

Tullahoma Municipal Airport Authority, Inc.  
807 William Northern Boulevard  
P.O. Box 1584 – Tullahoma, TN 37388



## Meeting Attendance May 16 and 18, 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 Greg Sandlin
- Alderman Mike Norris
- City Finance Officer Sue Wilson
- Jeremy Bell, TAA attorney
- Wayne Thomas, Tullahoma News

### Visitors - None.

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

### Work Session - Closed to the public due to attorney-client privilege.

The work session was called to order at 5pm. The purpose of the meeting was to discuss alternatives to the situation that Mid-Ten Aviation put the Airport in when they announced late Friday, May 6, 2011, that they could not purchase AVGAS for the upcoming American Bonanza Society fly-in scheduled to begin on May 11. One week later, on May 13, Mid-Ten announced that they were going to run out of Jet A fuel and did not have money to purchase additional Jet fuel.

The Board had discussions with representatives of Mid-Ten Aviation's fuel supplier, Ascent Aviation Group, on why fuel purchasing had been denied to Mid-Ten Aviation. The Board next

had discussions with Chuck Armstrong concerning his prior experience running 2 FBOs. The Board then discussed numerous courses of action with Attorney Bell. Following those discussions, Trev Echols, owner of Mid-Ten Aviation (the FBO) was brought into the discussion of the problems and potential solutions. Following a lengthy discussion, Mr. Echols requested additional time to put together additional options for consideration. Both the Board and Mr. Echols agreed to resume the discussions on Wednesday, March 18. The work session was then recessed.

### **Special Called Regular Session.**

**1. Meeting called to order at 6:20pm.** Chairman Miller informed Board members of the Emergency Called Meeting that took place on Friday, May 13, 2011, and the action taken to purchase 2,000 gallons of Jet A fuel from the Airport operations account to ensure Jet A fuel was available on the Airport to support Vanderbilt Life-Flight operations.

**2. Public Comments - None.**

### **3. New Business**

a. Hangar lease approval. Beverly Beckwith requested approval to sell their hangar, #208 N. Taxiway, to Paul Leim and John Miller. **Motion was made and approved.**

b. Approval of Phillips 66 Jet Fuel Invoice. **Motion was made and approved** to pay for the 2,000 gallon Jet A fuel purchase made following the emergency board meeting on Friday, May 13, 2011.

c. City/FBO fuel sales. Action was deferred pending Mid-Ten Aviation proposal due on Wednesday, May 18, 2011.

d. Fuel Flow Fee for ABS Fly-In. The Beechcraft Museum made a verbal request to the Chairman to rebate some or all of the fuel flow fee (\$.10/gal) collected on airplanes that attended the fly-in. This money, plus additional money provided by the museum, would be paid to Mid-Ten Aviation to help offset Mid-Ten's labor cost since there was no price mark-up on the fuel purchased with the money the Museum loaned to Mid-Ten to purchase fuel. **Motion was made and approved** to rebate \$200.00 in flowage fees to the museum.

e. AVGAS purchase. With only approximately 500 gallons of AVGAS remaining in the tanks to be sold, **a motion was made and approved** to purchase 2,000 gallons of AVGAS from Phillips 66, with fuel delivery expected on Friday, May 20, 2011.

**4. Board recess.** The board was recessed until 5pm on Wednesday, May 18, 2011.

**5. Board reconvenes in closed work session on Wednesday, May 18, 2011 at 5pm.**

### **Members Present**

- John Miller, Chairman
- Sharon Tinkler
- Rod Pozo

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- Jim Apple
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The Board discussed events that had transpired since the meeting on Monday concerning Mid-Ten and their financial situation. Trev Echols of Mid-Ten Aviation was then called in to present his various contract alternatives with the City now taking responsibility for the purchase and delivery of fuel on the Airport. He was also asked to explain why his City and County business licenses had not been renewed following expiration. He told the Board that he did not catch the expiration since he had gotten them when he began operations last fall. He told the Board that he had applied for renewal earlier this spring but the checks had not yet cleared his bank and he did not understand why it was taking so long.

**6. Board re-convenes formal meeting that was recessed on May 16, 2011 with all work session attendees.** John Stubbs attended as a public observer.

a. A motion was made to accept Mid-Ten's proposal that (1) TAA pay Mid-Ten \$.60 per gallon pumping fee for full service AVGAS and Jet A; (2) reduce the north and south hangar rent from \$800 per month to \$400 per month, and (3) re-execute a month-to-month contract with Mid-Ten Aviation. **An amendment to the motion was made and passed** that changed several other clauses in the current contract. **A motion was made and approved** that incorporated the amended motion. Attorney Bell will draft the new contract as soon as possible.

**7. Self-serve AVGAS pump fee.** A motion was made and approved that self-service will be available 24/7 with a pumping fee of \$.40 payable to Mid-Ten. This fee will become payable to Mid-Ten Aviation once the Beechcraft Museum's current AVGAS-financed purchase is depleted and the self service pump card reader can be re-programmed. This pumping fee will be re-evaluated at the June Board meeting.

**8. Fuel pricing.** Chairman Miller presented a proposal for how to price both Jet A and AVGAS that TAA purchases. The proposed pricing structure follows:

- a. Purchase price plus flow fee (\$.10/gal) plus pumping fee (\$.60/gal) = cost no tax
- b. Add fuel sales tax at 4.5% to the above total = cost + tax
- c. Determine credit card processing fee - 3% of the total in b above
- d. Add c to b total above = total cost to purchase, dispense & process
- e. From d total, subtract tax amount calculated in b above
- f. Advertised price of AVGAS is e above plus tax (determined in b)

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For Jet A, the same process is followed but an additional \$.10 per gallon is added into line a to offset rental expense for the Jet A truck.

**A motion was made and approved** to accept the above pricing structure that included approval that fuel price changes will not be made following a new fuel load delivery until the previously purchased remaining gallons are sold.

**9. Bonnaroo preparation.** The Board expressed concerns about Mid-Ten's preparations for the upcoming Bonnaroo event and asked that Mid-Ten provide the Board with details about his plans for support.

**10. Fuel contract RFP.** A draft request for proposals (RFP) was presented by Chairman Miller. Following discussions, **a motion was made and approved** to send out the RFP to potential bidders on Friday, 20 May, 2011. Board members were asked to provide any additional comments back to Jon Glass and Chairman Miller by Friday morning so that the RFP can be sent out. Bid opening date was set for 2pm, May 31, 2011, at the Terminal building.

**11. The meeting was adjourned at approximately 7:30pm.**

Submitted on 5/19/2011

<< Original Signed >>

John Miller  
Chairman

**Minutes approved during the \_\_\_\_\_ meeting.**