

Peachtree City Airport Authority (PCAA)
Regular Minutes
Thursday, September 12th, 2019
Aviation Center, Peachtree City-Atlanta Regional Airport
7:00 p.m.

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

Not Present: N/A

I. CALL THE MEETING TO ORDER

Tom Fulton called the meeting to order at 7:00 p.m.

II. APPROVAL OF MINUTES

Allen Morrison made a motion to approve the August 8th, 2019 Meeting Minutes as presented, seconded by Charles Murray.

Motion carried 4/0 (Tom Lacy was not present at the August 8th Meeting).

III. REPORTS

Finance and Capital Budgeting – Allen Morrison

Allen Morrison noted that Hope would get into most of the budget in her reports but that there were no major surprises for the budget. He noted that Hope would get into all the detail regarding the monthly financials.

Operations Report – Mike Melton

Mike Reported:

Wind Damage

On Saturday August 24th just before 3pm, a thunderstorm rolled through and a tie down aircraft on the North Ramp broke loose from its tie down ropes and flew on its own about 100 yards into the infield (between the runway and taxiway). No one was injured and no other aircraft were damaged as a result of the loose aircraft. However, a couple of other aircraft near the hangars sustained minor damage. Jeremy, Christian and myself were able to move the aircraft safely to the hangar for the insurance company to assess the damage. The incident was reported to the FAA Regional Operations Center but no follow up from the FAA was necessary. The aircraft was totaled by the insurance company despite looking in fairly good shape.

110 Airports In 24 Hours

On Wednesday, September 11th Mr. Dan Moore attempted a world record of stopping at 110 airports in a 24-hour period. The previous record was 87 airports. Our airport was one of his many fuel stops. We heard that he landed at 91, which would still be the world record but the official word from Guinness Book of World will be a few weeks from now.

ODALS

The ODALS have been repaired. There was a bad main board and the manufacturer has replaced and repaired the part at no cost to us.

PAPI's

The 31 far left PAPI is partially malfunctioning. We just got the part in this week and it will be replaced in the next few days.

Area C Lights

Georgia Power has begun the parking lot lighting project. Wires have been pulled and the poles should be going up shortly.

Audit Prep / Lease Software

We have been working diligently updating the new lease software, which in turn has been prepping us for our annual audit that will take place in November of this year. This software is proving to be much more robust and beneficial to not only our lease filing but also our licenses, drawings, contracts and capital equipment. Tom Fulton asked how far along in the uploading process Mike was regarding the leases in the new software. Mike replied that all of the leases have been scanned and information in the system. Mike did note that insurance documents were the next step to get updated.

ATL VOR / NDB

I have been working with the FAA on potential changes to our instrument approach to Runway 31. They have been verifying information regarding the NDB and ultimately what will change the ILS approach is the decommissioning of the Atlanta VOR in the next couple of years. Minimums will not be affected by this. How you identify the initial approach fix will. More to come on this when we know what exactly will change.

Snowbirds

The Canadian Snowbirds will be basing out of our airport for the air show that will take place in Hampton on October 12th and 13th. There will not be any TFR's or NOTAM's for our airport for this time frame, as they are just basing here for the weekend.

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

Hope reported:

August 2019

Revenue and Expense Highlights:

August was a good month coming in just over budget. Revenues came in just over budget by 7.6% thanks to another good month of fuel sales. Expenses were just over budget by 2.5%.

The Toy Box tenant (1130 Echo Court) has still not paid and now owes us \$22,000 for the Toy Box and \$6,050 for the Blimp Hangar they vacated last fall. They are in the process of removing their items for the Toy Box, but no court date has been set for the dispossessory action. We do have potential tenants interested in the building once it has been vacated, but will need to do some repairs to that building, which I will go over in the Capital presentation.

Capital Expenses

The capital expenses were related to previously approved purchases.

V. OLD AGENDA ITEMS

None

VI. NEW AGENDA ITEMS

19-09-01 FY 2020 Budget Review and Consideration

Hope stated she was going to review the key points of the budget as the detailed budget had been distributed to the Authority ahead of the meeting for their initial review.

Hope stated that the anticipated income from operations for FY20 is \$513,500. This number represents a decrease over anticipated FY 2019 income from operations, and includes the City contributions of \$73,950, which is down from \$81,600 for last year. She also backed out income from the Toy Box for October, since we still do not have a court date for the Dispossessory Action.

