

**PEACHTREE CITY AIRPORT AUTHORITY
MINUTES OF MEETING**

January 10, 2001

The January meeting of the Peachtree City Airport Authority, was held at the Aviation Center, Peachtree City-Falcon Field Airport, on January 10, 2001 at 7:00 p.m.

Those present were Authority Chairman David M. Good; Secretary/Treasurer H.E. Buffington; Members Catherine M. Nelmes, Jerry R. Cobb, and Douglas A. Fisher; Airport Manager James H. Savage and Authority Attorney Douglas B. Warner.

I. ANNOUNCEMENTS

Chairman Good announced that Wings Over Dixie, Inc. has reaffirmed its intention to produce the airshow now set for September 7 - 9, 2001, and asked the Authority members, that assuming they had no objections, he would like to appoint Ms. Nelmes to serve as the Authority member on the Board of Directors of the organization. With the consensus of the members, she accepted the appointment.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the December 13, 2000, meeting as presented was made by Ms. Nelmes and seconded by Mr. Fisher.

The motion passed unanimously.

III. REPORTS

Mr. Savage gave the following report:

**AIRPORT MANAGER'S REPORT
January 10, 2001**

1. Progress on the FAA Airport Improvement Project (AIP 11) on the southeast end of the airport is very near completion. All work has been completed, except for a seal coating to be placed on the taxilanes to correct a rough surface texture, and getting a stand of grass to grow in the graded areas. Needless to say with the weather conditions and the holiday activities we have experienced over the last several weeks, little progress has been made since our last meeting, however the contractor has expressed a desire to complete the project as soon as weather permits. We are still holding some \$50,000 in retainage until all work has been completed and a final inspection has occurred.

2. In conversations with the FAA 's Atlanta Airport District Office last week they have indicated that we can expect a grant offer sometime this month to complete Phase III of the above mentioned project, as well as funds for constructing the taxilane to serve the area recently leased by Mr. Stan Smith. Total cost of Phase III and the taxilane near the airport beacon is estimated to be \$400,000.
3. The slab to Mr. Leo Gile's T-hangar has been poured and construction of the concrete apron for the hangar is underway. Once the concrete has cured, erection of the hangar is expected soon thereafter.

Because of erosion cause during construction, there is a need to place additional tone on the driveway adjacent to the hangar. We have blocked road access to the apron area for Lots D20 to D23 due to the amount of mud being tracked onto the surface by vehicular traffic. We have been assured that once construction is complete, the contractor will pressure-wash the apron and return the area to its original condition.

4. Andrew Bolton's computer crashed recently during a power surge. Apparently, the UPS serving his computer and CRT was insufficient to handle the load and caused a spike that damaged the hardware. His unit was one of our oldest and was just barely capable of handling Windows 2000. With Mr. Good's advice, we were able to buy a "reconditioned" Dell Pentium III 733 Mhz, 128 Meg RAM, 7.5 Gig unit from Dell for \$650. We also purchased a 500 watt UPS to prevent future power surge problems. The "new" unit is incredibly fast and carries a full three year warranty.
5. And finally, I would like to invite the Authority and the general public to the Fifth Annual Chili Cook-off between the Georgia Chapter of the Short Wing Piper Club and the Peachtree City Airport Authority. Historically, this event has been held on the second Saturday in January since 1997, which is this coming Saturday, as a fund-raiser for the SWPC.

Chili will be cooking by 9 a.m., January 13, and will be available for purchase from 10:00 a.m. until 2:00 p.m. As usual, we will talk about who's receipt is best, but most likely we will not actually get around to judging it while the chili lasts. Members are invited to compete with my award winning chili if they dare.

IV. FINANCIAL REVIEW

Mr. Savage presented the financial report for the month of December, offering a brief explanation of actual expense versus the monthly budgeted amounts. Lower Jet A fuel sales contributed to a gross profit of \$4,184 less than expected, while actual expenses were \$49 over.

