

PEACHTREE CITY AIRPORT AUTHORITY MINUTES OF MEETING

April 10, 2002

The April meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on April 10, 2002, at 7:00 p.m.

Those present were Chairman Catherine M. Nelmes; Secretary/Treasurer H.E. Buffington; Member Jerry R. Cobb; Airport Manager James H. Savage; Assistant Manager Andrew Bolton; and Authority Attorney Douglas B. Warner.

Members Douglas A. Fisher and Mark H. Harris were absent.

I. ANNOUNCEMENTS

Mr. Cobb gave a brief review of progress on the airshow, announcing that the show has been re-titled the "Great Georgia Airshow" out of concern by some sponsors that the term "Dixie" might be offensive to some people. The show is planned for September 14 -15, 2002.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the regular scheduled meeting of March 13, 2002, as presented, was made by Mr. Cobb and seconded by Mr. Buffington.

The motion passed unanimously.

III. REPORTS

Mr. Savage gave the following report:

Airport Manager's Report April 10, 2002

1. The Airport Improvement Program Project AIP 12 is essentially complete. Two items remain which include the seal coating of a portion of the taxiway leading to hangars D-28 through D-31, and the placing of centerline stripes on the taxiways and taxilanes built during the project.

As we have mentioned previously, the contract completion date for this project was March 6, 2002. We have declared April 4, 2002, as the actual date work was substantially completed. We had asked the contractor to delay the hydro-seeding and taxiway striping until all other construction was complete. "Hydro-seeding" of the disturbed soil areas began Monday of this week and was completed yesterday. Taxiway striping will not be accomplished until paving sub-contractor APAC, Inc. has seal coated the above mentioned taxiway, which is scheduled for later this month.

There were some concerns about the quality of paving in certain areas, however during discussions with the General Contractor and APAC, Inc. we agreed to re-test the pavement in the questionable areas due to a mistake in testing made by Wilbur Smith and Associates' testing sub-contractor. Subsequent tests showed that all pavement meets FAA's minimum standards, however because of inconsistencies in compaction, when the FAA's payment formulas are applied to the questionable areas, the contractor will not receive 100% payment.

We are awaiting a letter from Cline Service Corp. outlining his reasons for delaying the completion of the project beyond the original five month contract period and why we should not levy the liquidated damages described in the contract. We calculate that he was 29 days over contract limits, which at \$750.00 per day computes to total damages of \$21,750.00.

When we receive his letter, we will review his reasons for the delay, however in two meetings with the contractor last week, he did not present any extenuating circumstances that we believe would warrant a time extension. Cline will be submitting at least two more pay requests. One will be for the paving portion of the contract which will total nearly \$100,000, leaving a balance of approximately \$75,000 due Cline. We will not make the last payment until all work is completed and we have resolved the liquidated damages issue.

2. There is a portion of the AIP 12 work that we did not award to Cline Service Corp. At the request of the Peachtree City Water and Sewerage Authority (WASA), we will be raising the top of the sewer lift station that serves the airport and business park. This work will also include back filling around the raised structure, changing internal plumbing and electrical services and providing WASA with driveway access to the station for maintenance and service of equipment.

Originally, we expected to use one of WASA's sub-contractors for this work, but WASA suggested that we seek another source, due to the high bid price provided by that sub-contractor to accomplish the work.

When we sought bidders for the terminal drainage improvements associated with the Jet Limo property, Brent Scarbrough and Company, Inc., of Fayetteville, was the only responsive bidder at \$21,716.00. This bid price put the total price of that project, including engineering costs, at some \$5,000 over budget.

We met with Mr. Scarbrough to discuss the terminal drainage proposal and asked him if he was interested in providing a bid on raising the lift station top and its associated work. It was our hope that by doing both projects he could realize some economies of scale in areas such as mobilization of equipment and manpower utilization, that might allow for a favorable adjustment in bid prices.

Mr. Scarbrough gave us a bid price for the lift station work (that includes additional work not addressed by the other sub-contractor) of \$23,810.00, which is \$1,610 higher than the other proposal, however, he agreed to lower the terminal drainage improvement bid price by \$5,000 to a lump sum price of \$16,716.00. This will provide a net savings to the Authority of some \$3,390.

