

PEACHTREE CITY AIRPORT AUTHORITY MINUTES OF MEETING

April 16, 2003

The April meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on April 16, 2003, at 7:00 p.m.

Those present were Chairman Catherine M. Nelmes; Members Jerry R. Cobb, Douglas A. Fisher, Matt M. Davis, and James E. Toombs; Airport Manager James H. Savage; Assistant Manager Andrew Bolton; and Authority Attorney Douglas B. Warner.

I. ANNOUNCEMENTS

Mr. Cobb announced that Rona Fong of Rona's Flowers has offered to provide weekly a bouquet of freshly cut flowers for display in the Aviation Center. In return, we would allow her to place business cards or a small advertising display adjacent to the flowers. In a general discussion the members agreed that it would add a nice touch to the facility.

Chairman Nelmes announced that the Authority Planning Session has been scheduled for April 25, 2003, starting at 5:00 p.m. and lasting until 9:00 p.m. She indicated that the facilitator that she has been trying to recruit is not available on that day but if she cannot find another, the meeting will proceed without one. Mr. Toombs requested that an extra effort be made to contact as many airport tenants as possible to invite them to participate in the discussions and he offered to assist in that effort.

II. APPROVAL OF MINUTES

A motion was made by Mr. Cobb and seconded by Mr. Fisher, to approve the minutes of the March 12, 2003, Regular Meeting as presented.

The motion passed unanimously.

III. REPORTS

AIRPORT MANAGER'S REPORT

April 15, 2003

1. AIP 12 Project. We will be meeting with Mr. Cline and engineers from Wilbur Smith and Associates (WSA) tomorrow to review the final measurements of quantities used during the project and to determine if Mr. Cline is willing to settle for half of the liquidated damages we have imposed. Mr. Warner's recommendation regarding this matter is an agenda item for discussion at the meeting. It is our intention to close-out this project as soon as possible and we hope to have a final recommendation for the meeting.

2. Aviation Center Roof Leaks. We will be meeting with the engineers from Williamson and Associates; Bill Foley, the architect who designed the building; and Jim Pace of Group VI who built the building; at 10:00 a.m., on April 22nd to review Williamson's recommendations and to determine what (if any) participation we can expect from the other two companies to help correct the many roof leaks, some of which have existed since day one.

Mr. Cobb has offered to participate in this meeting and I welcome any other members who would like to sit in on the meeting. We will have a report of our findings for the May meeting.

3. Lease Agreements. All lease agreements for Hangar Area "B" and for the Annex Hangar have been executed and we await construction activity soon. We ran a new water line to the Annex Hangar so they can rinse off their aircraft, and a new electrical circuit to provide the Sheriff's Department adequate power to run the systems in their communications trailer.

4. Landscaping Project for the FBO Hangar Office Area. The landscaping project for the FBO Hangar Office area is underway. The sidewalk was poured yesterday and it is expected that the awnings will be installed this week. After waiting two months for a "free" landscape design from the City Planner, I have located a landscape designer who will give us a simple design for \$150. If we were to use his company to do the work, the fee will be waived. I will be asking several companies to bid on the plan once it is received.

5. PCAA Advertising Brochure at Sun N' Fun. Aircraft Spruce took a box of Peachtree City - Falcon Field Airport brochures to distribute at Sun N' Fun. They inserted a single page advertising piece announcing their planned move to FFC which Chairman Nelmes and Mr. Herb Roggermeier of Aircraft Spruce developed, and which we had printed. Mr. Toombs was kind enough to hand deliver the ad piece on his visit to the event.

6. Memorial Service for Chris Smission. Chairman Nelmes, Jerry Cobb and myself attended the Memorial Service for aerobatic pilot Chris B. Smission, who was killed during an airshow at Tyndall AFB in March. Afterwards a "BBQ" wake was held in his hangar on his private airstrip that closed with a flyby of aircraft in the "missing-man formation". The entire event was done in a way that celebrated Chris' life and love of flying, and I cannot think of a better tribute. He will be missed.

7. Debbie Thornton, Grandmother Times Two. On a positive note, Debbie's son and daughter-in-law are the proud parents of bouncing baby boy whom they have named Carson Michael Thornton. Born five weeks early, he weighed in at 5 pounds 10 ounces, but is home, gaining weight, and he and Mama are doing well. Debbie's other grandson, Ethan Michael, was born to Debbie's daughter Kristy last spring. I think every male in the Thornton family is a Michael.

