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SPRINGFIELD / ROBERTSON COUNTY AIRPORT BOARD

Minutes

Regular Meeting - Wednesday, February 13, 2019

Springfield/Robertson County Airport, Springfield TN

Board Members present: Edison Guthrie, Kirk Johnson, Neil Petersen, Henry Ruth, Chris Simpkins

Board Members absent: Glen Roberts, Marvin Smith

Ex-Officio Members: Gina Holt

FBO Managers: Anna Ferraraccio

Visitors: Ryan Martin, Clyde Richert, Roger Blackwood, Betty Moore, Lea Ann Allen, David Brewer, Rick Hudgens, and numerous others

Henry Ruth opened the meeting at 8 am by welcoming the board members and visitors.

Chris Simpkins opened the meeting with a prayer.

Henry asked for the approval of the minutes from the January 9, 2019 meeting.

Neil made a motion to accept the minutes from the January 9, 2019 meeting. Kirk Johnson seconded the motion. The motion passed unanimously by a voice vote.

The minutes of the special February 5, 2019 meeting were distributed and reviewed. There was discussion about the past minutes not being posted on the city or county websites.

Neil Petersen made a motion to accept the minutes from the February 5, 2019 meeting. Chris seconded the motion. The motion passed unanimously by a voice vote.

Henry asked for the treasurer's report. Edison Guthrie, treasurer, reported the balances in the checking accounts. Edison asked if some of the operating account funds could be moved temporarily to a money market account. Henry said that with upcoming expenses, the money should stay in the account. There is approximately \$200,000 required for furniture and fixtures in the new terminal building that will come from these accounts in the coming months.

Henry said the report shows the total assets of the airport is over \$10,000,000. Edison mentioned the income from fuel purchases and the types of rent received for January, 2019.

Edison asked about 3 purchase orders for labor from Wingnuts in November, 2018: dropping off and picking up the Kubota tractor for repairs, replacing the windsock, and replacing a light ballast. Anna said the previous airport board chairman told her as they incurred labor, they could charge for it. She said Wingnuts has saved the board hundreds of dollars for doing things themselves rather than calling someone else to do them.

Hawk said it was not clear in the contract if this labor was or was not part of Wingnuts' normal duties, but Wingnuts has started to charge for labor for some repairs. He said the board would go ahead and pay these bills, and he expects a future contract would have clearer requirements.

Regarding expenses on the terminal building construction, there was a \$2,079.03 bill from Beaver Engineering for materials testing, and \$169,899.65 spent for construction in January. For the current fiscal year, there has been \$398,410.21 spent on the terminal. The total capital expenditures have been \$450,934.21, including \$52,524.00 spent on the tractor and mower for ground maintenance.

Neil asked Roger Blackwood to explain the payments for the terminal project. Roger and David Brewer review the work. The contractor only gets paid for the work that is completed. A terminal building status meeting is held once a month, where the construction status and bills are reviewed. The architect reviews the work has been completed. Everything is inspected more than once before the contractors are paid.

Beaver Engineering performs the material testing, and City of Springfield inspectors come to ensure the building is built to the plan specifications.

This fiscal year's income, including grants, airport income, and airport expenses is \$1,125,596.39. This year's net income after capital expenses is \$715,294.24. Betty Moore pointed out that most of the income comes from grants for the terminal construction. There is a balance of approximately \$471,980.47 of grant money. The balance on the Baron construction contract is \$1,761,555. Once all the state of Tennessee and FAA grant money has been used, the city and county contributions and private donations will be used for construction costs.

Kirk gave a rough estimate of \$30,000 to replace a roof where there are leaking skylights, but Henry said we aren't ready to get to that project at this time. David said the city's policy if a purchase will be over \$10,000, there have to be at least 3 sealed bids for the work. Neil and David discussed having a bid specification so that all bids would be for the same work.

Rick Hudgens said that the architect, Richard Rinks, was a roof specialist and could give a fair and honest assessment of what needs to be done. Rick will mention it to Patrick Rinks.

The board discussed the T hangar rental delinquencies. Six tenants are in violation of the terms of their hangar agreement. One tenant owes \$3,175 as of December, 2018. The other five tenants have not been active airport users, which is a violation of the lease. The hangars

are not supposed to be a storage unit for airplanes. The leases states their airplanes could be moved out of the hangars onto the tarmac for storage for violation of the lease. Clyde has not heard a response from any of the six tenants. Clyde suggested some type of legal proceeding to have a judge's approval before any planes were removed from a hangar due to liability for damage.

Neil made a motion to authorize Clyde to notify the tenants in violation of their leases that legal action will be taken against them to authorize removal of their airplanes from their hangars unless he hears from them in 30 days. Kirk Johnson seconded the motion.

