

**Peachtree City Airport Authority (PCAA)**  
**Regular Minutes**  
**Thursday, September 13<sup>th</sup>, 2018**  
**Aviation Center, Peachtree City-Atlanta Regional Airport**  
**7:00 p.m.**

**Members Present: Tom Fulton – Chairman, Tom Lacy – Secretary/Treasurer, Allen Morrison – Member, Charles Murray – Member, Nathan Lee – Airport Attorney, and Airport Manager –Hope Macaluso, A.A.E.**

**Members Not Present: Bryan LaBrecque – Member**

**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 August 2018 Meeting Minutes, seconded by Charles Murray.

Motion carried 4/0.

**III. REPORTS**

**Finance and Capital Budgeting – Tom Lacy**

Tom Lacy mentioned that he had attended the finance meeting earlier and would let Hope cover the details of the month.

**Operations Report – Mike Melton**

Mike Reported:

***Staff Changes***

We had some staffing changes in the Airfield Maintenance Department and are currently short an Airfield Maintenance Supervisor. We have changed the structure of the maintenance department for the fall and winter months to evaluate a new staffing flow. So far it is working great!

***Fuel and the Hurricane***

Our fuel provider (Eastern Aviation Fuels) in New Bern, North Carolina is right in the path of the hurricane. They have committed to staying open through the storm and providing service. We have proactively ordered AvGas for next week that will be coming

out of Panama City (our normal AvGas terminal) so delivery should not be affected. We do have plenty of fuel on hand for both Jet and AvGas in the event the hurricane does affect delivery.

### ***GPU Update***

After many weeks we finally received the new to us GPU. It was delivered shortly after the last meeting and works great.

### ***Super Bowl Meetings***

Planning still continues for the Super Bowl traffic. We have continued to attend the monthly webinars and are attending a meeting at the FAA's Flight Standards District Office in October. We are approaching this cautiously and do not want to put the cart before the horse, so to speak. We will not commit financially to any additional rentals of equipment etc. until we have more definite numbers regarding the number of aircraft. We have spoken with a number of rental companies initially to see what costs could be for additional GPU's and tug rentals for that weekend.

### ***ODALS***

The ODALS are currently operating correctly. We are waiting for the final repair of the REILS and should have those up as early as next week.

### ***Potential NDB Decommissioning***

The Non-Directional Beacon (NDB) which is a part of one of our instrument approaches to Runway 31 as I mentioned last month is having issues with the broadcasting of the identifier. Because of the issues with antiquated technology, the replacement of parts to repair the NDB would be astronomical according to our contractor. The FAA has asked if we would be interested in decommissioning the NDB as suggested by the FAA in a memo sent to NDB maintainers around the state in 2016. The paraphrased version of the memo says if its broken, do not fix it. Some facilities were even requested to proceed with decommissioning at that time.

While there is not an ask from staff at this time to proceed with the decommissioning process, we wanted to put this on the radar for future consideration. Our plan is to research the decommissioning process as well as the disposal of the 1.7 acres of land located in county 5 miles from the airport and report back to the Authority on our recommendation regarding the NDB.

Most airport users have GPS technology in their aircraft and if we were to decommission, the approach would become GPS required. This would not affect minimums or

procedures, it would just make the Final Approach Fix identifiable by GPS only and PECAT would become a GPS fix.

If we do recommend in a future meeting the decommissioning process a public comment period would be a part of that process. More to come on this during the next Authority meeting.

### ***Approach NOTAMS***

If you remember last year we were informed by the FAA that a couple of our approaches were deemed unusable do to 20:1 Approach Surface Penetrations, in this case trees both on and off airport property. We requested the minimums be raised for the LPV approach to runway 13 to get the straight in approach back that had been NOTAM'd not available. This was hung up with the FAA for some time and were told that this would be fixed (by raising the minimums) and published in March of this year. This did not happen and the correction was pushed to a November publication.

Today we learned that there are currently 14-15 tree or tree clusters that penetrate the 20:1 approach surface that may need to be addressed prior to the November publication. This is the first we have been notified about not being able to move forward with the new approach procedures being published until these obstructions are removed. Fortunately, all of the trees appear to fall within our current Avigation Easements with surrounding properties.

