

M I N U T E S
AIRPORT ADVISORY COMMISSION
May 10, 2022

The Airport Advisory Commission of the City of Farmington met on Tuesday, May 10, 2022 at 4:35 p.m., in the Executive Conference Room at 800 Municipal Drive, Farmington, NM.

Members Present: Mark Gordon
Michael Mead
Richard Roderick, Chairman
Jonathan Rudolf

Members Absent: Zachary Kermitz, Alternate
Wayne Mangum, Pro Tem

Staff Present: Julie Baird, Assistant City Manager
Mike Lewis, Airport Manager
Russel Frost, Deputy City Attorney

Others Present: Felicia Bekis, Atlantic Aviation
Marieanna Yazzie, Atlantic Aviation

Call to Order

The Airport Advisory Commission (AAC) regular meeting was called to order at 4:35 p.m. by Chairman Richard Roderick, there being a quorum present, the following proceedings were duly had and taken.

Approval of the May 10, 2022 Agenda

Chairman Richard Roderick asked for a motion to approve the agenda for May 10, 2022. A motion was made by Commissioner Jonathan Rudolf, and seconded by Commissioner Mark Gordon to approve the agenda for May 10, 2022 and passed by a vote of 4-0.

Approval of the Minutes from the April 12, 2022 Regular Meeting of the AAC

Chairman Richard Roderick asked for a motion to approve the minutes from April 12, 2022. A motion was made by Commissioner Mark Gordon, and seconded by Commissioner Jonathan Rudolf to approve the minutes of the April 12, 2022 regular meeting of the AAC, and passed by a vote of 4-0.

Operations Report

Airport Manager Mike Lewis presented the statistics as they appear in the agenda.

As Manager Lewis was discussing fuel cost comparisons from the agenda chart, there was a short discussion regarding soaring fuel prices. Manager Mike Lewis also noted the comparative way Atlantic Aviation calculates their fuel prices. It was brought up Aztec self-serve fuel prices had gone from \$5.05 to \$7.35. This price hike happened very recently in conjunction with Aztec's newest fuel delivery. Chairman Roderick explained he knew how the City of Aztec determines the price of self-serve fuel and he would provide more information about that later in the meeting.

Additional Operations Information

Airport Manager Mike Lewis reported on additional operational items not listed in the agenda.

- 1) The bid for the seven million dollar (\$7,000,000.00) taxiway relocation project has been approved by the City of Farmington Council to go to Old Castle Group, dba Four Corners Materials. The FAA is hoping to get funding distributed soon, in order to get the work started as early in the season as possible. There was a short discussion regarding how wind might or might not affect construction.
- 2) Manager Mike Lewis has been working to get the Compass Rose updated. It will take a sophisticated survey and certification that will have to be set up on a schedule for alignment checking on a regular basis. He noted a couple of solutions, and explained he would have more information from the airport's engineering firm at a later date.
- 3) Manager Mike Lewis is awaiting the decisions by a number of parties regarding SkyWest pulling out of twenty-nine (29) Essential Air Service (EAS) cities. Possible dynamics exist that may indirectly affect us.
- 4) City Council approved the award for the three (3) year Engineering Consultant Contract to Armstrong Consultants, Inc.
- 5) Airport staff is continuing to work with NM Pilots Association, NM State Tourism Department and their contractors to claim and populate our Google page.
- 6) Manager Mike Lewis announced he will be attending the South Central Chapter of the Association of American Airport Executives in Corpus Christi, Texas. This is the annual opportunity to network with the FAA's SW Regional Airport District Office leadership. Travel will begin this Friday May 13th, 2022.

Airport Manager Mike Lewis asked if there were any questions. There were none, so Chairman Richard Roderick opened discussion for the next agenda item as follows.

Discussion and Vote to Recommend an Agreement with Atlantic Aviation: Installation, maintenance, and operation of a self-serve fuel facility with fuel price at \$1.00 below normal retail price, in exchange for a ten (10) year contract extension for all Atlantic Aviation leased facilities located at Four Corners Regional Airport

Chairman Richard Roderick presented a brief introduction highlighting the above item.

Chairman Roderick interjected he initially felt it was not the best deal, however he had a change of heart after recognizing where the rates had been raised to, for self-service fuel, in Aztec. He explained how the Aztec Airport Manager calculated his price of sale, including wholesale cost, taxes, shipping, and a small revenue.

There was discussion regarding Atlantic Aviation current contract date ending in 2029, and with the ten (10) year extension expiring in 2039. The main question is does the commission want to see the airport commit to Atlantic Aviation for this length of time.

There was more discussion regarding commitment to fixed base operator Atlantic Aviation. It was agreed the dollar (\$1.00) off looks good.