It is my recommendation that we award both projects to Brent Scarbrough and Company, Inc. The AIP eligible portion will be \$23,810 and be funded under the current project. The Non-AIP project will be completed for \$16,716, which has already been authorized by the Authority.

3. In recent conversations with the FAA personnel that operate the temporary control tower during our airshow, they requested that we run telephone cabling to the Communications Tent that will allow a "hard-wired" telephone to be installed for the event.

It has been our experience that during certain airshow events, the handset volume available to most cell phones is inadequate to overcome ambient noise and critical air traffic control coordination has been difficult, if not impossible, during these periods.

Some months back, Mr. Jim Toombs approached me with an offer to open the trench (at his expense) for a phone cable to serve the "D" hangars in Hangar Area "A", if we could get the cable under existing taxiways. Bell South will furnish the cable and place it for us if we open and close the trenches.

We recently placed duct work under the T-hangar taxiway and Taxiway "D" so that this cable could be run to serve both Hangar Area "A" and the Communications Tent at a modest cost of \$750. Unless the Authority wishes to absorb this expense, I intend to pass the cost onto the airshow committee as an air safety item required by the FAA.

Mr. Toombs wants to start as soon as weather permits. I will ask our Maintenance Technician Jim Freie to assist Mr. Toombs with this task.

4. In conversations with Mr. Todd Barnes of AG Edwards, who will be marketing the General Obligation Bonds for the restructuring of the Authority's debt, it is their intent to sell the bonds late in the month of April, with a tentative closing of the debt restructuring scheduled for May 9th.

It is estimated that the bond rate will be approximately 4.4% and will mature over a thirteen year period. Initially, the City considered re-financing other City sponsored bonds, however current bond rates make that idea less attractive.

Mr. Barnes indicated that because the bond is backed by the City's ability to provide tax revenues to insure payment of the bonds, the Authority's assets should not be encumbered by the sale.

Once payment of our current debt service has be transferred to the City through the bond sale, the Authority's share of the Hotel/Motel Tax will drop to the Operation Supplement of \$120,000 per year.

5. And finally, weather permitting this coming Saturday and Sunday, some six or more AT-6's will gather at Falcon Field to practice formation flying and to certify a number of pilots in that activity. Before the FAA will allow pilots to perform in airshows in formation flying, they must posses a certificate issued by a number of organizations showing that they have been trained and judged competent in that endeavor.

It is also possible that the EAA's B-17, the "Aluminum Overcast" may stop here this month to do some pilot training as well. Looks like a good month for AvGas sales.

V. OLD AGENDA ITEMS

- 02-03-02 Consider adopting Authority position regarding a proposed new housing sub-division planned for the west side of State Highway 74, at Rockaway Road.**

Chairman Nelmes asked Mr. Savage to review the charts and documents he had prepared for the meeting and to give a brief history of the events surrounding the item for consideration.

Mr. Tom Stevens was present at the meeting representing the land owners who wish to develop the property for residential use.

Chairman Nelmes opened the floor for discussion, asking the members to provide their opinions regarding the development of a housing sub-division approximately two miles from the airport that would be located just 1,500 feet off the extended centerline of the airport's runway.

Considerable discussion followed with the members expressing several issues of concern with the proposal, which were echoed by members of the public in attendance and Authority staff.

Mr. Warner expressed his opinion that anyone purchasing property in the proposed sub-division would in essence be "moving to the nuisance" on issues of aircraft noise, flight patterns or other conditions that might affect their property rights, therefore they would have no legal recourse on issues that were in existence when they acquired their property. The problem comes at a later date, he stated, when those conditions change as the airport grows.

Mr. Warner suggested that the Authority request some type of "avigation" rights over the property as a condition of rezoning, to reduce future legal entanglements as the airport grows.

Mr. Stevens indicated that the effort to develop their property as a residential sub-division, on land that is currently zoned General Industrial, had been at the request of the City. When asked, he stated that he did not see residential development as the highest and best use of the land, but that his family was trying to work with the community to develop land that had been in the family for over 150 years.