IV. FINANCIAL REVIEW

Mr. Savage gave a brief review of the financial information for March. Jet -A and AvGas sales were better than expected, but as has been the case for several months the Authority is not yet generating any additional revenue from the Annex Hangar, so total income for the period ended \$321 less than budget. Gross profit fell to \$7,015 less than budget due in part to the increase in large volume fuel sales, which tends to lower margins below the percentage budgeted.

While natural gas prices still drove utility expenses higher than budget, total expense for the period was held to \$6,986 less than budget. Hotel Tax distribution for the month was just \$156 less than budget so net income for the period was a positive \$13,241 versus the anticipated income of \$13,662.

Mr. Fisher inquired why there was a \$23,773 swing in Accounts Payable. Mr. Savage said that in his review of the customer accounts balance sheet he did not see any major fluctuations in any one specific area and he believes that the recent spike in fuel prices resulted in fewer than normal "pre-paid" fuel sales, plus the partial refund of several deposits held for lots in Hangar Area "B" show up on the books as a reduction in pre-paid rents. With these fluctuations in Accounts Receivable, plus normal variations in Accounts Payable and Inventory, the estimated cash flow for March was calculated to be a negative \$12,672 compared to the original estimate of a positive \$6,162.

The Capital/Reserve Fund balance for March was \$149,109, and the Grant Fund account recorded a balance of \$38,966.

V. OLD AGENDA ITEMS

03-02-03 Consider contracting with Kevin McCarty to update Authority's web site.

Chairman Nelmes explained that action on this item had been tabled for discussion at the Planning Workshop.

Mr. Cobb pointed out that because of the previous motion, no action was necessary.

The item remains tabled.

03-02-05 Consider changes to airport manager's job description.

Mr. Davis gave a brief review of the continuing efforts that he and Mr. Fisher have undertaken to rework the draft of the job description, including recent editorial changes that Chairman Nelmes made, and that he felt comfortable with the document as prepared.

Mr. Fisher explained that the creation of the job description was just the first step in the Authority's efforts to move the airport forward from this point, but several related issues remain to be more fully developed. Items such as the "weighting" of the five basic areas of job responsibilities so the Manager and the Authority can develop a fair method of assessing job performance that allows for the constant change inherent to a growing airport, while still meeting the Authority's goals and objectives.

Additional items include the continued development of the Airport Master Plan, a Business Plan, marketing goals and objectives, pay incentives and a review of airport and FBO staffing issues.

Chairman Nelmes added that she hoped that during the workshop and perhaps during future planning sessions, a program of work could be developed that would assist in addressing several of these issues.

Following additional discussion, a motion was made by Mr. Cobb and seconded by Chairman Nelmes to approve the job description as presented with the understanding that as the Authority further develops its goals and objectives, certain "tweaking" of the language may be necessary.

The motion passed unanimously.

03-03-02 Consider request from Mr. Mike Gunn to amend the commercial fee structure for lease agreements signed in Hangar Area "A".

Chairman Nelmes requested Mr. Savage to review and discuss the spreadsheet that he had prepared and distributed just prior to the meeting. Mr. Savage explained that the spreadsheet shows the actual amount of 2% revenue collected from 7 of 8 tenants that have indicated that they actually owe fees for 2002. Based on those fees, he determined what they were actually generating on a square footage basis. One column shows the rate based on the square footage of just the hangar and the other based on the square footage of the entire lot.

Mr. Savage also reviewed a "Motion for Consideration" that he developed that would set the "Additional Rent" described in the tenant's lease agreement at \$.04 per square foot of hangar space for Executive Storage Hangars and T-Hangar "C", and at \$.08 per square foot hangar space for General Aviation Service Hangars, in lieu of the current 2% of gross revenue provision in the agreements. A copy of the spreadsheet and the motion for consideration are attached and made a part of these minutes.

Mr. Warner and Mr. Savage pointed out prior to consideration by the Authority, that because Mr. Cobb and Mr. Toombs both own hangars in the area in question, neither should participate in the discussion of the item, or a vote on the item, because of possible conflicts-of-interest. Mr. Savage also pointed out that should a legal question arise during the discussion, he would have to refer any such questions to another attorney because Mr. Warner is also the owner of a hangar in the area and he might also have a conflict-of-interest.

The issue was debated by the three remaining members and several hangar owners, discussions centering on the pros and cons of the fee structure as recommended by Mr. Savage, and how it might be applied.

A motion was made by Mr. Fisher and seconded by Chairman Nelmes to approve the Motion for Consideration as presented by Mr. Savage.

