

Peachtree City Airport Authority (PCAA)
Regular Minutes
Thursday, February 12, 2015
Aviation Center, Peachtree City-Atlanta Regional Airport
7:00 p.m.

**Members Present: Richard Whiteley – Chairman, Skip Barnette, Tom Fulton, and
Alternate – George Harrison, Airport Manager –Hope Macaluso, A.A.E., and Airport
Attorney– Doug Warner.**

Not Present – Bryan LaBrecque and Bill Flynn

I. CALL THE MEETING TO ORDER

Richard Whiteley called the meeting to order at 7:08 p.m.

II. APPROVAL OF MINUTES

Skip Barnette made a motion to approve the January 2015 Minutes, seconded by Tom Fulton.

Motion Carried, 3/0.

III. REPORTS

Airport Safety & Operations (Bryan LaBrecque-Not Present)

None to report.

Finance & Capital Budgeting – (Bill Flynn-Not Present)

None to report.

Tenant & Community Relations – (Tom Fulton)

Tom stated that he had attended the Fayette County Development Authority meeting and deferred to Hope for any comments on tenant relations.

Marketing – (Skip Barnette)

Skip reported that he had attended the Finance meeting and reported that in despite of good times, we still have challenges in the future we need to look at. Skip recommended putting together a comprehensive marketing plan to market the undeveloped land and other assets the airport had to offer potential tenants. Skip stated he would like to see a plan put together to market these areas in the future.

Operations –Manager of Operations, (Mike Melton)

Mike reported:

The maintenance department has been preparing for the biennial airport state licensing inspection. The maintenance department has been repairing erosion issues around sign bases and other various erosion issues around the air field. Additionally a tree that is on CSX Railroad property has been taken down per a request sent from FAA to protect the 20:1 approach slope. The tree removal cleared up an issue with circle to land procedures at night that had been in the approach plates.

Month to date, avgas was at 3,356 gallons sold against a budgeted 5,499 gallons and jet was at 5,353 gallons against a budgeted 13,811.

ATM- the airport had just signed a contract with an ATM vendor to install an ATM machine at no cost to the airport. The contract is similar to that of the vending machines and the airport would receive a portion of revenue generated off of each use once a minimum usage is reached.

National Rental Car- the airport is in the process of finalizing an agreement with National to have a Kiosk located in the main terminal building lobby. The contract should be a huge benefit to airport customers and make rental cars operations much smoother than in the past. The airport will continue to collect the current concessionaire fee with rentals and collect rent for the use of the space in the lobby. An additional “airport access fee” is to be collected as well.

Fencing bids are due the week following the meeting with bid opening next Wednesday. There will be more to report after the bid opening.

The t-hangar waiting list continues to grow and the airport had 30 interested parties on the wait list. Hope noted that some of those on the list were current tenants at the airport in some capacity. Skip stated the building new hangars would not diminish demand but those tenants who did occupy the potential new hangars would be quickly backfilled from the locations they left.

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

Hope Reported:

January Revenue Highlights: Although gallons of AvGas sold were almost 3000 gallons more than budgeted, the airport was still almost 10% under budget in profit. Jet A gallons sold were a little below forecast, but were 42% under budget in profit. This was

directly due to the decrease in the cost of fuel since we have a margin structure. It was discussed in the last finance meeting that the airport, consider a “floor” to the fuel price in times such as these. We had budgeted for a decrease in January in Commercial User Fees since Drop Dead Divas were no longer using a through the fence hangar. However, that revenue had not been lost due to another studio leasing the space. That helped offset the miss on fuel revenues. January’s overall revenues were under budget by 6.6%.

- The margin reported for AvGas appeared to be skewed. This margin is generated through QuickBooks. QuickBooks does not take into account the fluctuation of gallons due to changes in temperature. Falling prices compound the issue. When we received a new load of fuel, QuickBooks blends the new price with the old for an average price for the remaining fuel QB thinks we still have. Those gallons always go down in the winter and up in the summer. They should be close to evening out over the year. The auditors make a once a year adjustment to correct for this fluctuation. Having looked line by line at our sales, most of the AvGas sales were to tenants at 15% and a number were at the cash discount price which is 14.2%. The flight school bought a smaller amount this month. More sales to them this month would have only helped our average margin, since they are on a cost plus basis. Richard asked what the margin for AvGas and Jet was based off of. Hope responded that the margin was based off of a percent of margin.

