

Peachtree City Airport Authority (PCAA)
Regular Minutes
Thursday, August 9th, 2018
Aviation Center, Peachtree City-Atlanta Regional Airport
7:00 p.m.

Members Present: Tom Fulton – Chairman, Bryan LaBrecque – Member, Allen Morrison – Member, Charles Murray – Member, Nathan Lee – Airport Attorney, and Airport Manager –Hope Macaluso, A.A.E.

Members Not Present: Tom Lacy – Secretary/Treasurer

I. CALL THE MEETING TO ORDER

Tom Fulton called the meeting to order at 7:03 p.m.

II. APPROVAL OF MINUTES

Allen Morrison made a motion to approve the July 2018 Meeting Minutes, seconded by Charles Murray.

Motion carried 3/0. Bryan LaBrecque abstained have not attended the July meeting.

III. REPORTS

Finance and Capital Budgeting – Tom Lacy

Tom Lacy was not present but had attended the financial review early in the week.

Operations Report – Mike Melton

Mike Reported:

Fuel (August)

We are currently on target for both AvGas and JetA against the budgeted numbers.

AvGas Situation

AvGas continues to be tough to get a hold of from our normal channels. I would like to reiterate that this is not a fuel provider issue it is primarily an issue with the new E-Log laws that have gone into effect this year along with Fuel Terminal Maintenance/Demand issues. This causes a couple things to happen: first, we have to plan way in advance to receive fuel and place orders early and even those tend to get pushed a couple days,

second, we end up having to pull from AvGas Terminals that are further away causing costs to increase. This is why we have seen an increase in fuel costs.

Fuel Tank Inspection

As a part of our previously requested and approved fuel farm capital expenses we were able to have our tanks inspected. The inspection report came back as close to perfect as we could have hoped for. What this means is we will proceed with the remainder of the upgrades as expected. We have ordered the two catwalks and anticipate installation in an estimated six weeks. The other remaining items will take place after the installation of these catwalks to include painting the tanks (which will be done in house), plumbing repairs and proper installation of sump savers or reclaim tanks.

FBO Hangar Door Repairs & Upgrades

The contractor has completed repairing the doors and rollers on the FBO Hangar. The new electric motors on the doors were also installed and working.

GPU Update

We are awaiting delivery of the new to us GPU after the GPU we have had for many years seized up. Reminder that the new to us GPU was ordered before the old GPU took a dive and that the old GPU was on its last leg with a 1966 Buick engine we were having a hard time finding parts for. The used GPU we purchased is supposed to ship tomorrow morning so we should have it next week.

Super Bowl Meetings

We participated in our 4th monthly webinar regarding the Super Bowl and the anticipated additional aircraft traffic. The FAA is finalizing the traffic flow patterns for that weekend based off of numbers seen from other cities that have hosted the Super Bowl in the past. A few companies have already reached out to us regarding the use of the airport during the Super Bowl weekend. A lengthy list of items was requested by each of the companies including refrigeration considerations for catering, private security for VIP's, requested overnight airport security by local police department, aircraft de-icing options, runway de-icing capability, crash fire rescue plan, hotel shuttles, crew accommodations, VIP transportation to stadium and aircraft maintenance facilities on site.

We have already met with the Conventions & Visitors Bureau (CVB) and a number of local hotels to accommodate crew and passengers during the weekend. We found out that most hotels are already at 60% capacity that weekend already primarily due to Super Bowl bookings.

We also scheduled a meeting later this month with the City regarding use of Police, Fire and any Public Works to address additional resources that weekend. We will update you at the next meeting once we continue to learn more. As a note, we have not and will not spend any additional funds on this event until we know the actual impact of the event on this airport. We are merely attempting to plan ahead and be proactive about what other similarly situated airports like ours have experienced that are within driving distance of the host city.

