

Tullahoma Municipal Airport Authority
P.O. Box 1584 – Tullahoma, TN 37388



Meeting Attendance
July 12, 2011

Members Present

☒	John Miller, Chairman
☒	Sharon Tinkler
☒	Rod Pozo
☒	Jim Apple
☒	Karla Smith
☒	Sam Crimm
☒	Steve Worsham

Other Officials Present

☒	Jon Glass, Airport Manager
☒	Alderman Mike Norris
☒	Wayne Thomas, Tullahoma News

Visitors

Jeremy Bell (TAA Attorney), Trev Echols (Mid-Ten Aviation), John Stubbs and Chuck Armstrong (Public Comments).

Note: Where motions are noted as being approved, they were unanimously approved by all Board members present unless otherwise noted.

Meeting Minutes
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1. Meeting called to order at 5:03 pm.
2. Minutes for the June 14, 2011 meeting were approved with the following corrections. A motion was made and approved to include the number of extra hours Jon Glass worked for the

monetary bonus. Page numbers will be added and the 24 threshold markings will be included when the 36 threshold markings are corrected.

3. **Public Comments** - John Stubbs thanked Karla Smith for correcting a recent billing mistake for fuel on his credit card. He reported that 36 children showed up for the recent and successful Young Eagles event. He apologized for the lack of supervision from the Parents in the terminal building during the event. He thought it would be a good idea for the local cable TV station to record and air the Airport Authority meetings. Chuck Armstrong thanked all the volunteers that assisted with the Young Eagles event.
4. **FBO Report** - Trev Echols presented the FBO report. He reported that 25,716 gallons were sold during the month of June. Training was completed on the new jet fuel truck and credit card machine. He reported that an Air Race would be held in September and Remote Control Aircraft event will be held at the Airport on October 1 and 2.
5. **Treasurer's Report** - Karla Smith presented the Treasurer's report. She provided updates on the financial statements, cash flow report and terminal building account status. The \$37,000 payment for Rogers Group arrived and about \$18,000 in fuel sales were made during the Air Show.
6. **Jon Glass presented his Airport Manager Report:**

CURRENT PROJECTS

Terminal Building - Windows have been tinted in the conference room and FBO office. The Contractor has made adjustments to the HVAC system and Richard Rinks made suggestions for temperature settings.

36 Threshold Electrical Work - Ron Fitzgerald has inspected and approved the work. Payment was made to Lawson Electric in the amount of \$24,860 on 6/22/11.

36 Threshold Markings - PDC has submitted a revised drawing for 24 and 36 thresholds and is waiting for Steve Upshaw's approval. With his approval estimates will be obtained from a Contractor and the project will be submitted to TAD as an emergency project request.

Consultant 5 Year Agreement - Our current 5 year Agreement with PDC/Hanson will expire September 2011. Jon Glass will run the necessary advertisements and have written proposals from Consultants ready for the August 9, 2011 TAA Board meeting.

Maintenance Contract Reimbursement - Jon Glass submitted a maintenance contract reimbursement for \$9,000 on 6/22/11.

Runway 6/24 Overlay Project - Jon Glass received notice that the \$37,000 final payment from TAD for the turf runway drainage work will arrive in our account no later than 7/14/11. **A motion was made and approved** to make this payment. The payment did arrive on 7/11/11.

Momentum Foundation Ramp Expansion Project - PDC will have site plans and construction cost estimates ready for the September 2011 TN Aeronautics Commission meeting.

NW Airfield Utility Project - Chairman Miller reported that the water/sewer grant had been returned back to ECD and was waiting for final signatures.

2011 Air Show - The ramp was cleaned up immediately after the fireworks and runway 18/36 was reopened Saturday morning at 10:30 am. Jon Glass will attend the Kiwanis wrap-up meeting

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after the TAA meeting on 7/12/11.

Airfield Signage/Lighting Inventory - PDC is scheduling the Electrical Engineer to return to the Airport and complete his work.

Taxiway Drainage Repair - PDC is preparing plans and the bid package so this work can be completed during this construction season.

Wal-Mart Retaining Ponds - The Geese population has increased over the past two months. Glass and Luckado use the bird bangers anytime they are near the Airport. Sam Crimm is working with the USDA on relocating the Geese.

Employment Agreement - Jon Glass and Michael Luckado became City employees on 7/1/11. The TAA Workers Comp insurance has been canceled. We will meet with Casta Brice for employee orientation the week of July 11. Jon Glass will check on canceling current health insurance for both of us.

