



Minutes of Meeting of Gadsden Airport Authority Friday February 17, 2023

The Gadsden Airport Authority held a meeting at Gadsden Fire Station #2, Meeting Room #3, 5121 Airport Road, Gadsden, AL 35906, on Friday, February 17, 2023.

In attendance: Board members Craig Denney, Spencer Williams, Billy Billingsley, Ken Robertson, Robert Turk, Tim McCartney, and Kent Haney; also attending were GAA's Randall Gober; board attorney Ed Howard; Brett Johnson, Heath Williamson, Lee Roberts and David Hooks (City of Gadsden); Todd Hindsman and Tracy Mann (BMSS, accountants); Jerry Mercer from (Mercer and Associates, auditors); and Jonathan McCormick and Scott Mock (Evoke Aviation, tenant).

A quorum was present.

Chairman Billingsley called the meeting to order.

Lawsuit Announcement

Chairman Billingsley stated to the board that the open meetings lawsuit has been settled and dismissed. As a result of the settlement, the board members active at the time of the suit attended a training session with Mark Boardman, Esquire, an attorney recognized for his expertise on the Open Meetings Act. In the settlement, board members admitted no wrongdoing but simply agreed to the settlement to save the GAA board and the City of Gadsden further expenses.

January Minutes

Upon a motion by Tim McCartney and a second by Robert Turk, the board unanimously voted to accept the January 2023 GAA Minutes

GRIPS

The GAA board has decided not to allow the GRIPS event at Northeast Alabama Regional Airport.

Accounting/Financials

Accountant Todd Hindsman explained how Northeast Alabama Aviation and the GAA are separate entities. Northeast Alabama Aviation is a separate entity that was formed under section 115 of the Internal Revenue Code. Its monies can be used for purposes that Airport Authority funds cannot be used for. GAA funds have to be appropriated according to the FAA grant agreements, and thus GAA monies can be used for capital

*Northeast Alabama Aviation is the name of the FBO (fixed base operator in aviation terms, a generic term for a place where aircraft are serviced, i.e. a service station for aircraft).

improvements and are placed into restricted accounts. GAA funds may not be used for purposes such as salaries and hangar construction.

Lee Roberts, Gadsden city attorney, gave a summary of the history of how the City came to create the GAA and then why it was necessary for the FBO to be a separate entity.

Hindsman further explained the GAA financials and the bonds payable notation. There is a new line on the financial statement effective September 30, 2022. It shows runways and buildings and other fixed assets with accumulated appreciation. Todd also noted that restricted accounts may be used for industrial recruitment. He also stated there were new GASB 87 standards for reporting leases and related debt.

The operating statement shows a comparative period of the previous year and year to date comparisons. The income shows a couple of hangars owned by the GAA and thus governmental support.

The budget shows what has been budgeted for this period, year to date and comparisons among both periods. The annual budget shows actual numbers, budgeted numbers and the amounts remaining in the budget.

He said BMSS (his firm)'s participation is itself a part of our internal control system. GAA approves invoices and sends them to BMSS to prepare the actual checks to be sent out. Payroll services is outsourced to Payroll Business System (PBS) (a related company to BMSS).

In answering a question, he said the FBO pays our fuel net 30. A majority of the hangar rent is collected by the FBO. The T hangars are the responsibility of the FBO and is collected through the FBO, because the FBO was a private business in the past. Todd was asked how the GAA can get a better rate for fuel. He said he will check the invoices to see if there is a potential discount available for COD.

He reported Northeast Alabama Aviation is a separate entity which provides a necessary governmental function under section 115, and concerns hangar rent, fuel inventory are the assets, and liabilities were mostly fuel.

He said this year's was generally similar to last year's, comparing to the current period last year, in purchase of fuel and looking at expenses.

He reminded that the budget is approved by this board, and then further developed by Todd and his associate Traci, with the assistance of Randall; but the budget can be amended.

