum standards and they could work in different amounts of lease terms. Ms. Carsten advised they had put out an RFP for FBOs and received one (1) response to it and several responses to an actual job position. She stated that the FBO that is

contemplated is the only one (1) that was received. She pointed out that rentals of hangars that are not rented or leased by the FBO could be negotiated or the City could collect all the rent and the same goes for the tie-downs. Ms. Carsten advised the mowing had changed over the years. At one time it was partially by the City and partially by the FBO, but right now the City is doing most of it.

b. City hire an airport manager

Regarding option two (2), Ms. Carsten stated that the City would run the airport through the hiring of an airport manager. She advised that two (2) resumes were submitted and both were included in the packet. She further advised there was the possibility of using a staff member that is on staff now. The Interim City Administrator stated the position could be between \$35,000.00 to \$50,000.00 annually with benefits to be included; along with time and a half for on-call if that is the direction that the Council chooses to go. She advised that the Wauchula Airport used a staff member of the City, but also used them throughout other departments thereby spreading the expense throughout the City. She further advised that that person also lived at the airport. Ms. Carsten pointed out that if they don't have someone at the airport right away, they will have to install a card reader and that will be a \$15,000.00 expense which will have to be done almost immediately. It was mentioned that they would have to have a dedicated vehicle for the airport. The Interim City Administrator also pointed out that the fuel farm would be a \$33,000.00 expense. She stated there would be a way to split it because the cost of the card reader and the display is \$15,000.00 and the expense to refurbish the interior of it and replace the fuel pump and the filters is \$18,600.00 so there would be a possibility of doing it in stages. She advised that if they don't have a staff member out there all the time, they would need the card reader right up front. She reviewed some of the duties that the current FBO does and they would have to be assumed by a staff member. Regarding the mowing, Ms. Carsten advised that it seems to be working fine to have the City do it and referenced the amount that was budgeted for it. She recommended that with liability, it would be a good thing for the City to continue to do it since there have been issues in the past with people who were not City staff using the mowers. Regarding the purchase of fuel, Ms. Carsten stated it would be an expense that the City would have to pay.

c. Combination of FBO contract and City of Arcadia managing airport

The Interim City Administrator then stated that the melding of the two could be something that could work. She advised that in this scenario, the City would be able to take back some of the control and the rents that they have been sharing in the past. She further advised that the City presently has staff that are in the process of getting things together regarding invoicing of tenants, etc. which the costs are minimal. She pointed out that it would also put the City in a situation to know when there was a vacancy and be able to look for someone to fill it. It would allow the City to have a better handle on leases being up to date and if Council decides to do a rent increase, it would allow for the City to have more control. Ms. Carsten stated the FBO would still have to meet the minimum standards and she referenced the areas that are required to be rented under said standards. She referenced the only FBO that applied had stated they would be interested in having a security trailer at the gate so someone would be there during the day

and on-call at night. She also advised they were proposing using both the paved and the grass runways with the majority of use being the grass runway. Ms. Carsten advised that under the minimum standards, the FBO has to be responsible for the fuel farm and they have agreed that they would get at cost the fuel that they pump and anything sold over that, would be split with the City. She further advised that the FBO would be in charge of selling the tie-downs. Ms. Carsten stated that she had listed some additional services to be proposed and pointed out that there are people, outside of the airport, that are interested in some services from the City and renting space from the City regarding same.

The Interim City Administrator stated that if the Council agrees to this, all the monthly invoices, collections of payments, the maintaining and updating of leases and lease renewals would all come through the City at one hundred percent (100%). Regarding the mowing, \$10,000.00 has been put in the budget for City staff to do so. Regarding the refurbishment of the fuel farm, she advised it would still be an expense of the City, but could be done in phases. Councilmember Fink questioned why the City would be responsible for the card reader and display or for maintenance of the fuel farm if the FBO is supposed to be responsible for the fuel farm. Ms. Carsten stated that she was not stating that the City had to pay for it, but that it would be negotiable and that the City owns the fuel farm. She further stated if the FBO is going to be responsible for the fuel farm and share the money with the City; the reason that was contemplated was if the City puts the money into the fuel farm then there would be reason for them to share the money with the City. Councilmember Fink stated that since the tank is the City's then that's an investment. He further stated that options one (1) and three (3) weren't much different except one had a five (5) year duration and the other didn't have a duration listed.