ODALS

I mentioned to you all last month that the Omni Directional Approach Lighting System (ODALS) were struck by lightning last month and repaired. Since then the number 5 ODAL, located in the blast pad at the end of Runway 31 was hit by an aircraft whose approach was too low. The light was a complete loss, fortunately we had just ordered and had a few components rebuilt and were able to replace the light quickly. The individual was billed for the damaged light and repair to the tune of \$1,950. While we do have a great resource for the repair of these lights complete replacement parts are almost non-existent due to the lack of airports still using this approach lighting system. A reminder to replace the ODALS would cost \$50,000 utilizing current structures and replacing the fixtures. GDOT and FAA would not pay for that cost as the upgraded lighting system to a MALSF approach lighting system would be included on the Runway Extension already on our Capital Improvement Plan slated to be complete in a grant project in the next 5 years. So complete replacement would only buy us a few years. We are not there yet so this is just a reminder.

NDB

The Non-Directional Beacon (NDB) which is a part of one of our instrument approach's to Runway 31 had an issue earlier in the month. This NDB equipment and property is located in Brooks, GA on 1.7 acres that the airport owns and maintains. The circuitry that broadcasts the NDB's identifier audibly via Morse code was only broadcasting the first two letters of the three-letter identifier. The FAA required our contractor to NOTAM the NDB as unusable and out of service. After identifying the problem our contractor stated that the parts to repair the missing circuitry for the missing letter were not only no longer being manufactured but that any attempt to repair the existing circuitry would completely disable the broadcast equipment, resulting in a complete replacement of the hardware. This would be a costly rebuild. The FAA has agreed to leave the identifier to a two-letter broadcasted identifier. The requested change from FFC to FF is in process with the FAA and all their normal channels, once approved the NOTAM will be lifted and a new NOTAM will be issued indicating the change to the approach. Once finalized the publications will be updated in the following publication cycle.

ILS

Our contractor that maintains the Instrument Landing System that includes the Glide Slope, Localizer and Non-Directional Beacon completed a scheduled and routine flight check on the Glide Slope and Localizer. All checked out okay with the exception of the previously mentioned NDB issue.

PAPI's

We are still waiting for the final flight check (different than the ILS one completed today) of the PAPI's on Runway 13. As a reminder they were hit by lightning a couple months back and after replacing the light circuit board, our contractor discovered that the inclinometer circuit board needed to be replaced in a few of the PAPI's. After replacing them, a flight check was scheduled by the lighting contractor with the FAA. The flight check was conducted but the FAA asked the contractor to adjust the slope from 3 degrees to 3.5 degrees due to the obstructions that are to be removed in a future but slated, off airport clearing project to be funded by the FAA. Our contractor adjusted the PAPI's but the FAA flight check team was unable to complete the flight check due the crew not having the equipment setup for the new 3.5 degrees slope. The contractor submitted the paperwork for the change from 3 degrees to the new 3.5 degrees and we are still waiting for the FAA to finalize the schedule on the flight check.

Rotating Beacon

If you remember we had to replace the lamps on the rotating beacon and were a little hesitant if the fix would be the end all be all. As indicated at the last meeting, former Airport Manager Jim Savage stated that the beacon was over 20 years old. After researching parts, the parts for the fixture in place were no longer available. Our fear was and still is that if one of those parts is to fail it will result in the replacement of the existing fixture. Not the structure, just the fixture. So far everything is in working order.

Allen Morrison commented that there probably needs to be a capital budget plan to address the reoccurring issues with some of the electronics that would include replacement of the rotating beacon. Mike stated that staff would look into a plan to replace and repair known issues.

IV. FINANCIAL REVIEW - Airport Manager – (Hope Macaluso)

Hope reported:

July 2018

Revenue and Expense Highlights:

We were just below target for jet fuel sales for the month and a bit ahead on avgas. We also received a one-time grant from the Georgia Department of Community Affairs (DCA) for just over \$38,000 to offset losses in local option sales tax. This was because on June 1, Governor Deal suspended the collection of certain local sales and use taxes on retail sales of jet fuel. Then on June 4, he announced that \$28 million would be available to 50 communities with airports to offset this loss. This was passed through Fayette County to us for the one-time payment. With this one-time payment, we were ahead of budgeted revenues by 39% for the month. As far as expenses, we were less than 5% over budget for the month but remain below budget year to date.

