

City Council Agenda Items
and
Contracts, Leases or Agreements

2/5/2013

City Council Meeting Date
Agenda Items Only

Ray M. Boudreaux

Aviation

Transportation

Submitted By

Division

Department

Action Required:

Action Required: A resolution to approve a Budget Adjustment in the amount of \$1,786,452 for the implementation and funding of the operation of the Drake Field Fixed Base Operation. Approve the addition of 6.6 Full Time Equivalent positions in the Aviation Division. Approve the Termination of the Contract with Woolsey Aviation Inc., DBA Million Air Fayetteville, for FBO services at Drake Field.

\$ 1,786,452.00

Cost of this request

\$ -

Category / Project Budget

ALL

Program Category / Project Name

5550.3955.VARIOUS

Account Number

\$ -

Funds Used to Date

Airport Operations

Program / Project Category Name

\$ -

Remaining Balance

Airport

Fund Name

Budgeted Item

Budget Adjustment Attached

Terry J. Gulley
Department Director

1-18-13
Date

Previous Ordinance or Resolution # _____

Chris Kelley
City Attorney

1-22-13
Date

Original Contract Date: _____

Original Contract Number: _____

Paul A. Becher
Finance and Internal Services Director

1-23-2013
Date

Received in City Clerk's Office
01-18-13 P02:59 RCVD
Kim J.

Paul A. Becher for Don Marr
Chief of Staff

1-23-2013
Date

Received in Mayor's Office
ENTERED
1/22/13
[Signature]

Lionell Jordan
Mayor

1/23/13
Date

Comments:

City Council Meeting of: February 5, 2013
Agenda Item Number:



AVIATION DIVISION
FAYETTEVILLE EXECUTIVE AIRPORT • DRAKE FIELD

CITY COUNCIL AGENDA MEMO/STAFF CONTRACT REVIEW MEMO

TO: Mayor Jordan
THRU: Chief of Staff
THRU: Staff/Contract Review Committee
THRU: Terry Gulley, Transportation Director *TJH*
FROM: Ray M. Boudreaux, Aviation Director
DATE: January 14, 2013
SUBJECT: Approval of Termination of FBO Contract with Woolsey Aviation INC., DBA Million Air of Fayetteville and approval of City staff operation of the FBO in house. Approve a Budget Adjustment.

RECOMMENDATION: Approve termination of the contract with Woolsey Aviation Inc., DBA Million Air of Fayetteville for FBO services. Approve a budget adjustment for a City run FBO to create the budget necessary to run the FBO, including 6.6 FTE new employees.

BACKGROUND: Woolsey Aviation Inc. has been the FBO at Fayetteville Executive Airport since 2005. The initial five year agreement was renewed in 2010 for an additional ten years. Million Air has performed well until the most recent past when several operational difficulties caused disruption in service. Due to these issues, the Airport Board at their November meeting voted to issue a letter of Termination to Million Air for the good of the parties. Million Air President, Roger Woolsey met with the airport staff and the City Chief of Staff to talk over the potential for the letter to be withdrawn. The Airport Board at their January meeting recommended that the City continue the termination and that the City run the FBO in house. Million Air has struggled to meet the provisions of the contract. Staff believes that termination of the contract is in the best interest of the citizens. Operating in house will maximize the City's opportunity to grow the Airport Fund for airport maintenance and to match grants.

BUDGET IMPACT: The attached Budget Adjustment requests new expenses of \$1,786,452 and revenues to cover the expenses. Revenues are generated from the sale of fuel, hangar fees, and handling fees. New expenses will be totally supported by the revenue. Revenue and expense budgets are very conservative estimates based on the current expenses experienced by Million Air and our experience from 2002 to 2005. The budget includes a personnel budget to support 6.6 FTE.