Net cash flow for the month was calculated to be a negative \$13,724 versus the budgeted amount of a positive \$4,457. Aside from the lower fuel sales, a one time payment of \$11,900 for the installation of the new sewer line serving the "D" hangars, and the receipt of \$1,990 less than expected from the hotel/motel tax contributed to the negative bottom line.

Mr. Savage pointed out however, that expenses have stabilized and that the airport's operation had shown a positive net ordinary income for the third month in a row.

Chairman Good reviewed the balance sheet for the month, noting that the Reserve Fund balance had not changed except for a modest increase attributed to interest, and that while the General Fund had decreased by some \$26,024, the accounts receivable and products inventory had remained approximately constant and the accounts payable had been reduced by \$11,633.

Chairman Good stated that he was generally satisfied with the condition of the operation, but that it did show that there is a tremendous need to attract more based customers using kerosene to provide a more stabilized income from Jet A fuel sales.

V. OLD AGENDA ITEMS

None.

VI. NEW AGENDA ITEMS

01-01-01 Election of Officers.

Chairman Good opened the floor for nominations for the election of a new Chairman of the Authority to serve for 2001. Ms. Nelmes nominated Mr. David M. Good, which was seconded by Mr. Buffington. Mr. Cobb nominated Ms. Catherine M. Nelmes, but there was no second and Ms. Nelmes withdrew her name from consideration.

Chairman Good hearing no other nominations, called for nominations to cease and for a vote. Chairman Good was re-elected by a vote of four in favor and one abstention. Chairman Good abstained.

Chairman Good called for nominations for Secretary/Treasurer. Ms. Nelmes nominated Mr. Buffington to serve for the year 2001, which was seconded by Mr. Cobb. Hearing no other nominations, Chairman Good called for a vote.

Mr. Buffington was elected by a vote of four in favor and one abstention. Mr. Buffington abstained.

01-01-02 Consider lease rates for Hangar Area "B".

Chairman Good reviewed a December 29, 2000, memorandum and a January 5, 2001, memorandum prepared by Mr. Savage regarding this agenda item. Both are attached and made a part of these minutes. He discussed at length his opinions regarding the two options for setting rates that are included in these memos, stating that he now favored the concept outlined in the January 5, memo that sets the lease rate at \$.836 per square foot, per year, but drops to \$.00 per square foot if the operator buys a minimum of 2,000 gallons per month. Fuel discounts would be based on the rates currently published in the Authority's Fuel Discount Policy, as adjusted for variations in future wholesale rates to the Authority.

Considerable discussion followed by the members and the public assembled, with Ms. Nelmes offering her opinion that she preferred the approach taken in the December 29, memo. She raised the question of how the guarantee of a minimum purchase of 2,000 gallons per month, in lieu of a ground rent, would be handled if the Authority were to give up the FBO at some future time? She also questioned how the Authority would address the commitments made to the individuals who have placed deposits on three of the lots in question.

Chairman Good answered that any lease agreement with any future FBO operator would have to include language honoring the agreements and since the Authority's expenses would be reduced by giving up the FBO, a rate structure satisfying all parties should be possible. As to the deposits previously received on the lots, after conversations with Mr. Gunn during the meeting, it was agreed that his deposit would be refunded and he would withdraw his request. Mr. Gunn did request however, that should the lots not lease at the rates discussed, he would like a right of first refusal for any future lease rate plans. It was not discussed how the other two deposits would be handled.

Mr. Buffington expressed his support for the January 5, plan saying that he believed it would give the Authority the most "bang for the buck".

Mr. Cobb raised the question about how the margins built into the January 5, plan would be passed on the Authority by any future FBO operator, and how they would still make money. Chairman Good restated that a specific plan would have to be negotiated at the time the FBO changed hands.

Mr. Cobb asked if anyone knew of any corporate jet operator currently interested in one of the lots? There were no know interested parties at that time.

Mr. Fisher asked if this rent reduction was restricted hangar area "B", and for a defined period if it did not attract tenants? He also wanted to know if a plan for piston operators had been developed? Chairman Good replied that as he envisioned the plan, this area would be designated for turbine operators only, with no plan other than our existing fuel discount plan for AvGas users.