Capital Expenses

There were four capital expenses in the month. \$4,690 for t-hangar floor repair. The second expense was \$544 for the second stage of security upgrades to our computer network. The third was the purchase of a new 300 gallon off road diesel tank and the fourth was for the tank inspections at the fuel farm. These last two items are a part of the overall fuel farm capital spending request that was previously approved.

We received an additional quote for the t-hangar restroom. As you may recall from the last meeting, we had two quotes. One was \$47,000 and one was \$48,000. We received a third quote for \$27,000 and are awaiting a fourth quote from the plumber that installed the plumbing for t-hangar C.

As a reminder, there are a number of improvements required for Area C. I had mentioned that it would take about \$65,000 to get the area ready for tenants and that that did not include engineering fees of \$65,000 to \$70,000. Remember that most of this is reimbursable in a future grant. We also discovered that although we had been led to believe that power and gas were already up to Area C, they are in fact not. I am meeting with Georgia Power tomorrow to look at what it will take to get power to the Area and am gathering information for Atlanta Gas light as well. The cost of placing these utilities are not absorbed by the two providers, then they are least reimbursable in a future grant.

Budget

We are currently working on the FY 2019 budget. We have two meetings set up with Tom Lacy for his review prior to us presenting it next month.

Grant Update

We received the executed contract and the Notice to Proceed from GDOT for the Environmental Analysis for On and Off Airport. Work on that project can now begin.

WK Dickson has completed the Runway Justification Project, but are still waiting on feedback from a couple of important airport users. We will be reaching back out to these users for their input.

V. OLD AGENDA ITEMS

None

VI. NEW AGENDA ITEMS

18-08-01 Consider Request by Chadwick Homes for Letter of Support for 24 Unit Condos on Lake McIntosh

Hope stated that a letter had been sent to Airport Authority from Peterson Planning requesting a letter of support from the Authority regarding the proposed development of 24 condos on Lake McIntosh. An FAA Notice of Proposed Construction form was submitted by WK Dickson on behalf of Chadwick Homes. Both the FAA and Georgia Department of Transportation reviewed the location of the proposed condos and determined that the location and heights were not a hazard to air navigation, departure surfaces, transitional surfaces or Part 77 requirements and would have no effect on the airport. Hope suggested as a part of the letter that verbiage in the deeds to the properties would acknowledge the existence of the airport and associated noise from the same. Hope stated she had no objection to the Authority sending a letter of support as long as the noise was addressed in the deed and was requesting the approval to send the letter.

Allen Morrison made a motion to approve sending a letter as requested by Hope, Seconded by Bryan LaBrecque.

Motion carried 4/0

18-08-02 Discuss Names for Access Road to Area C

Hope discovered that in looking to continue to develop Area C in regards to utilities an address was required for Atlanta Gas Light. This brought up the need to name the access road off of Aviation Way leading into the auto parking lot for Area C. Hope mentioned that staff had developed a list of suggested names. Those names were listed in order of preference: South Hangar Road, Charlie Road, Charlie Drive, Charlie Hangar Road and Charlie Way. This list will then be submitted to the County to make sure there are no issues or conflicts with other road names and 911 considerations. Charles Murray asked when would need the list, Hope responded as soon as possible so utility construction could begin prior to building construction. Hope asked if there were any other suggestions, to which there were none. The Airport Authority had no objections to the list to be submitted.

18-08-03 Confirm Ground Lease Terms for Area "C" Hangars

Hope quickly recapped the scenario in Area C and noted that once one of the original three potential hangar owners realized that a non-aeronautical activity was not allowed, he backed out. Hangar C3 requested a lease term of 30 years as opposed to the original 20 years discussed. Hope reminded the Authority that a 30-year lease would be in line with the other commercial hangar lease terms on the field and she felt comfortable recommending that change to the Authority. Hope explained that because of the size of Hangar C1 that Hangar C3 may be best around the corner from where it was before. The hangar owner spoke up and stated they do not want to move around the corner. Tom Fulton noted that if the hangar was not moved around the corner that the space was limited to what could be developed in that area. Hope stated there would be room for another smaller hangar but likely no larger than a sixty by sixty-foot hangar.