Attachments: Staff Review
Budget Adjustment
Organizational Chart
Budget

RESOLUTION NO. _____

A RESOLUTION APPROVING THE TERMINATION OF THE FIXED-BASE AIRPORT OPERATIONS CONTRACT WITH WOOLSEY AVIATION INC. DBA MILLION AIR OF FAYETTEVILLE, APPROVING A BUDGET ADJUSTMENT IN THE AMOUNT OF \$1,786,452.00 FOR THE IMPLEMENTATION AND FUNDING OF A CITY-OPERATED FIXED-BASE AIRPORT OPERATION, AND FURTHER APPROVING THE ADDITION OF 6.6 FULL-TIME EQUIVALENT EMPLOYEE POSITIONS IN THE AVIATION DIVISION FOR THE OPERATION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves the termination of the fixed-base airport operations contract with Woolsey Aviation Inc. dba Million Air of Fayetteville.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution as Exhibit "A", in the amount of \$1,786,452.00 for the implementation and funding of a city-operated fixed-base airport operation.

Section 3: That the City Council of the City of Fayetteville, Arkansas hereby approves the addition of 6.6 full-time equivalent employee positions in the Aviation Division for the operation.

PASSED and APPROVED this 5th day of February, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

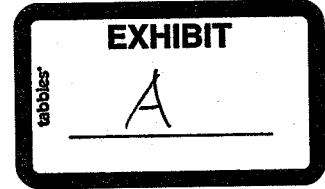
**City of Fayetteville, Arkansas
Budget Adjustment Form**

C. 3 V12.0724
Woolsey Aviation Inc. DBA
Million Air of Fayetteville
August 2012

Budget Year 2013	Division: Aviation Department: Transportation Services	Request Date 2/5/2013	Adjustment Number
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BUDGET ADJUSTMENT DESCRIPTION / JUSTIFICATION

Funding for implementation of the Airport Fixed Base Operation (FBO) Program including the addition of 6.6 Full Time Equivalent positions in the Aviation Division.



	1/23/13	
Division Head	Date	
	1-23-2013	
Budget Director	Date	
	1-23-2013	
Department Director	Date	
	1-23-2013	
Finance Director	Date	
	1-23-2013	
Chief of Staff	Date	
	1/23/13	
Mayor	Date	

Prepared By: _____
Fell, Barbara

Reference: _____

Budget & Research Use Only

Type: A B C D E P

General Ledger Date _____

Posted to General Ledger
Initial _____ Date _____

Checked / Verified
Initial _____ Date _____

TOTAL BUDGET ADJUSTMENT		1,786,452	1,786,452	
		Increase / (Decrease)		
Account Name	Account Number	Expense	Revenue	Project.Sub Number
Rent	5550.0955.4450.00		25,000	.
AVGAS revenues	5550.0955.4456.01	-	208,888	.
Jet Fuel revenues	5550.0955.4456.02		1,422,144	.
FBO sales tax	5550.0955.4456.03		140,066	.
87MoGas Revenue	5550.0955.4456.04		12,835	.
FBO Accessory Rev	5550.0955.4995.00		4,000	.
Miscellaneous revenue	5550.0955.4999.00		2,083	.
Use of fund balance	5550.0955.4999.99		(28,564)	.
Salaries and wages	5550.3955.5100.00	143,855		.
Overtime	5550.3955.5103.00	1,836		.
FICA taxes	5550.3955.5105.00	11,122		.
Life insurance	5550.3955.5107.00	389		.
Health insurance	5550.3955.5108.00	19,937		.
LTD insurance	5550.3955.5108.01	402		.
ADD insurance	5550.3955.5108.02	33		.
Workers' comp insurance	5550.3955.5111.00	3,327		.