Tim McCartney moved to approve all the financials, Robert Turk seconded, and the board approved them. **Lorn Whittaker (FAA)** joined the meeting via Microsoft Teams.

Jerry Mercer discussed the audit. A separate audit is needed because a requirement for federal money is to use an additional internal control, which explains why there is a need for two accounting firms, one for general accounting and one for an audit.

Mercer's independent audit reported no reservations due to adjusted entries, recording, or internal control issues.

Last year the airport did not receive over 750,000 dollars in FAA grants so there no need for a single audit. One letter attached to the audit is explanation of the governmental audit and procedures.

Todd Hindsman said a good control system is in place to prevent fraud, from payroll bill pay process.

Brett Johnson from the mayor's office asked if the FBO is controlled in same matter as the GAA expenses. Todd Hindsman answered it is not the same internal control.

Old Business

Hiring an airport director: Board member Tim McCartney handed out a job description for review of the board members.

The engineering services contract is due to be bid. Brett Johnson and Heath Williamson were going to check into advertising for airport consultants and engineers. Heath said he talked with ALDOT and that the aeronautics division engineering manager reviewed the RFQ and it meets all requirements that they like to see in the advertised for such position.

For future reference on what is needed to hire for future employees, Brett Johnson asked what are the titles of the positions that Randall and Sheila held.

It was mentioned that presently there is an unfilled position for which Randall is having to "fill-in" as part of his normal duties. It is a line service tech.

Kent Haney asked with an airport director in place could would that hire alleviate Randall's current situation, to which Randall said yes. The board agreed to wait until the executive director is place before filling the line service tech position.

It was suggested that the board consider a part time temporary employee just for the time being. The board would need a job description for the position to be filled. The question arose whether there would be a conflict of interest hiring a fireman who also worked for the airport.

City attorney Lee Roberts said he would need to research the possibility of conflicts of such a situation where someone works for two separate public entities.

Kent Haney made a motion to table the line service tech hire until the board can review a job description of the position to be filled, and for the board to complete the selection of a new airport director before the board takes any action on the line service tech position. Second by Robert Turk. The board voted unanimously to table the new hire.

Ken Robertson make a motion for a part time employee to be hired and to authorize the chairman to hire a temporary part-time employee. Spencer Williams seconded and asked for a time frame. A short-term time frame was suggested. The board unanimously voted to so authorize the chairman.

The hay contract, previously discussed, does not expire until the end of 2023. Randall suggested putting out the bid in the autumn for a new contract.

Brett Johnson said the City is still gathering information to assist with the airport and airport contracts.

Spencer Williams thanked Randall and Trey for taking time to give him and his grandchildren an enjoyable visit to the airport. The children loved it.

Evoke Aviation gave a presentation on a booth it is installing inside one of its leased hangars. It will allow Evoke to further grow its painting business. After six years in business, they will paint about 40 airplanes this year and are similarly booked through the summer of 2027. Scott Monk presented the design and construction of the booth, and the only modification will be the exhaust vent. It was confirmed with FAA's Lorn Whittaker that a 7460 is not necessary for this project. Scott said city and state permits have been covered with city engineer and fire department. The booth is 20' tall x 20' wide x 65' long, and due to be completed by Memorial Day. These airplanes are raw metal; no paint stripping is required at this facility. No building modification will occur; this is not a fixture, and the only modification will be the exhaust with a louvered exhaust vent. The ownership of the building itself will revert to the airport in 2046.

Gadsden city engineer Heath Williamson said that if anyone had any questions about the consultant selection process, to please feel free to contact him. The qualification packets are due in by March 3, 2023.

Brett Johnson remarked from the City's point of view, the engineering firm selection and the airport management selection will be critically important to obtain money from the FAA and to continue doing good work at the airport, which in turn will be key to leveraging this resource as a regional asset for Gadsden and Etowah County.

A motion to adjourn was made by Robert Turk and seconded by Ken Robertson, and a unanimous vote followed.

Next Meeting: March 17, 2023 at 9 a.m.