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MINUTES OF THE BOARD MEETING OF THE KEYSTONE AIRPARK AUTHORITY
Tuesday, January 18th , 2011
CONFERENCE ROOM, KEYSTONE AIRPARK

Chairman, Noel Thomas called the board meeting to order at 6:00 p.m.

Prayer was given by Mr. Kirkland followed by the Pledge of Allegiance.

PRESENT: Noel Thomas, Dean Weaver, Glen Harris, Ron Blake, Mr. Roberts, Mr. Kirkland,
Roland Luster, Jim Young, Ms. Nelson

ABSENT: Col. Mauzey, Don Ramdass

A motion was made to approve the December 2010 Financial Statements. Mr. Roberts stated that he was, in fact, at the Dec. 7th, 2010 Special Meeting, but his presence was not indicated on minutes. Ms. Gall was instructed to update as noted. **A motion was made to approve the December 2010 financial statements as well as Dec. 7th minutes indicating change.**

Motion By: Scott Roberts

Seconded by: Glen Harris

All Ayes

In absence of Mr. Ramdass, Patrick Honore with Passero, reported on the 5/23 schedule and update. Mr. Honore stated that paving on 5/23 is complete, slabs in place. Electrical is working on runway. Project completion to be by end of January. Chair Thomas stated that there are concerns about quality of concrete poured on a couple of the slabs. Rich G. is aware and will be having FL Rock out on Friday (1/21) to look at hairline cracks and review problems. Mr. Honore will get with Rich to discuss problems.

Mr. Luster stated that since Florida has a new Governor, we should expect new changes.

Mr. Harris brought Board up to date on the Ranier fertiliation job which was based here at KA. He stated that KA was able to exchange tie down, trailer hook-up, and basic use of facility for fertilization of land along S.R. 100.

Mr. Blake reported that the appraisal is not yet complete, but was able to give numbers to support appraisal.

- 1 acre (industrial) = \$20K
- 1 acre (ag property) = \$1,100.

Actual appraisal will not be available until a later date. Mr. Weaver questioned whether the prices quoted were sale prices or lease prices. Mr. Blake clarified that the per-acre costs are sale prices only, but according to FAA, we are to lease 12-14% of above \$\$.

Discussion began regarding the Lease Agreement with Mercair. Mr. Weaver questioned C. , paragraph 5; “The Hanger to have 3 phase 400 cyc . and 28VDC power supplies connected to power aircraft and shop areas”. It was determined that KAA is suited for this requirement. Insurance was discussed and Mr. Weaver suggested KAA carry a Landlord policy and Mercair carry a Tenant policy. Mr. Luster suggested KAA come up with an accurate number to cover for contamination. He also suggested we get with EPA to review policy. Chair Thomas stated our coverage should be somewhere between \$1-5M. Mr. Weaver stated that we should review the Alcoa insurance coverage and use that policy as a guide. In reviewing the Lease Agreement, Mr. Weaver would like to address the issue of “outside storage”. Criteria needs to be clearly defined. Mr. Kirkland inquired about ramp space and what is needed. Mr. Harris inquired about section A & B, paragraph 3 re: Proposed Lease & cap of 3% increase per year. Chair Thomas felt secure is agreeing with this, as most CPI increases are under 3% anyhow. Mr. Weaver wanted more clarification about Lease amount. He stated that we don’t want to get ourselves locked into a 20yr lease at \$2500/mo + CPI. Chair Thomas confirmed that his discussion with FAA (Mr. Owen) stated that the FAA does not approve leases beyond 5 yrs because of the market values changing so frequent. He also stated that we need to

recognize that even though the Lease is less than \$5k/mo with both buildings, Mercair will be paying the taxes and building improvements. Mr. Luster stated that we must include in the Lease that all building improvements are to be inspected and "to code" with permitting with commercial contractors. Mr. Kirkland inquired about Mercair producing an FAA Repairs Certificate. Mr. Luster and Mr. Weaver confirmed that FAA will schedule their own inspection with company. Mr. Weaver inquired about whose financial responsibility it would be to have Taylor & Taylor make appropriate changes and create the draft agreement. Board agreed that KAA should absorb cost as it has been done in past lease agreements. Chair Thomas confirmed that Mercair will be giving a deposit upon signed lease and first payment on 4/1/11. It was suggested by Mr. Weaver & Mr. Blake that KAA take an old Lease Agreement and modify with new requirements.

Mr. Young opened his report by informing the Board about a Florida Trails Seminar scheduled for Jan. 27th in Tallahassee. Board felt attending the seminar would not be advantageous at this time, due to the regulations set forth by FAA. Chair Thomas stated that he was directed by FAA, Mr. Owen, to communicate with Florida Trails and confirm whether or not they will continue the use of trail system on airport land under new lease guidelines. If Florida Trails refuses to agree, the Trails will be shut down. Mr. Weaver asked that we get FAA statement in writing. Chair Thomas will report more at Feb. Meeting

Mr. Young also reported that Fuel Tech came out to service the tanks/ truck. New hoses have been replaced and are now compliant. While servicing truck, the technician noticed a small drip coming from truck valve. Fuel Tech will be scheduled to come back out and repair week of 1/31. Mr. Weaver stated that KAA would like to have a statement from Fuel Tech regarding the Kruegar valve.

Mr. Young updated the Board on KA Clay County Health Dept inspection, which occurred on _____. The inspector found a minor violation. Jim is required to supply them with an updated certificate of inspection within 30 days.

Chair Thomas opened report by inquiring all Board members about setting up direct deposit for payroll. Including 4 employees, it will cost around \$22.50 per month to process. By utilizing this service through QuickBooks, all IRS reporting (W-2's) are included. The Board stated they are happy with the current process, but would like to have a more detailed report of cost and inclusions before deciding.

Mr. Thomas also reported that the Wings of Dreams temporary portable trailers have been delivered and are securely in place. He has called Clay County Planning and Zoning and waiting on permitting before moving forward with any other work to begin (electrical, plumbing, etc.)

Chair Thomas began discussion regarding FAA lease requirements for Sportsman Club as well as Rails to Trail. He stated that according to FAA, the lease amount we can expect to receive is based on 12-14% of the fair market value of the appraisal. Representation of Sportsman Club was in attendance and took note of all information pertaining to lease and FAA requirements.

Chair Thomas discussed that the KAA entrance business sign needs to be updated. All letters need to have a uniform font and color and have only vinyl material used. He inquired as to who should be financially responsible for updating when new businesses come in. It was agreed upon that the individual businesses should pay to have their company name displayed. It was also stated that a policy needs to be established and added to Lease Agreement. Chair Thomas reported that HIPP Construction has asked for an extension of 02/01/11 to complete 5/23 project.

Chair Thomas asked from all attendees if any other issues needed to be addressed. There was no further discussion.

Meeting adjourned at 7:20p.m.

Noel Thomas, Chairman

Attest

Secretary