

FREDERICK AIRPORT COMMISSION
May 21, 2009

The Frederick Airport Commission met in Regular Session on Thursday, May 21, 2009 in the Airport Terminal Building Conference Room. The meeting was called to order at 8:42 A.M. by Chairman Doug Ade. Members present: Sherial Richards, Jarred Jones and Doug Ade. Members absent: Fred Barbee and Brad Benson. Staff present: Robert Johnston, Fabian Reyes and Donnie Coleman. Others present: None.

Doug Ade gave the invocation.

Motion by Jones, second by Richards, to approve the minutes of the March 19, 2009 Regular Meeting. Motion Carried 3-0.

Donnie Coleman reported that 2,421.8 gallons of 100LL fuel had been pumped in March and 849.0 gallons during the month of April; he has pumped more than 1,800 gallons in May thus far. He has also pumped 2,520 gallons of Jet-A fuel so far in May. Motion by Jones, second by Richards, to approve the hangar and fuel reports for the months of March and April. Motion carried 3-0.

The March & April Claims List and April Income/Expense Report were reviewed by Reyes. Motion by Jones, second by Richards, to approve the claims lists, and income & expense report as submitted. Motion carried 3-0. It was noted that Clark had sold the wheat when it reached \$5.50; the Airport's share netted \$12,149.01.

Discussion and Action:

(A) Update on Oil & Gas Leases: Johnston reported that an oil and gas lease for the NE/4 of Section 33 has been executed with Fulcrum Exploration for a one year term commencing 4/1/09. The bonus was \$125.00 per acre; the other lease terms matched the oil and gas lease with Fulcrum for the adjacent Airport property. The \$20,000.00 in bonus proceeds has been set aside for possible irrigation system improvements.

(B) FY 2009-10 Budget Outlook: Johnston reported that FY 09-10 Airport operating budget preparations have commenced. The proceeds from the first oil and gas lease bonus (\$33,600.00) should provide the local cash match for the NPE grant improvements: both the design-only phase during FFY 09-10 and the construction phase during FFY 10-11. Federal funding for FFY 09-10 design-only phase, \$84,332.00, has been approved and LBR Consultants have commenced their work.

The oil and gas lease proceeds and NPE grant funds will flow through the Capital Improvement Fund and not show up on the Airport's financial reports; this will prevent the operating budget from being distorted due to one-time or windfall income. With the economic uncertainty and volatility of fuel prices and other factors, the operating budget will be conservative in terms of revenue anticipated and expenses planned. One new

line-item will be maintenance expense for the irrigation systems on the airport property. This should be helpful in dealing with the DEQ issues. The final recommended budgets will be approved by the City Council on 6/23/09; the near final budget will be reviewed at the 6/19/09 Airport Commission meeting.

Airport Manager's Report:

Coleman reported that: repairs to the electric gate and the overhead door opener in the former Akin hangar were complete, some repairs were made by Hall Building and some by Coleman; he is still working with SW Rural Electric on the overhead electric line serving the well south of the airport – a new line is supposed to be installed underground when the ground dries up since a 30 foot pole is too tall to meet FAA clearance requirements – the Air Force is watching the situation closely for resolution; and he is working with Air Force engineers and maintenance personnel to remedy a water ponding situation near Taxiway C and RW 35.

City Manager's Report:

Johnston had no further report to present.

New Business:

Discussion regarding the need to sprig grass in the new spillway before soil erosion gets out-of-hand. Coleman will work to complete this part of the drainage improvements as soon as possible.

The meeting discontinued at 9:15 A.M.

Doug Ade, Chairman