

Airport Authority Meeting Minutes

Regular Meeting: November 4, 2021

Place: Shelbyville Municipal Airport, Board Room, Shelbyville, TN

Call to Order: The meeting called to Order by Chairman Wayne Hitchcock at 12:00 PM

Roll Call: A sign-in sheet was passed around for Roll Call and the following were present: Member Eric Cazort, Member David McGee, II, Chairman Wayne Hitchcock, Member Erick Larson, Councilmember Rick Overcast (out at 1:46 PM) and Member Helene Wharton. Also, present were City Recorder Lisa Smith, City Manager Josh Ray, City Planning Director Waleed Albakry (out at 1:46 PM), Airport Director Paul Perry, Lacey Cartwright, and several citizens. A quorum was declared and the meeting open for business.

Consideration of a motion to approve the Agenda: Member Wharton made a motion to approve the Agenda as submitted, Member Cazort seconded, and the motion carried unanimously upon oral vote.

Consideration of a motion to approve the minutes of the previous meeting: The minutes from the regular meeting of October 7th were up for approval. Member Wharton requested a change to the minutes advising she made the motion to readdress the rate increase not Chairman Hitchcock. City Recorder Smith advised she would review the tape and make the corrections. Member Cazort made a motion to approve the minutes with the stated correction, Member McGee seconded, and the motion carried by unanimous oral vote. The minutes for October 14th Special Called Meeting, Member Larson made a motion to approve these minutes as submitted, Member McGee seconded, and the motion carried by unanimous oral vote.

Reports:

Director Perry gave the monthly manager's reports advising numbers were down a bit due to the rain. There have been names added to the hangar and tie down waiting list and he noted he is working with Wright paving to add some additional space for tie downs. Perry gave an update on some of the Airport project advising the Council had approved the bid on the sign and fencing but we are now in a holding pattern for the materials. The date for the Fly-in Santa will be November 11th at 10:00 AM and the Annual Airport Christmas Breakfast will be November 15th beginning at 9:00 AM.

In the Maintenance Report Perry stated we took a load of both JetA and Avgas this month. He advised the equipment from the Grant has been delivered and there has been a meeting with a designer concerning improvements to the Terminal building.

Director Perry advised the Financial Reports were included in the meeting packet. Chairman Hitchcock requested the City Treasurer Kay Parker be available for a Zoom meeting next month. Member Wharton made a motion to accept all reports, Member Cazort seconded, and the motion carried unanimously by oral vote.

Chairman Hitchcock requested to suspend the rules and allow Citizen Comments at this point in the Agenda as most of the comments will concern Agenda items.

There were ten (10) citizen who made comments. All comments were against a substantial increase in hangar rates. They requested if an increase is needed it be implemented in stages. There were several requests to see

the City's Budget concerning the Airport. City Recorder Smith advised the City Budgets as well as Audits for the last ten (10) years were posted on the City's website.

During his comment Mark Stauffer, the current EAA President advised the EAA Chapter does wish to renew their hangar lease for five (5) years and purpose to raise the rent to \$245.00 a month with an annual \$5 increase for the next four (4) years.

OLD BUSINESS:

Breakfast Hangar Lease Agreement: Perry noted this item was brought before the board last month and deferred to allow the EAA the opportunity to review their options. Chairman Hitchcock noted he works with the EAA, and he has been told by many that the EAA Breakfast here is one of the best. He further noted the building is old and they have done some work on it, and he believes this is a fair proposal. Member Larson questioned who is responsible for the maintenance. Director Perry stated the Airport replaced the roof and they are responsible for the electrical and plumbing. Mr. Stauffer stated the Chapter has done some elective upgrades such as lighting. It was noted the hangar is 50 x 50 and they are currently paying \$.09 a square foot. Member Cazort questioned if they needed to know the Airport Budget before approving any increase. Chairman Hitchcock noted the bylaws do state that the Airport Board is to recommend a Budget to the City Council each year and he does not recall ever doing that. Director Perry gave the Board the Budget deficit numbers for operating expenses for the last three (3) years, \$169,106.81 in FY 21, \$86,097.00 for FY20 and \$105,277.00 in FY 19. These numbers do not include capital improvements. Member Larson stated to be self-sufficient the Airport needs to increase their revenue or decrease expenses in an amount around \$120,000.00 a year. Member McGee stated he appreciated the value the EAA brings to the Airport however he still believes \$245 is a little low. Member Larson requested guidance from the City on what they expect from the Airport Board. He noted when the Board is asked to make a financial decision, they should have some knowledge as to what direction the City is planning for the Airport. Councilmember Overcast stated he would like to see the hangar tenants flying and not just using the hangars for storage as that does not help the Airport. Chairman Hitchcock noted that he believes you cannot make someone leave if they do not fly as long as they are in compliance with their lease. Councilmember Henry Feldhaus stated he did think the rates are low however doubling the rate is excessive. He suggested an increase around \$100.00 a month and he also noted he would like to see the Airport focus on a hanger for Jets as they would generate much more revenue. City Manager Josh Ray advised the FY22 Budget did not have a directive for the Airport to reach self-sufficient, however he does believe that is something we should strive towards, and that rate should be in line with fair market value for regional markets. Discussions continued on the amount for the EAA renewal with Member McGee stating he felt somewhere around \$300.00 a month, Chairman Hitchcock noting he liked the \$245.00 a month as proposed by the EAA. There was then some discussion concern the length of the lease as the City may want to build a new hangar and that may be the location. Member Larson stated he would want to not have a long lease to allow for the possibility of building a new hangar. City Manager Ray advised that with the 60 days out clause either party would be able to break the Lease with 60 days' notice. Member Larson stating he felt the rent should be around \$500.00 a month.