Mr. Fisher stated that since by actual layout, this area was better suited for corporate operators, had any area been planned for commercial operators that would include larger apron areas? Ms. Nelmes commented that the Master Plan, that is currently undergoing review, showed several areas that could be developed with larger apron areas for commercial use. Mr. Savage stated that if no hangar were built on lot B1, then the area could be added to lot B2 and a "drive-through" hangar could be built on B2 that might serve some commercial needs.

Considerable discussions followed from the floor with Chairman Good commenting that an aggressive marketing campaign, using "slick" type brochures outlining "free land and discounted fuel prices for your corporate jet if you base at FFC" was intended as a way to attract jet operators or to determine if land prices actually affected where a corporation might base its aircraft. If, after a reasonable time, the plan was not working, then the Authority could consider different strategies to attract such operators. Sort of a "nothing ventured, nothing gained" approach.

Hearing no further comments, Chairman Good moved to adopt a marketing plan based on the January 5, 2001, memo, with the Authority Chairman and Airport Manager preparing an outline of the plan for consideration by the Authority at its next meeting.

The motion was seconded by Mr. Cobb and it passed unanimously.

01-01-03 Review Airport Master Plan up-dates and hear public comments regarding proposal.

Ms. Nelmes reviewed the changes to table 6-2 that lists the Capital Improvement Programs envisioned for the airport over the next 20 year period.

Discussions centered around Stage I (the first five year period) and it was agreed that the outline reflected the changes discussed at the last meeting, however the items should be numbered to reflect the priority of completion desired.

Ms. Nelmes asked for comments from the public, which were minimal. She thanked the public in attendance and the Authority members for their input at previous meetings.

Chairman Good reminded everyone that the Authority will consider a formal adoption of the plan at its February meeting, and asked that it be placed on the agenda.

No formal action was taken.

VII. EXECUTIVE SESSION

At 8:14 p.m., Chairman Good called for a recess of the public meeting to meet in Executive Session to discuss personnel matters.

During the Executive Session, Mr. Savage discussed recent personnel losses and the likelihood that additional personnel will be leaving soon. He outlined the need to maintain quality personnel to meet the competitive demand for quality service, and discussed specific pay rates for certain employees necessary to achieve that goal.

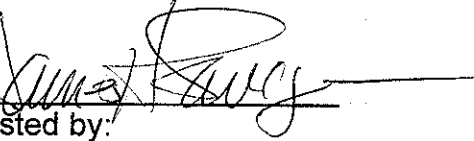
After considerable discussions, the Authority agreed by consensus that given the current financial condition of the Authority, additional personnel, with a resultant increase in the payroll budget, would be inappropriate at this time. If however, Mr. Savage wished to further reduce the number of employees and use the payroll savings as a way to retain good help without raising the budget, he was free to do so.

As a result of the discussions, no formal actions were needed, or taken.

Chairman Good indicated that he knew of no additional items for Executive Session or public session, and at 8:48 p.m., moved to adjourn.

Mr. Cobb seconded the motion and it passed unanimously.


Attested by:



David M. Good, Chairman



MEMORANDUM

DATE: December 29, 2000
TO: PCAA 
FROM: Jim Savage, Airport Manager
SUBJECT: Agenda Item 01-01-02

Chairman Good has requested that I provide you with an outline of an idea he developed following the last Authority meeting. He has discussed this idea with one or more tenants who have indicated that they would consider it, and offers it as an alternative to the ideas outlined in my memo of December 27, 2000.

His option would retain the commercial access fee structure that has been adopted by the Authority. That fee is based on a \$.10/SF minimum, 2% of applicable gross sales, to a maximum of \$.50/SF.

