CITY of Palatka FLORIDA

MINUTES
CITY OF PALATKA
September 25, 2024

1. CALL TO ORDER
   i. Roll Call

Present: Airport Advisory Board Member Jud Neufeld
Airport Advisory Board Member John Browning, Jr.
Airport Advisory Board Member Wayne McClain
Airport Advisory Board Member Arthur Billingsley
Airport Advisory Board Member Melissa Miller
Airport Advisory Board Member Ken Johnson
Mayor Roberta Correa

Absent: Airport Advisory Board Member Dana Jones

Also Present: Marcia Carty, Interim City Manager; Yul McNair, Airport Manager; Sophia Smith, Airport Administrative Assistant; Jane West, City Attorney; Sunni Krantz, City Clerk; Marcia Carty, Interim City Manager/Finance Director; Jayde Baggs, Project Manager/Grants Administrator; Andrew Holesko and Matt Singletary, Passero & Associates; Nicole Grace, Keep Putnam Beautiful; Laura Pavlus, President Chamber of Commerce; Jeremy Alexander; Richard Nelson; Rick Cunningham

   a) Introduction of the new Interim City Manager, Ms. Marcia Carty

Mr. Neufeld introduced Ms. Carty and welcomed her.

   ii. Approval of Minutes May 2024

Motion to approve by Mr. McClain. Second by Mr. Billingsley. Motion passed unanimously.

2. CHAIRMAN'S COMMENTS Mr. Neufeld spoke on the importance of aviation to the world and patriotism.

3. PUBLIC COMMENTS The floor was opened to public comment. Hearing none, the floor was closed to public comment.

4. REGULAR BUSINESS
   i. DISCUSSION/RECOMMENDATION: Runway 9 Extension Study Project

Mr. McNair elaborated on Runway 9 project; Mr. Singletary assisted. He explained FDOT has certain regulations for such projects, especially operations. They say we must have 500 jet ops for it to be justified. One disadvantage, it will not be justified with our ops. Mr. McNair said we get about 50 large jets now (and lots of medium airplanes). We have about 90,000 smaller planes as well. The question is how do we want to approach the study/project, knowing we do not have enough ops? Do we want to have a marketing program that will bring in new jets OR we pursue the study, and get other benefits, such as having an identification of wetland areas or other components for government. Mr. McNair advised Mr. Kyle Coffman, the FDOT project manager has said in the past if the study comes back at 50 jets instead of 500, it could hurt us in the future. Mr. Singletary advised there is $100,000 set aside for the study.

Board discussion commenced. Mr. Browning and Mr. McClain spoke in support of pursuing the study. Mr. Browning indicated legislation has passed for rural airports for economic development, Wakulla and Palatka, specifically. Mr. McClain advised that a few years ago FedEx c indicated they would come to Palatka, if we will build a runway compatible for jets. Mr. Billingsley advised other pilots have told him they do not come to Palatka because the runway is not long enough. They do not prefer St. Augustine airport, due to the marine layer.
Ms. Miller indicated 100,000 operations is a great point.

Mr. McClain asked if it would require Commission approval. Mr. McNair thinks it has already been approved.

Motion to continue by Mr. McClain. Second by Mr. Johnson. Motion passed unanimously.

ii. DISCUSSION/DIRECTION: Skeet Range Lease and Operation

Chair Neufeld advised the Skeet Club leases their property from the City/Airport for $1.00 per year. Mr. McNair and Ms. Carty addressed the Board on the item. An appraisal has been completed that reflected market rate at$0.18 - $0.21 per square feet, this would cover water spray fields, skeet range, water wells, and drop zone.

Chair Neufeld indicated additional revenue is needed to lower the Airport Fund's debt to the City General Fund. Ms. Carty expressed all of the City's "dollar" leases are being brought up to fair market value. Now that we have the appraisal, we have to do more interfund, interdepartmental collaboration to whatever is being utilized. The Airport is committed to pay back the debt that remains in this year's budget. Our next stage is to give a better value to interchanging an audit trail.

