

MINUTES  
Nebraska Aeronautics Commission  
August 3, 2012

The Nebraska Aeronautics Commission held their regular meeting at the department's offices, Lincoln, Nebraska. Chairman Doug Vap called the meeting to order at 1:00 p.m. CDT. Commissioners Michael Cook, Dorothy Anderson, and Gerald Adams were in attendance. Commissioner Ken Risk was absent. Also present were Director Ronnie Mitchell, Project Management Division Manager Russ Gasper and Deputy Director Andre Aman, and Planning/Programming Division Manager Anna Lannin.

**Public Comment**

None

**Approval of Minutes**

Motion by Commissioner Adams to approve the minutes of the May 4, 2012, meeting as published. Second by Commissioner Anderson. Roll call vote. All voted aye. Motion carried.

**State Funds Available**

A written report of state funds available was presented by Andre Aman.

**FINANCIAL INFORMATION**  
Nebraska Aeronautics Commission  
August 3, 2012

<b><u>PROJECT GRANT FUND</u></b>		
Funds available April 30, 2012		\$26,519.43
<u>Commission Actions (5/4/12 meeting)</u>		
Closed Project - Norfolk 16/17	\$1,990.70	
Closed Project - Superior 04	\$3,142.53	
Subtotal		\$5,133.23
<u>Other Actions</u>		
None		
Subtotal		\$0.00
Funds available July 31, 2012		\$31,652.66
<i>Funds available August 2011: \$35,434.22</i>		

**STATE OWNED AIRFIELDS (SOA) DIVERSION GRANT FUND**

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Funds available April 30, 2012 \$0.00

Commission Actions (5/4/12 meeting)

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None

Funds available July 31, 2012 \$0.00

*Funds available August 2011: \$0*

**SEAL COAT GRANT FUND**

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Funds available April 30, 2012 \$29,843.18

Commission Actions (5/4/12 meeting)

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None

Subtotal \$0.00

Other Actions

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None

Subtotal \$0.00

Funds available July 31, 2012 \$29,843.18

*Funds available August 2011: \$-12,046.69*

**HANGAR REVOLVING LOAN FUND**

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Funds available April 30, 2012 \$1,237,843.25

Commission Actions (5/4/12 meeting)

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None

Subtotal \$0.00

Other Actions

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Expired Allocation – Blair \$300,000.00

Expired Allocation – Rushville \$113,285.00

Expired Allocation – Wayne \$157,150.00

Subtotal \$570,435.00

Receipts

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May 2012 \$30,392.00

June 2012 \$30,392.00

July 2012 \$29,597.00

Subtotal \$90,381.00

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Funds available July 31, 2012 \$1,898,659.25

*Funds available August 2011: \$1,486,658.81*

*Total amount in Hangar Loan fund: \$3,768,360*

**FUEL STORAGE LOAN FUND**

Funds available April 30, 2012 \$136,542.31

Commission Actions (5/4/12 meeting)

Ord - new fuel pump and credit card system -\$21,000.00  
Subtotal -\$21,000.00

Other Actions

None  
Subtotal

Receipts

May 2012 \$2,193.73  
June 2012 \$2,193.33  
July 2012 \$2,193.33  
Subtotal \$6,580.39

Funds available July 31, 2012 \$122,122.70

*Funds available August 2011: \$197,161.10*

*Total amount in Fuel Storage fund: \$336,500*

**NON-PRIMARY ENTITLEMENT TRANSFER PROGRAM**

Funds available April 30, 2012 \$2,480.00

Funds Disbursed

Minden Airport Authority -\$100.00  
Sargent Airport Authority -\$43.75  
Subtotal -\$143.75

Funds available July 31, 2012 \$2,336.25

**Federal Projects**

Anna Lannin presented the following projects. The airport sponsors are requesting Commission approval for the CIP data sheets to be forwarded to the FAA, as required by state statutes. The FAA considers the requests for future federal funding as funds become available. No state funds are requested at this time.