During discussion of the motion, Edison asked Clyde if he considered the lease to be a strong one. Clyde said it was to the airport's advantage to have hangar tenants that were active airport users, and knew there was a waiting list of people wanting hangar space, but that was a discussion for another day about the language to include in the leases. Five of the six tenants were current on their rent payments; only one owes money. There is a provision for late fees. Clyde wrote the lease when Wingnuts started their contract five years ago. No one signs the lease on behalf of the board; just the tenant signs the lease, so there is a missing signature. The FBO maintains the list of applicants for hangar space and decides the priority. There are currently some 60 people on a waiting list for hangars. The lease does include language about putting liens on planes and selling them. The lease rates have been the same for the last 5 years.

The motion passed unanimously by a voice vote.

The construction on the terminal building has been successful despite the weather. The inspections have been favorable. Nancy Blackwood has worked with the brick color selection. The project is still within its budget. It will be a \$2.5M terminal when complete.

The board is delaying hiring an airport manager until the Wingnuts contract is settled. There

has been an acceptance letter of an individual that was offered the position.

Henry talked to Karen and Bob Bell about the status of their donation to the terminal project. They plan to have a fundraiser on April 18, 2019 in Springfield. They have pledged to \$150,000 for the terminal; currently they have raised over \$40,000. Henry believes they will meet their commitment.

Neil and Henry have been working to update the airport board by-laws. The changed by-laws will have to be approved by the city and county officials as well as the airport board members.

Neil asked the status of the FBO contract negotiation with Wingnuts. Clyde listed the members of the committee to negotiate with Wingnuts: Billy Vogle, Robertson County mayor; Ryan Martin, Springfield assistant city manager; Roger Blackwood, Robertson County Economic Development Board chairman; an airport board member that voted for the contract renewal and an airport board member that voted against the contract renewal.

Chris Simpkins made a motion that Glen Roberts serve on the contract negotiation committee as the board member that voted for the contract. Neil seconded the motion. The motion passed unanimously by a voice vote.

There was brief discussion about the board member to be part of the committee that voted against the contract renewal.

Kirk Johnson made a motion that Henry Ruth serve on the contract negotiation committee that voted against the contract renewal. Neil seconded the motion. The motion passed unanimously by a voice vote.

Clyde discussed the attorney bill from Blake Matthews, the outside counsel that represented the board during the recent court proceeding. The bill is approximately \$6,500. Clyde

expected the bill to be higher. Although the fee would normally be paid by the city or county, he recommended the board pay the bill.

Neil made a motion for the board to pay the attorney bill from Blake Matthews. Chris seconded the motion. During discussion, Edison asked if a payment would be reimbursed by the city or the county later. Clyde did not know. The motion passed unanimously by a voice vote.

Clyde then discussed the type of meeting to be held for the contract negotiation. He recommended they be a public meeting, where the public could attend, but not necessarily a public hearing, such as a zoning meeting, where people have the opportunity to make comments.

Clyde recognized Brant Kenney, the attorney representing Wingnuts in the current litigation. Clyde has prepared the first draft of an agreement for the basis of the negotiation. He discussed lengths of negotiation periods as 60 or 90 days. He suggested the board to authorize the chairman to sign the agreement. There was discussion about the negotiation period. Ryan Martin mentioned the time required to advertise public meetings, which could limit the number of meetings during the 90-day contract extension.

Neil made a motion for Clyde work with the Wingnuts attorney to set written parameters for the 90 day contract extension. When complete, Clyde will circulate the 90 day contract extension agreement among the board members. Upon the board members' approval, the members authorize Chairman Ruth to sign the agreement on behalf of the board members. Kirk seconded the motion. The motion passed unanimously by a voice vote.

Clyde discussed two concepts regarding the Wingnuts' lawsuit against the board. One concept is if the negotiation is successful, the lawsuit will be dropped. The other concept is that there is no binding agreement that the lawsuit will be dropped if the negotiation is

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successful. The board agreed with the concept that the written parameters of the contract negotiation should state the lawsuit will be dropped if the negotiation is successful.

Chris said that Marvin Smith was not able to attend today and did not expect to be able to attend meetings in the future. Marvin is a City of Springfield appointee. Chris acknowledged Lewis Walling, a former American Airlines employee, in attendance at today's meeting, as a possible replacement for Marvin.

Chris made a motion that Edison be allowed to sign checks on behalf of the board. Neil seconded the motion. The motion passed unanimously by a voice vote.

Edison asked everyone to sign the attendance roll.

Henry said at the end of each month there is a terminal construction status meeting. The next one is Friday, February 22 at 1:00.

Chairman Ruth adjourned the meeting at 9:25 am.

Respectfully submitted,

A handwritten signature in cursive script that reads "Edison Guthrie".

Edison Guthrie