Councilmember Fink pointed out that they had set themselves in cement before by eliminating the possibility of competitiveness and was stuck without grants for probably the better part of twenty (20) years because of that action and asked if they were looking to do that again. Mayor Wertz-Strickland asked if Mr. Moon might be able to shed a little light on the subject. Mr. Moon stated that of course, he would yield to the City Attorney, but he thought they had the right to negotiate what is best for the City and didn't feel that they would be cutting anyone out. He further stated that if they refused to give anyone space at the airport, that would be a discriminatory practice that the FAA frowns greatly on, but if they were negotiating with an FBO to include the Butler Building in order to make the deal work, they have the right to do that because they're not cutting anyone out. However, Mr. Moon advised Council to check with the City Attorney because he was not an aviation lawyer.

Mayor Wertz Strickland confirmed that they were talking about the Butler Building which is a 5,000 sq. ft. building, the concrete slab around the Butler Building and the specific amount of land surrounding the Butler Building, a maintenance hangar which is 6,000 sq. ft. and the terminal building which is 980 sq. ft. Mr. Moon stated that per the minimum standards, if you're going to be a FBO, you have to sell fuel. The Interim City Administrator stated they did not have to rent the whole terminal building, but only have to rent 180 sq. ft. of office space; it is, two (2) different offices and the common area space, so there's another office in there for them to rent out. Ms. Carsten stated that was what she had regarding the three (3) options and asked if there were any other questions and there were none.

Agenda Item 2 – Letter of Intent for larger hangar

The Interim City Administrator stated that there was a letter of intent to lease a larger hangar and the letter was in the packet. She advised that Rickey Hilton was interested in renting either the 5,000 sq. ft. Butler Building or the 6,000 sq. ft. maintenance hangar. She referenced a list of competing hangar rental rates so Council could see what those were. Ms. Carsten advised these were for the Butler Building and the maintenance hangar.

Agenda Item 3 – Opportunity for each party submitting a proposal, resume or letter to speak

Randy and Beverly Berry introduced themselves and thanked the City for the opportunity to apply for the FBO and let them learn a little more about them and their business and what they can bring towards making the airport a better place and a place Council can be proud of. Mrs. Berry stated they are not dependent on local traffic for their students, but are basically an international career training destination. She further advised they will become a part of the community, join the local Chamber of Commerce to represent the Arcadia Municipal Airport, will be willing to serve on local boards that will benefit the community, will live here, will support local businesses and contribute to the local tax base for the City of Arcadia and DeSoto County. She further stated that they are willing to help in any way regarding grants that might benefit the growth of the airport. She expressed that they are certainly not setting up a monopoly and are willing to work with everyone that wants to make the airport grow.

Mr. Berry stated that they see opportunities here and would like to become part of the community. He expressed that they would like to represent the City properly and professionally in whatever they do if they are chosen.

Mayor Wertz-Strickland asked, when training pilots, where they did the in-air flight training. Mr. Berry stated the take-off and landing is repetitious which increases the City's grant base. He advised their school alone would probably increase the City's traffic at least five hundred percent (500%) just with take-offs and landings. He stated they would also be working with a lot of the agricultural communities using their groves to practice on without using poisons and eventually they would like to work with an academy so they could have an on-the-job training for more of a graduate type thing. Mr. Berry explained that there was a standard traffic pattern and they would maintain an advisory system. He further explained that they would not be staying over the airport and would attempt to be neighbor friendly as possible in all respects. Mrs. Berry explained that pilots receiving training have small trips that they have to do to other airports and it wouldn't bring a huge congestion to one area. Deputy Mayor Frierson asked how many accidents they had had and Mr. Berry stated that he had had one (1) accident in an agricultural aircraft many years ago, but no accidents or incidents in the last twenty-five (25) years. Deputy Mayor Frierson stated that from her brief conversations with them, she felt they were willing to work with the City in any way for a contract that is beneficial for the City and for them.

Discussion was made regarding fuel and the possible purchase of the tank. Mr. Berry stated that if the City is interested in Jet A fuel, he would be glad to work with them, but if not, he would prefer to have the ability to do it on their own. Discussion continued with the possibilities of the various scenarios.

Councilmember Fink asked if the City were to hire them as the FBO, but singularly with the maintenance hangar rather than the Butler Building, would they consider constructing an additional building on site or want the space to construct an additional building on site and Mr. Berry stated that they would not at this time. Councilmember Fink asked if it would eliminate the deal if they didn't have the Butler Building as an option and Mr. Berry stated the Butler Building was their most interested thing. He further stated there was already an existing maintenance shop out there and he didn't want to compete with him. Mr. Berry stated that if the other gentleman decided to leave, the standards would not be missed because they could jump right in. This discussion continued more in depth.