We need to reach out to the property owners before we come to the Authority with a potential expense request to mitigate the obstructions. If done correctly this would be reimbursable in a future clearing grant that is slated to happen in the GDOT 2020 fiscal year.

Even when we get the trees cleared the FAA will have to conduct a flight check of the approach for final approval. The rumor is that there is a large pilot shortage within the FAA for flight check pilots so the whole system is backed up a couple of months.

### ***PAPI's***

We are still awaiting the final flight check. It isn't for a lack of trying, we are at the mercy of the flight check team. We are hearing that we will be on the October flight check schedule.

### ***Runway Edge Lights***

Some of you may have noticed a NOTAM out for the runway edge lights. The runway edge lights on the west and south west side of the field are intermittent at best. The lighting contactor is currently on property working through these issues. Additionally, a

few new taxiway lights are giving us issues so the contractor is looking into those as well. We hope to have these up and operational again by the end of the day tomorrow. Please remember that the runway lights were not a part of the recent taxiway lighting project but the taxiway lights may be under warranty.

### ***Fuel Farm***

On August 28<sup>th</sup> we signed the first proposal for stage one of the fuel farm repairs, we anticipated exact installation timing to take longer based off of the contractor's other projects. Installation time is expected by the end of October, this is primarily due to the availability of steel pushing all of the contractors projects out further than anticipated.

### ***Challenge Air Event***

Last year we hosted "Challenge Air" a unique opportunity for children with disabilities and special needs with the chance to fly in an airplane. This year we will be doing the same. If you are interested in learning more about the event and how you can volunteer, we will be sending an email with additional information early next week.

### ***Construction at the top of Falcon Drive***

Because many of you have asked, the construction at the corner of Falcon Drive and Dividend is off airport property. Granite & Marble Warehouse purchased the property from the previous owner a few years ago and are just now breaking ground.

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

### **Hope reported:**

#### **August 2018**

#### **Revenue and Expense Highlights:**

Fayette County has requested that we return the one-time \$38,288 grant that we received from the Georgia Department of Community Affairs through the County in July. Upon further review, the County realized that the grant was for SPLOST jet-fuel tax, of which the airport is not a part of. The county and the city receive SPLOST funds from jet fuel and the airport receives nothing directly from it. So, when you review revenues this month, please note that \$38,288 is being returned to the County.

Both jet and avgas fuel sales were strong for the month. We exceeded budgeted revenues for the month by 6%. As for expenses, repairs and maintenance was over budget for the month by almost \$2300, but is still below budget for the year. Credit card processing fees continue to be high because of both an increase in sales and less use of zero cards.

With those, we were over in expenses by less than 4% and our Net Income from Operations was more than 10% over budget.

### **Capital Expenses**

There were four capital expenses in the month. \$19,413.50 was for t-hangar floor repairs. The second was \$69,090 for the remaining work on the FBO Hangar door repairs. The third was \$12,000 and was for the second half due on the GPU that we purchased. The fourth item was for just under \$1,200 for parts and repair of the bat-wing bush hog.

To date this year, our capital projects have included:

- \$105,000 in repairs and motorizing the FBO hangar doors
- \$29,000 in T-hangar floor repairs and coating (T1-10)
- Replacing the Ground Power Unit for \$24,000
- Replacing a bush hog mower attachment for \$2400 for airfield maintenance
- \$52,000 in fuel farm improvements

Spending on just these capital improvements has accounted for \$212,400. Therefore, well over half of our net income to date has been put directly back into the airport.

## **V. OLD AGENDA ITEMS**

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

Hope began by mentioning she had spoken with the company regarding termination of the Annex Hangar lease and the company agreed to give the hangar back to the airport with the understanding that they would still need to pay what was owed on that hangar. The hangar would revert back to the airport on October 1<sup>st</sup>, 2018. Hope commented that the airport was still trying to get in touch with the Subtenants of that hangar but noted the company was being compliant.

Regarding 1130 Echo Court, Hope stated that the company was paid up on by the 10<sup>th</sup> of the month but continued to be late with payments. Allen Morrison asked how many times the company had been late over the last couple of year, to which Hope responded almost every month they were late since the inception of that lease. Hope recommended the Authority proceed with Dispossessory Action for 1130 Echo Court.