Bryan LaBrecque made a motion to keep Hangar C3 in the original location and accept the request for a 30-year commercial lease for Hangar C3, seconded by Allen Morrison.

Motion carried 4/0

18-08-04 Capital Spending Request for Additional T-Hangar Floor Sealer

Hope began by reminding the Authority of the capital expense request to seal the floors on the T-hangars, the amount approved at that time was \$8400 for the project. That initial price was for us buying the materials and performing the work in-house for 10 hangars. We had tested one hangar and realized that this method was not sufficient. We used a contractor that had done work in several of the t-hangars owned by AirPatch. He had to grind off layers of other floor coatings and expose the expansion joint. Then a layer of primer was applied before the final product was applied. The product that was used is a Protective and Marine coating from Sherwin Williams that is not available for the public to purchase. Each hangar floor costs \$3127 to complete and two have been completed. To get a third done, it will be \$981 more than the original \$8400 that was approved. Allen Morrison asked if those first 5 are the worst. Mike Melton noted that tenants' tools and other items were rusting in their hangars with all the moisture issues. Bryan asked if the new floor coating solved the moisture problem, Hope responded that it did solve the problem. Bryan asked what the cost would be to complete all of the hangars in that row, it was agreed the amount to complete the remaining hangars was approximately \$20,000.

Bryan LaBrecque made a motion to approve the completion of the floor coating for the remaining hangars not to exceed \$23,000, seconded by Allen Morrison.

Charles Murray asked what the timeline would be on completing all of the hangars. Hope explained that there would be a bit of juggling tenants around to accommodate their aircraft in our hangar while the hangar cured and it is at least a two-day process. Charles asked if there were any volume discount for more hangars. Hope responded that she would certainly ask the question.

Motion carried 4/0

18-08-05 Consider Dispossessory Action for 1130 Echo Court and the Annex Hangar

Hope explained that the tenant in question has two separate leases for two different hangars and that they have been habitually late on their rent payments for the entire duration of their time here on the field. Hope stated that she has had to prompt the tenant for payment at least 10 times and at least 12 additional times that Mike or our Bookkeeper has done the same. Hope reminded the Authority that Airport Attorney Nathan Lee had sent the tenant a letter concerning the continual late payments and that payment needed to be made in full in the 3 days, to which they did pay. Earlier in this week they had not paid for June, July and August. A letter was sent in July from the Airport Attorney that not only would payment be made in full but they also would need to vacate the two leases properties. The day before the two weeks was up, Hope said she had received a call from the business owner and said it sounded like he did not understand the second letter. He has paid for June and July but is still currently late on August. At this point the next step would be dispossessory action filed by the Airport Attorney. Bryan clarified that currently they are delinquent one month. Hope said that was the case. Charles Murray asked if there was a late fee collected on the delinquent payments, to which Hope responded that a late fee had been collected. Tom asked Hope how many months have they been late in the last year, Hope responded they have been late all but one month during the last year.

Charles Murray made a motion to proceed with filing a dispossessory action on the business owner.

Bryan said although they have a history paying late, they do finally pay. Hope stated that it was not fair to those tenants that pay on time or to those individuals or business that want to be on the field that cannot currently.

There was not a second to motion.

Allen Morrison suggested that if it were to happen beyond this time then the authority would act. Hope responded that this is what we informed the tenant of last time to no avail.

Tom reiterated that if it happens next month for Hope to bring to the Authority again and reevaluate it from there.

18-08-06 Review of AOPA Letter and Vern Darley Letter to the Authority

Tom stated that a 10-minute time would be given to those involved with the letters mentioned in the agenda item. He reiterated that no action or response was required by the Authority. He also mentioned that he appreciated the attendance of so many tenants. Tom also stated that the Authority only does business with individuals who have leases and not organizations.