Mr. Berry had advised that they have a plane for sale and Deputy Mayor Frierson asked where they would hangar it if they didn't have the paint hangar. Mr. Berry advised they would probably store it in the fleet hangar. He further advised it was a crop-dusting airplane and very small. Mayor Frierson asked if Council had any further questions and there were not. Mr. Berry thanked the Council.

Mr. Hay stated that he had heard the advisory board and Council discuss the airport and how to do it and he understood that they have had one thing for years and they're familiar with it and that's all they know how to do. He asked who was going to bring their traffic in and what does Arcadia have that people want to fly in for. He stated that fuel is the key and the City must have the fuel. Mr. Hay stated that the credit card reader was good and once people know it's there, they will come in. He stated that if Council should decide to go with airport management he would give them six (6) months and if they don't like it, then he would go, but he stated it was very important to keep the fuel. Mayor Wertz-Strickland asked him if he managed the airport in Wauchula and he advised that he did, but that he wasn't there now. He further advised that in addition to the airport manager, he was also the IT administrator, the GIS coordinator; he took care of the cemetery and was the assistant director of public works. Mayor Wertz-Strickland asked Mr. Hay why he was no longer with them and he advised that they eliminated the position and contracted out for less money. Mr. Hay stated that this job would not be limited to the airport. He said if there was something City wide that he could do then they could split the pay. He pointed out that income would come in off the big hangars and with fuel and more traffic; the numbers would keep coming up. This completed Mr. Hay's opportunity to speak to the Council.

The Interim City Administrator advised that Mr. Newman was not able to make it because he lives in Missouri.

Rickey Hilton of 2807 NW Haile Dean Road, Arcadia, Florida, stated that he operates the maintenance shop and stated that the reason he's there is because that was the largest hangar available at the time. He stated that he has been asking for a larger hanger to expand his business and he's been there for several years, paying his bills on time, and keeping the grass cut. He

stated that he has asked the current and previous administrators to modify his lease to include flight training and aircraft rental and nothing has been done. He stated that he feels that he's been held back from expanding his business because of the way the airport has been managed and that's his concern regarding managing the airport. He pointed out the Berry's wishes and stated that leaves him right where he's at, unable to expand unless he builds a hangar. Mr. Hilton stated that he doesn't want any management responsibility of the airport. He asked Council to consider his position when they make their decision. He pointed out the current management tied up everything to prevent others from coming in and he stated that you can't grow an airport doing that. This completed Mr. Hilton's opportunity to speak to the Council.

Discussion was made regarding the various options and ways that the City may or may not benefit. Mayor Wertz-Strickland stated that the previous contract should be thrown away and a new contract should be developed. Councilmember Fink stated that it was not just the contract and that he pointed out deficiencies in the contract for three (3) years. He stated he pointed out that there were legal alternatives to getting out of the contract because of no follow through with any of the codicils of the contract. He stated that the only thing the previous Council followed through on was insurance liability.

Deputy Mayor Frierson stated that the City does not have a staff member who knows how to run an airport. She stated they don't know the rules and regulations of the EPA or the FAA and they would be stumbling in the dark if they tried to take the airport over and run it. She felt it would be a disaster for the City. Mayor Wertz-Strickland stated that she felt they might get input from Mike Moon. Mr. Moon stated that he was not there to make a recommendation of what they should do, but was there to help them understand the issues so they can make a decision. He stated that anyone the City enters into an agreement with needs to abide by the lease terms. He pointed out requirements and options regarding fuel and regarding fuel sales, he asked if they wanted to be an independent operator or a branded fuel dealer. He advised whoever handles the fuel; there are several requirements that have to be met, i.e., liability insurance, etc. He stated that the City needs a person out there that is a certified line service technician. Mr. Moon pointed out that every day the fuel farm and any fuel trucks have to be inspected and the record is maintained for a year. Mr. Moon pointed out maintenance and costs that are involved where fuel is concerned. Regarding the issue regarding who gets what hangar, he stated the minimum standards state that the FBO have to have 6,000 sq. ft. of hangar, but it doesn't state that the 6,000 sq. ft. has to be in the same hangar.