Omaha

Scope: East Pump Station Partial Reconstruction

Total Estimated Cost: \$3,000,000

This project will reconstruct portions of the East Pump Station to ensure pumping of runoff can continue by pumping storm water over the existing levee versus under the levee. The original outlet from the pump station is gravity flow through the levee out to the river which is inoperable during extreme river flooding, resulting in a significant capacity reduction of the removal of storm water on the airfield. The proposed project would reconstruct the pump station piping over the levee to reduce the risk of airfield flooding during high river levels and maintain the capacity of the existing pumps, which is similar to the other two pump stations at Eppley.

#### Oshkosh M02

Scope: Crack Seal and New Pavement Markings

Total Estimated Cost: \$280,000

The existing joint sealant material in the runway, taxiway, and apron concrete pavement is oxidizing and in need of replacement in order to maintain a water tight joint in the existing pavement and prevent moisture from entering the subgrade.

The existing pavement markings are beginning to oxidize and are faded. New pavement markings need to be installed in order to provide better visibility for aviation operations. The new markings will include a black border around all pavement markings in accordance with the current FAA guidelines.

#### Scottsbluff M07

Scope: New Aviation Boarding Ramps

Total Estimated Cost: \$100,000

The airport needs to purchase new aviation boarding ramps in order to accommodate ADA passenger requirements.

Motion by Commissioner Anderson to approve the CIP data sheets and forward them to the FAA. Second by Commissioner Cook. All voted aye. Motion carried.

#### **Hangar Loan Requests**

##### Blair

Representatives: Rod Storm

Scope: Shop/Storage Hangar 80-ft. x 90-ft. with 75-ft. x 18-ft. door

Total Estimated Cost: \$425,000

Request: 70% of total up to \$300,000

The airport has the need to build a new hangar for corporate/charter. The construction of this hangar for storage of a charter aircraft and mechanic shop will help draw additional aircraft to the airport by providing maintenance and limited FBO services.

The project is currently bid with an actual cost of \$425,000. Requesting 70% of total (i.e., \$300,000) with a waiver condition on the airports current outstanding loan balance (\$142,080).

Motion by Commissioner Adams to approve the loan without the waiver on the outstanding loan balance. Therefore, loan amount approved is \$157,920. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Broken Bow H-06

Representatives: Gary Gisselman

Scope: 2-place nested T-hangar and Replace Existing Hangar Door

Total Estimated Cost: \$385,550

Request: Hangar: 70% of total up to \$208,635

Door Replacement: 50% of total up to \$43,750

The hydraulic door has failed twice without damage to aircraft. The design is not structurally sound. They would like to replace with Schweiss Bi-fold with 29,000# lifting straps for safety and longevity.

The 8 T-hangars are full and the original round top quonset hangars are no longer viable for aircraft storage. We have requests for hangar space for two additional aircraft.

Motion by Commissioner Adams to approve the hangar loan of 70% of total hangar costs up to a maximum of \$208,636 and the door replacement of 50% of total costs up to a maximum of \$43,750. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Harvard H-03

Representatives: Andre Aman

Scope: 6-Place Nested T-hangar, with 45' Doors

Total Estimated Cost: \$600,000

Request: 70% of total up to a maximum of \$300,000

Existing hangars have poor door operation and were built on top of the existing WWII concrete apron. Storm water flows through the structures and they have no power/lighting.

Motion by Commissioner Adams to approve the hangar loan of 70% of total hangar costs up to a maximum of \$300,000. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Kearney H-05

Representatives: Andy Beil and Jim Lynaugh

Scope: 160' x 150' Hangar with a 100' Door

Total Estimated Cost: \$1,592,720

Request: \$284,830 (i.e., \$300,000 – \$15,170 outstanding loan balance)

The Kearney Regional Airport currently only has one large box hangar that is available to store the large based and itinerant aircraft that utilize the airport. There is currently a long waiting list for

corporate style box hangar space. The hangar will have a full concrete floor, fire suppression system, elevated radiant heating, floor drainage system, and perimeter insulation.

Motion by Commissioner Adams to deny the hangar loan request. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Ord H-01

Representatives: Dave Williams and Tom Trumble

Scope: 6-Place Nested T-Hangar with 14' x 45' Doors

Total Estimated Cost: \$807,000

Request: 70% of total cost up to \$300,000

Ord is planning to use a combination of Federal Funds and State Hangar Loan Program funds to construct this project. The airport is in need of additional aircraft storage space after losing a 6-place T-hangar in a 2011 storm. The hangar is needed to store aircraft that were displaced after the loss of the other 6-place T-hangar.

