

**LOGAN - CACHE AIRPORT AUTHORITY BOARD MEETING
MINUTES
June 7, 2011**

The Logan-Cache Airport Authority Board convened in a regular session on June 7, 2011 at 7:30 a.m. in the Cache County Council Chambers, County Historic Courthouse, 199 North Main, Logan, Utah.

ATTENDANCE

Members of the Airport Authority Board in attendance:

John Kerr
Dean Quayle
Harry Ames
Val Potter
Randy Watts

Members of the Airport Authority Board absent:

Gar Walton
M. Lynn Lemon

Others in attendance:

Rich Stehmeier – Logan-Cache Airport Manager
Scott Weaver – Leading Edge Aviation
Bryan Congdon – Harris Air, Inc.
Zak Loosle – Utah Jet Center
Jessica Parker – Mountain Ridge Helicopters
Brady Hansen – Logan Fire Dept.
Kirk Jensen – Logan City
Bruce Bishop – USU
Tim Taylor – Cache Valley Soaring Association
Dan Haynie
Ron Gleason
Janeen Allen

CALL TO ORDER

Chairman Kerr called the meeting to order at 7:30 a.m.

REVIEW AND APPROVAL OF THE MINUTES

Kerr asked for a motion to approve the minutes of May 3, 2011.

ACTION: Motion was made by Quayle and seconded by Ames to approve the minutes of May 3, 2011. The vote in favor was unanimous, 5-0 with 2 absent

ITEMS FOR DISCUSSION

Manager's Report – Rich Stehmeier (Attachment A)

Hangar Inspections

Brent Speth, Fire Inspector for Logan City, and Stehmeier inspected the hangars for lease and safety compliance during the week of May 16th through the 20th. They completed all of the inspections with the exception of five hangars during the first two days of the inspection period. Of the five missed, three have aircraft in their hangars and two are empty. There are a total of 79 hangars, 7 of which have no aircraft in them. The total aircraft count is 122, including 4 corporate jets, 11 twins, 7 helicopters, and 100 single engine aircraft. Stehmeier said the inspections went very smoothly this year because of the cooperation of most hangar owners to get it done in two days rather than stringing it out over a week.

MALSR Update

Stehmeier reported that we have done everything we have to do for the MALSR to be turned on. The system works beautifully, and once the final waiver is issued by the FAA and the flight check is completed, the system will be turned on. Jim Martinez of the Renton, Washington FAA office informed us that the waiver is in the final stages and he expects the time frame to be about another 4 to 5 weeks ending with a commissioning flight check. Stehmeier concluded that he thinks we'll be up and running by the end of July to the middle of August.

Final Snow Removal Cost

The final cost of snow removal for the 2010-2011 winter season was \$21,384.00. This included seventeen snow removal sessions by Logan-Cache Airport personnel with nine assists from the Logan City Street Department. Thanks go to Jed Al-Imari and Logan City for their outstanding support. The \$21,384.00 was charged by Logan City and breaks down to about \$118 per hour. Kerr asked if the snowbox has made a difference. Stehmeier said its impact has been huge and that it can clear the ramp in about a third of the time it used to take. It also has eliminated the creation of piles of snow. Stehmeier reiterated that it was a great investment for the airport.

V-22 Osprey Update

Aaron Gaddis, the coordinator for the V-22 Test Flight Team, arrived here May 23, 2011 with a 20,000 lb. Kirk-site block for burial near the closed runway. The block will be used in the flight testing program and will be removed after completion of the tests. The team will arrive July 6, 2011 and are scheduled to begin testing July 11, 2011. Kerr asked if there were any other infrastructure modifications that needed to be made before the V-22 team arrived. Stehmeier said that DeLoy Hansen has made some upgrades to his hangar which will provide power to the V-22 team.

Airport Insurance RFP

After consulting with the authority chair and Mayor Watts, Stehmeier determined the insurance

RFP would best be handled by the Risk Manager of Logan City, Mr. Bryce McEuen. He will report his findings to the Board at a later date. Watts said that it's a little out of McEuen's realm as far as what exactly the airport needs to insure and be on top of things, but he will utilize the services of a broker who does know what insurance coverage is needed. He added that this will be due the first part of August and so the RFP process will really need to be accelerated in order to get it done on time. Kerr said that if there are no objections from the board members, he recommends that we go ahead with McEuen executing the proposed plan. There were no objections raised.

Summer Construction / Maintenance Projects

Kirk Nielsen at the UDOT Division of Aeronautics has stated that they have assigned the runway 17/35 fog-seal and remarking, as well as the rehabilitation of taxiway "C" from the intersection of taxiway "D" to the closed runway intersection, and have designated it as a priority to be completed this summer. In addition, the ADO in Denver has given the Logan-Cache Airport a tentative verbal approval of our corporate taxiway project for this summer. Funding for the corporate taxiway project will be dependent on the funding situation after June 30, 2011 as that is when the next extension ends. Therefore, John Kerr and the new manager will work with the ADO to complete the funding process in July. Stehmeier noted that Kristin Brownson has said that there is some question as to where the funding will come from, but they will know by the end of June.