After continued discussions, the question was called and the motion failed with Mr. Fisher and Chairman Nelmes voting in the affirmative, Mr. Davis voting no, and Mr. Cobb and Mr. Toombs abstaining.

Additional discussions continued with Mr. Davis expressing concerns about how the fee was calculated on just the hangar area and suggesting that it should be applied to the entire lot. Mr. Savage explained that it had been his intention to apply the fee in a similar manner as it was recently changed for through-the-fence operators and Hangar Area "B" operators. Several tenants expressed the view that the proposal seemed fair, but keeping the methods simple should be a major consideration. It was agreed that additional work on the method of application should be accomplished before the issue is reconsidered.

A motion to table action on this item for further discussion was made by Chairman Nelmes and seconded by Mr. Davis. The motion passed with three votes in the affirmative, and Mr. Cobb and Mr. Toombs abstaining.

VI. NEW AGENDA ITEMS

03-04-01 Consider recommendation from Mr. Doug Warner to settle liquidated damages issue with Cline Service Corp. on AIP Project #12.

Chairman Nelmes requested Mr. Savage to give a brief review of the issues involved with settling with Mr. Cline. Mr. Savage indicated that he and the engineers from Wilbur Smith and Associates met with Mr. Cline and his supervisor that morning to review Mr. Cline's request to re-measure certain material quantities used during the project and to discuss the settlement of the liquidated damages imposed by the Authority.

After the re-measurement, it was agreed that certain quantities were under counted and others were over counted, with the results indicating Mr. Cline was indeed due additional payments. Mr. Cline agreed to settle the liquidated damages issue on a fifty cents on the dollar basis, assuming the Authority agreed.

Some discussions followed, but it was agreed that considering the subject, it would be more appropriate to discuss the legal aspects of the matter in Executive Session with Mr. Warner.

A motion was made by Mr. Fisher and seconded by Mr. Davis to table further discussion on the issue to confer with the Authority Attorney in Executive Session.

The motion passed unanimously.

A copy of Mr. Warner's letter of recommendation is attached and made a part of these minutes.

03-04-02 Consider requesting City Council to rename Stallings Road.

Mr. Savage presented documents received from Mr. Troy Besseche, City Engineer outlining the steps necessary to rename a street. A discussion followed but only a few names for consideration were mentioned and it was the general opinion that the item should be tabled for consideration at the Planning Workshop scheduled for the 25th.

A motion to table discussion of the item until the workshop was made by Mr. Davis and seconded by Chairman Nelmes. The motion passed unanimously.

03-04-03 Consider Supplemental Agreement with Wilbur Smith and Associates to design Airport Business Park hangar sites and access taxiway.

Mr. Savage gave a brief review of discussions that both he and Mr. Steve Smith of Wilbur Smith and Associates had with FAA representatives in the Atlanta Airports District Office. Based on their comments, it does not appear that the taxiway and apron development project that we submitted for construction in FY 2003 will be "programmed" on the first round, however we will be in line for any "fallout" money that might become available near the end of the fiscal year.

It was Mr. Savage's opinion that airports that have projects ready for immediate bidding and construction stand a much better chance of receiving last minute funding, should there be any "fallout" funds available. Chairman Nelmes agreed as did Mr. Davis.

Mr. Savage also pointed out that should funding for the entire project not be available, the Authority will have \$150,000 in Non-primary Entitlement funds available that can be used for the design project. This would mean that the project will be designed and ready for funding in FY 2004.

After some discussion a motion was made by Mr. Fisher and seconded by Mr. Tombs to approve the execution of a Supplemental Agreement with Wilbur Smith and Associates to design the taxiway and apron area for the Airport Business Park as described in the attached memo from Mr. Steve Smith, dated April 11, 2003.

The motion passed unanimously.

03-04-04 Consider proposal from Mr. Tom Strauch to repair torn insulation in Annex Hangar and cover front section with interior metal siding.

Mr. Savage explained that during discussions with Mr. Dan Waters of Peachtree Flight Center prior to his leasing of the Annex Hangar, he and Chairman Nelmes had indicated that it has been the Authority's desire for some time to improve the general appearance of the facility and to prevent further damage to the insulation, by re-insulating and installing interior siding over the damaged areas.

Mr. Savage had sought proposals from several construction firms but was having difficulty finding any that were interested in doing a small of this nature. Mr. Strauch has been doing similar work in the Hunting hangar and Mr. Savage stated that he believed the \$3,500 proposal from Mr. Strauch was fair and reasonable and recommended the Authority approve the project as bid.