Rick Escarra, one of the owners of the largest foot print hangars on the field, noted that the size of the crowd in attendance should convey the importance of these issues to the tenants. Rick spoke on two major points: the 5-year lease terms for existing hangars and the increase in percentage of additional rent collected by the airport for tenants that sublease in their privately-owned hangar. Rick stated that in March of 2018 he had sent two letters to the Airport Authority addressing the concerns with examples of the financial impact of the lease term. All in all, Rick was asking the Airport Authority to extend the lease terms from 5 to a minimum of 15 years or more. Rick also addressed the increase in additional rent and asked the Authority to accept the recommendation of the Airplane Owners and Pilot Association regarding Leases and Sub-Lease fees.

Ralph Trapaga, a tenant in an airport owned T-Hangar, then read the following Tenant submitted Resolutions:

RESOLUTION REQUEST 18-01 AS PETITIONED BY THE TENANTS OF KFFC:

Whereas T-Hangar rents charged by the Falcon Field Airport Authority (FFAA) remain at 2 ½ times the average of the 8 surrounding airports (attached);

And whereas the cost to hangar owners in land lease and fees is also excessive;

And whereas the FFAA provides no 24hr public rest facilities in the vicinity of its tenant hangars as do most FBO's;

And whereas the FFAA provides no self-service fuel facility to its tenants as do most of the surrounding airports;

And whereas the FFAA provides no aircraft wash rack for its tenants and furthermore prohibits the washing of aircraft anywhere on the field;

And whereas the cost of owning and operating General Aviation (GA) aircraft is substantial;

And whereas the FFAA is bound to foster the development and affordability of GA in exchange for grants received for airfield development, improvements and maintenance;

And whereas the FFAA in recent years has taken the liberty of imposing annual hangar rent increases tied to the Consumer Price Index (CPI) upon its tenants in spite of an already existing large disparity in comparable hangar rents at surrounding airports;

And whereas further annual hangar rent increases will only serve to exacerbate the disparity between rents charged at KFFC and surrounding airports;

And whereas many surrounding airports do not burden their tenants with annual hangar rent increases, (e.g., KHMP, 12.7NM from KFFC, has not had an increase in over 18 years and charges \$300 per month for a T-Hangar the size of which FFAA charges \$478);

And whereas annual hangar rent increases in an environment of such disparity in comparative rents works against the FAA mandate of fostering the affordability of GA at KFFC;

And whereas annual hangar rent increases tied to the CPI could result in substantial future rent increases due to the presence of increased inflation in the economy;

And whereas further annual hangar rent increases could risk categorizing the FFC FBO in the AOPA list of abusive FBO's;

Therefore be it resolved that the FFAA, as a gesture of good faith toward its loyal tenants, impose a moratorium on further hangar rent increases for a minimum of 5 years from this date forward;

And may it be further resolved that the FFAA consider rent reductions to within 30% of the T-Hangar rent fees of the 8 surrounding airports as shown in the attachment.

RESOLUTION REQUEST 18-02 AS PETITIONED BY THE TENANTS OF KFFC:

Whereas Fayette County, GA imposes an annual ad-valorem tax upon aircraft owners based at Falcon Field in Peachtree City, GA (KFFC);

And whereas this tax adds considerable annual expense to the cost of private aircraft ownership and operation;

And whereas none of this tax revenue is returned to KFFC in support of airport operations, staff and maintenance;

And whereas Fayette County is using this tax revenue for purposes other than to support the operation of KFFC;

And whereas such action is tantamount to taxation without representation;

And whereas, due to zero financial support from Fayette County, the full expense of airport operations must be borne by the tenants and owners at KFFC in the form of onerous T-Hangar rents that are 2 ½ times the average of the 8 surrounding airports with annual increases tied to the Consumer Price Index;

And whereas Fayette County enjoys considerable commerce and convenience from an airport within its borders while not providing any return on tax revenue to support its operation;

Therefore be it resolved that the owners of aircraft based at KFFC officially protest the collection of aircraft AVT by Fayette County due to the unfair practice of failing to return any tax revenue in support of KFFC, thus forcing the owners and tenants to bear the full expense of its operation with onerous rents and fees;

And be it further resolved that the Fayette County Tax Assessor be presented with this protest with a demand that AVT no longer be collected from aircraft owners at KFFC until Fayette County returns this tax revenue in support of airport operations;

And be it further resolved that lacking a satisfactory resolution from the Tax Assessor that this issue be elevated as high as the Georgia Supreme Court for consideration.