Commissioner Michael Mead noted hangar pricing is tough given Atlantic Aviation charges three to five hundred dollars (\$300.00 - \$500.00) a month and currently Atlantic hangar rates have risen by almost two hundred dollars (\$200.00). Chairman Roderick asked if Atlantic Manager Felicia Bekis could explain why. She responded it is a new contract cycle, new equipment is needed, and there is a market rise everywhere and they were still competitive. Additionally local rates are set by the Atlantic Aviation Corporate offices. Manager Felicia Bekis also noted she works with a high rate and a low rate, she always starts with the low rate.

Airport Manager Mike Lewis asked the commission if there might be any value or relevancy to executing a survey regarding hangar fees. There was a short discussion regarding why Four Corners Regional Airport will maintain it's lower rates, and Atlantic Aviation would continue to charge market value. It was decided a survey would not be necessary. The commission seemed to understand the reasoning for Atlantic Aviation Corporate determined rates. It was understood Atlantic Aviation provides a multi-faceted service.

Chairman Richard Roderick asked if any of the commissioners had any thoughts, to the negative, of extending Atlantic Aviation Contract in exchange for ten (10) year lease extension. Commissioner Jonathan Rudolf expressed concerns regarding future price hikes. He suggested there would be a way to establish some sort of assurance to keep prices stable.

The discussion turned to how soon Atlantic Aviation would be able to install the self-serve station or timeframe needed once approval was granted. Manager Mike Lewis noted the typical one hundred eighty (180) days is standard turnaround time when dealing with construction projects. There was a short discussion regarding contract language, extensions, cancellations, worldwide fuel prices rising, and general terms of agreement.

Commissioner Mark Gordon enquired about possible contingency clause to enable the possibility to back out of the contract. Manager Mike Lewis explained that given the half million investment we expect from Atlantic, a back out clause would not be feasible. There was a short discussion as to how the contract could be structured to guarantee a constant, reasonable fuel price. It was agreed by most everyone in the room, one dollar (\$1.00) off retail would get the airport close to desired fuel prices. There was a short discussion regarding possible contract renegotiation over time, or the possibility of a buyout provision.

Commissioner Jonathan Rudolf brought up the issue of the location for self service pump. There was a short discussion regarding; access of the pump from two sides, signage, parking, port-a-let placement, and where there would be the most flexibility for airplane access from the taxiway.

The determination was to review the final contract and make a decision to present the Atlantic Aviation proposal to the City of Farmington Council. Deputy City Attorney Russel Frost asked to review current documents to be sure everything was in place legally to move forward given the ten (10) year option.

There was question as to how to proceed today, given the contract needed legal review along with more information. Assistant City Manager Julie Baird explained the commission could vote this day to move forward with current contract review. New contract details will be defined as more information comes to light, a vote by committee members regarding presentation to the City of Farmington Council could be executed at a later date..

Chairman Richard Roderick made the motion to move forward, Mark Gordon seconded the motion. Motion was passed by a vote of 4 – 0. Chairman Roderick offered thanks to Atlantic Aviation Manager Felicia Bekis for her input.

Business from the Chairman:

Chairman Richard Roderick said he had no more business, questions, or comments at this time.

Business from the Members:

Chairman Richard Roderick asked if there were any questions from commission members. Commissioner Mark Gordon inquired about the possibility for a change to the AAC start time. Administrative Aide Jody Carman responded the start time, or any change to the Airport Advisory Commission Meeting day, time and place, could be discussed and voted on if the Approval for the 2022 Open Meeting Resolution was posted on next month's agenda. There were no more questions or comments.

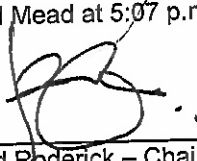
Business from the Staff:

Chairman Richard Roderick asked if there were any questions from staff. There were no questions or comments.

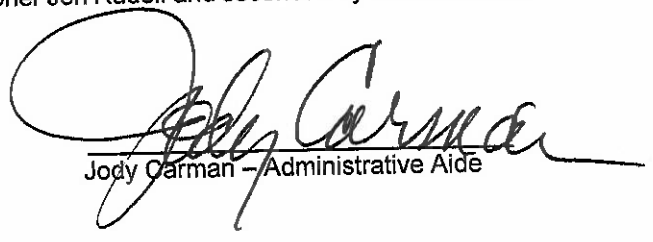
Business from the Floor:

Chairman Richard Roderick asked if anyone from the floor. There were no questions or comments.

There being no further business to come before the Commission, the April 12, 2022 meeting was adjourned by Chairman Richard Roderick, the motion was made by Commissioner Jon Rudolf and seconded by Commissioner Michael Mead at 5:07 p.m.



Richard Roderick – Chairman



Jody Carman – Administrative Aide