Allen Morrison made a motion to proceed with Dispossessory Action as requested, seconded by Tom Lacy.

Motion carried 4/0

## VI. NEW AGENDA ITEMS

### 18-09-01      **Tenant Remarks (Tommy Turner)**

Prior to Tommy speaking, Tom Fulton reminded those in attendance that the authority had no obligation to respond. Tommy started off by thanking the Authority for letting him speak and noted that being a member of the Authority could be a thankless job sometimes. Tommy, prior to speaking, handed out the following document and his major talking points.

*“A partner and I own a hangar located on the airport property. When built 20 years ago we were given a 20-year lease with assurances that we would have the option to renew the lease at the end. Our lease expires 9/31/18. The new lease terms and other fees will raise our rent by 44% and reduce the length of the lease to five years. My first thought upon receiving this huge increase was that the airport must really be in a financial bind. A review of the airport finances shows a cash position in excess of \$1,500,000 and 2018 receipts on track this year to produce \$400,000 in excess of expenses. Why does the Airport Authority feel compelled to drastically increase the fees we pay? I have been searching for this answer but no one has provided me with concrete reasoning. In the quest to find answers, I and others have met with most of the Airport authority members. Some Authority members see the problem with the new lease terms and others feel it is just the authority getting the best deal they feel they can. In my mind the “best deal we can “approach by a government funded monopoly that holds all the cards is an issue. I have no reason to feel that any of the Authority members are bad people. They receive no compensation for their service and are all local business people. None of them are aircraft owners or hangar owners. They show up for a meeting once a month and unless we attend a meeting we would never know who they are. To use an old saying, “they have no skin in the game “. Going forward I would like to see the Authority have at least one or two members that are aircraft owners and/or hangar owners. The hangar owners at Falcon Field Airport have been instrumental in helping to get this facility to the stature it is today. We have at times funded infrastructure costs out of our own pockets when the airport was unable. We want this to be the best airport it can be and remain financially stable. Below I will discuss point by point the problems with the new leases offered at this time.*

#### *LEASE TERM*

*We need at least a 20-year lease. These hangars are major investments for many of the owners and a five-year lease greatly devalues the hangars. When trying to sell a hangar, a new buyer would have a problem financing a hangar with only a five-year lease. A five-year lease discourages improvements and proper upkeep of the properties. At the last authority meeting two new hangar builders were given 30-year leases.*

### *LEASE RATE*

*The new lease has a ground rental rate of \$0.53 per square foot. The lease rate at the Coweta county airport is \$0.30 per square foot.*

### *ADDITIONAL FEE OF 10%*

*The new lease requires that in addition to the ground lease payment lessees shall also pay the airport 10% of all revenue taken in on the property. If I rent hangar space to other aircraft I must charge at least 75% of what the airport charges in their large hangar. This is to be paid monthly and it is my responsibility to find out each month what the airport is charging their renters. I am told the airport is charging \$375 a month for a single engine aircraft so I would need to charge \$281.25. I have a single engine Cessna 150 renting space in the back of my hangar for \$150 per month. This aircraft flies about twice a year. In order to fly the owner must move three aircraft out of the hangar to get his out and of course reverse the process to put it back in the hangar. He is responsible for any damage to the other aircraft while he is moving them. If he had his aircraft in the airports large hangar he would make a phone call to the airport and tell them he was planning to fly and they would move his aircraft out on the ramp so it would be ready when he arrived and reverse the process when he returned. I asked one of the Authority members if these two rental spaces were comparable and he said yes. I then asked him why the airport was dictating what we charged and he said because we were competing with the airport. He also admitted that the airport had no hangar space available, it is all full. I also believe there is currently a waiting list for hangar space in excess of 30 aircraft.*

### *CPI ADJUSTMENT TO RENT*

*The original lease called for the rent to be adjusted every three years based on the CPI index. The new lease calls for the CPI increase to be done annually.*

### *WHAT IS THE SOLUTION?*

- 1. Freeze the lease renewal process until we can work through the issues that are separating us.*
- 2. Assemble a workshop where the interested parties can work through the issues and recommend solutions.*

*Tommy Turner Hangar D-27”*

Tommy also commented that according to his understanding that 98% of airports have self-service fuel, whereas this airport does not. Tommy closed by thanking the Airport Authority for their service and that the tenants were here and ready to help find a solution.