Motion by Commissioner Adams to approve the hangar loan of 70% of total hangar costs up to a maximum of \$300,000. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Rushville H-02

Representatives: Tom Trumble

Scope: 6-Place Nested T-Hangar with 14' x 45' Doors

Total Estimated Cost: \$767,112

Request: \$124,065

Rushville has \$513,164 in Federal Funds to use in combination with State Hangar Loan Program. The airport currently has two existing hangars, one shop hangar and one 4-place T-hangar, and is in need of additional aircraft storage. The additional aircraft storage is needed to reduce the airport's current waiting list and attract additional aircraft to the area. There is a waiting list.

Motion by Commissioner Adams to approve the loan for the maximum amount of \$124,065. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Seward H-07

Representatives: Greg Whisler and Erich Helge

Scope: One 4-Place T-Hangar Addition and One 6-Place "T" Addition With 42' Doors

Total Estimated Cost: \$907,000

Request: \$300,000

Seward is planning to use a combination of Federal Funds and State Hangar Loan Program funds to construct this project. All of the hangars are full and have been since 1997. The airport built

hangars in 1998 and 2003. The 10 hangars built in 1998 were built without using state or federal money. The airport has received numerous calls for hangars but has had no empty hangars. They currently have a waiting list. The proposed hangar additions would add an additional 10 spaces to store aircraft.

All hangars are full and current rent is \$95/month. Will do project in conjunction with federal AIP funds and state hangar loan funds. Airport has \$364,000 available AIP funds and \$242,000 of their own funds. Project will be bid and under construction contract in 11 months.

Motion by Commissioner Adams to approve the loan for the maximum amount of \$234,352 (\$300,000 - \$65,648 current outstanding loan balance). Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Valentine H-03

Representatives: Andy Beil

Scope: 6-Place Standard T-Hangar

Total Estimated Cost: \$880,000

Requested: \$300,000

Valentine is planning to use a combination of Federal Funds and State Hangar Loan Program funds to construct this project. They have a waiting list of people who need a hangar for Valentine based aircraft and some of our existing hangars have reached the end of their useful lives. They also have a need for transient airplane parking due to the additional planes brought in by the Prairie Club Golf Course.

Motion by Commissioner Adams to approve the loan of 70% of total hangar costs up to a maximum of \$255,160 (\$300,000 - \$44,840 outstanding loan balance). Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

#### Wayne H-06

Representatives: Nancy Braden, Jerry Conrad, and Tom Trumble

Scope: 80' x 80' Shop Hangar with 55' x 16' Clear Height Door and Terminal Area

Total Estimated Cost: \$909,045

Requested: \$300,000

Wayne is planning to use a combination of Federal funds and State Hangar Loan Program funds to construct this project. A 5,360 SF building was recently removed because it was in very poor condition and was unsafe for use. A new building is duly justified by the amount of based aircraft located at the airport. In addition to the proposed 80' x 80' storage hangar, a 28' x 64' attached terminal building is also proposed to replace an existing terminal building, which is in need of major repairs and is too small to meet the needs of the airport.

Motion by Commissioner Adams to approve the loan of 70% of total hangar costs up to a maximum of \$262,001 (\$300,000 - \$37,999) outstanding loan balance). Second by Commissioner Cook. Roll

call vote. All voted aye. Motion carried.

The following table summarizes the hangar loan allocations for August 3, 2012.

