

Airport Authority Meeting Minutes

Regular Meeting: February 3, 2022

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

Call to Order: The meeting was called to Order by Chairman Wayne Hitchcock at 12:05 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, Airport Director Paul Perry, and Becky Barnes. A quorum was declared and the meeting open for business.

Consideration of a motion to approve the Agenda: Chairman Hitchcock requested to add an item of New Business, Consideration of a Land Lease. Member Larson made a motion to amend the Agenda as requested, Member Wharton seconded, and the motion passed by unanimous oral vote. Member Cazort then made a motion to approve the Agenda as amended, Member McGee 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 December 2, 2021, were up for approval. Hearing no additions or corrections, Member Wharton made a motion to approve the minutes, Member Larson seconded, and the motion carried by unanimous oral vote.

Reports:

Director Perry gave the monthly manager's reports stating that the increase in fuel costs may cause some recreational flying to decrease. Perry the advised the Airport had a couple of new staff which including a new Customer Service Agent, Vivian Huggler, and a new Operations Tech Gary Wildley. Perry noted that the runway only had to be closed for a few hours during the recent weather event to allow for removal of the snow and ice. He then gave an update on the Airport Layout Plan stating it would take at least 24 months to complete.

In the Maintenance Report Perry stated we took full loads of both JetA and Avgas this month. He noted the pumps had frozen during the weather, but there were no issues because the truck was full. Annual maintenance began on the T-Hangars and a quote had been taken on putting a coating on the roof to cut down on leaks. The quote for all 3 T-Hangars was \$80,000. The sewer project is going out to bid later this month and the new fence will be painted in warmer weather.

Director Perry advised the November and December Financial Reports were included in the meeting packet and ask for any questions. Hearing none, Member Larson made a motion to accept all reports, Member Cazort seconded, and the motion carried unanimously by oral vote.

OLD BUSINESS:

Mack Air Lease Update: Director Perry advised he had met with Charles McGaughy of Mack Air, and he is present at the meeting today. What Mr. McGaughy would like is continuation of his current lease terms. Several months ago, the Board discussed his lease and presented him with a draft of a new lease agreement. Mr. McGaughy spoke and advised that the potential new lease agreement does not cover the type of business he

has. The 2008 lease, which he currently operates under, did cover all aspects of his business and the term were for five (5) years, with renewals, of which he is in his fifteenth year and the time for renewal will be in 2023. He also advised the lease requires one million dollars of liability and he currently carries two million dollars in liability coverage. He requested not to rewrite the lease but to continue to operate with the current lease and look at it again at the next renewal in 2023. He then addressed the rent issue, advising that his rent has been adjusted over the years and he would be willing to have an addendum to the lease to cover a reasonable increase. He advised he would agree to a 20% increase but could not agree to a 100% increase. Member Larson questioned what was different in the updated proposed Lease and his current Lease. McGaughy advised the biggest thing he saw was a waiver of subrogation. Larson ask if we could draw up an addendum to include the items that are necessary. Director Perry advised he felt an escalation clause was needed in all Leases. Perry noted the current Lease is an automatic renewal every five years if neither party address it within 120 days of the renewal date. He further advised the Board did address this in a timely manner and voted to increase the rent, the Board's approved rent amounts are included in the proposed Lease Agreement, however the Board did not address anything other than the rent. The amounts approved were \$1,600 for the maintenance hangar and \$600 for the Tillet hangar, however the Council did not approve them. Further discussion ensued and members reviewed the current Lease. Conversation was then had on what he currently pays which is \$1,200 for the maintenance hangar and \$350 for the Tillet hangar, however it was noted he is really only paying \$800 for the maintenance hangar due to a reduction agreement he receive several years ago. Perry questioned if he wanted to separate the buildings and have a Lease for each. McGaughy he would prefer to keep it as is at this time. Additionally, he noted he would be able to pay the 20% increase based on what he is currently paying, the combined amount of \$1,150. Member Larson stated the items to be included in the amendment would be a waiver of subrogation, an escalation clause, increase in rent, new term of Lease and a change of ownership clause. Director Perry reminded the current Lease will expire in June of 2023 so 120 days prior to that you could enter discussions and come up with a new Lease at that time. Member Cazort proposed a combine rent of \$1,400. Chairman Hitchcock stated he did not believe the escalation clause needed to be included since the renewal is coming up next year. **Member Larson made a motion to amend the Lease of Charles McGaughy adding a waiver of subrogation, a change of ownership clause, a new rate effective April 1, 2022, of \$1,000.00 for the maintenance shop and \$400.00 for the Tillet Hangar, Member Wharton seconded and a roll call vote was had, Member McGee – No, Member Larson – Yes, Member Cazort – Yes, Chairman Hitchcock – Yes, and Member Wharton – Yes.** City Recorder Smith advised the motion carried 4 yes votes to 1 no vote.

City Hangar Request Update: Director Paul Perry advised the City had provided a Resolution that provides direction to the Airport which includes a \$2 million dollar set aside for a jet hangar. Perry advised this will be discussed in Budget discussions. Additionally, we have received a set aside of over \$159,000.00 over the annual set aside we receive from FAA. This can be used for design of the hangar and the annual amount of \$150,000 can be used for the design of the taxiway to get to the building. He further noted that currently the City Attorney is looking into the authority this Board has to approve items and at this time anything that requires a signature must go before Council. Due to this there will be credits given to anyone who paid the rates pasted by the Board but not yet approved by the Council. Finally, there will also be added to Leases a requirement for a proof of air worthiness for hangars. Chairman Hitchcock advised he had received a request from a Council member to consider alternate sites for the large hangar. Director Perry went over the reasons for the proposed site which included being what is called for on the Airport Layout Plan and that is necessary to receive Federal and State funds to assist.

NEW BUSINESS:

Santa Fly-in Report: Perry advised there were 82 children that came to see Santa. He then noted that there is a potential for the EAA to take over the Santa Fly-in and allow it to be hosted by the EAA and not the City. This would help the EAA to be more visible and also help the City not be promoting events that conflict with other events.

Land Lease: Mike DeWeese, Brent Davis and Tim Quigley were present at the meeting to request consideration for a Land Lease to build a new hangar. Mr. DeWeese identified the land they were requesting and advised they were wanting to build one building with three separate hangars, 180 feet by 60 feet minimum. He further noted they would like to come to the next meeting with a little more information. After further discussion it was agreed they would be the first item on next month's Agenda.

Other Business & Announcements: Chairman Hitchcock asked how the new fence was paid for and Perry noted through the City's Capital Improvement Plan.

Citizen Comments: None

Adjourn: Member Larson made a motion to adjourn, and Member McGee seconded. The meeting adjourned at 1:46 PM.

Approved:


Chairman Wayne Hitchcock

Attest:


City Recorder, Lisa Smith