After a brief discussion, during which Mr. Fisher agreed that working with Mr. Strauch while he was in the area made sense, Mr. Fisher moved to accept the bid from Mr. Tom Strauch in the amount of \$3,500, to repair and cover the insulation in the front bay of the Annex Hangar, as proposed. The motion was seconded by Mr. Cobb.

The motion passed with four voting in the Affirmative and Mr. Toombs abstaining.

03-04-05 Review list of topics for Planning Workshop.

Due to the late hour and the need to meet in Executive Session, it was agreed that the members would prepare lists of topics for discussion at the Planning Workshop and e-mail them to Mr. Savage for collation and distribution prior to the meeting.

No formal actions were taken and the item was considered satisfied.

VII. EXECUTIVE SESSION

At 9:02 p.m., Chairman Nelmes called for a motion to recess for five minutes, to reconvene in Executive Session to confer with the Authority Attorney on legal matters associated with Agenda Item 03-04-01, and to discuss personnel matters. Mr. Fisher so moved, which was seconded by Mr. Davis and which was passed unanimously.

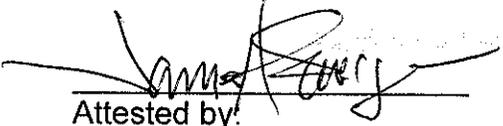
The Authority Members, Mr. Warner and Mr. Savage met in Executive Session to discuss Agenda Item 03-04-01. Following that discussion, Mr. Savage departed the meeting and the Authority continued discussions on personnel matters, but took no official action during the Executive Session on either subject.

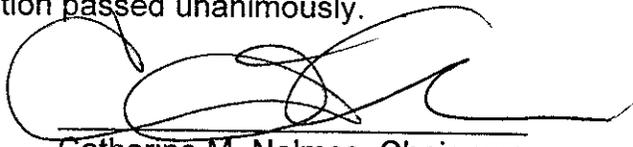
At 10:40 p.m., a motion to recess from Executive Session and to reconvene in Regular Session was made by Mr. Cobb and seconded by Mr. Davis. The motion passed unanimously.

Once again established in Regular Session, a motion was made by Mr. Cobb and seconded by Mr. Davis to approve the settlement with Cline Services Corp. as recommended in Mr. Warner's letter of March 24, 2003.

The motion passed unanimously

At 10:45 p.m., there being no other business for consideration, Mr. Fisher moved to adjourn, which was seconded by Mr. Cobb. The motion passed unanimously.


Attested by:


Catherine M. Nemes, Chairman

**ATTACHMENTS FOLLOW AS HARD COPIES IN MINUTE BOOK, NOT
ELECTRONICALLY REPRODUCED.**

Motion for Consideration - Agenda Item 03-03-02
April 16, 2003

Move that the Lessees of Executive Storage Hangar Ground Leases; General Aviation Service Hangar Ground Leases; and the Lessee of T-Hangar "C"; located in Hangar Area "A" at Peachtree City - Falcon Field Airport, be given the opportunity to amend Paragraph 5 of their current lease agreements, regarding the "Additional Rent" due that is commonly known as the 2% commercial fee, as follows:

- (1) For **Executive Storage Hangars and T-Hangar "C"**, create a lease addendum that would substitute a paragraph that delineates a commercial fee that would be added to the monthly rent that is based on an annual flat fee of **\$.04** per square foot, times the area of the hangar only. Said fee would apply only if Lessee is collecting rents or fees from permitted limited commercial operations or the storage of third party aircraft. Said fee would be subject to CPI adjustments in a manner similar to the base rent.
- (2) For **General Aviation Service Hangars**, create a lease addendum that would substitute a paragraph that delineates a commercial fee that would be added to the monthly rent that is based on an annual flat fee of **\$.08** per square foot, times the area of the hangar only. Said fee would apply only if Lessee is operating a commercial business as permitted in the lease agreement, including the storage of third party aircraft, or other applicable commercial operations. Said fee would be subject to CPI adjustments in a manner similar to the base rent.
- (3) For all Lessees of Executive Storage Hangar Ground Leases, General Aviation Service Hangar Ground Leases, or the Lessee of T-Hangar "C", located in Hangar Area "A", said Lessee may choose the option of remaining under the existing language of their lease agreement and paying fees based on 2% of the applicable gross revenues generated by their operation. If at some future time Lessee should wish to change to a flat fee as described above, the then prevailing and appropriate rate per square foot shall be applied.

