

MID-WAY REGIONAL AIRPORT JOINT AIRPORT BOARD MINUTES

A regular meeting of the Mid-Way Regional Airport Joint Airport Board was held on Thursday, August 10, 2017, at 4:00 p.m., in the Rex Odom Conference Room, at Mid-Way Regional Airport, 131 Airport Dr., Midlothian, Texas.

Members Present: Kyle Ballard, Chair
Ray Barksdale, Secretary
David Box
Randall Porche
Drew Sambell
Alex Smith

Members Absent: Kent McGuire, Vice Chair

Others Present: Judy Demoney, Airport Manager
Tammy Bowen, Airport Operations Assistant
Vern Mitchell, Partner, Southern Star Aviation
Chip Lamb, Tango 28 Group
David Wheeler, Airborne Imaging

REGULAR AGENDA

Opening: Kyle Ballard called the meeting to order, and Ray Barksdale gave the invocation.

Board Announcements: Judy Demoney announced that all but one of the new T-hangars have been leased.

CONSENT AGENDA:

- Minutes of Meeting held July 13, 2017
- Financial Report
- Manager's Report
- Airport Operation's Report
- FBO Report

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

REGULAR AGENDA:

Tango 28 Group's request to reconsider their land lease amount: Kyle Ballard briefly explained that payments for the first five years of Tango 28 Group's lease were at \$0.13 per square foot. Five years after that their rental rates were subject to increase based on the Consumer Price Index. In addition in 2017 and every fifth year thereafter rental will be adjusted to the market value. Chip Lamb with Tango 28 Group explained that the reason he is speaking is because they do not understand how the Board came up with a market value of \$0.25. Mr. Lamb presented a printout of average rates all over Texas that came from TxDOT's website, and information from Mid-Way Regional Airport's 2012 five-year master plan including a chart, which reflects rates, charges, and statistics from 2012. Mr. Lamb did a survey of Lancaster and Cleburne to obtain ground lease rates for comparison. Judy Demoney reminded the Board that the new ground lease rate was determined one year ago by the Board. The decision was based on a survey that was done on Airports in the metroplex area. The average came out to \$0.28 per square foot.

Kyle Ballard asked how long he has been aware of the rate increase. Mr. Lamb told the Board that he got a letter one year ago saying that there is a potential that the rate might go up. Mr. Lamb said that he found out that the Airport was negotiating a lease rate with Airborne Imaging. Mr. Lamb said that if they could negotiate \$0.25 per square foot with Airborne Imaging he cannot argue the rate. Mr. Lamb said that he spoke with the owner of Airborne Imaging, and he expressed the opinion that the rate makes him not want to lease here.

David Wheeler, Business Manager, Airborne Imaging, was present to speak in regards to the ground lease rate. Mr. Wheeler said that Airborne Imaging never got as far as to talk about what the ground lease rate would be on the property they were looking to build on so he did not know where the owner came up with that. Mr. Wheeler did say that once they get to the point of negotiating a ground lease rate, a difference of \$0.5 per square foot could make a whole lot of difference to them. Mr. Wheeler suggested doing a study of other Airports in the metroplex as well as a study of comparable Airports with single runways, no control towers, and unsecured.

Judy Demoney said that she advised Tango 28 last year by letter that there would be an adjustment, and the current rate at that time was \$0.25 per square foot. Judy said that \$0.25 has been quoted to everyone over the last year.

The Board asked Mr. Lamb what his recommendation would be for a ground lease rate. Mr. Lamb referred back to an item from the 2012 Master Plan which stated "Rental rates are assumed to increase to \$0.17 per square foot per year through the long term". Mr. Lamb said that \$0.17 per square foot would be reasonable.

Vern Mitchell, Partner, Southern Star Aviation, was present in support of Tango 28 Group and reconsideration of the ground lease rate.

Judy Demoney pointed out that a change in the rate will affect the FY 2018 Budget that the Board will be approving today. The Board agreed that an amendment can be made to the budget if necessary.

David Box made a motion that more research be done regarding comparable Airports, and the information be brought back to the Board in September for re-evaluation; second by Randal Porche. All Ayes.

FY 2018 Airport Budget: Judy Demoney told the Board that she was notified this week that our letter of intent for security fencing for the Airport cannot be approved for the entire amount because it is almost \$1.3 million. They did say that they can probably start with the six foot chain link fence to close off some of the gaps, and the gating for \$195,000 that is scheduled for 2018. Our share would be \$19,500 which would be a part of \$65,000 coming back from TxDOT from the hangar project. TxDOT suggested that we bank our MPE money for the next three years to do the wildlife fencing.

Judy said that the recommended budget is basically the same as the draft budget that they approved before. The City did add in numbers to the grayed out areas for utilities, etc... They also included a 3% increase for salaries. The City is still working with the consulting group on classifications and salaries so they have built in a line called "Salary and Benefit Contingency". Every department's budget includes \$18,300 in that line item just in case there are some changes to the positions. Judy said that they also added a contribution of \$30,000 from each of the Cities.

Alex Smith moved to approve the FY 2018 Airport Budget as presented; second by David Box. All Ayes.

Executive Session: The Board adjourned into Executive Session to review the performance evaluation of the Airport manager as permitted by the Texas Government Code, Section 551.074, at 5:03 p.m.

Regular Session: The Board reconvened to Regular Session at 6:15 p.m.

Alex Smith moved to approve recommending to the Cities that the contract for Judy Demoney, Airport Manager, be renewed for another year. Second by Randal Porche. All Ayes

Other Business: There was no other business.

Public Comments: There were no public comments.

Adjournment: There being no further business,
David Box moved to adjourn; second by Randall Porche. All Ayes.

Respectfully submitted, Tammy Bowen, Airport Operations

