

**PEACHTREE CITY AIRPORT AUTHORITY
MINUTES OF MEETING**

April 11, 2001

The April meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on April 11, 2001 at 7:00 p.m.

Those present were Chairman Catherine M. Nelmes; Secretary/Treasurer H.E. Buffington; Members: Jerry R. Cobb, and Douglas A. Fisher; Airport Manager James H. Savage and Authority Attorney Douglas B. Warner. The Authority has only four members at the moment.

I. ANNOUNCEMENTS

Chairman Nelmes gave a brief recap of the Authority's meeting with the City Council at their recent "retreat", outlining the Authority's Airport Master Plan and the City outlining it's plans for additional financial support for the Authority with an increase in the Hotel/Motel tax.

Chairman Nelmes also gave a schedule of up coming meetings of the Authority, with a called meeting on April 19, to discuss commercial fees both on and off the airport, and a workshop with the City Council on April 25, to discuss the future of the airport.

Chairman Nelmes also reminded the public that the City Council was still taking applications for the open Authority seat until April 27, and that if any residents were interested they should contact City Hall for an application.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the March 14, 2001, meeting as presented was made by Mr. Cobb and seconded by Mr. Fisher.

The motion passed unanimously.

III. REPORTS

Mr. Savage gave the following report:

Airport Manager's Report April 11, 2001

1. Work on AIP 11 has been completed. The seal coating of the taxiways was completed Monday and the centerline stripes were painted yesterday. Several areas of erosion have been repaired and re-seeded. We will be requesting a final inspection soon.

On a related matter, Ms. Nelmes and I will be meeting with the Airports District Office later this month to review our Airport Master Plan with them and to inquire further when funds for the final phase of the Hangar Area "B" taxiway project can be expected.

2. The new Atlanta TRACON, located across from Cooper Lighting on Highway 74 South, officially opened last Saturday. All radar control of aircraft operating in the Atlanta Class "B" airspace is being conducted from this location. Eventually, Macon Approach Control, Columbus Approach Control and others will be transferred to this facility. Unfortunately, the ability of aircraft operating from FFC to communicate with them has not been improved, due to the nearest transmitter used by the TRACON being located south of Fayetteville.

We have been asking them to consider relocating the Fayetteville site to the new TRACON site since they announced the facility's construction, but to date "its not in the budget."

If anyone wishes to tour the facility, contact Mr. Walter Scott at (678) 364-6000 for information.

3. I will be meeting with Mr. Doug Johnson of SouthernAir Insurance next week to review our entire insurance package. As you may remember, Mr. Johnson was our agent with NationAir Insurance, who has provided our liability insurance for a number of years, until just over a year ago. By agreement, Doug could not contact us during that time.

At the moment, we have our various insurance policies written through five different agencies, which is an administrative nightmare and which is most likely more expensive. When Doug was with NationAir, he could not provide all of the coverage we need, however as an independent, he has access to many different underwriters, in many different fields.

Our major insurance expense is our liability coverage. In today's market, there are only a few underwriters who will write aviation coverage. Most of those "markets" will only deal with one agent, representing the end user, so it is not possible to get quotes from different agents for the same underwriters.

Mr. Johnson is one of the most experienced aviation insurance agents in the Atlanta area, and it is my recommendation that we name him our agent so that he can shop our liability, hangar keepers, property, auto, employee honesty, and workers compensation insurance, much as we have hired Glendae Mitchell of Benefx as our agent and administrator for our health insurance program.

Because our liability insurance renews in June, it is my goal to have a complete package for your review at our meeting in May.

4. Finally, the Authority has a busy month planned. A called meeting has been scheduled for 1330 on April the 19th, to consider changes in commercial fees.

That is closely followed by the City Council meeting at 1900 that same day, where they will consider raising the hotel/motel tax with the intent of increasing its distribution to both the Airport Authority and the Development Authority.