LPV Approaches - Chairman Miller reported that the LPV approaches were not published on 6/30/11.

Residential TTF Report - FAA has sent us some reports to complete prior to August 1, 2011 on Residential Thru-The-Fence Agreements.

Ramp Repair - The grant amount is \$500,000 with 90/10 funding. Local share funding will come from TAD refund on previous projects.

TAD Conference - The TAD Airport Conference will be held August 18 and 19, 2011 at the Nashville Airport Marriott.

FUEL SALES

The spreadsheet listing every fuel sale since 7/7/11 is attached for Board member review. This spreadsheet will be updated with payment information for the August Board meeting.

MAINTENANCE/NAVAID PROBLEMS

SDF - Out of service since June 28. Don Hall has inspected and is looking for spare parts.

NDB - NDB monitor is back in service. Several outages to NDB in June due to lightning strikes.

VOR - No problems or outages for June 2011.

AWOS - Phone line switch to AT&T completed 2/2/11 and continue working properly. Hard drive for monitor replaced in Flight Planning room (\$95) on 6/22/11.

RUNWAY AND TAXIWAY LIGHTS - Lost about 75 light bulbs and several transformers due to lightning strike adjacent to runway 6/24 on 6/28/11. Bakers Electric responded and repaired the damage the following day. Estimate for repair bill is less than our \$1,000 Insurance deductible.

REILS AND PAPI - PAPI's on 36 are back in service. REILS on runway 18 are out of service and Don Hall has been notified. FAA flight checked 6/24 PAPI's and will return in a few weeks to flight check runway 18/36 PAPI's. Don Hall will be here for flight check to make any requested adjustments. Flight check has been delayed because of mechanical problems with FAA aircraft.

HANGAR RENT/INSURANCE

HANGAR RENT - The new hangar rent total due for 2011 is \$42,844.44 (Vandy LF not included) with CPI increases. As of 6/10/11 \$31,070.97 has been collected for 2011.

OVERDUE RENT - As of 7/7/11 Bill Stuart and Tom Perkins are 3 months behind. Jon Glass has spoken to both of them in the past week. All other leases are current.

EXPIRED INSURANCE CERTIFICATE - A letter was sent to hangar owners March 18 about the requirement to list both the City and TAA as additional insured according to the terms of the Lease agreement. As of 7/7/11 we have received 37 updated Insurance certificates.

OTHER - Bill Stuart reported that Alan Davis purchased one of his 60 by 60 hangars (N318). **A motion was made and approved** to enter into a new standard ground lease agreement with Alan Davis.

LEASES

FBO CONTRACT COMPLIANCE

<i>DATE</i>	<i>TIME</i>	<i>ISSUE</i>
July 11	0800	UNICOM radio off, no evidence of FOD checks

Jim Apple reviewed the FBO inspection completed on 7/11/11 by himself and Jon Glass. He noted that the UNICOM radio was turned off again (following several previously reported instances) and there was no evidence that FOD checks were completed by FBO staff.

AIRPORT TRAFFIC

<i>DATE</i>	<i>FUEL SOLD (gallons)</i>	<i>TRANSIENT AIRCRAFT</i>	<i>JET OR TURBOPROP</i>
<i>June 2010</i>	13,790	89	45
<i>June 2009</i>	16,092.7	172	118
<i>June 2008</i>	15,636.1	92	37
<i>June 2007</i>	14,128.7	141	40

AIRPORT MARKETING/PRESENTATIONS - Jon Glass did a TV interview with Charter regarding Bonaroo.

SUGGESTION BOX - No suggestions as of 7/7/11

7. Old Business:

A. **Proposed Lease Agreement Changes by XP** - Mr. Worsham reported that he, Alderman Sandlin and Ron King met the previous night regarding the XP lease. He provided a summary of changes to the lease for Board member review.

1. Lease payments will begin after TAA completes the ramp, utility access is completed and the certificate of occupancy is received for the first hangar. **A motion was made and approved** to accept this modification.

2. Lease payment will be \$0.005 per square foot for the first five years for constructed hangars and shall grow to 48,000 square feet and \$240.00 per month. **A motion was made and approved** to accept this modification.

