

# FAUQUIER COUNTY AIRPORT COMMITTEE

## MEETING SUMMARY

Wednesday, December 10, 2008 – 5:00 p.m.  
Warrenton-Fauquier Airport – Conference Room

### 1. Call to Order:

The Chairman called the meeting of the Fauquier County Airport Committee to order at 5:10 p.m. on 10 December 2008 in the Warrenton-Fauquier Airport Conference Room, Midland, Virginia. In attendance were:

#### Committee (Voting) Members:

James W. Van Luven	Lee District Representative
David Brown	Scott District Representative
Patrick Nutz	Center District Representative
Dennis Hunsberger	Citizen at Large
Bob Newman	Airport Tenant/Owner

#### County Staff:

Anthony I. Hooper	Deputy County Administrator
Michael Anderson	Airport Manager
Chrissy Kirby	Administrative Manager
Vivian McGettigan	Director of Finance
Janet Romanchyk	Assistant Director of Finance

#### Absent:

Rick Gerhardt	Cedar Run District Representative
Tom Lodahl	Marshall District Representative

#### Visitors:

None

### 2. Adoption of Agenda:

Dennis Hunsberger moved and Jim Van Luven seconded a motion to adopt the December 10, 2008 meeting agenda. The motion carried unanimously.

### 3. Citizens' Time:

No one spoke.

### 4. Adoption of the Minutes:

Jim Van Luven moved and Dennis Hunsberger seconded a motion to adopt the October 29, 2008 meeting minutes. The motion carried unanimously.

**5. Finance Report:**

Vivian McGettigan presented the following reports and the Committee held brief discussions on financial statements. It was noted that the statement represented actual experience to date that required additional information in order to project revenue and expenditures for the fiscal year.

<i>COUNTY OF FAUQUIER, VIRGINIA</i>			
<b>Liquidity (Future Cash)</b>			
<b>Airport Operating and Fuel Fund</b>			
	<b>Total</b>	<b>Total</b>	
	<b>FY2008</b>	<b>FY2009</b>	
	<b>6/30/2008</b>	<b>10/31/2008</b>	<b>Change</b>
<b>Assets</b>			
Current assets:			
Cash and investments	(277,383)	(350,774)	(73,391)
Receivables, net of allowances for uncollectibles			
Capital Private Share	-	-	
T-Hangar 2 Loan Reimbursement from Phoenix & Midland	9,198	9,198	-
Customer	16,655	6,960	(9,695)
Due from other governmental units	61,951	60,547	(1,404)
Inventory	59,202	69,220	10,018
<b>Total current assets</b>	<b>(130,377)</b>	<b>(204,849)</b>	<b>(74,472)</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable			
Air BP	37,300	21,260	(16,040)
Others	15,352		(15,352)
Accrued and other liabilities	3,782	1,534	(2,248)
Accrued interest	178	546	368
Prepaid rent	-		-
Due to other funds	-		-
Deposits from Leasees	1,830	1,830	-
Compensated absences	1,555	1,555	-
Notes Payable - Current	17,294	17,294	-
<b>Total current liabilities</b>	<b>77,291</b>	<b>44,019</b>	<b>(33,272)</b>
Liquidity (Future Cash) - Advances from General Fund	207,668	248,868	41,200
Due to General Fund	69,715	101,906	32,191