On Wednesday, April 25th, at 1800, the Airport Authority and the City Council will meet here at the airport for an informal workshop to discuss the continued progress of the airport and to share views of how that can best be accomplished.

All of these meetings are of course open to the public, and you will have an opportunity to express your views as well.

IV. FINANCIAL REVIEW

Chairman Nelmes gave a brief overview of the financial report for the month of March, noting that Jet A fuel sales were less than expected, which generated a net ordinary income of \$145 versus the budgeted amount of \$10,949.

The major expense items that contributed to the reduced income included higher than normal utility costs, fuel truck maintenance, and the annual inspection of the fire suppression system in the FBO hangar.

Net cash flow for the month was calculated to be a negative \$4,194 versus the budgeted amount of a positive \$9,534. While a negative cash flow was calculated, it was not necessary to transfer funds from the reserve account.

Mr. Savage noted that for the first six months of operation during FY 2001, the Authority essentially broke even, with a calculated cash flow of \$970.

V. OLD AGENDA ITEMS

None.

VI. NEW AGENDA ITEMS

01-04-01 Consider adoption of operating budget for remainder of FY 2001.

Chairman Nelmes gave a brief description of the proposed budget, noting that it was essentially the same as the first six month period in that it shows a break even operation.

Mr. Savage gave a quick overview of the income and expense items that had been adjusted to reflect historical data and anticipated changes in those numbers, commenting that the proposed budget did not include any of the possible improvements in income that might result from an increase in hotel tax revenues, the purchase and resumed operation of the Hunting facility, or the lease of property in Hangar Area "B."

Mr. Fisher questioned if the Jet A fuel sales for May had been adjusted downward to reflect the lack of an airshow in May of this year and the resultant lack of jet sales to the Snowbirds. Mr. Savage indicated that he had averaged FY 1999 and FY 2000 May sales to derive the estimate for FY 2001 May sales, as he had done for all months.

After considerable discussion, Chairman Nelmes moved to accept the proposed budget as presented, with the exception that May's jet fuel sales be adjusted downward to equal the fuel sales made in May of 1999. The motion was seconded by Mr. Cobb.

The motion passed unanimously.

01-04-02 Consider Airport Access Agreement as it relates to property owners leasing to non-profit organizations, operating "through-the-fence."

Chairman Nelmes discussed the Authority's long-term philosophy of supporting non-profit organizations that benefit aviation in general and Peachtree City-Falcon Field Airport in particular. She expressed the opinion that the Airport Access Agreement in its current form, did not provide for the situation where a for-profit entity leases space to a non-profit entity, as it relates to the minimum access fees.

Mr. Savage offered the following draft amendment which he and Mr. Warner had prepared for the Authority's consideration.

Paragraph 7 (added sub-paragraph)

- (d) *In the event that Adjacent Owner is a non-profit entity, and is duly accepted as such by the Internal Revenue Service, and any and all other appropriate governmental entities, or in the event that Adjacent Owner leases, subleases or otherwise conveys the Adjacent Property, or portion thereof, to such a non-profit entity, the Authority, in its sole discretion, may waive any or all of the fees specified in paragraphs (a) or (b) above.*

Should a mix of commercial, non-commercial or non-profit organizations operate jointly from the Adjacent Property, to the extent that it can be determined, the Authority may adjust the fees due from each operator to approximate the percentage of hangar or apron space utilized by each entity or adjust the fees due from each entity for aircraft used in non-commercial operations, as the Authority may deem appropriate.

In the event that a non-profit Adjacent Owner or lessee leases or subleases the Adjacent Property, or any portion thereof, to a person or entity which is not a non-profit entity, then any waiver of such access fees, in the discretion of the Authority, shall be revoked, and access fees shall be due and payable according to the terms and provisions of this agreement.

Payment of all fees due the Authority under this agreement shall be the responsibility of the Adjacent Owner, who shall in turn collect such fees from the operators utilizing the Adjacent Property as necessary.