Tom Fulton thanked Tommy for his time.

Allen Morrison noted that he has worked for a jet engine company for years and stated that the FAA has always responded to reason. Allen suggested that the airport take what has been presented to FAA and seek their input. He also wanted to see how the airports

ground lease and rental rates compared to other airports in the area. Allen closes his statement by saying it is something we should consider so we can move on.

### **18-09-02 Consider Capital Expense Request for T-Hangar Restroom**

Hope reminded the Authority of the astronomical bids we had received for the restroom in the past that were \$47,000 and \$48,000, the latest and lowest bid to come in was just over \$17,000 and she felt that was a reasonable quote. Hope asked the Authority for an approval on the project and a not to exceed of \$20,000. Charles Murray asked if Hope had checked his references and she responded that she had.

Allen Morrison made a motion to approve the T-hangar Restroom Capital Expense with a not to exceed of \$20,000, seconded by Tom Lacy.

Motioned carried 4/0

### **18-09-03 FY 2019 Budget Review and Consideration**

Hope reviewed the proposed fiscal year 2019 budget with the authority, the following are the main points covered.

#### **Overall Summary**

The anticipated income from operations for FY19 is \$431,000. This number represents a very slight increase over anticipated FY 2018 income from operations, and includes the City contributions of \$81,600, which is down 3% from last year.

#### **FY 2019 Highlights**

- Revenues are to increase by just under 3%.
- Hangar leases are increasing by 5.42% due to CPI adjustments and the addition of the C hangars later in the year.
- We are anticipating an increase in the volume of gallons sold for both jet and avgas, but have budgeted a lower profit on jet due to a higher cost of fuel and discounts given to based customers. The number of our based jet customers has increased and is anticipated to increase more.
- We also have budgeted for a reasonable margin on both fuels.

#### **FY 2019 Expense Highlights**

- Overall expenses are increasing by 3.6%.
- Credit Card processing fees have been increasing with less customers using Shell and Colt. There is a 4.74% increase in those budgeted fees this year.

- The budgeted fuel truck rent is up from last year. We have added a second AvGas truck to the budget to alleviate fuel wait times and help with storage.
- Our insurance policies have increased by almost 10% overall, with the exception of employee health which will decrease due to personnel changes.
- She increased legal fees by 50%, just in case.
- The bottom line of payroll will remain overall the same. Hope has restructured how some of our staff flows and brought up the minimum starting wage to \$12.00/hour from \$10.00/hour and a small increase again for hourly staff April 1.

### **FY 2019 Other Income Highlights**

- The 10-year City Agreement – There is no decrease this fiscal year and we are entering year 7.

Allen Morrison stated he felt like we were making decisions in silos and that we may want to think more on added the second AvGas truck. Allen noted that Mike Melton had presented a case in which it would take 31.5 years to recoup the initial investment on a self-serve fuel farm. He stated that adding a fuel truck and using those costs that we could reduce the return on investment to 13 years and adding staff would take it down to 8.2 years. He also said the \$51,000 fuel farm capital request would take it down even further.

Hope responded that she would have to take a look at Allen's number and stated that the \$51,000 fuel farm capital investment would have had to take place even if we had added self-serve, noting that the takes were nearly 25 years old and needed attention.

Tom Fulton stated, we can always take another look at this down the road.

Tom Lacy made a motion to approve the Fiscal Year 2019 budget as presented, seconded by Charles Murry.

Motion carried 3/1, Allen Morrison opposed.

### **VII. Executive Session**

Tom Lacy made a motion to adjourn the Regular Meeting at 7:46 pm and enter into Executive Session for Real Estate and Personnel matters, seconded by Allen Morrison.

Motion carried 4/0

### **VIII. Adjournment**

Prior to adjournment Tom Lacy made a motion to approve a 10% salary increase for the Airport Manager, seconded by Allen Morrison.

Motion carried 4/0

Tom Lacy made a motion to adjourn the Regular Meeting at 8:40pm, seconded by Charles Murray.

Motion carried 4/0

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Attest

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Tom Fulton, Chairman