CITY OF FAYETTEVILLE
FAYETTEVILLE EXECUTIVE AIRPORT
BUDGET ADJUSTMENT DETAIL BACKUP

ACCOUNT NAME	ACCOUNT NUMBER	INCREASE / DECREASE		PERCENT YEAR	ANNUAL BUDGET
		EXPENSE	REVENUE		
Rent - FBO Hangar	5550.0955.4450.00	4450.00			30000
AVGASRev	5550.0955.4456.01	4456.01		83%	250667
JetFuelrev	5550.0955.4456.02	4456.02		83%	1706580
FBOsalestx	5550.0955.4456.03	4456.03		83%	168080
87MoGas	5550.0955.4456.04	4456.04		83%	15401.7
FBOAccess	5550.0955.4995.00	4995.00		83%	4800
Misc Rev	5550.0955.4999.00	4999.00		83%	2500
Use of Fund Balance	5550.0955.4999.99	4999.99		100%	
Sal/Wages	5550.3955.5100.00	5100.00	143,855	83%	172627
Overtime	5550.3955.5103.00	5103.00	1,836	100%	1836
FICA Taxes	5550.3955.5105.00	5105.00	11,122	83%	13346
Life Ins	5550.3955.5107.00	5107.00	389	83%	467
Health Ins	5550.3955.5108.00	5108.00	19,937	83%	23925
LTD Ins	5550.3955.5108.01	5108.01	402	83%	482
ADD Ins	5550.3955.5108.02	5108.02	33	83%	40
Workers' C	5550.3955.5111.00	5111.00	3,327	83%	3993
OffSupPmt	5550.3955.5200.00	5200.00	500	100%	500
Copies&lea	5550.3955.5200.01	5200.01	833	83%	1000
CleanSuply	5550.3955.5203.00	5203.00	300	100%	300
Chemicals	5550.3955.5204.00	5204.00	600	100%	600
Software	5550.3955.5209.00	5209.00	150	100%	150
MinorEquip	5550.3955.5210.00	5210.00	100	100%	100
Gasoline	5550.3955.5213.00	5213.00	12,272	83%	14,727
Jet fuel	5550.3955.5213.02	5213.02	1,126,495	83%	1351800
AVGAS	5550.3955.5213.03	5213.03	182,527	83%	219033
Fuel	5550.3955.5213.04	5213.04	1,250	83%	1500
PartsOilAc	5550.3955.5214.00	5214.00	5,190	100%	5190
PublNotifi	5550.3955.5301.00	5301.00	5,000	100%	5000
Uniforms/P	5550.3955.5302.00	5302.00	1,167	83%	1400
Pubs/Dues	5550.3955.5303.00	5303.00	800	100%	800
Travel/Trn	5550.3955.5304.00	5304.00	2,000	100%	2000
Equip Rent	5550.3955.5308.03	5308.03	46,000	83%	55200
Utilities	5550.3955.5310.00	5310.00	5,000	83%	6000
Telephone	5550.3955.5310.01	5310.01	360	83%	432
InsVehBldg	5550.3955.5311.00	5311.00	10,000	100%	10000
Prof Serv	5550.3955.5314.00	5314.00	10,000	100%	10000
CntrctServ	5550.3955.5315.00	5315.00	2,617	83%	3140
BadDebtExp	5550.3955.5319.00	5319.00	1,000	100%	1000
CrCardChgs	5550.3955.5320.02	5320.02	50,657	83%	60,789
EmpleRecog	5550.3955.5329.00	5329.00	100	100%	100
PromoActiv	5550.3955.5342.00	5342.00	3,500	100%	3500
InventryAd	5550.3955.5346.00	5346.00	1,250	83%	1500
Motor Pool	5550.3955.5331.00	5331.00	1,500	83%	1800
ReplaceChg	5550.3955.5331.01	5331.01	5,080	83%	6096
ShOverhead	5550.3955.5331.02	5331.02	607	83%	729
ShOverheadIns	5550.3955.5331.03	5331.03	49	83%	59
Cost Allocation	5550.3955.5399.00	5399.00	16,667	83%	20000
BldgGrndMt	5550.3955.5400.00	5400.00	6,250	83%	7,500
RadioMaint	5550.3955.5402.00	5402.00	458	83%	550
Veh/MachMt	5550.3955.5403.00	5403.00	5,833	83%	7,000
SmEquipMt	5550.3955.5407.00	5407.00	1,000	83%	1,200
FBO Startup - Capital	5550.3960.	Various	98,437	100%	98,437
			1,786,452		1,786,452