The ground lease rate would be based on a sliding scale that starts at the current \$.336/SF rate used in Hangar Area "A", increasing incrementally to \$.45/SF at year five, and to \$.55/SF at year ten. No CPI would be applied during the first ten years, but would apply at year eleven and beyond. Annual lease rates, commercial fees and yield to the Authority are calculated below:

Year	Lease Rate + Commercial Fees	PCAA Yield
1	$\$.3360 + .10 - .28 = \$.1560$	$\$18,837$ per year, + 2% over \$.10
2	$\$.3645 + .10 - .28 = \$.1845$	$\$22,278$ per year, + 2% over \$.10
3	$\$.3930 + .10 - .28 = \$.2130$	$\$25,720$ per year, + 2% over \$.10
4	$\$.4215 + .10 - .28 = \$.2415$	$\$29,161$ per year, + 2% over \$.10
5	$\$.4500 + .10 - .28 = \$.2700$	$\$32,603$ per year, + 2% over \$.10
6	$\$.4700 + .10 - .28 = \$.2900$	$\$35,018$ per year, + 2% over \$.10
7	$\$.4900 + .10 - .28 = \$.3100$	$\$37,433$ per year, + 2% over \$.10
8	$\$.5100 + .10 - .00 = \$.6100$	$\$73,658$ per year, + 2% over \$.10
9	$\$.5300 + .10 - .00 = \$.6300$	$\$76,073$ per year, + 2% over \$.10
10	$\$.5500 + .10 - .00 = \$.6500$	$\$78,488$ per year, + 2% over \$.10

Year 11 and beyond, \$.5500/SF + CPI + commercial fees.

As with the other memo, these calculations assume that all six lots are developed and leased. These numbers would be adjusted downward if only B4 through B6 are developed initially.

MEMORANDUM

DATE: January 5, 2001
TO: PCAA *JHS*
FROM: Jim Savage, Airport Manager
SUBJECT: Agenda Item 01-01-02

Chairman Good has requested that I provide you with information that he, Mr. Buffington and I discussed on this date regarding a method to attract jet operators to the airport.

It involves re-designating hangar Area "B" (the six lots currently under development) for corporate jet use, by reducing the price of the land lease rates to essentially \$.00/SF if the operator agrees to buy a minimum of 2,000 gallons of Jet A fuel per month.

The attached spreadsheet shows the "net gain" to the Authority for various fuel quantities for lot B1 (the smallest lot) and for ALL 6 units, assuming that they buy equal amounts of fuel.

Chairman Good will explain the concept in detail at the meeting.

Ground Lease Pricing with Jet A Fuel Purchase Reductions

Discussions - January 10, 2001

Lot #	Sq Feet	Price/SF Per Year	Rent Redux Per SF/Year	Monthly Rent	Gals Jet A Per Month	Price Per Gal	Net Margin on Fuel	Net Gain to PCAA
B1	14,025	\$ 0.836	\$ -	\$ 977.08				\$ -
	14,025	\$ -	\$ 0.836	\$ -	2,000	\$ 2.28	\$ 1,500.00	\$ 522.93
					2,500	\$ 2.17	\$ 1,625.00	\$ 647.93
					3,000	\$ 2.17	\$ 1,950.00	\$ 972.93
					3,500	\$ 2.17	\$ 2,275.00	\$ 1,297.93
					4,000	\$ 2.17	\$ 2,600.00	\$ 1,622.93
					4,500	\$ 2.17	\$ 2,925.00	\$ 1,947.93
					5,000	\$ 2.07	\$ 2,750.00	\$ 1,772.93
					5,500	\$ 2.07	\$ 3,025.00	\$ 2,047.93
					6,000	\$ 2.07	\$ 3,300.00	\$ 2,322.93
					6,500	\$ 2.07	\$ 3,575.00	\$ 2,597.93
					7,000	\$ 2.07	\$ 3,850.00	\$ 2,872.93
					7,500	\$ 1.96	\$ 3,375.00	\$ 2,397.93
					8,000	\$ 1.96	\$ 3,600.00	\$ 2,622.93
					8,500	\$ 1.96	\$ 3,825.00	\$ 2,847.93
ALL	120,750	\$ 0.836	\$ -	\$ 8,412.25				
	120,750	\$ -	\$ 0.836	\$ -	12,000	\$ 2.28	\$ 9,000.00	\$ 587.75
					15,000	\$ 2.17	\$ 9,750.00	\$ 1,337.75
					18,000	\$ 2.17	\$11,700.00	\$ 3,287.75
					21,000	\$ 2.17	\$13,650.00	\$ 5,237.75
					24,000	\$ 2.17	\$15,600.00	\$ 7,187.75
					27,000	\$ 2.17	\$17,550.00	\$ 9,137.75
					30,000	\$ 2.07	\$16,500.00	\$ 8,087.75
					33,000	\$ 2.07	\$18,150.00	\$ 9,737.75
					36,000	\$ 2.07	\$19,800.00	\$ 11,387.75
					39,000	\$ 2.07	\$21,450.00	\$ 13,037.75
					42,000	\$ 2.07	\$23,100.00	\$ 14,687.75
					45,000	\$ 1.96	\$20,250.00	\$ 11,837.75
					48,000	\$ 1.96	\$21,600.00	\$ 13,187.75
					51,000	\$ 1.96	\$22,950.00	\$ 22,950.00