Mr. McNair spoke on the need to eliminate the City's exposure to liability. The airport is compliance sensitive. Dollars generated here must stay here. He applauded Finance for their efforts to clean that up for when FAA comes for inspection. Revenues are for ops, capital programs, and to have a reserve in the future.

Mr. McClain advised that for Skydive Palatka and other existing customers, he recommends the change of rate be handled as part of annual inspections. External customers would be handled differently, with the involvement of legal.

iii. DISCUSSION: Annual Hangar Inspection Update

Mr. McNair reminded the Board we should not have non-aeronautical activity on the Airport property and there has to be a mechanism to show we are addressing that here. Ms. West responded there is an issue with the Skeet Club being non-aeronautical and having guns on Airport property.

Board discussion commenced. Mr. Browning indicated Skydive Palatka uses more than 2 acres and advised we need to keep them accountable once the runway is complete. He expressed charging by the acre makes no sense. Each lease must be looked at individually—cost vs. income. The Skeet Club has protected that property for 20 years.

Mr. Browning and Ms. Miller recommended to look at the FAA rules and what other people do. He knows other airports do similarly. The question becomes how do the other airports get by FAA/FDOT audit of property with non-aeronautical use?

Mr. McNair said they are doing it more now because of limited grant dollars dwindling. They now ask for agreements and status of payment.

Mr. Neufeld said we should get that information for at the next meeting. Mr. McNair said compliance is the issue and the location is also the place for the jet hangars and runway.

Mr. Billingsley asked if the area can be zoned something different to show it is not for a long-term airport use. Ms. Carty said our Comprehensive Master Plan might be a great opportunity for the airport. We have to issue the report by May 2025; they are hoping to commence October. The City Attorney expressed that the City is working to remain compliant with FAA and she does not foresee changes to the Airport Master Plan.

a) Handling of non-airworthy aircraft storage

Mr. McNair spoke regarding the need to address airplanes (that are not airworthy) that are taking up spaces (under 10 out of the 70 storage units that the Airport has).

Board discussion commenced regarding unauthorized storage of non-aeronautical equipment being a higher priority than non-airworthy planes.

Mr. McNair expressed we can charge them fair-market rate for storage that is non-aeronautical per the FAA's policy. Mr. Johnson expressed concerns on how to implement the policy.

b) Handling of unauthorized hangar storage for non-aeronautical items

Mr. McNair advised we have completed annual hangar inspections. The results were much better than last year. The 10 units that have non-aeronautical usage are paying regularly. He asked for the Board's input.

Board discussion commenced . Mr. Johnson spoke in opposition as non-aeronautical users do not purchase fuel. Mr. Browning spoke in favor or charging fair market rate for non-aeronautical storage.

iv. DISCUSSION: Hangar Maintenance

Mr. McNair spoke regarding maintenance of hangars and provided a slide from the agenda on the status of hangar maintenance.

5. AIRPORT UPDATE

i. Financial Report August 2024

Ms. Carty spoke regarding the grant budget is at $2,744,000. To the extent we do not finish a grant, it is considered in the future budget. She advised, despite the fuel tanks being offline, the airport earned funding. Total revenues as of August 31st were $1,013,610. She outlined expenses and encumbrances of $1,094,000 includes airport reimbursing general fund. The external debt of the Airport has been paid back. The present debt is that to the City's General Fund.

The interpretation of this is that the Airport has a small profit of $19,000. The City will continue working towards a day that the City's General Fund does not fund the airport.

ii. Business Report August 2024

Mr. McNair advised the fuel tanks are online and we have seen more stabilization. Total revenues of August 2024 were $84,379.

Active projects include Taxiway Echo (the next step is sending a package to FAA).

iii. Operations Report

Mr. McNair provided the operations report in the packet for review.

6. CLOSING COMMENTS

Chair Neufeld expressed appreciation for the Board member's efforts.

The meeting adjourned at 1:01pm.