Ralph thanked the Authority for their time. Prior to Vern Darley speaking, the Airport Authority extended the allotted speaking time so Vern was able to speak.

Vern Darley summed up the following letter to the authority:

See Following Page

Peachtree City Airport Authority Members
7 Falcon Drive
Peachtree City, GA 30269

Vernon Darley
5 Perthshire Drive
Peachtree City, GA 30269
770 310-7169
vern@mindspring.com

August 1, 2018

Regarding: Unintended Consequences of Authority Actions

Dear Members,

Thank you for your service to our airport! You have an important and under-appreciated role in our community for which you are to be commended.

I've been a part of the Falcon Family since 1981 and served 5 years as alternate on the Authority. I am a hangar owner for about 15 years and presently have two flying airplanes housed at KFFC. I have spent the years trying to promote Falcon Field and encouraging businesses and aircraft owners to locate here.

At a recent authority meeting I approached a member to discuss my current concern and was somewhat taken aback by the response I received.

When I purchased my hangar there was a long term ground lease and a predictable business model in place between tenants and the airport management. I was able to take the long-term lease and obtain financing for my hangar. As I age, I anticipated that at some point either I, or my estate would be required to sell my hangar. To my dismay, I have learned that renewal leases are now only for a five year term. No local financial institutions will offer a mortgage on those terms on a hangar as one of our users recently discovered. So, when either age or death forces me to leave my beloved hangar, financing for the next owner will not be available. Neither will the option in our contract for the authority to buy me out since that has been seldom exercised. So, my only options seem to be tear it down and return the land to you, or find a wealthy buyer who can pay cash.

When I brought this fact up to an authority member, I was told it was not a problem since 'my hangar is already amortized.' Now, if we were discussing an automobile which rapidly depreciates to a low value, that might apply. But hangars at KFFC have appreciated! The next owner should pay me more than I paid, not a residual value like an old clunker automobile. The universe of well-heeled hangar buyers is not very large.

So, by adopting this attitude and policy, the Airport Authority is hurting me and my family in the future sale of my hangar. Please change the lease length to the max permitted by

the FAA!

My second point is that in your decisions I felt that priority goes toward a possible jet that buys lots of fuel and not towards your current customers who faithfully have endured the good and bad times at KFFC and are the core of the airport family. Please consider making current faithful customers the priority over imaginary ones who have no skin in our game. An example of this thinking was at the last board meeting when potential hangar builders were given much longer leases than the current renewing customers. The playing field should be level for all of us!

Thanks for taking time to ponder these perceptions.



Vern Darley
D30
Founder of the Falcon RV Squadron
ATP
CFI
Seaplane
A&P
FAA Designated Airworthiness Representative
Former Part 121 airline examiner
Instructor at USAF Academy
Selectee for prestigious FAA Wright Brothers Award

Vern Darley mentioned the airport needs the tenants and the tenants need the airport. Both parties need each other and one does not work without the other. He just asked for a little bit of change and to “throw the tenants a bone.” Vern stated that this change is messing with our passion and they should bear that in mind when the Authority changes rates, etc.

Allen Morrison made a comment before the adjournment to Executive Session and agreed with Vern that the airport needs the tenants as much as the tenants need the airport. He commented that General Aviation built this airport and General Aviation needs to be supported. He agreed that the Authority needed to look at more favorable terms for the tenants.

VII. Executive Session

Tom Fulton noted that no action would be taken after the Executive Session.

Bryan LaBrecque made a motion to adjourn the Regular Meeting at 8:07 pm and enter into Executive Session for Real Estate matters, seconded by Allen Morrison.

Motion carried 4/0

Bryan LaBrecque made a motion to adjourn the Executive Session and enter back into the Regular Meeting at 8:40pm, seconded by Allen Morrison.

Motion carried 4/0

VIII. Adjournment

Bryan LaBrecque made a motion to adjourn the Regular Meeting at 8:42pm, seconded by Allen Morrison.

Motion carried 4/0

Attest

Tom Fulton, Chairman