<b>COUNTY OF FAUQUIER, VIRGINIA</b>				
<b>Statement of Net Assets</b>				
<b>Airport Operating and Fuel Fund</b>				
	FY 2008	FY 2009		
	Total 6/30/2008	Operating Fund 10/31/2008	Fuel Fund 10/31/2008	Total 10/31/2008
<b>Assets</b>				
Current assets:				
Cash and investments	\$ (277,383)	\$ (265,746)	\$ (85,028)	\$ (350,774)
Receivables, net of allowances for uncollectibles:				
T-Hangar 2 Loan Reimbursement	9,198	9,198	-	9,198
Customer	16,655	-	6,960	6,960
Due from other governmental units	61,951	60,547	-	60,547
Inventory:				
Fuel:				
100LL	37,438	-	22,081	22,081
Jet A	21,764	-	47,139	47,139
Total current assets	(130,377)	(196,001)	(8,848)	(204,849)
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land	6,612,678	6,612,678	-	6,612,678
Construction in progress	134,305	150,460	-	150,460
Buildings and improvements	2,316,473	2,337,842	48,131	2,385,973
Infrastructure	8,150,586	8,150,586	-	8,150,586
Equipment	262,501	215,757	46,744	262,501
Total capital assets	17,476,543	17,467,323	94,875	17,562,198
Receivables, net of allowances for uncollectibles				
Capital Private Share	90,167	90,167	-	90,167
T-Hangar 2 Loan Reimbursement	27,100	23,688	-	23,688
Total noncurrent assets	17,593,810	17,581,178	94,875	17,676,053
Total assets	\$ 17,463,433	\$ 17,385,177	\$ 86,027	\$ 17,471,204
<b>Liabilities</b>				
Current liabilities:				
Accounts payable:	\$ 52,652	\$ -	\$ 21,260	\$ 21,260
Sales Tax Liability	-	-	-	-
Accrued and other liabilities	5,337	2,599	490	3,089
Accrued interest	178	-	546	546
Prepaid Rent	-	-	-	-
Due to other funds	-	-	-	-
Notes Payable - Current	17,294	-	17,294	17,294
Total current liabilities	75,461	2,599	39,590	42,189
Noncurrent liabilities:				
Advances to other funds	-	-	-	-
Compensated absences	13,997	13,997	-	13,997
Deposits from Leasees	1,830	1,830	-	1,830
Notes Payable - Noncurrent	18,362	-	18,362	18,362
Total noncurrent liabilities	34,189	15,827	18,362	34,189
Total liabilities	109,650	18,426	57,952	76,378
<b>Net Assets</b>				
Invested in capital assets, net of related debt	17,440,887	17,467,323	59,219	17,526,542
Unrestricted	(87,104)	(100,572)	(31,144)	(131,716)
Total net assets	17,353,783	17,366,751	28,075	17,394,826
Total liabilities and net assets	\$ 17,463,433	\$ 17,385,177	\$ 86,027	\$ 17,471,204

<b>COUNTY OF FAUQUIER, VIRGINIA</b>					
<b>Statement of Revenues, Expenses, and Changes in Net Assets</b>					
<b>Airport Operating and Fuel Fund</b>					
	<b>FY 2008</b>	<b>FY 2009</b>			
	<b>Total</b>	<b>Operating Fund</b>	<b>Fuel Fund</b>	<b>Total</b>	
	<b>6/30/2008</b>	<b>10/31/2008</b>	<b>10/31/2008</b>	<b>10/31/2008</b>	
<b>Operating revenues</b>					
Charges for services	\$ 251,927	\$ 77,033	\$ -	\$ 77,033	
Miscellaneous	40,225	6,095	-	6,095	
Fuel Sales	421,195	-	189,941	189,941	
Oil/Lubricant Sales	581	-	337	337	
Navigational Charts & Map Sales	3,441	-	1,408	1,408	
Other Merchandise	163	-	178	178	
Aircraft Service Fees	1,497	-	267	267	
Transient Rental - North Ramp Tie Down	268	-	143	143	
Vending Machine	58	-	130	130	
<b>Total operating revenues</b>	<b>719,355</b>	<b>83,128</b>	<b>192,404</b>	<b>275,532</b>	
<b>Cost of Goods Sold:</b>					
Fuel	352,461	-	150,079	150,079	
Short/over	-	-	-	-	
Others (Oil, Charts, & Maps)	-	-	-	-	
Credit Card Processing Fee	7,947	-	3,495	3,495	
<b>Total Cost of Goods Sold</b>	<b>360,408</b>	<b>-</b>	<b>153,574</b>	<b>153,574</b>	
<b>Gross Margin</b>	<b>358,947</b>	<b>83,128</b>	<b>38,830</b>	<b>121,958</b>	
<b>Operating expenses</b>					
Personal services	163,437	37,055	17,827	54,882	
Fringe benefits	39,106	20,110	1,853	21,963	
Contractual services	36,468	3,773	500	4,273	
Other operating expenses	83,988	20,103	7,023	27,126	
Depreciation (Accrual Basis)	1,163,431	-	-	-	
Capital Outlay	-	-	-	-	
<b>Total operating expenses</b>	<b>1,486,430</b>	<b>81,041</b>	<b>27,203</b>	<b>108,244</b>	
<b>Operating income (loss)</b>	<b>(1,127,483)</b>	<b>2,087</b>	<b>11,627</b>	<b>13,714</b>	
<b>Nonoperating revenues (expenses)</b>					
Federal - grants	47,353	11,341	-	11,341	
Commonwealth of Virginia - grants	2,585	358	-	358	
Interest income	-	-	-	-	
Interest expense	(2,844)	-	(369)	(369)	
<b>Total nonoperating revenues (expenses)</b>	<b>47,094</b>	<b>11,699</b>	<b>(369)</b>	<b>11,330</b>	
<b>Income (loss) before transfers and contributions</b>	<b>(1,080,389)</b>	<b>13,786</b>	<b>11,258</b>	<b>25,044</b>	
Capital contributions-Private Share	(14,095)	-	-	-	
Contributed capital	543,174	-	-	-	
Set-up of Loans for T-Hangar 2	45,992	-	-	-	
Return of Grant Funds for T-Hangar 2	(45,992)	-	-	-	
Transfers in	29,559	16,000	-	16,000	
<b>Change in net assets</b>	<b>(521,751)</b>	<b>29,786</b>	<b>11,258</b>	<b>41,044</b>	
<b>Net assets - beginning</b>	<b>17,875,533</b>	<b>17,336,964</b>	<b>16,818</b>	<b>17,353,782</b>	
<b>Net assets - ending</b>	<b>\$ 17,353,782</b>	<b>\$ 17,366,750</b>	<b>\$ 28,076</b>	<b>\$ 17,394,826</b>	