Outstanding Loan	AIRPORT	SCOPE	REQUEST	ALLOCATION
\$142,080	Blair	Request funding equal to 2011 allocation (i.e., 70% loan to maximum of \$300,00 with a 10 year payback for the 125' x 75' hangar)	\$300,000 (70% of total Or \$300,000max)	\$157,920
\$0	Broken Bow	Request funding for construction of -2-place nested T-Hangar	208,635 (70%)	\$208,635
\$0	Broken Bow	Hangar Door Replacement	\$43,750 (50%)	\$43,750
\$0	Harvard	Request funding for construction of 6-place nested T-hangar	\$300,000 (70% or \$300,000max)	\$300,000
\$15,170	Kearney	160' x 150' Box Hangar	\$284,830 (max.)	\$0
\$0	Ord	Request funding for a construction of 6-place nested T-hangar	\$300,000 (max.)	\$300,000
\$0	Rushville	Request funding for a construction of 6-place nested T-hangar	\$124,065 (max.)	\$124,065
\$65,648	Seward	Request funding for a construction of 4-place nested T-hangar	\$300,000 (max.)	\$234,352
\$44,840	Valentine	Request funding for a construction of 6-place nested T-hangar	\$300,000	\$255,160
\$37,999	Wayne	80' x 80' hangar with 55' x 16' clear door & Terminal Area	\$300,000	\$262,001
<b>TOTAL REQUESTS</b>			<b>\$2,461,280</b>	<b>\$1,885,883</b>

As indicated above the total requests from the Hangar Revolving Loan Fund were \$2,471,280 with the total available being \$1,898,659.25. The total allocated was \$1,885,883. Funds remaining after allocations \$12,776.25.

**Closed Projects**

None to report

**Department Report**

This time last year we were concerned about flooding from the Missouri River and protecting Nebraska airports from severe water damage. This year we are experiencing one of the worst droughts on record with 0.01” of rain for the entire month of July. Forest fires have been raging north of Ainsworth along the Niobrara River, burning over 100 square miles of land.



The Department is facing decisions on manpower, software issues, and aircraft fleet size which will be resolved during the next several months.

We are looking at acquiring computer software, presently in use by the Department of Aeronautics in Idaho, for scheduling of passengers and aircraft. The software (Flight Track) will cost \$16,000 for the first year of web hosting, coordination and setting up the program for our purposes. After the first year there will be an annual fee of \$5,000 to maintain the program and accomplish any adjusting we may need.

I am also planning to hire a pilot prior to September who will fill one of our three empty pilot positions. The new pilot will be responsible for flying and organizing/running our Aviation Career Exploration Camp which has been dormant the last two years.

During the latter part of May to early June, the University of Nebraska Foundation decided to sell the King Air which we have on lease and have been utilizing for passenger service since November 2001, when the aircraft was picked up from the Raytheon Beechcraft factory. Acting Foundation CEO, John Gottschalk, contacted Governor Heineman offering the aircraft to the state for appraised value and no commission fees. We and the Foundation had separate appraisals accomplished, one by Andy Biller of Holstein Aviation Inc. and the other by Accredited Senior Appraisers (Aircraft), Kenneth M. Dufour, and Leo V. Heidemann, of Aviation Management Consulting, Inc. Our appraisal came in at \$2,159,600 while the Foundation's appraisal was \$2,164,740. A lease/purchase agreement has been drawn up between the State and Foundation which has been included in this Commission Booklet and has been approved by DAS Purchasing Division. We will be paying \$10,000/month during the term of the lease which is coming from the engine reserves for the Piper Cheyenne IIXL we own. During the upcoming legislative session, the department will submit a deficit request, asking the Legislature to appropriate \$2,164,740 from the General Fund; the full purchase price of the aircraft. This will reimburse the department for the monthly lease payments, as it is necessary to replace the Cheyenne engine reserves. Once the purchase has taken place our plan is to sell our 1982 Piper Cheyenne with the proceeds going for engine reserves and instrumentation upgrades on the King Air. This will bring it up to FAA NextGen specifications and Reduced Vertical Separation Minimum (RVSM) requirements.

One final item: Commissioner Ken Risk accompanied Governor Heineman and others on a trade mission trip to China. They left on June 28 with a return of August 3.

**Request Commission Approval of the proposed King Air (N4NU) Lease/Purchase Contract**  
Motion by Commissioner Anderson to approve the King Air Lease/Purchase Agreement and to approve the purchase of the King Air, pending Legislative action. Second by Commissioner Cook. Roll call vote. All voted aye. Motion carried.

The next meeting was tentatively set for Friday, October 12, at 1:00 p.m. CDT in the Lincoln office.

The meeting was adjourned at 2:30 p.m.

Submitted by,

Ronnie Mitchell  
Director