The members took a small break at 1:54 PM and resumed the meeting at 2:02 PM.

Chairman Hitchcock presented a proposal to the Board to give the hangar to the EAA for them to use for their storage, but the Airport would then lease out the hangar for Airplane storage at a cost. The EAA would have access to the hangar to hold their Breakfast or store any supplies. Mr. Stauffer stated he would have to speak to the EAA members before he could accept this proposal. **Member Larson made a motion to offer the EAA**

an annually renewing Agreement at a \$1.00 a year to allow them the ability to hold meetings in the FBO, have breakfasts in the existing Breakfast hangar, have storage for all their equipment and the Airport will then lease the hangar space for aircraft, Member McGee seconded the motion which then carried unanimously by oral vote.

Mack Air Lease: Chairman Hitchcock stated he felt the discussion should be stopped now on the remaining items concerning rent as he feels the Board needs additional information. Member Larson agreed on this item as he only received the Lease and would like time to review it. Charles McGaughy owner of Mack Air, LLC also requested a deferral to have the opportunity to review the new lease. **Member Larson made a motion to defer this item until a future Agenda and request for Charles McGaughy and Airport Director Perry to meet and discuss the terms and come back to the Board with recommendations, Member Wharton seconded, and the motion carried by unanimous oral vote.**

NEW BUSINESS:

Hangar & Tie Down Rates Review: Member Cazort stated he felt there was a lot more to be discussed before the Board can make a good decision on the rates. **Member Cazort made a motion to rescind the decision made concerning the rate increases in the September 2nd Airport Authority Board Meeting, Member Wharton seconded, and the Motion carried by a 3 – 2 roll call votes as follows: Member McGee – No, Member Wharton – Yes, Member Hitchcock – Yes, Member Cazort – Yes, Member Larson – No.**

Airport Operations Manager Becky Barnes asked when the rates were rescinded, and City Recorder Smith stated they are rescinded as of the Motion. Member Larson noted we had to give 60 days-notice when the rates were increased, are we now required to give another 60 days-notice of the rescission. Airport Director Perry read from Paragraph # 3 of the current Lease under Payments and Fees “Authority may change the monthly Lease payment upon 60-days written notice to the Lessee.” Member Larson stated understating this there would be two months at the increased rates. Member Cazort ask if you could amortize the increase out for a year.

Lacey Cartwright advised the Board that she had three (3) new tie-downs, two (2) new t-hangars and two (2) new community hangars that had signed Leases since the increase and were paying new rates. Additionally, she has charged some who pay three (3) months at a time the new rates beginning with December.

Chairman Hitchcock stated no it appeared we had a 60-days’ notice then. Member McGee stated maybe it would be better to defer any action until a decision is agreed upon. Chairman Hitchcock stated it had already been rescinded and we have a 60-day notice, so we are getting stuck with two (2) months. Member Larson advised so that will be two (2) months at the new rate and then another 60-days’ notice for any future decision.

City Recorder Smith requested that the rate increase discussion be set on a Special Called Meeting Agenda. After further discussion Members agreed to request any needed information to discuss the rates from Paul and then set a Special Called Meeting, perhaps on November 16th at 12:00 PM.

Airport Authority Board Meeting Times: Chairman Hitchcock ask if there was any consideration to change the meeting time to later in the afternoon around 5:30 PM to allow for more visitors. Member Larson stated it would be inconvenient to come after hours and Eric Cazort agreed. Member McGee and Member Wharton stated they could make it work if necessary. Airport Director Perry stated he would speak for the secretary that she already has several City night meetings. City Recorder Smith stated she does have several monthly

meetings at night and would rather not have another one. Member Larson suggested we could always to Facebook live. Member Larson made a motion to leave the meetings as they currently are, Member Cazort seconded, and the motion carried unanimously upon oral vote.

Other Business & Announcements: None

Adjourn: Member Larson made a motion to adjourn, and Member Wharton seconded. The meeting adjourned at 2:37 PM.

Approved:


Chairman Wayne Hitchcock

Attest:


City Recorder, Lisa Smith