Vivian McGettigan advised the Committee:

1. Airport Operation averages a profit of approximately \$100,000 per year; and
2. The yearly profit is dwarfed by the overall outside investment in the Airport from the State and Federal sources of approximately \$17,000,000 since Fauquier County purchased the Airport.

## **6. Action Item List Discussion:**

Pat Nutz reviewed items listed below:

Summary: Per October Committee meeting discussion, Dennis Hunsberger and Pat Nutz met with Mike and Chrissy on Nov 19 to review the 2010 Budget submissions and begin to integrate desired growth improvements at the Airport. The Airport enterprise appears to be well run, meeting many existing customers' needs and considering limited improvements.

Process/Objectives:

- Reviewed operational and flight line budget submissions line by line
- Review history of past years per line and budget
- Discuss peculiar Fauquier County budget guidelines
- Understand amount of money potentially available to fund growth improvements
- Review Mike's "wish list" for growth

Results:

- Approximately 90 minutes spent discussing budgets.
- Great deal of detailed history available on all budget line items.
- Numerous county budget reporting "requirements" constrain Airport business enterprise management.
  - o Artificiality of two "separate" budgets (Ops vs. Flight line?).
  - o Forced to show "no growth", identify contingency funds and reduce budget (obvious exceptions). Contingency = Profit.
  - o Need freedom to list uses for contingency funds (funds available for improvements).
  - o Need to show high leverage of Federal and State funding for "small" county contribution.
  - o Need relief from costly county reporting and credit processes where lower cost alternatives are readily available.
  - o Need to allow airport managers to refine processes to save labor costs and streamline business model. Fuel sales "profit/loss" is good example.
  - o Require far higher priority on generating more revenues in addition to meeting day-to-day operations.
- Approximately \$80K potentially available for airport improvements
  - o Very sensitive to assumptions and County processes.
- Mike sent updated list of "Airport Project Priorities" (11/24/08):
  - o Security Gate Controls, FY09, \$14.8K/\$1.7K (State/County)
  - o Obstruction Clearing, FY10, \$1,140K/\$36K/\$24K (Fed/S/C)
  - o Master Plan, FY10, \$285K/\$9K/\$6K
  - o Repave Entry Road, FY10, \$34K (all county)
  - o Repair Old Taxiways, VY10, \$45K/\$14K (S/C)

- Grass/Snow Eq, FY11, \$50K/\$50K (S/C)
- T-Hanger, FY11, \$760K/\$190K (S/C)
- Clear Span Design, FY11, \$45K/\$9K (S/C)
- SE Apron Expansion, FY12, \$1,140K/\$36K/\$24k (F/S/C)
- Clear Span Construction FY13, \$960K/\$240K (S/C)

Recommendations:

- Airport Committee should review constraints and recommend business process improvements to respond to Board of Supervisors' plans for Airport.
- Airport Committee should review Mike's list of desired improvements and suggest changes and priorities based on Supervisors' plans for Airport.
- Airport Committee should update its' Mission and Charter to reflect realistic limitations of oversight, accounting, control and reporting.
- Finance Subcommittee lessons should be used in Planning Subcommittee, especially work supporting update of Airport Master Plan with Federal and State funding.
  - Include special interest items, such as: evolving TSA demands on "reliever airports", investments that generate additional revenues, reserving at least five "free" taps on sewage system for growth, provide water/water storage, coordination with other county improvement plans (especially Rt28), using airport to attract "high value" businesses (informational, medical, research, financial, educational, etc.), improve "Bond Rating" vs. nearby county airports, etc.
  - Consider the interrelated planning activities: enterprise, business (includes Master Plan), operations with clear objectives, goals and measurable milestones for each.
  - Analyze Vint Hill experience and map lessons into Airport Committee discussions.