FBO OPERATION ANNUAL BUDGET

EXPENSE	
Acct Numb	Acct Name
=====	
ACCOUNT CLASSIFICATION EX10 - Personnel Services	
	6.6 FTE
5100	Sal/Wages 172,627
5100.01	SalConting
5103	Overtime 1,836
5105	FICA Taxes 13,346
5107	Life Ins 467
5108	Health Ins 23,925
5108.01	LTD Ins 482
5108.02	ADD Ins 40
5109.06	RetireSavP 1 -
5111	Workers' C 3,993
5120	PersSvcCon -

TOTALS :	216,716

REVENUE		
Acct Number	Acct Name	Proposed
=====		
ACCOUNT CLASSIFICATION RE40 - Charges for services		
		300Jet/45Av
4450	Rent - FBO Hangar	30000
4456.01	AVGASRev	250667
4456.02	JetFuelrev	1706580
4456.03	FBOsalestx	168080
4456.04	87MoGas	15402
4995	FBOAccess	4800
4999	Misc Rev	2500

TOTALS :		2178028

EXPENSE	
=====	
ACCOUNT CLASSIFICATION EX20 - Materials and Supplies	
	300Jet/45Av
5200	OffSupPrnt 500
5200.01	Copies&lea 1,000
5202	ShopSupply -
5203	CleanSuply 300
5204	Chemicals 600
5209	Software 150
5210	MinorEquip 100
5212	Signs -
5213	Gasoline 14,727
5213.02	Jet fuel 2 1,351,800
5213.03	AVGAS 2 219,033
5213.04	Fuel 1,500
5214	PartsOilAc 5,190
5214.01	Tires 3 -

TOTALS :	1,594,900

STARTUP CAPITAL EXPENSE - NOT INCLUDED

28.5V GPU	7500
Used Tug	7500
De-icing Rig	5000
Towbars	5000
Lav Cart	3200
Boarding Stairs	17262
Belt Loader	16500
Golf Cart	10000
Signs	1000
Minor Equip	24V Bat Chgr 300
Minor Equip	Fueling Mats 125
Minor Equip	Ladders 350
Minor Equip	Fire Extinguish 500
Minor Equip	Marshaling Wa 200
Minor Equip	HAZMAT Matr 450
Minor Equip	Chocks 2500
Minor Equip	Air Radios 1200
Minor Equip	Cell phone 100
Minor Equip	Road cones 400
Minor Equip	Fuel Test Equip 1000
Minor Equip	Computers (3) 2000
Minor Equip	POS Device 100
Minor Equip	Vacuum Clnr 100
Minor Equip	Sofas 1200
Minor Equip	ArmChairs 900
Minor Equip	Tables 500
Minor Equip	Decorative Iterr 350
Minor Equip	Electronics 3200
Prof Serv	Marketing 10000

TOTALS :	98437

EXPENSE	
=====	
ACCOUNT CLASSIFICATION EX30 - Services and Charges	
5301	PublNotifi 5,000
5302	Uniforms/P 1,400
5303	Pubs/Dues 800
5304	Travel/Tm 2,000
5304.99	T&T Advnce -
5307	Audit Exp -
5308	Rent -
5308.03	Equip Rent 55,200
5309	Lease Exp -
5310	Utilities 6,000
5310.01	Telephone 432
5311	InsVehBldg 10,000
5311.01	InsCityVeh -
5314	Prof Serv 10,000
5315	CntrctServ 3,140
5319	BadDebtExp 1,000
5320.02	CrCardChgs 60,789
5329	EmpleRecog 100
5342	PromoActiv 3,500
5346	InventryAd 1,500
5372	SlsTaxInvn -

TOTALS :	160,861

Footnotes:

- 1 No retirement benefit expense in first year. Estimated in future years: \$20,751
- 2 Wholesale fuel cost based on market at 12/12/12. Expense includes delivered cost plus 0.10 flowage fee & Sales Tax liability at resale.
- 3 Tire expense for refueler trucks. Not included in 2013 budget year. Future year operational expense: \$2500

EXPENSE	
=====	
ACCOUNT CLASSIFICATION EX33 - Motorpool Charges	
5331	Motor Pool 1,800
5331.01	ReplaceChg 6,096
5331.02	ShOverhead 729
5331.03	ShOverheadIns 59

