

Commissioners' Journal
July 20, 2017

The Geauga County Board of Commissioners met for a work session with the Airport Authority on July 20, 2017 at 6:00 p.m. in the Commissioners' Chambers located at 470 Center Street in Chardon, Ohio.

It is declared and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of all resolutions that were adopted in this meeting, and that all deliberations of the Board of County Commissioners that resulted in such formal action were open to the public and were in compliance with all legal requirements, including section 121.22 of the Ohio Revised Code.

The President of the Board, Ralph Spidalieri opened the meeting at 6:06 p.m. by leading the Board and audience in reciting the Pledge of Allegiance.

**Commissioner Claypool was absent from this meeting.*

Commissioner Spidalieri thanked everyone for coming and explained that there is a draft agreement and understands that there are some concerns on both sides and would like to get them addressed. Mr. Spidalieri asked the Board to express their concerns.

The Board met with Business Manager Patty Fulop and members of the Airport Authority Board. Ms. Fulop introduced those in attendance that included Tim Randles, Chip Hess, Cornelius Halsmer, Dave Hostetler, Ben Nicastro, and Bill Myer, along with their Attorney Raymond C. Headen from Headen and Co., LLC. In addition to the Airport Board members, County Administrator David Lair, Director of Administrative Services Linda Burhenne and Assistant Prosecutor Bridey Matheney were also in attendance.

Board member Chip Hess stated that several months ago the Airport Authority received a letter from the Prosecutor's Office that they would no longer be representing them and since that time the Airport has been meeting with Attorney Raymond Headen. Mr. Hess stated they looked at the Operating Agreement and the ORC and feel that there is conflict between the two, and would like to take a step back and look at the requirements of the Commissioners and the Airport Authority. Mr. Hess stated that the term "operating" is in direct conflict with the O.R.C., so they would like to compose an agreement that follows the ORC and work forward from there.

Mr. Spidalieri asked both Ms. Matheney and Mr. Headen what would be the best way to proceed. Ms. Matheney stated that she had met with Mr. Headen on Tuesday, July 18th and explained that the Airport Authority is their own political subdivision and that is why the Prosecutor cannot represent them. Ms. Matheney stated the term "operating" was used in the past because the Commissioners own the land where the airport sits and there were questions regarding improvements and who would be responsible. Ms. Matheney stated the resolution that created the airport authority included the need to promote and have an airport for the good of the county, for economic development and ensuring how the land for the airport would be used. Ms. Matheney stated that after discussion with Commissioners, there is no intent to micro manage the airport authority.

Ms. Matheney stated that, while suggestions about business plans or ideas to promote the potential of the airport can be seen as micromanagement, the Board's intention is to work with the Airport Authority to determine how to develop this gem of Geauga County. Ms. Matheney suggested having an agreement for the property and use, along with a separate agreement for development and marketing, including the idea of a feasibility study.

Commissioner Lennon asked if the agreement that had been provided isn't worth reviewing. Mr. Hess stated that there needs to be a fundamental understanding of who is responsible for what, and build on that. Attorney Headen stated that Ms. Matheney brought up the concept of multiple agreements and in essence the resolution approved created the Airport Authority but the actual relationship between the Commissioners and the Airport Authority under the ORC gives them similar but equal powers. Mr. Headen stated that he is hearing that everyone wants to work together, it will be just figuring out a way to do that. Mr. Spidalieri asked what the bump in the road was, that the agreement was put together as simply as possible. The ten year agreement had expired and that the agreement from ten years ago was put together differently. Cornelius Halsmer stated that the Boards are equal but separate, and that under the section of the proposed agreement "termination" the requirements state that if requirements aren't met that the Commissioners have the right to terminate the Authority. He feels that under the O.R.C., the

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Board of Commissioners isn't able to do that. Mr. Halsmer stated that in 1992 the Commissioners chose to create an airport authority and the current authority is doing what they can as trustees to fulfill the responsibility of that resolution. Mr. Spidalieri appreciates that they are being honest, but back then the Commissioners portrayed a hands off approach, The current Board has a bigger interest in the airport along with the desire to protect all parties including the taxpayers. Mr. Spidalieri stated that people come to the Commissioners asking why people have planes that aren't moving, which means they aren't buying fuel. Mr. Spidalieri stated they are probably coming to the Authority asking the same questions, and often times the hard questions need to be asked. Mr. Spidalieri stated that the Board in the past never explored their responsibilities beyond providing grant matching funds. The current Board wants to get past this hurdle that the Commissioners and the Authority are against each other because that is not the case. Mr. Lennon agreed that there seems to be some push back to the Commissioners which is throwing up a red flag that some of the suspicions that are out there might be true. He brought up the hangar rates. Mr. Lennon expressed that he felt there needs to be some measurable outcomes. Mr. Lennon stated that he felt the requests from the airport had been included in the agreement, along with some of the Board's own requests. Mr. Lennon asked what the potential for the airport was going to be, something other than a hobby or enthusiast airport, or is it going to be an economic driver for the county.