Committee discussed the draft Master Plan Update submission. Dennis Hunsberger made a motion to submit the Master Plan Update Funding Request to the Virginia Department of Aviation. Pat Nutz seconded the motion. The motion passed unanimously.

## **7. Update – Airport Manager:**

Mike Anderson reported on the following items:

### **Airport Operations**

- No NOTAMS in affect.
- There are currently 10 individuals on the hangar wait list that have paid a deposit, there was one turnover since last report.
- We are collecting rent on 13 tie downs.

### **Fuel Services**

- Hours of operation are currently 8:00am – 5:00pm, closed Christmas day.
- Sales

Month	100LL	Jet A	Total	2006		
				100LL	Jet A	Total
May 2007	9228.7	1572	10800.7	5003	773	5776
June 2007	7917.4	1150	9067.4	6172	1827	7999
July 2007	8687.1	326	9013.1	4813	1433	6246
August 2007	8711.6	175	8886.6	4295	1227	6152
September 2007	9976.7	2590	12566.7	3794	683	4477
October 2007	7444.1	3716	11160.1	3508	575	4083
November 2007	4207.4	4209	8416.4	2909	219	3128
December 2007	3160.6	2999	6159.6	3541	1356	4887
January 2008	3324.1	1292	4616.1			
February 2008	3294.2	2282	5576.2			
March 2008	5103.5	1464.5	6568			
April 2008	5973.1	1689	7662.1			
May 2008	7251.4	3004	10255.4			
June 2008	6702.8	1371	8073.8			
July 2008	6268.7	4593	10861.7			
August 2008	6171.3	1462	7633.3			
September 2008	6526.7	1765.6	8292.3			
October 2008	6647.3	2488	9135.3			
November 2008	4969.9	1850	6819.9			
December to date	829.1	100	929.1			
<i>Budgeted FY09</i>	<i>7083</i>	<i>2500</i>	<i>9583</i>			

- Area Prices

Airport	100LL	Jet A
Warrenton-Fauquier	\$ 4.30	\$ 3.99
Culpeper	\$ 4.05	\$ 4.00
Stafford	\$ 4.15	\$ 4.00
Orange	\$ 4.30	\$ 4.30
Manassas	\$ 5.05	\$ 5.49

**Cost Reduction Measures**

- On days where inclement weather is forecast, fuel services staff will be dismissed early or advised not to come into work at all.

- Due to decreased hours of operation and reduced fuel sales, one fuel services staff member will be laid off within the next two weeks.

### **EAA Chapter 1461 Donation**

- Our EAA chapter will be donating the installation of a Compass Rose to be located on the south run-up pad.

### **Events**

- Christmas lunch sponsored by staff will be held on December 13<sup>th</sup>.
- Midland Development, EAA Chapter 1461 and Skyworld will sponsor a holiday celebration in hangar 20, Saturday, December 20, 2008 from 4PM to 7PM.
- The Christmas Toy Airlift sponsored by the Virginia Chapter Ninety Nines will conclude on Saturday, December 13, 2008 with John Clifford donating his time and airplane to fly the toys to Chesterfield. From there the toys will be distributed by the National Guard to families of the military and wounded veterans who are experiencing serious financial hardship and need assistance to provide Christmas gifts for their children.

### **8. Update – Tony Hooper:**

Tony Hooper provided an update to the Committee on the ACIP meeting which was held on December 9, 2008 with the FAA and DOAV. A copy of the agenda items and materials are attached herein.

Tony Hooper reviewed the draft Airport 2010 Budget submission. After brief discussions, the Airport Committee made no changes to the 2010 Budget submission.

### **9. Roundtable:**

No additional items were discussed.

With no further business Jim Van Luven moved and Dennis Hunsberger seconded to adjourn the meeting. Motion passed unanimously. The meeting was adjourned at 6:45 p.m.

The next Airport Committee meeting will be January 28, 2009.