

Airport Authority Meeting Minutes

Regular Meeting: December 2, 2021

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

Call to Order: The meeting was 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 and Member Helene Wharton. Also, present were City Recorder Lisa Smith, City Manager Josh Ray, Airport Director Paul Perry, City Attorney Ginger Shofner 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 Larson 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 November 4th were up for approval. Hearing no additions or corrections, Member Wharton made a motion to approve the minutes, Member McGee seconded, and the motion carried by unanimous oral vote.

Reports:

Director Perry gave the monthly manager's reports advising there was not much activity on the field on Thanksgiving. The terminal was closed and there were no signs of flights on the system. Perry noted the City Council had approved the update to the Airport Layout Plan as required by TDOT's Aeronautics Division. He then advised the Authority of several employees who had left the Airport to move to different jobs, including Lacey Cartwright. Additionally, there have been two new employees added to the operations crew. There was an increase in 100LL and a decrease in Jet A with an overall increase for the month.

In the Maintenance Report Perry stated we took full loads of both JetA and Avgas this month. He noted they had received the new Airport vehicle which will receive decals and lighting over the next few months. In other areas, emergency strobe lighting has been added to all mowing equipment, the security gates project has been completed and the terminal is decorated for Christmas.

Director Perry advised the Financial Reports were included in the meeting packet and the City Treasurer has advised starting next month she will be available to the Board for any questions or concerns by ZOOM, however this month she has a training she must attend. Member Wharton questioned the increase in Worker Compensation Insurance and Recorder Smith noted the premiums went up for that type of insurance and it was an increase for most all carriers. Member Larson questioned if the cumulative gain loss was on track with the Budget. Perry noted there were some grant reimbursements that would be coming in and there had also been some upfront purchases so it should even out. Member Larson made a motion to accept all reports, Member McGee seconded, and the motion carried unanimously by oral vote.

NEW BUSINESS:

Hangar Request - City: Chairman Hitchcock advised during the recent City Council retreat there was a discussion of construction of a two million (\$2,000,000.00) dollar jet hangar. Further this was on the Study

Session Agenda and will be up for an approval vote at the December Business meeting. City Manager Ray advised what is up for consideration is the Resolution to provide direction to the Airport moving forward and the construction of the jet hangar is a part of the Resolution. If this is approved it will then be turned over to Director Perry to begin to determine location, price, and other information and then it would go back to Council for the Budget planning session of FY 22 and then it would turn into some type of allocation. It could be a grant application or some other funding source. The Resolution is just direction to give a plan to make these things happen. Member Larson noted the cost may increase when you get down to the actual planning. Perry agreed stating due to inflation and COVID supply issues. Perry noted the best location for a new jet hangar considering the Airport long term would be a taxiway between the Terminal and the T-hangars east to west and open the area up. Member Cazort questioned if we should consider the additional funds required to build the jet hangar in their discussion on the rate increases later in the meeting. Director Perry advised in his opinion you should always have money set aside for construction as there should always be some building going on at the Airport to promote growth. Member Larson requested this item be kept on the Old Business Agenda for an update next month.

OLD BUSINESS:

Breakfast Hangar Update: Chairman Hitchcock stated last month Mark Stauffer, President of the EAA was at the meeting and he was to go back to the EAA Chapter and discuss the options given by the Airport Authority at the November meeting concerning the renewal of the lease. Mr. Stauffer was unable to attend today however Randy Kelly, Secretary for the Chapter, is here as their representative. Mr. Kelly then advised a meeting with the Chapter was held on November 18th and the members were presented with two options concerning their lease: (1) Accept the Airport Authority Board's suggestion of a year to year "Use Agreement" or (2) Request to exercise the lease renewal that is in their current lease at an unknown rate which could be as high as \$500 a month. Mr. Kelly reading from an email to the Airport Board Chairman from Mr. Stauffer advised the EAA Chapter decided on a different option to request a short extension of their current lease, at the current terms, while the Airport Authority decides how it will deal with the calendar year 2022 rates for tenants at the Shelbyville Airport. He further noted the rate of \$250.00 a month, which was stated in previous meetings as being used at Airports similar to Shelbyville for a 2,500 square foot hangar would be something the EAA could work with. Member Larson stated he felt the Authority should reach an agreement on the permanent rate noting it is not fair to the Authority or the EAA Chapter to kept pushing the discussion. There was discussion concerning that the EAA subleases space to two airplanes and the rent for the hangar is divided 1/3 each between the Chapter and the two planes. Member Larson ask what a similar aircraft in the North Hangar paid and Director Perry stated \$130.00 which when multiplied by 3 would be \$390.00. Chairman Hitchcock suggested a 10% or 11% increase and then look at it again annually. This would allow the Airport to move forward toward the self-sustainability. Charles McGaughy of Mack Air then made an offer to have the EAA Hangar leased to him for \$350.00 a month and he will clear two spaces in the North Hangar that can go to the planes currently in the EAA Hanger and he will allow the EAA Chapter to use the Hangar anytime they want. He stated the EAA was a very important thing to have at the Airport as they bring traffic and awareness. Director Perry advised Mr. McGaughy is on the waiting list for hangars but he is not next on the list so that may present an issue. Member Larson stated he is at \$390.00 a month and Member McGee noted everything on the Airport is a value. City Attorney Shofner questioned who indicated they did not want to do the automatic renewal which is a part of the current lease. City Recorder Smith clarified the lease was brought to the Board in October, based on the 60 days-notice requirements by either party to renew or not renew and to make any rate changes, so that the Authority could review the lease and decide on the renewal and any rate increases. At that time, the EAA representative Mark Stauffer requested 30 days for the EAA to decide if they wanted to renew the lease. Smith continued that at last month's meeting Stauffer did advise the Authority Board that the EAA

