

MID-WAY REGIONAL AIRPORT JOINT AIRPORT BOARD MINUTES

A regular meeting of the Mid-Way Regional Airport Joint Airport Board was held on Thursday, April 10, 2014, at 4:00 p.m., in the Rex Odom Conference Room, at Mid-Way Regional Airport, 131 Airport Dr., Midlothian, Texas.

Members Present: Gary Richter, Chair
Kyle Ballard, Vice Chair
Kent McGuire, Secretary
George Kent
Paula Baucum
David Box
Ray Barksdale

Others Present: Judy Demoney, Airport Manager
Tammy Bowen, Airport Operations Assistant
Michael Scott, Assistant Manager, City of Waxahachie
Chris Dick, Assistant Manager, City of Midlothian
Ken Lantz, Partner, Southern Star Aviation

REGULAR AGENDA

Opening: Chair Gary Richter called the meeting to order, and George Kent gave the invocation.

Board Announcements: Judy Demoney said that the spring picnic for tenants will be on May 3rd at 12:00 p.m.

Judy said that she and Tammy Bowen will be attending the TxDOT Aviation Conference this week.

CONSENT AGENDA:

- Minutes of Meeting held March 13, 2014
- Financial Report
- Manager's Report
- Airport Operations Report
- FBO Report

Ray Barksdale moved to approve the Consent Agenda as presented; second by Paula Baucum. All Ayes.

REGULAR AGENDA:

Executive Session: The Board adjourned into Executive Session for deliberation regarding the lease of real property, as permitted by Texas Government Code, Section 551.072, at 4:03 pm.

Regular Session: The Board reconvened to Regular Session at 4:47 pm.

Recommendations from the FBO Negotiating Committee: Gary Richter said that on February 17th he gave Ken Lantz, Partner, Southern Star Aviation, a copy of the minimum guidelines for the FBO Contract, which was agreed upon by the Airport Board. The FBO later gave a power point presentation and presented three different proposals to the Committee for consideration. The FBO Negotiating Committee met to discuss the three proposals that were presented, and after lengthy discussion the Committee agreed that the recommendation to the Board should be to reject Southern Star's proposal and go out for an RFP.

Paula Baucum moved to accept the recommendation of the FBO Negotiating Committee and go out for an RFP for a Fixed Base Operator for Mid-Way Regional Airport; second by Ray Barksdale and carried by a vote of 6-1 with David Box in opposition.

Gary Richter opened the floor for discussion.

Kirk Crawford, Airport Tenant, spoke in support of Southern Star Aviation.

Ken Cope, Waxahachie resident, spoke in support of Southern Star Aviation.

Ken Lantz, Southern Star Aviation, said that the Committee gave them a wish list and Southern Star presented the Committee with some proposals. Ken said that they thought the Negotiating Committee would sit down with them and do some negotiating with those figures, but that never happened.

Gary Richter said that Southern Star Aviation did not present a business plan in their proposal as requested, and the proposals did not meet the minimum guidelines. Paula Baucum said that for over seven years the Cities have been directing the Board for the Airport to reach a point of becoming self-sufficient. Currently the FBO pays no rent for the bottom floor of the terminal or their hangar, and pays a nominal fuel flowage fee. Paula said that the tax payers are paying for the ability to conduct business here and are not receiving a fair return on the investment. This is just one aspect of renegotiating what they thought was very minimal terms to start an income stream that escalates over time. In the meantime the Airport will be going through an apron expansion and adding additional hangars, which will help the FBO help the Airport to start creating that income stream to become self-sufficient. Paula said that it does not make sense since why there is not more success for the FBO when they are not having to pay for anything, and their fuel prices are higher. The Board is setting a standard of what they expect and then it will be up to FBO to create a business model to support it.

Paula Baucum moved to amend the previous motion and instead moved to go out for RFP in thirty days, but during that time Southern Star Aviation will have another opportunity to submit a proposal for their best and final offer by Thursday, May 1st; second by Ray Barksdale. All Ayes.

The Board made it very clear that Southern Star's final offer should still meet the minimum guidelines, and that there would be no more negotiating. The Airport will continue with the RFP process just in case their final proposal is rejected.

Public Comments: There were no public comments.

Adjournment: There being no further business,

George Kent moved to adjourn; second by Kent McGuire. All Ayes.

Respectfully submitted, Tammy Bowen, Airport Operations Assistant