Revenue Highlights

- Revenues are to decrease by 5.3%.
- Hangar leases are increasing by due to CPI adjustments and the addition of the C hangars later in the year.
- We backed out the jet fuel revenue for the Super Bowl, since that will not reoccur this year, which is the major reason for the decrease in revenue.
- We also have budgeted for less miscellaneous revenues, as filming has slowed down tremendously.

Hope noted that there would also be an increase in revenue after the completion of the C-Hangar's.

FY 2020 Expense Highlights

- Overall expenses are decreasing by 5%.
- There were a number of things that she moved from Repairs and Maintenance to Service Contracts, but increased R&M to accommodate aging infrastructure needs and to continue clearing vegetation.
- She moved a number of things from Office to Dues and Subscriptions. We have added the lease software and fuel farm tank monitoring system monthly costs to D&S.
- Our General Liability insurance rate is anticipated to increase by almost 40%, mainly due to market changes, but is an overall small amount going from \$10,650 to \$14,940. Hope noted that Titan Aviation also now provides insurance and that the quote came in lower so she would be looking more into that.
- Our health insurance agent has told her to expect an 18% increase based on trends. That renews in December.
- The bottom line of payroll will remain overall the same. Mostly because of turn over, payroll will remain the same. It includes an increase for the Manager of Operations October 1 and an increase again for hourly staff April 1. She will have a separate presentation for how she proposes to handle the Staff Incentive Plan going forward.
- Hope did want to note that the 10-year City Agreement – There is a decrease this fiscal year as we are entering year 8.

Hope noted that everything else was just using averages for developing budget numbers for the next fiscal year.

Tom Lacy asked what the losses were regarding insurance. Hope stated that the incident that occurred this year was when we were replacing the lighting in the T Hangar's an aircraft was damaged during the replacement of the fixtures. The adjuster came out and could not determine how the aircraft was damaged. That being the case we split the cost with the aircraft owner through the respective insurance companies' deductibles. Hope noted that the other aircraft damage occurred a couple years ago and was hangar rash in the community hangar. Tom Lacy asked Nathan Lee if he had seen increases in insurance at other airports. Nathan stated that he is seeing increases at other local governments liability rates. Nathan stated that the insurance companies are losing money and gave the example of Coweta County.

Charles Murray asked where Hope got the 5% decrease in expenses. Hope attributed a good portion of the decrease was in utilities and the addition of the LED lighting not only

on the airfield but in many of the building that Georgia Power had retrofitted with LED lights.

Tom Fulton asked if the intergovernmental agreement with the City only had three years left? Tom clarified that at the end of year ten, the funds would go away. Hope agreed that was indeed the situation with no renewal. Tom Lacy asked if we had any discussions with City Council on the possibility of renewal. Hope responded that at this point we had not.

Allen Morrison made a motion to approve the 2020 budget as presented, seconded by Tom Lacy.

Motion carried 5/0

19-09-02 FY 2020 Capital Spending Overview and Discussion

Hope explained that primary function of the presentation was to prioritize and show the capital needs of the airport in the coming year and years. Hope reminded the Authority that there was a long-term debt of around \$200,000 and wanted the Authority to keep that in back of their minds when looking at the needs.

Hope reviewed the following presentation:

Note: Items with an asterisk are actual quotes gathered

FBO Hangar

ITEM	Cost
Offices Roof Repair/Repaint	\$20,000
Floor Coating & Repair*	\$98,140
Hangar Exterior Paint*	\$24,900
Replace Door Panels	\$15,000
Bird Netting (Interior)*	\$97,588
<u>FBO Hangar TOTAL</u>	<u>\$255,628</u>

Blimp Hangar

ITEM	Cost
Insulation Repair	\$10,000
Service Door	\$2,500
Floor Coating*	\$31,125
Blimp Hangar TOTAL	\$43,625

Toy Box

ITEM	Cost
Insulation Repair	\$10,000
Service Door	\$2,500
Repaint Trim (Blue Stripe)*	\$4,995
Re-key Building	\$500
Interior Paint	\$3,000
Replace Air Conditioner Units	\$15,000
Floors (Carpet or Vinyl)*	\$12,902 or \$20,786
Toy Box TOTAL	\$48,897

Terminal Building

ITEM	Cost
Replace Carpet or Vinyl*	\$10,682 or \$14,832
Landscaping	\$5,000
Paint Interior Walls	\$3,500
Repaint Trim (Exterior)*	\$21,990
Roof Membrane Replacement	\$40,000

<u>Terminal Building TOTAL</u>	<u>\$81,118</u>
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T Hangars

ITEM	Cost
Floor Coating (T11-T24)*	\$54,101
Service All Doors	\$8,000
<u>TOTAL</u>	<u>\$62,101</u>

