

**GRAYSON COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD OF DIRECTORS MEETING  
JUNE 13, 2013**

**MEMBER'S PRESENT:**

Bill Benton, Vice Chairman  
Jeff Christie  
Randy Hensarling  
Bill Rasor

**MEMBER'S ABSENT:**

Bill Hubbard, Chairman

**OTHER'S PRESENT:**

Mike Shahan, Director  
Jeff Whitmire, Commissioner Pct. #1  
Terry Vogel, Lake Texoma Jet Center  
Jay Jones, American Equity  
Clay Barnett, City of Sherman  
Van Price, Asst. District Attorney, Grayson County

Bill Retz, NTRA Marketing Director  
Jonathan Cannon, Herald Democrat  
Wm. B. (Ben) Munson, Esquire  
Jeremy Jones, American Equity

**1.**

**Call to Order.**

Bill Benton, Vice Chairman, called the meeting to order at 10:00am and welcomed everyone to the meeting.

**2.**

**Consideration of approval of the April 11 and April 22, 2013, Board Meeting.**

Mr. Benton advised the Board that both sets of minutes needed to be approved and could be done so with one motion or two separate motions. Mr. Christie made the motion to approve the minutes of both minutes as typed. Mr. Rasor seconded the motion. All members voted aye.

**3.**

**Consideration of approval of a License Agreement between the North Texas Regional Airport and the World Aerobatic Championship 2013, aka WAC 2013, Inc., to conduct the 2013 World Aerobatic Championships.**

Mr. Shahan advised the Board that this was the same license agreement that had been used with the Lone Star Aerobatics and the U.S. National Aerobatic Championships. He stated that the only change was to include the airport as a sponsor of the event. Mr. Shahan stated that Mr. Munson had reviewed the license agreement and approved it. Mr. Shahan stated that practice for the event runs from October 4-8 and the contest begins on October 9 and ends on October 19, 2013. Mr. Rasor made the motion to approve the License Agreement. Mr. Christie seconded the motion. All members voted aye.

**4.**

**Consideration of approval of recommendation to Commissioners Court on insuring property at NTRA.**

Mr. Shahan advised the Board that Commissioner Whitmire was asking for guidance from the Board on insuring property at the airport. Commissioner Whitmire stated that the insuring of county owned buildings came up as a result of the property being reappraised. He stated that the appraisals for the large hangars increased substantially from the year before. He stated that the appraisal had increased



the hangars from \$40/sq.ft. to \$54/sq.ft. He further stated that Mr. Shahan had requested that the building be insured at an even higher rate which was \$91.23/sq.ft. He stated that a decision needed to be made about insuring just the structure or insuring the structure plus any improvements that are made to the structure. Commissioner Whitmire stated that it was his feeling that if someone wanted to finish out the inside of the hangar luxuriously then they should insure those improvements because the county was insuring the hangar only. He stated that he was looking for guidance from the Board on what would be insured and he would support the method of insuring buildings at the airport. Mr. Benton stated that this had been discussed at the budget workshop earlier and he said that the buildings needed to be insured for an amount to replace the facility should it be destroyed by an insured peril. He stated that the committee decided that the building should be insured for 80% of the replacement cost based on what would be done should the building be damaged or destroyed. Mr. Benton further stated that all tenants are required to insure the building and they can do that one of two ways: by providing a certificate of insurance from their insurer or they can opt to be under the county policy and then be billed for the cost of the insurance. He stated that the county should insure those improvements that need to be replaced. Mr. Benton stated that any improvements that are extraordinary in nature the tenant has the right to request they be insured because the cost will be returned to them. Commissioner Whitmire asked at what point this becomes cost prohibitive and will it be harder to rent the hangar because of the high insurance cost. There was some discussion on the construction cost of the west side hangar. Mr. Shahan explained that he determined his cost from the original Piazza bid for completion of the hangar and office space. He stated that the contracts require tenants to insure the property at 80% replacement cost. Mr. Shahan stated that this discussion began when the two buildings were destroyed. He stated that the insured amount for both buildings would not have covered rebuilding the large warehouse let alone the other building that was destroyed. Mr. Benton stated that the policy was not being changed because the lease requires 80% of the replacement cost by the tenant and all the Board is doing is evaluating that replacement cost. Commissioner Whitmire stated that he thought they needed to come out and reevaluate the buildings because some of the replacement cost being requested seemed high. Mr. Benton stated that all property needs to be insured appropriately as required by the leases. Mr. Benton stated that Mr. Shahan put together a plan with proper valuations of the buildings and come at a future meeting and work on this then. He stated that Mr. Shahan should work with Commissioner Whitmire on this project.

