

MINUTES

MCKINNEY AIRPORT DEVELOPMENT CORPORATION

March 8, 2012

The McKinney Airport Development Corporation (MADC) Board met March 8, 2012 at 9:00 a.m. in the Dowdy conference room at 5900 Lake Forest Dr., McKinney, Texas 75070.

Board Members present were: Chairman John Wroten, Vice Chair Andy Cowan, Secretary Mark David, Fritz Mowery, Daniel Jones and Harry McKillop. Absent: Glynn Raymer.

Officials/Consultants/Staff present were: Mayor Brian Loughmiller, City Manager Jason Gray, Deputy City Manager Joe Williams, Finance Director Rodney Rhoades, Security Committee Chair John Sullivan, Pete Huff, Texas Aviation Advisory Committee, Steve Creamer with KSA Engineers, Paul Cristina with Kimley-Horn, Mike Livezey with Cutter Aviation, Eric Pratt with Monarch Air, Adam Wilbourn and Kathy Hebert Town of Fairview, and Airport staff Executive Director Kenneth Wiegand and Operations Director Steve Gould. Office Manager Cindy Rowe was absent.

CALL TO ORDER

Chairman Wroten called the meeting to order at 9:10 a.m. after determining that a quorum was present.

Minutes: A motion by Member David to approve the minutes from the February 9, 2012, meeting was made and seconded by Member Cowan. Motion passed unanimously, 6-0.

REPORTS

Financial: Finance Director Rodney Rhoades reviewed the February 2012 financial report.

City: Chairman Wroten briefed the Board on the recent trip to Washington, D.C. where the group met with senior FAA officials, Congressional members and their staffs.

Marketing Committee: Marketing Committee Chair Mowery announced that the Marketing Committee will meet March 21, 2012 to discuss the regionalization initiative rollout and invitation letters.

TIRZ Board Report: Fritz Mowery reported that revenue from TIRZ 2 was reported as \$320,728.19, which is higher than anticipated. Jason Gray also discussed TIRZ explaining that it could be used for some types of operating expense, but the intent is for capital expenses. Rodney Rhoades explained that it would not be used to retire debt.

Security Committee: Chair John Sullivan reported that the Airport Security Committee is scheduled to meet at the airport on March 27, 2012. He also briefly discussed the possibility of increasing the \$0.12 per gallon fuel flowage fee by 1 cent to cover the annual cost of updating and replacing security equipment such as cameras, etc. Jason Gray told the group that this type of equipment could be replaced using funds from the City's replacement equipment fund.

FY13 Draft Budget Document: Ken Wiegand outlined the MADC budget process schedule explaining that he would like to keep MADC's schedule in line with the Budget

Department's schedule. In this regard, he proposed that the Draft Staff Budget document would be reviewed at this meeting and submitted to the Budget Department on or before March 26. The Budget Department would then plug in adjustments to personnel, IT, utilities, fuel and communications and then meet with the Airport Staff and MADC Treasurer on April 10, 2012 to discuss the adjustments. This would position the FY13 budget for a final review and approval by MADC on April 12, 2012. The Budget would become the MADC budget document, which would be submitted to the Budget Department for subsequent submittal to the City Manager on April 30, 2012. The Draft Staff Budget document was accompanied by two supplemental Requests for a fulltime airport maintenance specialist, a tractor and a 15' batwing mower. Chairman Wroten asked if there was an MEDC commitment to provide marketing funds in FY13. Jason Gray said that he would make sure there was. Ken Wiegand reported that this was one of the agenda items for the Marketing Committee Meeting.

Cutter Aviation: Mike Livezey informed the board that the monthly fuel report did not include Texas Instruments fuel purchases. He also reported that Cutter Maintenance was growing and they were running out of hangar space. January was above anticipated revenue and February was looking good also. **Andy Cowan** asked about the size of the maintenance shop and asked Mike to provide MADC with what kind of facility they might need to expand their maintenance operation.

Mike also reported that he was working with Ken Wiegand on bringing an aircraft paint shop to the airport. The only facility available that might meet their needs is a 400 series box hangar (in the same building that the airport staff uses for storage and a maintenance office). Ken Wiegand joined the discussion by informing the board that he and Mike were trying to find a way to make this work. He reminded the Board that the airport Minimum Standards restricted aeronautical activities that attract the general public from the landside to a road-side location so that customers would not have to penetrate the perimeter to access the business location. Each business is required to have its own reception area, restrooms, and parking for its customers. Ken described a plan for an aeronautical business campus that has been laid out between fire station number 4 and the C-Hangar along Industrial Boulevard. He reminded the board that small aeronautical businesses that provide needed services (like Air-O Specialists) cannot always afford to build their own facilities and that someone should facilitate them by building and leasing affordable facilities for their use. He cited that government is in the best position to facilitate the need.

Executive Director: Ken Wiegand updated members on the runway project. Paul Cristina with Kimley-Horn updated the members on the proposed Airport Layout Plan (ALP) schedule. The plan should be ready for Board approval during its April 12, 2012 meeting.

Airport Expansion Options: Chairman Wroten expressed his interest in holding a work session during the April 12, 2012 meeting or separate from the monthly meeting. Board members agreed that a meeting on April 12, 2012 would be very helpful. Mark David suggested that we have a Business Development Committee meeting to discuss our prospect, Cutter's input and what other airports are doing. Mayor Loughmiller asked that the Board keep the City Council informed on any progress in landing scheduled passenger service. Harry

McKillop asked about the status of the \$50,000 owed by Pegasus.

CONSIDER/DISCUSS/ACT:

Marketing Initiative: City Manager Jason Gray announced that he is taking his marketing proposal to the City Council March 20, 2012. Mayor Loughmiller told the Board that the airport is within the City Council's top two priorities. It was suggested by John Sullivan to add information about CCRA's advanced airport security enhancements.

Citizen Comments: Adam Wilbourn, Budget & Management Analyst for the Town of Fairview stated that the Town of Fairview had concerns about the ALP Update, in particular the second runway suggesting that the plan could have an impact on the Town.

The regular session was adjourned at 9:54 a.m.

EXECUTIVE SESSION

Members convened into executive session at 10:00 a.m. in accordance with Texas Government Codes:

- 1) Section 551.072: Deliberation About Real Property:
Airport Land Acquisition Projects: 08-02, 09-01, 09-02, ALP Work Session
- 2) Section 551.087: Deliberation Regarding Economic Development Negotiations:
Projects: 08-03, 09-03, 10-01, 10-02, 10-03, 10-04, 11-01

The Executive Session adjourned at 11:10 a.m.

REGULAR MEETING

Members reconvened immediately into regular session with no action resulting from Executive Session.

The meeting was adjourned at 11:15 a.m.