

*Redline Version of Executed Minutes*

**McKINNEY AIRPORT DEVELOPMENT CORPORATION**

**JULY 16, 2015**

The McKinney Airport Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on July 16, 2015 at 8:00a.m.

Board members Present: Steve McCarter, Keith Clifton, Kenneth Sipiora, Terry Johnson, David Vaughan, and Shqiprim "Doc" Vranici. Absent: John Wroten and Tom Ferraro.

Other Liaisons/City/Staff/Guests present: Interim City Manager Tom Muehlenbeck, Deputy City Manager Jose Madrigal, John Sullivan, City Councilman Chuck Branch, Trevor Minyard, Dave Roesch, Michael Mallonee, Adam Wilbourn, and Airport staff Ken Wiegand and Eric Pratt.

Vice-Chairman Steve McCarter called the meeting to order at 8:02 a.m. after determining a quorum was present. Member Clifton noted for the record that this board meeting is called as the McKinney Airport Development Corporation under the Articles of Incorporation that were filed in 2007 under the Second Amended Bylaws adopted in 2013.

**15-652** Minutes of the McKinney Airport Development Corporation Meeting of May 21, 2015. Board members unanimously approved the motion by Board member Keith Clifton, seconded by Board member Terry Johnson, to approve and refer the Minutes with ~~a couple of minor~~ changes per Keith Clifton to emphasize his request for a meeting to approve the FY2016-17 Airport Budget and the address the Bylaws. As well as a date change pertaining to when the Work Plan was presented. Interim City Manager Tom Muehlenbeck stated that Mr. Clifton had contacted him in regards to the changes in the way the board is operating and the Bylaws in which Mr. Muehlenbeck replied that he was willing to meet with him. Mr. Muehlenbeck also stated that he has not had direction from City Council on what to do as of today. Mr. Clifton reiterated that the board needs to comply with what is currently on the record.

- 15-653** Financial Reports - Trevor Minyard presented the May airport financials. He reminded members of the Open Government Financial portal on the City's website for more detailed information, especially the revenue line items. Vice-Chair McCarter inquired about the status of grant money from TxDOT/FAA. Jose Madrigal stated that June was a record breaking month for the most fuel sold with over 100,000 gallons.
- 15-654** Airport Department Reports - Ken reviewed the department reports (Airport Director, FBO, and Airport Operations) that were included in the board packet. He presented a PowerPoint presentation highlighting what was going on at the airport and gave an overview of the FY15 Airport Business Plan. Per FAA statistics for general aviation, 3% increase in operations per year is good. TKI had 11,336 operations in the month of June which is 11.5% over same time last year. Member Sipiora questioned why it was taking so long to get the common hangar built. There were several questions regarding the self-fuel tank and operation at the airport. Ken Wiegand and Eric Pratt addressed them.
- 15-655** Consider/Discuss/Act on the Airport Business Plan. Board members made comments and gave suggestions in several areas of the Plan. Board members unanimously approved the motion by Board member Kenneth Sipiora, seconded by Board member Keith Clifton, to accept the first Airport Business Plan draft with their comments to be incorporated in future drafts. Ken asked members to submit their suggestions and/or comments in writing to him. The basic point of the business plan is to buy land and build hangars.
- Jose Madrigal updated board members that in January 2015, staff went to City Council regarding the need for a second common hangar and asked if staff should move forward with it knowing there was no money for it at this time. The direction from Council was to move forward. Mr. Madrigal was asked about private funding for hangars from Member Sipiora. Member Vaughan inquired about the wait list for T-hangars.

Tom Muehlenbeck asked that at the board's next meeting, staff would like to make a presentation on the bond referendum. Members and staff discussed marketing the airport and what factors influence companies to fly to TKI. Member Sipiora suggested several ideas to enhance the Plan. Tom Muehlenbeck commented that the City is in the process of updating its Comprehensive Plan and that the two plans should be coordinated so there is no conflicting information.

**15-659** Consider/Discuss/Act on Appointing a Board Member to the Master Plan Consultant Selection Committee. Board members unanimously approved the motion by Board member Kenneth Sipiora, seconded by Board member Terry Johnson, to approve appointing Member Tom Ferraro to the Master Plan Consultant Selection Committee.

There were no citizen comments. Member Keith Clifton asked Interim City Manager Tom Muehlenbeck if there had been a decision by City Council on updating the board's Bylaws. Mr. Muehlenbeck stated that he would try to get a resolution from City Council as soon as possible.