Mr. Cobb suggested that the Chairman write a letter to the Mayor and City Council delineating the issues of concern that had been expressed during the meeting, making special note that the issues of expected airport and air traffic growth be addressed legally to protect the airport's future.

Mr. Cobb also stated that he believed that the issues of land use and rezoning were for the Planning Commission and the City Council to decide, but he felt it was the Authority's responsibility to bring the compatibility issues to their attention.

By consensus, the members agreed with Mr. Cobb's recommendation and the letter will be attached and made a part of these minutes.

There were no other actions taken on this agenda item.

VI. NEW AGENDA ITEMS

Chairman Nelmes asked that if there were no objections, she would like to consider item number two first. Hearing none, she invited Mr. Clark to make his presentation.

02-04-02 Hear presentation from Mr. Chris Clark, President of the Fayette County Development Authority, on assistance for airport marketing.

Mr. Clark gave 15 minute overview of the role of the Fayette County Development Authority (FCDC) in working with businesses and local governmental entities in promoting Fayette County and assisting with the retention, growth and development of existing industries as well as helping recruit new industries to the community.

He mentioned several new ideas for "cluster" developments where competing industries might actually locate near one another to help attract suppliers, related industries and transportation companies, to assist in streamlining logistics and distribution of product.

He pledged that the FCDC stands ready to help the Authority develop marketing plans for educating the community on the role that the airport plays in attracting industries to the area, and for attracting new aviation interests to the airport.

A motion was made by Mr. Cobb and seconded by Mr. Buffington to enter into an agreement with the Fayette County Development Authority to create a joint marketing effort to develop and promote the aviation industry, and specifically the role that Peachtree City-Falcon Field Airport plays in that industry, and how the airport might be better used to attract new businesses and industries to the community.

The motion passed unanimously.

02-04-01 Consider Intergovernmental Agreement with the City of Peachtree City, to assist City with their anticipated revenue shortfall.

Chairman Nelmes gave a brief review of the document and asked the members if they had any comments.

After some general discussion, Chairman Nelmes suggested that Paragraph 3 of the draft document be amended to establish September 30, 2003, as the deadline for repayment of all funds that the Authority might provide to the City. She also suggested that Paragraph 4, which addressed how long the City must keep the Hotel Tax at 6%, be eliminated.

It was her opinion that Paragraph 4 seemed to dictate to the City how it should collect revenues, and since the agreement spells out that the funds will be repaid by the end of FY 2003, she felt how the City collected the revenue necessary to repay the funds should be left up to the City Council.

After additional discussion, Mr. Cobb moved to approve the document as amended, with the provision the should the City wish to reinstate Paragraph 4 of the Draft Agreement, the Authority would have no objection.

The motion was seconded by Mr. Buffington, and passed unanimously.

The motion is attached and made a part of these minutes.

VII. EXECUTIVE SESSION

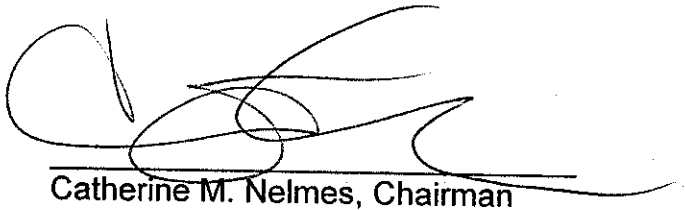
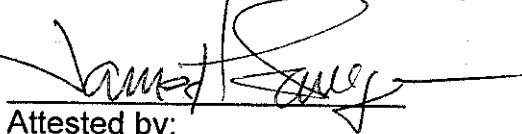
None.

Chairman Nelmes, knowing of no additional items for consideration, called for a motion to adjourn.

At 8:33 p.m., Mr. Cobb moved to adjourn, which was seconded by Mr. Buffington.

The motion passed unanimously.