Thanks

Stehmeier concluded his report stating he would be starting his new job as Airport Manager of the St. George Airport June 13, 2011. He expressed his heartfelt thanks to John Kerr and the Airport Authority Board for the outstanding support they have given him over the last six years. He looks forward to seeing many of them in St. George as they travel through or come down for the UAOA Conferences in the future. He also encouraged them to continue the path of development that has been pursued over the past decade. Stehmeier said he looks forward to the announcement that the Logan-Cache Airport has airline service.

Fuel Farm Repair Report – John Kerr

Kerr noted that last month the board discussed this item from the corrections list from the 139 inspection and it raised a concern with Brady Hansen from the Logan City Fire Department because in order to get to the shut-off button, one would have to go through the fire. Kerr said we have received two bids to repair the problem and they are being considered at this time. Kerr said we will work with Scott Weaver on the best course of action for the airport to pursue in rectifying the problem.

Glider Competition Report – Tim Taylor

Kerr invited Tim Taylor of the Cache Valley Soaring Association from the audience to report on the upcoming glider competition. Taylor introduced Ron Gleason who will be acting as associate director for the contest and also chief scorer. Taylor said that currently there are a total of 55 gliders expected to be here for the competition. He said there is also a group from Colorado that will be bringing 10 pilots in a week before the contest, noting that from an economic standpoint, there will be more hotel rooms taken and more restaurants frequented as a result of the glider competition this year. He said we'll start seeing some of the first pilots arrive around July 11, 2011 and the majority be here by the weekend of July 16, 2011. Taylor said he has been working with

Stehmeier to prepare the airport for the contest. He requested that we sweep 10/28 early in July to minimize the amount of gravel being thrown up. He also requested the grass be cut early in July to make it cleaner and easier to conduct the competition. Taylor noted the recent passing of Charlie Minner who was the contest director last year. Mickey Minner will remain as contest manager this year and there will be an addition of two contest directors with national experience, Carl Strebeck and Rick Walters. Watts asked if arrangements had been made with Al-Imari for the runway sweeping. Stehmeier said Kerr will work with Darrell Erickson from the Cache County Road Department and Jed Al-Imari from Logan City to get it done in July. Kerr and Stehmeier said that the mowing has already been scheduled, as well.

Kerr noted that Walton had done some research as to the economic impact the glider competition and the V-22 Osprey visit will have on Cache County. Taking into consideration the number of people who will attend and the typical expenditures they will make per day, he estimates a direct contribution to the valley's economy of 1.8 million dollars. Kerr added that if we also consider other factors involving workers, etc. he thinks the total economic impact will be closer to 5 million dollars as a direct result of the events at the airport. He also noted that if the airport hadn't undergone the development it has over the last five years, it would not have been possible to bring in these events. Kerr brought up the recent purchase of business cards for each of the board members with talking points about the airport printed on the back. He pointed out one statistic being the economic impact of businesses in Cache Valley that use the airport on an annual basis to be approximately 5 billion dollars. Kerr concluded that we need to do a better job making people aware of the great contribution the airport makes to the economy of the county.

Taylor made another request to smooth and roll the grass side of runway 10/28 from the taxi lights to the runway. He said it would give them a bigger safety runway to put gliders down. That area in the last two years has gotten very rough due to a vole infestation. Kerr said he will look into getting that done.

Committee Reports

Operations Committee – Dean Quayle

Quayle said that they had received some minor corrections requests from the state people on the Minimum Standards document, the most significant being they want weight capabilities on the runways incorporated into the document. He said the corrections have been incorporated into the document. Quayle noted that we still have not received any input from the Denver office, but he will follow up on it.

Quayle said he and Stehmeier have spent a significant amount of time going through the Rules and Regulations draft document. It is ready to go to the committee, and he will send it to the board members this week for their review. Quayle would like to see it wound up by the end of next month.

Capital Improvements – Harry Ames

Ames said he will follow through on installing the mailbox. He noted that some

repair asphalt work needs to be done at the number pad gate and he will coordinate with Kerr on getting it done.