January Expense Highlights: There were no unusual expenses in the month. Expenses were under budget for January.

January Net Operating Income Highlights: Net Operating Income for the month was \$10,538, which just under forecast.

Cash Position: Hope reported that our cash position was down from the previous month. A large portion of that is due to the retainage that had been being held for the runway overlay contractor that was paid out in the month with the completion and acceptance of the project. She noted that we still have not been paid by the Great Georgia Air Show. Richard asked about current grants being a factor in cash being down and Hope responded that yes the cash was down because of the retainage mentioned before.

Future Outlook: While the airport finances are doing well overall now, there are some future concerns that we need to prepare for. There are the two major concerns:

1. There is the potential loss in revenue for the Toy Box beginning July 1 of this year. We are seeking a new tenant for the hangar, but have challenges in showing the hangar due to certain project the current tenant is working on.
2. Beginning January of 2016, per our agreement with the City of Peachtree City, the intergovernmental agreement payment drops by \$850 per month for the next two years, then drops again after that. This is another reason for developing the marketing

plan that Skip was speaking of earlier in the meeting to make up for the loss in revenue.

We are trying to identify ways to overcome these challenges. We are doing this by:

1. Developing a marketing plan to market all available land and buildings. We may need some consulting assistance to help put together a comprehensive plan.
2. We met earlier this week with Emily Poole with the Fayette County Development Authority and asked for assistance in marketing these building and land.
3. We have identified a location for a new 9-unit hangar to address some of the demand for T-Hangars. We are working with our engineer on this. Richard said he would have some questions regarding the economics of the proposed hangars but sounded like something needed to be done. Hope noted that a good portion of the cost was due to the site prep in that particular area. Tom agreed that the biggest challenge would be site prep. George Harrison noted that the location of the proposed hangars was a good location for the airport but had concerns for space regarding parking/seating for the air show and just wanted it to be taken into consideration moving forward. Hope stated that it would only affect the air shows "Chalet Village." Doug asked if the proposed hangar would also have in hangar drainage. Hope responded that there was not a plan for drainage in the hangars at this time.

V. OLD AGENDA ITEMS

None

VI. NEW AGENDA ITEMS

15-02-01 Fuel Provider Request for Proposals

Hope covered the pro and cons of each bidder and had done an extensive analysis on each. Overall Eastern Aviation Fuels was the lowest bidder and provided the best offer considering they would provide free fuel trucks for 2 years and the fact that they were the only provider to have their representative on field who buys both fuel and hangar for their company aircraft. The contract with Eastern would be a 5 year contract and ultimately the deciding factor was that Eastern had the lowest fuel prices.

Skip Barnette made a motion to approve entering into a 5 year agreement with Eastern Aviation Fuels as written, seconded by Tom Fulton. Tom asked if there had been any performance issue with the Eastern, to which Hope responded there had not been any.

Motion carried 3/0

15-02-02 Consider First Right of Refusal for Hangar D-17

Hope recommended that the board not exercise the right of first refusal on the purchase of hangar D-17. Hope stated that she had run the numbers and that there would not be a tenant that we would have that would occupy the hangar. She explained that the airport would be taking tenants from our own hangar and does not make sense to purchase the hangar at this time. Richard stated that despite the fears from some, we are not in the business of owning this type of hangar. Skip commented that it does not make sense now but may under certain circumstances. Tom was in agreement with Richard and Skip. George asked what the remaining time was on the ground lease for that hangar. Hope commented that there were three years remaining on the current ground lease for D-17.

Tom Fulton made a motion to not exercise the Airport Authorities First Right of Refusal on Hangar D-17 and to approve the transfer of the lease to the new owner of D-17 upon closing. Seconded by Skip Barnette.

Motion carried 3/0

VII. Adjournment

Tom Fulton made a motion to adjourn which was seconded by Skip Barnette.

Motion Carried 3/0. Time 7:47pm (local)

Attest

Bill Flynn, Vice-Chairman