Asphalt Repairs

ITEM	Cost
Ramps	\$100,000
T-Hangar Road (inside Leo Giles Gate)	\$35,000
FBO & FBO Hangar Car Parking Lots*	\$108,790
<u>Asphalt Repairs TOTAL</u>	<u>\$243,790</u>

Tie Downs

ITEM	Cost
Paint Tie Down Spots*	\$4,475
<u>Tie Downs TOTAL</u>	<u>\$4,475</u>

Clearing

ITEM	Cost
Airfield	\$35,000
Fence Line	\$9,000
<u>Clearing TOTAL</u>	<u>\$44,000</u>

Easements

ITEM	Cost
Taxi-Lane (TTF Property)	\$40,000
<u>Easements TOTAL</u>	<u>\$40,000</u>

Hangar A-2 Purchase

ITEM	Cost
Hangar "A-2"	\$90,000
<u>Hangar A-2 Purchase TOTAL</u>	<u>\$90,000</u>

Tug

ITEM	Cost
New Tug	\$100,000
<u>Tug TOTAL</u>	<u>\$100,000</u>

Fuel Farm

ITEM	Cost
Paint tanks	\$2,000
<u>Fuel Farm TOTAL</u>	<u>\$2,000</u>

Flight School

ITEM	Cost
Flight School Upgrades (paid back over their 5yr lease)	\$50,000
<u>Flight School TOTAL</u>	<u>\$50,000</u>

Security Cameras

ITEM	Cost
Whole Airport Security Cameras*	\$83,210

<u>Security Camera TOTAL</u>	<u>\$83,210</u>
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Other Considerations

ITEM	Cost
Security Fencing, Crack Seal & Remark	\$350,000
Hill Property Easement	\$300,000
Toy Box Fencing	\$4,500
Self-Serve Fuel Farm	\$250,000
Aircraft Wash Rack	\$100,000
Website*	\$5,000
<u>Other Considerations TOTAL</u>	<u>\$1,009,500</u>

Totals

ITEM	Cost
FBO Hangar	\$255,628
Blimp Hangar	\$43,625
Toy Box	\$48,897
FBO (Terminal Building)	\$81,118
T-Hangars	\$62,101
Asphalt Repairs	\$243,790
Tie Downs	\$4,475
Clearing	\$44,000
Easement Acquisition	\$40,000
Hangar A2 Purchase	\$90,000
Equipment Purchase (Tug)	\$100,000

Fuel Farm Tanks (Paint)	\$2,000
Flight School Upgrades	\$50,000
Security Cameras	\$83,210
Other Considerations	\$1,009,500
<u>GRAND TOTAL</u>	<u>\$2,158,345</u>

During Hopes presentation the following questions or comments were made regarding the above presentation:

During Hope explaining the need for some sort of bird eradication in the FBO hangar Charles Murray asked how the birds were getting into the hangar. Hope explained that the hangar was often open as the line service team was pulling aircraft in and out of the hangar. Hope also explained that there was a sonic device that was over there that was not doing the job of keeping birds out.

During Hopes explanation of the security cameras, Tom Lacy asked if there was a camera coverage plan. Hope stated that she can get that to the Authority later and we do not have to approve any of this tonight, primarily just an overview. Tom Fulton asked if the quotes were quoting apples to apples and Hope responded that they were quoted coverage wise the same way. Hope also noted that they use different technologies but coverages were the same. Mike noted that the second quote that we were waiting on would also include WiFi for tenants in the T-Hangar area at really no additional cost.

Hope concluded the presentation by stating that we need to prioritize the capital needs presented and that safety and security should be the first on the list. Safety being the clearing on the field and security would be the cameras. Hope noted that she was not looking for an approval on anything tonight but just wanted the Authority to be aware of the capital needs on the field and can address these in the near future.

Tom Fulton recommended that Hope come back with a prioritized list in a future meeting and we can tackle those as prioritized. Allen commented that it would be good to see the items in a time line as well as prioritized. Hope noted that it would be good to also include a cap for the items in a given time frame, whether that be a cap for capital expenses for the year or fiscal year. Tom Fulton suggested that Hope sit down with two board members and prioritize the list and then come back to the Authority on how to address the items over the year.

Charles Murray asked Hope how she came up with a list like this. Hope stated that the list comes from her and her team as well as feedback from tenants. Hope stated that we know what is needed because we are at the airport on a daily basis and understand what needs to be tended to. Charles also asked if there was anything that the airport would be liable for if some of the items needed were not repaired or fixed. Hope stated the only exposure

would potentially be the completion of the fence, but even at that we are a General Aviation Airport and a fence is technically not required. Hope also stated that security cameras would catch potential liability issues.