Chairman Nelmes said she supported the amendment except for sub-paragraph #2 which she felt was somewhat redundant, in that sub-paragraph #1 gave the Authority sole discretion to waive any and all fees in paragraphs (a) or (b), and she felt that it might not cover all situations.

Mr. Warner agreed that it was not necessary from a legal standpoint, however Mr. Savage explained that as the author of the paragraph, it had been his intention to explain the methodology of how fees might be determined in a mixed use environment, to avoid any possible misinterpretations in the future.

Mr. Fisher questioned if a paragraph should be added calling for the a determination of non-profit status by the IRS, and an action by the Authority regarding the waiver of applicable fees, be made prior to signing the agreement.

Mr. Warner offered the opinion that paragraph one gives the Authority the right to establish the appropriate fees unilaterally, and that he did not believe an additional paragraph would be necessary.

A motion was made by Mr. Cobb and seconded by Chairman Nelmes to add the proposed language to the Airport Access Agreement as submitted, except that sub-paragraph two shall be deleted in its entirety.

The motion passed unanimously.

01-04-03 Consider proposal from Mr. Mike Gunn to build five Executive Storage hangars on property near Taxiway "A" and the water treatment plant.

Mr. Mike Gunn gave a brief outline of his proposal to build five Executive Storage Hangars on the location shown on the attached site plan, which is made a part of these minutes.

After his presentation, Chairman Nelmes expressed concern over several items that she felt needed additional consideration, including the need to add the site plan to the Airport Layout Plan (ALP), before she could agree to such a proposal.

After considerable discussion by the Authority and the public assembled, and a review of the procedures established by the Authority for review of such a proposal, Mr. Fisher moved to:

- (1) Acknowledge receipt of Mr. Mike Gunn's proposal to build five Executive Storage Hangars on a site located near Taxiway "A" and the water treatment plant;
- (2) Grant Mr. Mike Gunn the right of first consideration should others propose similar development in this same area;
- (3) Request the Airport Manager to meet with Mr. Gunn to develop a letter of intent outlining the proposal in greater detail, which shall include as a minimum the following items:
 - (a) Requesting Authority's Consulting Engineers to review the proposal and determine its compatibility with the Airport Master Plan and the future development of the area to the immediate northeast of the proposed site;
 - (b) Assuming the proposal is compatible in (a) above, the site plan shall be included on the ALP;
 - (c) Have Consulting Engineers prepare preliminary site plan with topographical information and recommended boundary lines and finished floor elevations;
 - (d) Stating that Mr. Gunn shall be responsible for the development and construction of a gravel access road similar to, and extending from, the existing access road adjacent to Hangar D23, to the new site;
 - (e) Stating that Mr. Gunn shall be responsible for extending any fire service water lines from existing such lines, as may be required by the City Fire Marshal;
 - (f) Include a provision that would allow Mr. Gunn to withdraw his proposal should his development cost for this project become prohibitive;

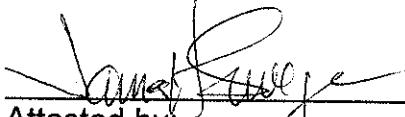
- (g) Funding for the taxiway, an added taxiway in front of the proposed sites, and the engineering costs for site development would come from federal or state grant monies.

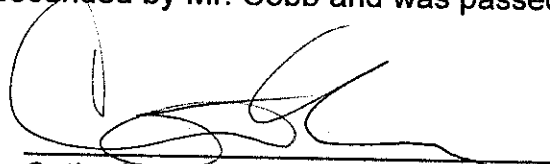
The motion was seconded by Mr. Cobb and was passed unanimously.

VII. EXECUTIVE SESSION

At 8:35 p.m., Chairman Nelmes knowing of no additional items to be considered in either regular or executive session, called for a motion to adjourn.

The motion was made by Mr. Buffington and seconded by Mr. Cobb and was passed unanimously.


Attested by:


Catherine M. Nelmes, Chairman