Ames said he thinks it's time the board considers raising airport lease fees as they have been the same for as long as fifteen years. He said the current lease fee is \$0.20 per square foot for commercial and flight line hangars and \$0.15 per square foot for hangars not on the flight line. Ames suggested we increase the fees by \$0.05 per square foot. Ames noted that our current fees are in the low end when compared to other airports in the surrounding area and we are way overdue for an increase to help generate revenue for the airport. He said he has reviewed the lease language and recommends it be amended to indicate that the airport needs to generate required revenues from various sources to make sure we secure the necessary funds to operate the airport as a business. Ames continued that for the most part, the impact will be minimal to the hangar owners, but will be significant in providing necessary operational funds for the airport. Ames asked for input from board members. Quayle asked if Ames had an indication as to the amount the \$0.05 increase will generate in funds. Ames said that he estimated it to be about \$15,000 a year. He reiterated that he thought the lease agreement should indicate future adjustments as needed, as well. Ames said that the bills for lease payment have not been sent in case the board determines a course of action at this meeting. He suggested sending a notice with the bill indicating the possibility of a fee increase and a future bill covering that increase. Kerr wondered if the board could take action now and implement the fee increase in the bills that are ready to be sent out. Kerr asked for input from board members. Quayle said he thinks it makes sense to increase the fees since they haven't been raised in over ten years. Tim Taylor agreed that it is long overdue. Dan Haynie said the increase is justified because of the length of time. He noted, however, that for some hangar owners, the amount will be significant. He also suggested taking this action before the new manager comes on board. Jessica Parker wondered about splitting the increase over a two-year period giving the hangar owners a chance to prepare. Ames said it would be possible but makes more sense to just take care of the whole amount now. Parker agreed that it is long overdue and didn't anticipate owners being terribly upset over it, but noted that the suddenness of it may be a little shocking to them. Quayle asked if the owners are billed on an annual basis and what the time frame for the billing is. Kerr said that the bill goes out in June and is due in July. Ames wondered about delaying the due date because of the change.

ACTION: Motion was made by Potter and seconded by Quayle to increase the land lease rates by \$0.05 for each hangar category. The vote in favor was unanimous, 5-0 with 2 absent.

Ames requested that the lease language be reviewed, as well. The board determined that Logan City attorney, Kymber Housley should review the lease because he has reviewed it in the past. Kerr noted that the lease language should apply to renewals of expiring leases and new leases. Ames said he will pursue it and have something to

bring back to the next meeting.

Kerr invited Bruce Bishop to address the board. Bishop remarked on the changes he has come back to at the airport including Stehmeier leaving and also the improvements made to the airport readying it for commercial service. He indicated the next "Jump Start" conference will be in two weeks in Cleveland. He said Fred Davis will be there and he has already booked ten airlines to talk to about bringing commercial service to the Logan-Cache Airport. The top two airlines showing interest according to Bishop are Allegiant and Alaska Air. He added that the availability of funds by the FAA on the federal level for small community grants is up in the air and the program may even be discontinued. However, he noted that as long as the program is still there, we will continue to pursue it because it has been a good source of funding in the past. He said he will work with Stehmeier in St. George in pursuing Sky West, as well. Kerr asked who will represent us at the conference, and Bishop said Fred Davis will be there for us.

Kerr asked Stehmeier how many air operations the St. George Airport has annually. Stehmeier said about 45,000. He then asked Stehmeier how many air operations the Logan-Cache Airport has annually. Stehmeier replied about 80,000 and noted that Utah State is responsible for a large portion of those operations.

Kerr asked Potter to update the board on the actions concerning the airport overlay. Potter said that he and Zan Murray have a meeting scheduled with Smithfield Planning and Zoning Commission and will be making a presentation. They are also meeting with individual members in the next week to prepare them for the presentation. Kerr asked about Hyde Park. Potter said they will work with Smithfield first and thinks it will put them in a better position for negotiations with Hyde Park.

Open Items

Watts noted that they are now in discussion for Phase II of the 10th West Project and because of costs will not be making it a four lane highway all the way to 2500 North. It will be a four-lane concrete road with one lane being a safety lane instead of shoulders on both sides. In addition, they are looking at the infrastructure along 10th West and moving sewer and water lines. He anticipates the bid in a few months and the project being completed in 2012. He said it will have impact on the future growth of the airport and the infrastructure. Stehmeier noted that in the meeting with Mayor Watts and Mark Nielsen, they determined that the future entrance to the airport from 10th West will be included in the scope of the project so that the intersection will be made and extended to the airport.

Ames asked what the general plan for replacing Stehmeier is. Kerr said that the job has been posted and closes on June 14, 2011. He added that there have been a number of local applicants as well as within the state and out of the state. He said he will be looking at them next week. He noted that there are two major certifications the airport manager is required to have: Fuel Service and 139 Operations. Quayle asked if Kerr will be assuming the manager responsibilities in the

interim. Kerr said he would. He then addressed Stehmeier and thanked him for his contributions to the airport and to the community.

Next Meeting

The next meeting of the Airport Authority Board will be on July 5, 2011 commencing at 7:30 a.m. in the Historic Courthouse Council Chambers, 199 North Main, Logan, Utah 84321.

Adjournment

The meeting was adjourned at 8:29 a.m.