Attested by:



Catherine M. Nelmes, Chairman

INTERGOVERNMENTAL AGREEMENT

This Agreement, entered into on April ____, 2002, by and between the City of Peachtree City ("City") and Peachtree City Airport Authority ("Airport Authority") as follows:

WHEREAS, the City charges a tax on certain receipts received by the hotels and motels located within its boundaries ("hotel/motel tax"); and,

WHEREAS, prior to February 1, 2002, the rate of the hotel/motel tax was five (5%) percent; and,

WHEREAS, because of a significant slump in the hospitality industry, the City increased the hotel/motel tax to six (6%) percent effective February 1, 2002; and,

WHEREAS, even with the increased rate of the hotel/motel tax, the City is anticipating a shortfall between the income received from the hotel/motel tax from that budgeted to be received; and,

WHEREAS, the City provides the Airport Authority with a certain guaranteed funding stemming from the hotel/motel tax; and,

WHEREAS, the City has requested that the Airport Authority cooperate with it and decrease expenditures for the remaining period of fiscal year 2002; and,

WHEREAS, the Airport Authority has agreed to cooperate and comply with the City's request.

NOW, THEREFORE, for and in consideration of One (\$1.00) dollar in hand paid, the receipt of which is hereby acknowledged, the Airport Authority and City have agreed as follows:

1. Effective retroactively to February 1, 2002, the Airport Authority shall set aside a sum of money equal to \$3,500.00 per month through September 30, 2002. These monies may be kept by the Airport Authority in any of its accounts, but shall be maintained separately on its books.
2. The City shall prepare monthly reports showing the actual receipts received from the hotel/motel tax in fiscal year 2002 and shall compare such with the budget adopted by its Mayor and Council for the hotel/motel tax for fiscal year 2002. These reports shall be provided by the City to the Airport Authority.

3. Following the conclusion of fiscal year 2002, the Airport Authority shall provide to the City twenty (20%) percent of the shortfall up to, but not exceeding, the \$28,000 set aside by the Airport Authority pursuant to the requirements as set forth in Paragraph 1 of this Agreement. For this consideration, the City agrees to repay all such sums to the Airport Authority by no later than September 30, 2003.
4. During the term of this Agreement and after taking all fiscally responsible steps to reduce its budget, should the Airport Authority experience a revenue shortfall or an unanticipated expense increase to the extent that it is unable to meet its financial obligations, the Airport Authority shall have the right to suspend its obligations to set aside the sums set forth above until it is able to do so without undue financial hardship.

IN WITNESS WHEREOF, the parties have affixed their hands the date first set forth above.

PEACHTREE CITY AIRPORT AUTHORITY

CITY OF PEACHTREE CITY

By: _____
Catherine M. Nelmes, Chairman

By: _____
Stephen D. Brown, Mayor

Witness

Witness

PEACHTREE CITY AIRPORT AUTHORITY

RECORD OF ATTENDANCE AS OF:

April 30, 2002

Members	Regular Meetings Last 12 Months	Meetings Attended	Regular Attendance %	Special Called Meetings Last 12 Months	Special Called Meetings Attended	Total Attendance %
H.E. Buffington	12	12	100%	1	0	92%
Jerry R. Cobb	12	11	92%	1	1	92%
Douglas A. Fisher	12	9	75%	1	1	77%
Mark H. Harris*	11	10	91%	1	1	92%
Catherine M. Nelmes	12	12	100%	1	1	100%

* New Member as of 5/18/01

Members	Dates Absent	Type
H.E. Buffington	1/22/02	Special
Jerry R. Cobb	12/12/01	Regular
Douglas A. Fisher	1/09/02 3/13/02 4/10/02	Regular Regular Regular
Mark H. Harris	4/10/02	Regular
Catherine M. Nelmes		

Meeting Dates	Type
1/09/02	Regular
1/22/02	Special
1/23/02	Workshop
2/13/02	Regular
3/13/02	Regular
4/10/02	Regular
5/09/01	Regular
6/13/01	Regular
7/11/01	Regular
8/08/01	Regular
9/12/01	Regular
10/10/01	Regular
11/14/01	Regular
12/12/01	Regular