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3. Lease payment will be \$0.01 per square foot after the first five years and will remain in effect for remaining term of the lease for the 48,000 square feet or \$480.00 per month. **A motion was made and approved** to accept this modification and the aggregate CPI percent will be applied after 20 years.
4. XP Services will make matching funds available to TAA upon approval of the ramp project by TAD. These funds may be recovered if TAA or City of Tullahoma does not complete the ramp area and provided utility access within a twelve month period after date of execution of either the TAD or ECD contract, whichever occurs latest. **A motion was made and approved** to accept this modification with receipt of signed contracts from TAD and ECD. XP Services will submit the matching funds with the Contract for final TAD approval.
5. XP Services has five years to complete its hangar complex thereafter it may lease the unused area of the 48,000 square feet at a rate of \$0.0025 per square foot on a year to year basis. Mr. Worsham and Alderman Sandlin will clarify this request. It would require a new Lease agreement.
6. If XP Services completes its hangar complex within the first five year period it has available under the same terms an additional 48,000 square feet for construction of a second hangar complex. (Same terms if exercised within ten years from the date hereof or five years from completion of first hangar complex, whichever is earlier, otherwise will be as agreed with both parties with new lease. **A motion was made and approved** to have Jeremy Bell modify the Lease to give XP the first right of refusal on another 48,000 square feet Lease agreement.
7. XP Services has right to sub-lease or privatize areas through the use of fencing, electronic surveillance or controlled access via prior written agreement between TAA and XP Services. Ground rent for said areas shall be \$0.0025 per square foot and XP Services shall be responsible for grass cutting and maintenance etc. Mr. Worsham and Alderman Sandlin will clarify this clause.
8. XP Services may only assign or sub-lease the leased premises with prior written approval from TAA. Jeremy Bell will clarify this clause.
9. XP Services accepts all hangar construction costs. All drainage control and site prep as part of ramp construction is the sole responsibility of TAA. XP Services will be required to tie in their hangar drainage to the ramp drainage. **A motion was made and approved** to accept this clause. **A motion was made and approved** to accept a performance bond instead of a letter of credit in paragraph #10. Jeremy Bell will draft a new Lease agreement with the revisions and a special meeting will be set up with XP Services to review it.

8. **New Business:**

- A. **American City Bank Hangar (North Taxiway #310)/Momentum Foundation Lease** - Momentum Foundation requested a lower ground lease rate for this hangar on the North taxiway. Jon Glass briefed the Board on the development cost for the North taxiway area that equaled about \$200,000 which included the taxiway and utilities. Chairman Miller reminded Board members that the TAA had previously developed and updated its policy on ground lease rates for all hangars, and that included the CPI and new leases beginning at the same rate of the previous lease rate. **A motion was made and approved** to offer Momentum Foundation the standard lease agreement with the current rates in effect for the hangar. Karla Smith abstained due to conflict of interest.
- B. **Mid-Ten Reviews: Self-Serve Flow Fee & Contract Performance** - Chairman Miller reported that the current self-serve flow fee is 40 cents per gallon on AVGAS self-serve only. Jim Apple advised Trev Echols that the flowage fee did not apply to Vanderbilt

LifeFlight and their self-serve with jet fuel. **A motion was made and approved** to leave the self-serve flow fee at 40 cents per gallon for AVGAS only. **A motion was made and approved** to terminate the Mid-Ten Aviation contract effective August 31, 2011. Board members then discussed reasons for terminating the contract. Chairman Miller said that it was not in the best interests of the Airport to continue with Mid-Ten Aviation as the FBO. Sam Crimm was concerned that Mid-Ten could not purchase fuel and he did not purchase fuel filters for the fuel farm tanks that TAA paid for in the amount of \$663.45. Sharon Tinkler was concerned that Mid-Ten Aviation was too thinly capitalized. Karla Smith emphasized the lack of customer service and was concerned about the tie-down fees charged during Bonnaroo. Rod Pozo and Steve Worsham were concerned about the lack of customer service. Jim Apple was concerned about the lack of fuel for the ABS event and the poor customer service. Board members were regretful that this action had to be taken but felt it was necessary. **A motion was made and approved** to allow Mid-Ten to leave prior to August 31, 2011, with adequate notice, if they so desired,

9. Alderman Sandlin Comments - Alderman Sandlin reported that the third and final budget reading passed. He also reported that his daughter enjoyed the recent Young Eagles program.

10. Meeting adjourned at 7:21 pm.

Submitted on 8/2/11

<Original Signed>

Jon Glass
TAA, Airport Manager

Minutes approved during the _____ meeting