Tom Lacy asked if the insurance carrier conducted an inspection and make recommendations to improve our exposure to potential claims. Hope stated that they had done an assessment and their only recommendation was to check employees' drivers licenses upon hiring. Hope also noted that all of our linemen were NATA trained but when you have 250 based aircraft that things will happen.

Charles Murray asked if there was a percentage of the list that Hope would consider a wish list or nice to have. Hope stated that maybe 10% of the list was a wish list and that most were maintenance or safety items.

No decisions were made at the conclusion of Agenda Item 19-09-02

19-09-03 Consider CPA Firm for FY 2019 Audit

Hope explained that we have used the same audit firm for the last ten year but that it was time for a fresh set of eyes to take a look at the books. Hope stated she put out a Request For Proposals for auditing services from a list she acquired from the City. There were about 15 firms on that list and all had experience with governmental agencies and or grants. We receive only one proposal back and it was from Fulton and Kozack. Tom Fulton stated for the record that he has no affiliation with the firm no had he ever heard of them before. Hope continued on to note that the CPA that was conducting our internal audit was indeed familiar with the firm and their work. Hope also checked their references and the references checked out glowingly. They do all the work that we need them to do. Hope stated that the pricing structure was different but that ultimately, we would save money this year since we did not have a required "Single Audit" that would have been an additional \$4,500 audit. Hope noted that we still have the option of staying with our current auditor if the Authority desired to do so. Allen Morrison asked what we paid the previous firm for our audit last year. Hope stated it was around \$18,500 and that Fulton and Kozack was at \$16,000. Tom Lacy asked why the previous firm did not submit an RFP and Hope stated that since we were familiar with them that we knew what to expect out of them and what they were likely to charge. Max Braun asked how often does the airport exceed \$750,000 that would trigger the "Single Audit" and ultimately an additional cost. Hope explained that it varies depending on the Fiscal Year but she noted that the last grant over that amount was for the Runway Overlay in 2012, so about every 5 years.

Tom Fulton made a motion to approve the recommended CPA firm as presented, seconded by Tom Lacy.

Motion carried 4/0, Charles Murray abstained.

19-09-03 Consider Proposed Changes to Staff Incentive Plan

Hope explained that the current plan was implemented in 2012 by the chairman at that time to give incentive to the staff to gain more fuel sales. At the time the airport was not making nearly as much money as it is now. In the beginning the entire payout was around \$14,000 that was divided among everyone but the airport manager. Over time with the growth the formula used to calculate the incentive payout did not account for that growth. Hope proposed that we raise the incentive trigger from \$75,000 to \$200,000 and she also proposed that we take that \$200,000 aside and not be a part of the incentive payout calculation. Hope stated the rest of the plan would remain the same in that payouts would be based off of a performance review, hours worked in the year and the level within the company. Hope also recommend that the payout was capped at 10% of the employees pay for the year.

Tom Lacy asked if this was the 10% that he was talking about prior to the meeting. Allen said that yes it was and that some bonuses last year exceeded 20% of the employees pay in the past.

Charles Murray asked how many employees the airport had currently. Hope replied there were 16, not including herself.

Kevin Lund asked if the incentive plan was working. Hope stated that it was working and that employees looked for the fuel numbers at the end of the month and stayed engaged in how the airport was doing.

Allen asked if all employees were satisfactory or exceeds and that there were no unsatisfactory employees. Hope stated that if there were unsatisfactory employees that they would likely not be here but no there were no unsatisfactory employees.

Tom Lacy made a motion to approve the staff incentive as presented, seconded by Allen Morrison.

Motion carried 5/0.

Prior to executive session, Tom Fulton opened up the floor for public comment again stating that the Authority did not have an obligation to respond to comments but they would be taken under advisement.

There were no public comments from the floor.

VII. Executive Session

Allen Morrison made a motion to enter into executive session at 7:53 pm to discuss personnel matters, seconded by Tom Lacy.

Motion carried 5/0

Tom Fulton stated that no action would be taken after the executive session.

Allen Morrison made a motion to adjourn executive session at 8:20pm and enter back in to the Regular Meeting, seconded by Tom Lacy.

Motion carried 5/0

VIII. Adjournment

Allen Morrison made a motion to adjourn the Regular Meeting at 8:21pm, seconded by Tom Lacy.

Motion carried 5/0

Attest

Tom Fulton, Chairman