did wish to renew their lease and he provided their terms which were then discussed by the Board and a different option was given to him to take back to the EAA which brings us up to the discussion today. Chairman Hitchcock stated he was in agreement with \$250.00 a month which represents an 11% increase and would move in the direction needed. Member Larson disagreed noting that an additional \$300.00 a year would not move forward. **Member Wharton made a motion to accept the offer of the EAA Chapter to pay \$250.00 for monthly rent on the EAA Hangar, Member Cazort seconded and upon a roll call vote the vote was Member Larson – No, Member Cazort – Yes, Chairman Hitchcock – Yes, Member Wharton – Yes and Member McGee – No. With 3 yes and 2 no votes the Motion passes.** City Attorney Shofner advised this would have to go to City Council for their approval as best practice.

Hangar & Tie Down Rates Review: Chairman Hitchcock reminded that the increase in rates approved in September had been rescinded at last month's meeting and he questioned City Attorney Shofner about how that process worked concerning the required 60 days-notice. Attorney Shofner stated the increase was not specifically approved by Council so that provides more wiggle room. Recorder Smith read from the minutes of last month's meeting when the increase was rescinded and advised some were already paying at the new rate. Attorney Shofner stated her recommendation, since the Council has not approved the increase, would be not to enforce the increase until the Board has clarified what the new rates will be. She further noted the 60 days-notice is to allow time to decide if they wish to stay or leave. Shoffner noted she does not think a notice is required to go down in a rate, however given the confusion and that the rates were not approved by the City Council she advised not to charge the new rates at this time. There was then some discussion about the Resolution to provide direction to the Shelbyville Municipal Airport with Chairman Wayne Hitchcock reading the Resolution to the Board. The Resolution is on the City Council Thursday, December 9th Business Meeting Agenda for approval. Councilmember Overcast advised one need is to remove the planes that do not fly from the Hangars. After further discussion, the Board decided to take the fees one at a time starting with the Tie Downs. Member Larson noted currently these spots are basically free, they are \$30.00 a month and if you buy \$30.00 in fuel it is free. Operations Manager Becky Bradford went over the Tie-Downs fees for the surrounding areas. **Member Larson made a motion to charge a flat \$50.00 a month for a leased Tie-Downs with no credit for fuel, Member McGee seconded, and the motion carried unanimously by oral vote.**

The next item discussed was the North Hangar, Member Larson reviewed the current rate for individual planes which is based on footprint at \$.13 a square foot. He further noted the original increase was to double the rate to \$.26 a square foot. Member McGee suggested going to \$.20 a square foot. Chairman Hitchcock suggested a 10% increase this year with a 10% increase next year and then relook at the rates based on what is going on at that time. Director Perry stated 10% would only be a \$14.00 increase and Member Cazort stated that was not enough. He further noted he did not like the doubling rate but was good with \$.20 a square foot. **Member Wharton made a motion to increase the rate in the North Hangar to \$.20 a square foot, Member Larson seconded, and the motion carried unanimously by oral vote.**

The final rate increase discussion was for the T-Hangars with Chairman Hitchcock advising the current rate is \$215.00. Member Larson noted the rate increase from the earlier meeting was double that or \$430.00, which number he arrived at by using the average deficit of the Airport. Member Cazort stated we could start at one-half of the deficit number instead. Member McGee advised that would be \$322.50 a month, which will be just over a \$100.00 increase. Chairman Hitchcock suspended the rules and allowed citizen Richard Simmons to speak. He spoke to the issue of self-sufficiency of the Airport. He stated the FAA is looking for the Airport to serve the Community. Chairman Hitchcock suggested 10% this year, 10% next two years and then reevaluate where we are then. Member Larson went over the things the Airport needs and cannot provide and he does not

think Director Perry can go to the City Council and say we are doing the best we can but need help providing staffing and equipment if the Board is only increasing hangar rates by \$20.00 a month. Chairman Hitchcock advise he heard what was being said however, he feels the increase should be reasonable over time. The Airport does provide benefits. Member McGee agreed and noted he does believe the Airport has done a good job of protecting the rates over time but with the growth that is coming and the potential of jets, which will require increasing needs that should be planned for now. Director Perry agrees with increases however they have not been done and that is what has brought us to this point. Councilmember Overcast suggested after the increase this year, the rate should be increased 10% every year. After further discussion, Member **Cazort made a motion to increase the T-Hangar rent rate by \$100.00 a month, Member Larson seconded and the roll call vote was as follows: Member Larson – Yes, Member Cazort – Yes, Chairman Hitchcock – No, Member Wharton – No, Member McGee – Yes. The motion passes 3 yes 2 no votes.** Director Perry advised the increases will be taken to the City Council for approval.

Other Business & Announcements: Director Perry advised that Fly-in Santa would be December 11th from 11:00 AM till 1:00 PM.

Citizen Comments: Several Citizens spoke against the rate increase and gave additional ideas for bringing the Airport to self-supporting status.

Adjourn: **Member Larson made a motion to adjourn, and Member Wharton seconded. The meeting adjourned at 2:16 PM.**

Approved:



Chairman Wayne Hitchcock

Attest:



City Recorder, Lisa Smith