Agenda Item 4 – Mike Moon, A.A.E. – Speak on the different options and answer any questions the Council has

Deputy Mayor Frierson asked Mr. Moon if she were to ask for his professional educated opinion as to what the City should do, would he give her an answer. She stated that she is scared of the fuel farm because of the liability and Mr. Moon stated that he felt she should be. He stated would he recommend that they enter into a thirty (30) year lease to get rid of the fuel farm, no, but a short term lease to get things back up and stable and take another look at it within three (3) to five (5) years, absolutely. He stated the fuel farm would scare him and pointed out it is a lot of expense at this time. Mr. Moon pointed out that they have a situation with someone on board

that needs the fuel for their business. He stated, off the record, as Michael Moon and not a member of Hanson Professional Services, he would recommend that they pursue the FBO negotiations, that they try to get Mr. Hilton what he needs to grow his business, and that they let the FBO handle the fuel.

Councilmember Coker asked if there was a problem with the Berry's having a flight school and Rickey Hilton also have a flight school. Mr. Moon stated that as long as Mr. Hilton met the minimum standards, there would be no problem because otherwise it would be discriminatory. He stated that if they don't have any buildings available, they are not bound to build them a hangar to operate out of. He further stated the City would be bound to lease them land if they are willing to invest and build a hangar, but it all has to meet the minimum standards. He stated that he wished the City Attorney was present to rule on the 6,000 sq. ft. issue.

Mayor Wertz-Strickland stated that anyone who is operating out at the airport for any reason needs to have a contract or lease with the City and meet the requirements that the City sets up for people that operate out there. She further stated that if that doesn't happen then they don't need to be at the airport operating. She felt they needed to get rid of the old lease and not even look at it and get into a new one. She also felt they needed to have some outs that would be beneficial to the City and make the City airport grow.

Deputy Mayor Frierson stated that she felt it was strange that the City has a golf course that costs the City money and they don't spend any time on it; a mobile home park that is half empty and they don't spend any time on it; but they spend a lot of time on the airport and the budget and the airport gives the City money every year.

PUBLIC

Greg Smith of 5750 SW Hull Road, Arcadia, Florida, asked what it would hurt the City to let Mr. Hay manage the airport until they come to an agreement on a FBO or SASO. He also discussed the topic of fuel.

Janie Watson of 803 W. Imogene, Arcadia, Florida, asked if Council considered re-upping or open-ending the RFP. Councilmember Fink asked for confirmation that they had not and the Interim City Administrator advised they had not.

Councilmember Coker stated that she had spoken with the Director of State and Government Affairs and they are an AOPA membership association. She stated they would work with the City free of charge to help with the change-over. Mayor Wertz-Strickland stated that he was going to send some information guidelines for contracts that the City Attorney would be able to use.

Councilmember Fink stated that Ms. Watson brought up a good point in that they have one (1) to choose from and the dynamics have changed. He suggested that perhaps they need to send it out again.

The Interim City Administrator stated that when they put out the RFP, they had ten (10) to fifteen (15) people that requested the specifications and there was one (1) response and two (2) resumes. Councilmember Fink asked if we asked them why and Ms. Carsten advised that they were not asked. Shelley Peacock advised that a few of them stated they could not meet the minimum standards so they didn't want to go any further.

George Chase of DeSoto County stated that they have two (2) very qualified people who have shown an interest in the airport. He suggested that if the minimum standards need to be tweaked so that these two (2) different entities can work together on the airport, so be it; and suggested not reinventing the wheel.

Deputy Mayor Frierson stated that she felt the Berrys bring a lot to the community. She felt they were offering a lot of services and she would question that they would get another applicant that would offer as much as they do.

Mayor Wertz-Strickland felt that the Berrys have a lot to offer and if they can work out a slot with Mr. Hilton on the buildings then that would be a win-win for both of them and probably in the long run for the City. She encouraged Council to think about it long and hard before the next Council meeting about what they are going to do. She stated that if they had that much interest from the advertisement and no more response then that then she didn't see how re-doing it would be of any significance.

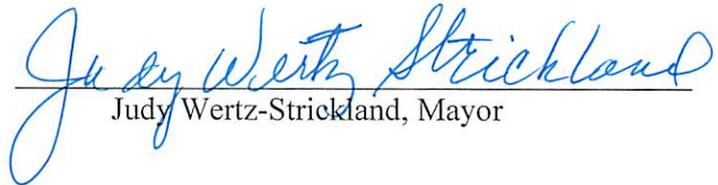
Mayor Wertz-Strickland asked if there were any other comments and there were none.

ADJOURN

Having no further business at this time, the meeting was adjourned at approximately 7:00

ADOPTED THIS 7th DAY OF April, 2015.

By:


Judy Wertz-Strickland, Mayor


Penny Delaney, City Clerk