Mr. Hess brought up issues that he feels are in conflict with the ORC, and that they want to move forward. Mr. Hess stated that after they met with Mr. Headen and Ms. Matheney, he made notes that included:

The Commissioners are governed by ORC 307, they own the airport property, allows the Authority to use the property, they provide funding, maintain co-sponsorship for the FAA and appoint Board members, and that is all the Commissioners are responsible for.

Mr. Lennon expressed that he feels the vibe is 'give us the money and leave us alone'. Mr. Hess continued with the Authority being governed under ORC 308 and is responsible to operate the airport, keep it safe, oversee leases and tenants, coordinate with the FAA, ODOT and governmental agencies, and provides the County with annual reports, plans, and how they want to grow the county asset. Mr. Hess stated that they need to improve the airport to make it a more valuable asset to the county. The airport put out a request for a study and got no takers, so they want to go back and do it again. Mr. Lennon stated that we need to simplify the agreement and have another understanding on the improvements. Mr. Hess noted that the hangars were currently full, to which Mr. Lennon asked why they feel they are full and that they have a waiting list. A comment was made that if the airport charged more they may not be full, but at the same time might be able to offer more amenities. Mr. Spidalieri stated that they have about 3 people that are constantly crabbing and keep telling the Board that they can do better. There was a brief discussion about the hangars, that the Authority could charge more, which would create resources to offer more services along with bringing in a different group that would purchase more fuel, contribute more to the airport. Mr. Lennon added that one of the issues being raised to him is the hangars that are being used for storage, and not housing an active aircraft. Mr. Spidalieri stated that it wouldn't make sense for the Board to invest in the airport to offer more, if they are only going to do improvements for the small group that is active. Ms. Fulop inquired about the number being discussed about not being active? It was noted that 4 out of the 44 tenants are not active. Mr. Lennon stated that if you have a waiting list that is 30 deep, it means 1 of 2 things, you aren't charging enough rent or you don't have enough space.

Mr. Myers commented that their rates are low, however when someone spends money on a hangar it comes with amenities, and currently our amenities are not that good. Mr. Randles brought up the example of a golf course that has a monthly meal requirement, and the idea of maybe having a fuel minimum requirement. Mr. Lennon expressed that what he has been told is that the airport is often referred to as a 'club' or 'hobby airport', adding that we are here to make improvements to help remove that stereotype. County Administrator David Lair expressed that the 5% match on FAA grants comes out of the General Fund and those are tax payer dollars that are for the benefit of 93,000 people.

There was a brief discussion about how using the CPI Index to set hangar rates was included in the old agreement. Mr. Lair noted that it was done because there was a perception out there about the airport being a 'private flying club' and to answer that perception, the CPI was put in. Mr. Lennon stated that the Board does not want to tell the Authority how to run the business but there are certain things that need to be in the agreement. Mr. Hess stated that asking for money

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should be part of the annual budget process not part of the agreement. Mr. Randles and Mr. Hess expressed that the ten year plan is the Authority's wish list of what they want to do for the airport. Mr. Lennon asked for a more professional approach to see if it will draw a different group of people.

Mr. Spidalieri inquired if we have a waiting list with 30 people, what is the average monthly rate. Ms. Fulop responded that it is about \$175.00 a month. Mr. Spidalieri noted that it's about \$2,500.00 a month per hangar, asking what would need to be done to upgrade the hangars and bring them back to where we need them to be, as a way to do the right thing. What would the rate of return be, noting that the more people we can serve, the better the operation the more engaged people will be and provide support that is needed.

There was discussion about whether building T-Hangars should be considered in the current economy. Mr. Spidalieri asked Ms. Matheney how we proceed from here, to which she replied that there needs to be an agreement for use, along with either an MOU or Cooperative Agreement. There was discussion about the issues with the agreement, the items of concern that include the CPI Index, the performance on the termination language, and the business plan. Mr. Spidalieri stated that though both Boards could change they need to look at fail safes for the future and what could come down the road. Mr. Lennon stated that there might be people in the county that don't even know we have an airport, but you better be able to answer how their tax dollars are being spent there.

Ms. Matheney was going to work on getting some agreements together that split out the requirements and then have them reviewed and go forward from there.

BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD

Motion: by Commissioner Lennon, seconded by Commissioner Claypool to adjourn the meeting at 6:57 p.m.

Geauga County Board of Commissioners

Ralph Spidalieri

Walter M. Claypool

Timothy C. Lennon

Christine Blair, Commissioners' Clerk

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