## 5.

### **Consideration of approval of the FY 2014 Airport Budget to be presented to Commissioners Court for approval.**

Mr. Shahan advised the Board that the projected income is \$1,051,617.00. He stated that expenses are \$1,256,720.00 which means there is a shortfall of \$205,103.00. He stated that this does not include any changes in payroll and benefits. Mr. Shahan stated that there are two hangars that are not fully leased. He stated that there are tentative leases pending which would increase revenue by \$97,500 and that this number is not included in this budget. He stated that the shortfall would be \$107,603.00 with those hangars leased. He stated that the revenue would reflect 100% occupancy with the exception of the west side hangar. He stated that once it is leased that money would pay the county back for the money that was loaned for the construction. Mr. Hensarling asked if this included the tower operations. Mr. Shahan stated it does include the tower at current staffing levels and it also includes grants in the amount of \$310,000.00 in capital improvements. Mr. Hensarling asked the cost of operating the tower as compared to the FAA operating it. Mr. Shahan stated that if the FAA picks up the tower they would pay 100% of the staffing cost which is currently \$198,000. Mr. Shahan stated that he had talked to a representative with RVA, which operates the towers in the contract tower program, and he stated that the tower was in the pipeline to enter the program until sequestration occurred. Mr. Shahan stated that the federal government was funding the program through the end of the current fiscal year. He stated that it was uncertain as to the future of the program but that he suspected that it would be funded but that he was unsure as to when we would enter the program. Mr. Benton stated that hangar repairs is an initiative



supported by the County to reskin the large hangars which has been very successful but that this is a pure capital improvement to existing facilities. He stated that \$110,000 is a 10% match of a CIP grant and that \$100,000 is the RAMP grant that is reimbursed 50% on the revenue side of the budget. He stated that those are large capital improvements projects and are not included in the operations of the airport. Mr. Benton stated operations for the airport fund themselves and that should the FAA pick up the tower then capital improvements would also be funded by the airport itself. He stated that Mr. Shahan had done a good job managing expenses. Mr. Christie asked what the cost of the tower operations would be changed to and Mr. Shahan stated that it would be \$197,921.00. Mr. Hensarling made the motion to approve the budget incorporating in the line-item change in the control tower which is \$59,000.00 less than what is in the budget as presented. Mr. Rasor seconded the motion. All members voted aye.

6.

**Consideration of approval of the FY 2014 RMA Budget to be presented to Commissioners Court for approval.**

Mr. Shahan advised the Board that this is the budget for the RMA. He stated that all items related to the tollway had been taken out. He stated that the budget had been reduced to \$7,000.00. Mr. Rasor made the motion to approve the RMA budget. Mr. Christie seconded the motion. All members voted aye.

7.

**Director's Update to include discussion of the Fuel Flowage Report, ATC Operations Report, West Side Hangar and upcoming events.**

Mr. Shahan updated the Board on the fuel flowage report. He advised that sales were down 1.92% from the previous year.

Mr. Shahan updated the Board on the ATC operations report. He stated that traffic is up 197% above last years count. Mr. Benton asked why fuel sales were down while traffic was up. Mrs. Vogel stated that she had received information that Sherman Municipal Airport was selling a tremendous amount of AvGas at cost.

Mr. Shahan advised the Board that the airport was currently \$160,000.00 over budget, but that there had been no funding transferred in from the County. He stated that a request had been made to have funds transferred in as outlined in the current budget.

Mr. Shahan updated the Board on the West Side Hangar. He stated that piers were complete and the grade beams forms were being installed. He stated that the building had been ordered. He stated that erection of the building should begin in July with completion in the August/September time frame.

Mr. Shahan updated the Board on upcoming events. He stated that the Lone Star Aerobatic Championship would begin practice on June 20 and the competition would be held on June 21-22, 2013.

8.

**Public Comments.**

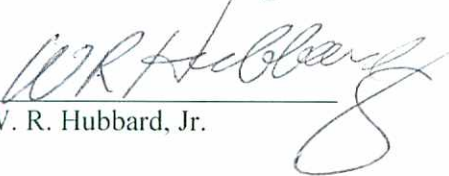
Mr. Benton asked if anyone in the audience would like to address the Board or if there were any more comments from the Board. There were none.

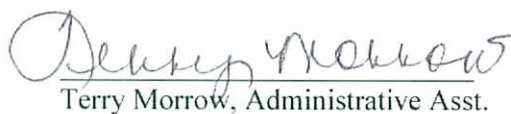
9.  
Adjourn.

There being no other business, Mr. Christie made the motion to adjourn. Mr. Rasor seconded the motion. All members voted aye. The meeting was adjourned at 10:38 a.m.

10.  
Next Meeting.

The next regularly scheduled Board of Director's Meeting will be held on July 11, 2013, at 10:00a.m. in the meeting room of the GTUA, 5100 Airport Drive, Denison, Texas.

  
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W. R. Hubbard, Jr.

  
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Terry Morrow, Administrative Asst.