PEACHTREE CITY AIRPORT AUTHORITY

EXECUTIVE SESSION AFFIDAVIT

The undersigned hereby states under oath, in the presence of a notary public, as subscribed below, that the undersigned presided over a meeting of the Peachtree City Airport Authority, in the capacity set forth below, on the meeting date set forth below.

A portion of this meeting was held in executive session and closed to the public, pursuant to motion duly made, seconded and passed by the Authority. The closed portion of such meeting, held in executive session, was devoted to matters within the exceptions provided by law, specifically as initialed below:

- Discussing matters protected by the attorney-client privilege. O.C.G.A. §50-14-2(1).
- Discussing the future acquisition of real estate. O.C.G.A. §50-14-3(4).
- Discussing or deliberating the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee. O.C.G.A. §50-14-3(6).

The closed portion of the meeting was held in compliance with the law, based upon the advice of legal counsel for the Authority, and based upon observation of all members present.

In witness whereof, the undersigned has signed this affidavit on the date indicated below.

Sworn to and subscribed before me this date:

1/10/01

Notary Public

**NOTARY PUBLIC, FAYETTE COUNTY, GEORGIA
MY COMMISSION EXPIRES MARCH 8, 2004**

Signature

Capacity

Date of meeting:

1/10/01

CONCURRENCE OF AUTHORITY MEMBERS

The undersigned confirm that the statements contained in the above affidavit are true and correct.

[Signature]
[Signature]
[Signature]

OPINION OF LEGAL COUNSEL

The closed portion of the meeting of the Peachtree City Airport Authority referenced in the above affidavit was appropriate under Georgia law and was held pursuant to my advice and counsel.

[Signature]
Legal Counsel

PEACHTREE CITY AIRPORT AUTHORITY

RECORD OF ATTENDANCE AS OF:

January 31, 2001

Members	Regular Meetings Last 12 Months	Meetings Attended	Regular Attendance %	Special Called Meetings Last 12 Months	Special Called Meetings Attended	Total Attendance %
David M. Good	12	11	92%	2	2	93%
Douglas A. Fisher *	1	1	100%	0	0	100%
Jerry R. Cobb **	4	4	100%	1	1	100%
Catherine M. Nelmes	12	12	100%	2	2	100%
H.E. Buffington	12	11	92%	2	2	93%

* New member as of 1/1/01

** New member as of 9/1/00

Members	Dates Absent	Type
David M. Good	8/9/2000	Regular
Douglas A. Fisher		
Jerry R. Cobb		
Catherine M. Nelmes		
H.E. Buffington	11/8/2000	Regular

Meeting Dates	Type
1/10/2001	Regular
2/9/2000	Regular
3/8/2000	Regular
3/22/2000	Special
4/12/2000	Regular
5/17/2000	Regular
6/28/2000	Regular
7/12/2000	Regular
8/9/2000	Regular
9/13/2000	Regular
9/21/2000	Special
10/11/2000	Regular
11/8/2000	Regular
12/13/2000	Regular