Board Secretary and Treasurer Keith Clifton stated that he wanted to make a Motion to call a special meeting. That such meeting would be for the purpose of reviewing and advising on an annual budget in order to bring the board into compliance with the Bylaws and to assure that the Board acts in good faith to help preserve the protections from any potential liability afforded under Article X of the Articles of Incorporation.

Mr. Muehlenbeck stated that he was not sure that that was necessary any longer and that he would need some further direction from the Council. Mr. Clifton stated that the Board has previously approved budgets in past years and is nevertheless under an obligation to make a good faith effort to comply with the current Bylaws and Articles, and he wanted to go forward with the Motion.

Mr. Clifton was informed by Vice-Chairman Steve McCarter and City Councilman Chuck Branch that he could not make a motion unless it (the subject of the motion) is listed on the Agenda. Mr. Branch stated that Mr. Clifton's comments could be

recorded in the minutes, but not voted on as a motion. Mr. Clifton pointed out there was an exception for the Board to set future agenda items.

Mr. Clifton noted that ~~at the last at the last board meeting on May 25, 2015. It was the consensus of the board members that the next regular meeting (today, July 16, 2015) should include an agenda item permitting the board to approve the proposed budget; however, today's meeting agenda did not include a budget item and thus the board is unable to fulfill its duty in accordance with Article IV, Section 6, (Annual Budget, "no later than July 25 to prepare or cause to be prepared, and approve a proposed budget for each fiscal year") of the Corporate Bylaws. Mr. Clifton's motion attempt called for a special meeting of the board for July 27, 2015 pursuant to his authority as the Corporate Secretary in accordance with Article II, Section 4 of the Bylaws, for the purpose of considering the proposed budget. Board members agreed unanimously with Mr. Clifton's~~ **comments.** it was important for the Board to act on this motion to record its efforts at good faith compliance, and that this method would be preferable to simply making a notation in the minutes. Mr. Clifton then read the following Motion into the record:

Keith Clifton, a member and Treasurer of the Board of Directors, hereby makes the following motion:

The purpose of the motions is: To bring the Board in compliance with the Bylaws, which read, in part, at Article IV, FINANCIAL RESPONSIBILITIES as follows: "Section 6, Annual Budget. No later than July 25<sup>th</sup>, the Board shall prepare, or cause to be prepared, and approve a proposed budget for each fiscal year" and To assure that the Board had acted in good faith to help preserve the protections from any potential liability afforded under Article X of the Articles of Incorporation, which reads, in part, as follows: "Article X. No director shall be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Corporation,

(ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii).....”

On May 25, 2015, at the last meeting of the McKinney Airport Board, it was the consensus of the Board that the next regular meeting of the board, which is being conducted on this date, should include an agenda item permitting the board to approve the proposed budget, Further, the agenda for this meeting did not include any budget item, and thus this Board is unable to fulfill its duty under Section 6 cited above, It is there MOVED, that this Board hereby call a special meeting of the Board for July 27, 2015 pursuant to its authority under Article II, Section 4 of the Bylaws, for the purpose of considering the proposed budget.

The Motion was seconded by Member Kenneth Sipiora. Vice-Chairman Steve McCarter ruled that he would let the Motion stand noting that it could be overruled later if necessary. Mr. Clifton acknowledged that it could be subject to be nullified but that he was highly confident that the motion is proper. The Motion passed by unanimous vote of the Board.

Vice-Chairman McCarter commented that City Council has three new members and would like to make sure that they understand the \$91 million asset of the airport and how important it is to continue to grow the airport, sense of urgency for hangars and infrastructure construction projects. Tom Muehlenbeck stated that all three new Council members had been given a tour of the airport and made aware of how important it is along with the bond referendum and the impact that it could have on the airport. City Council has not appointed an Airport Liaison to date.

Councilman Chuck Branch commented that he received a great tour of the airport and was able to see the opportunities it afforded. He stated that he was thankful to Ken, Mark and Jose for showing him around.

Vice-Chairman McCarter recessed the regular meeting at 9:18a.m. and members convened into Executive Session. In accordance with the Texas Government Code: Section 551.076- Deliberations about Security Devices or Security Audits.

Members reconvened into open session at 9:35 a.m. with no action resulting from the executive session.

A motion to adjourn was made by Member Johnson and seconded by Member Vaughan, passed 6-0.

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~~Steve McCarter, Vice-Chairman~~

KEITH CLIFTON,  
Secretary