

Airport Authority Meeting Minutes

Regular Meeting: September 2, 2021

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

Call to Order: The meeting called to Order by Chairman Wayne Hitchcock at 12:03 PM

Roll Call: A sign-in sheet was passed around for Roll Call and the following were present: Member Erick Larson, Member Eric Cazort, Member David McGee, II, Chairman Wayne Hitchcock and City Councilmember Rick Overcast. Member Helene Wharton was absent. Also, present were City Recorder Lisa Smith, Bill Stewart, David Augustin, Airport Director Paul Perry, Becky Barnes, and Lacey Cartwright. A quorum was declared and the meeting open for business.

Consideration of a motion to approve the Agenda: Chairman Wayne Hitchcock requested to amend the Agenda for the Board to enter an Executive Session at the end of today's meeting. Member McGee made a motion to amend the Agenda as requested and approve the Agenda as amended, Member Larson seconded, and the motion carried unanimously upon oral vote.

Consideration of a motion to approve the minutes of the previous meetings: The minutes from the regular meeting of August 5, 2021, were up for approval. Hearing no corrections or additions, Member Larson made a motion to approve, Member McGee seconded, and the motion carried by unanimous oral vote.

Reports:

Director Perry gave the monthly manager's reports advising that the EAA chapter breakfast was well attended this month. He further noted there had been several interested parties wanting to build hangars on the Airport and those requests will be coming to the Board. Plans for Aviation Day are proceeding, the event will be held on September 25th and there is a good lineup of participants.

In the Maintenance Report Perry stated the Airport received a full load of both 100LL and Jet A fuel this month and \$9,162.75 was sold through self-serve. He did note ongoing problems with small leaks on the fuel system. The North Hangar tug had repairs and the batteries were replaced on the John Deere 997 mower and tractor. He noted other repairs and the septic tank being emptied due to the increase in rain.

Director Perry advised the Financial Reports were included in the meeting packet and ask if anyone had questions. Chairman Hitchcock requested that the Treasurer attend the next meeting to go over the reports and answer any questions. Member Cazort made a motion to approve all reports, Member Larson seconded, and the motion carried unanimously by oral vote.

NEW BUSINESS:

Ground Lease – Bill Stuart: Director Perry introduced Bill Stuart from Tullahoma. Mr. Stuart stated he would like to lease ground from the Airport to build a hangar that he would either lease out or sale to someone else. He purposes to build a hangar that would be able to house up to a King Air or small jet. The location would be west of the hangar approved at last month's meeting with three separate entrances under one roof. The door will be a minimum of 16-foot clear and may be a power door that will not protrude out in the front as much as some others. He does plan to have a bathroom and would like to have sewer if available. The Board questioned with three (3) individual owners, who would be responsible for repairs and how the ground lease

would work. Stuart advised in other Airports he has done this where each individual owner would have their own ground lease and insurance for their portion of the hangar. Discussion ensued concerning the cost and term of lease and if it would be one (1) lease or three (3) individual leases. Stuart stated he would like to have a lease on the property during construction and when he sold the separate spaces the leases could be renegotiated with the new owners at the current terms and lease amount. **Member McGee made a motion to grant a Construction Ground Lease to Bill Stuart for two (2) years at \$.30 a square foot, with total square footage to be determined by survey, to build three (3) 60 x 60 hangar structures with access areas, Member Larson seconded, and the motion carried by unanimous oral vote.**

Ground Lease – Azure Flight Support: David Augustin thanked the Board for their support of the Flight School and stated he was not prepared to present any request today but would be back before the Board at a later date.

Hangar/Tie Down Rate Review: Director Perry advised in 2019 new rates were established but then put on hold due to the Runway project which is now two (2) years old. The increase rates took effect in September noting they were to be reviewed in a couple of years. Additionally, the EAA lease is coming up for renewal in January and they are to be notified 60 days prior to any change. Perry stated the State of Tennessee has been collecting data and now both Federal and State Governments are no longer going to be providing funds to General Aviation Airports for anything other than maintaining. In Grant Assurance # 24 it is stated Airports are to be as self-sustaining as possible. There was discussion concerning fair and reasonable versus fair market value. Lacey Cartwright advised there are currently over 90 people on the waiting list for a T-Hangar spot and over 50 people on the Community Hangar list. Additionally, there is now also a Tie-Down waiting list. Member Larson advised the Board that he had taken a look at our current rates in relation to what needed to be done to get the Airport to the self-sustaining position the Government is requiring, and it would mean doubling the rents. There was then discussion concerning what other area Airports are charging and the State recommendation which is \$640 a month for a T-Hangar. It was also noted we currently offer incentives on the Tie Downs for people buying gas and no other Airports contacted currently does that. Director Perry stated TDOT was giving the support to the City to get the rents to a fair market value. Member Larson questioned if people left because of an increase would there be others to take their place. Perry noted there were more than enough on the waiting lists. Chairman Hitchcock questioned if Mack Air's new Lease had been implemented and Director Perry stated there were some issues that had delayed that, but he would address it immediately. Chairman Hitchcock stated he felt if there was going to be an increase it should be tiered in and not all at one time. Member Larson stated it is not an easy decision however as a Board member you must look out for the best interest of the City. **Member McGee made a motion to move forward with increasing the monthly rents on the T-Hangars, North Community Hangar and Tie Downs based on Member Larson's calculations (attached), doubling the current rates, effective date based on the terms established on their current Lease Agreements, Member Larson seconded. Members Larson, McGee and Cazort all approved the motion with an oral Aye vote. Chairman Hitchcock voted with an oral Nay vote. The motion carried with a 3 to 1 in favor vote.** After further discussion, the EAA Hangar lease will be discussed at next month's meeting.

Other Business & Announcements: Chairman Hitchcock requested to have City Planner Waleed Albakry and City Manager Josh Ray at the next meeting to discuss the possibility of notice requirements to the nearby developing subdivision of the Airport's presence.

Director Perry reminded everyone of Aviation Day on September 25th.

Citizen Comments: None

Member McGee made a motion to enter Executive Session at 2:25 PM. Everyone but the Board members, Airport Director Perry and City Recorder Smith left the meeting.

Adjourn: Meeting reentered and **Member McGee made a motion to adjourn, and Member Cazort seconded. The meeting adjourned at 2:32 PM.**

Approved:



Chairman Wayne Hitchcock

Attest:



City Recorder, Lisa Smith

AMPLE A/C COSTS	LxW	Sq. FT	OLDRATE	NEWRATE
182	36x28	1008	.13	.26
E36	34x28	952	131	262
ARON	38x29	1102	124	248
ug AIR 90	50x36	1800	143	286
			234	468

NORTH HANGAR	
1378	2756
<u>x12</u>	<u>x12</u>
16,536	33,072
OLD RATE	NEW RATE

$$50 \times 12 = 600$$

$$\underline{-x12}$$

$$7,200$$

TIE DOWNS

215 - 430	
<u>130</u>	<u>x30</u>
450	12,900
<u>x12</u>	<u>x12</u>
7,400	154,800
OLD RATE	NEW RATE

TEE HANGARS

77,400 TEE HANGARS
 16,536 NORTH HANGAR
 7,200 TIE DOWNS

\$101,136

ADDITIONAL RENT

Sep 2, '21
 Increased Rent Calculation
 for SYI Airport

Erick Larson
 - ERICK LARSON