TOTALS :	8,684

EXPENSE	
=====	
ACCOUNT CLASSIFICATION EX39 - Cost allocation	
5399	Cost Alloc 20,000

TOTALS :	20,000

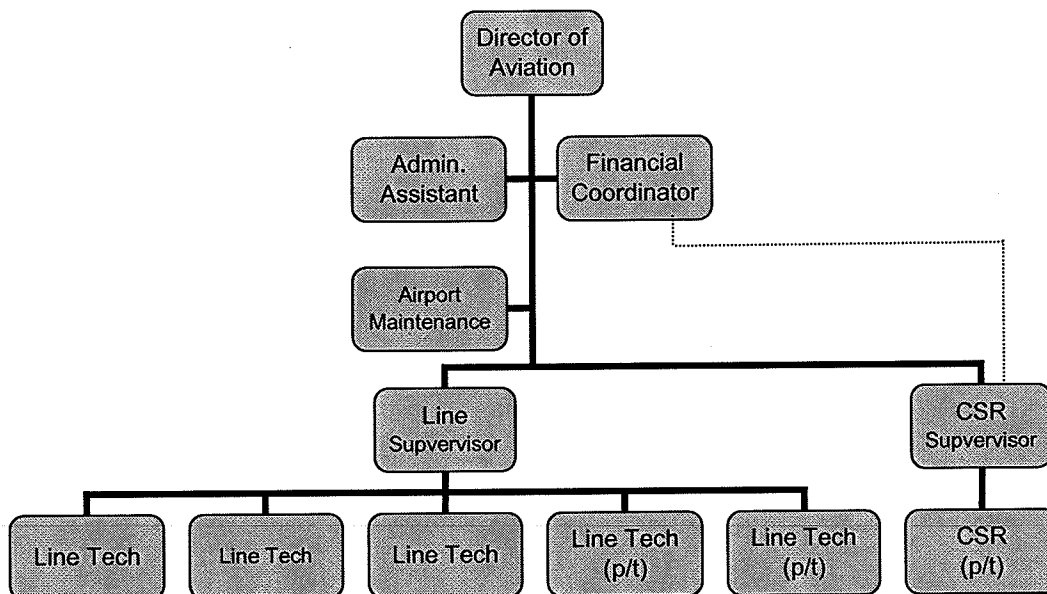
EXPENSE	
=====	
ACCOUNT CLASSIFICATION EX40 - Maintenance	
5400	BldgGrndMt 7,500
5401	OffMachMt -
5402	RadioMaint 550
5403	Veh/MachMt 7,000
5407	SmEquipMt 1,200

TOTALS :	16,250

TOTAL ALL	2,017,411
REVENUE	2,178,028
NET	160,618
Minus Current Rent Rcvd	75,584
Minus Flow Fees	34,500
Net Difference AP Fund	50,534

PRORATED 10 MOS 2013 3/1-12/31 (Not Inc Capital)	
	1688015
	1815016
	127,001
	62,984.15
	28,748.85
	35,268

AIRPORT ORGANIZATION CHART



JOB DESCRIPTIONS:

Flight Line Operations Supervisor (1 FT):

Supervise the Flight Line operation and the Line Technicians in the servicing of aircraft with fuel, oil, air, and the cleaning of windows and interiors. Supervise towing operations, aircraft parking and hangaring, and Line parking schemes.

Flight Line Technician (3 FT and 2 PT):

Park, fuel, hangar and tie down aircraft. Provide service for the aircraft to include ice, catering, restroom service, baggage loading and unloading. Operate the parking layout to insure safety of aircraft and passengers. Assist passengers and crewmembers.

Customer Service Supervisor (1 FT):

Supervise the customer service team insuring the highest level of customer care. Meet passengers and care for their needs to include rental cars, catering, hotel arrangements and reservations at destinations. Prepare invoices and receive payments. Input charges and receipts into the accounting system and tract all sales. Insure customer amenities are fully stocked.

Customer Service Representative (1 PT):

Meet passengers and welcome them to Fayetteville. Care for their needs to include rental cars, catering, hotel arrangements and reservations at destinations. Prepare invoices and receive payments.