AREA "A" - 2% COMMERCIAL FEE STRUCTURE COMPARISON - 2002

Tenant	2002 Fees	Hgr SF	Rate \$/SF	Flat Rate Hgr Only	Lot SF	Rate \$/SF	Flat Rate All Area
STORAGE HANGARS							
				\$.04/SF			\$.04/SF
D21 - Cook	\$ 195.00	3,190	\$ 0.0611	\$ 127.60	5,400	\$ 0.0361	\$ 216.00
D26 - McGowan	\$ 108.00	3,190	\$ 0.0339	\$ 127.60	6,900	\$ 0.0157	\$ 276.00
D28 - Smith *	\$ 192.00	4,320	\$ 0.0444	\$ 172.80	7,450	\$ 0.0258	\$ 298.00
T-Hgr "C" - Airpatch	\$ 1,263.08	17,100	\$ 0.0739	\$ 684.00	41,580	\$ 0.0304	\$ 1,663.20
Totals / Avg Rate	\$ 1,758.08	27,800	\$ 0.0632	\$ 1,112.00	61,330	\$ 0.0287	\$ 2,453.20
COMMERCIAL HANGARS							
				\$.08/SF			\$.08/SF
D20 - Prator	\$ 750.00	4,875	\$ 0.1538	\$ 390.00	8,400	\$ 0.0893	\$ 672.00
D21 - Warner #	\$ 288.70	4,875	\$ 0.0592	\$ 390.00	8,400	\$ 0.0344	\$ 672.00
D22 - Mercure **	?			\$ -			\$ -
D23 - Giles #	\$ 198.00	4,875	\$ 0.0406	\$ 390.00	8,400	\$ 0.0236	\$ 672.00
Sub - Totals / Avg Rate	\$ 1,236.70	14,625	\$ 0.0846	\$ 1,170.00	25,200	\$ 0.0491	\$ 2,016.00
* Partial year							
** Fees due unknown?							
# Storage fees only							

WARNER LAW FIRM

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

900 WESTPARK DRIVE - SUITE 210

PEACHTREE CITY, GEORGIA 30269

DOUGLAS B. WARNER
STACEY S. COLLINS
MALYNDA C. HOOPER

March 24, 2003

TELEPHONE 770 487-4494
TELECOPIER 770 631-7593
EMAIL WARNER@WARNERLAWFIRM.NET

Mr. James H. Savage, Airport Manager
Peachtree City-Falcon Field Airport
7 Falcon Drive
Peachtree City, Georgia 30269

Re: Claims related to Cline Service Corporation and Construction of Hangar B
infrastructure

Dear Jim:

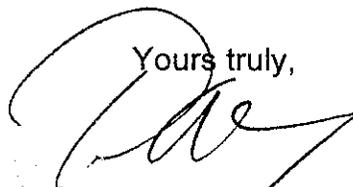
At your request, I have reviewed the various claims in the above-referenced dispute, and I have met with you and representatives of the engineer for the Airport Authority, Wilbur Smith & Associates. Based on this review, it appears to me that the Airport Authority has a good case with respect to the liquidated damages claims against Cline Service Corporation.

Nevertheless, there are hazards involved in litigation, and there is never a guarantee of success. With an eye to the uncertainties of litigation, and considering the time and expense which would be involved, I would strongly recommend that the Authority first attempt to settle the liquidated damages claims somewhere in the area of fifty cents on the dollar. If this cannot be done, then I would recommend litigation.

Of course, we are always prepared to litigate, and if the Authority prefers to do so, we are ready to proceed. Nevertheless, in my opinion it would be to the Authority's advantage to settle the case in advance, if possible.

If you have any questions concerning this recommendation, please feel free to call me.

Yours truly,



Douglas B. Warner

DBW/jhj

MEMORANDUM

April 11, 2003

Aviation, Parking and Facilities Engineering Division

TO: Jim Savage

FROM: Steve Smith

SUBJECT: Engineering Work For Hangar Area "B" Taxiway

Dear Jim,

As requested, Wilbur Smith Associates has developed an estimate of the design fees related to the proposed development of hangar area "B". The design is to be completed and bid in an effort to take advantage of any available FAA grant funding in FY 2003. A breakdown of the fees is as follows

Project formulation	\$10,000
Survey and Geotechnical Investigation	\$ 8,500
Construction Documents	\$34,700
Bidding	\$ 8,000
Total	\$61,200

This estimate represents proposed clearing, grading and drainage improvements for a majority of the site. In addition the design will include the taxiway itself. Total estimated construction costs for this work is \$550,000. In addition, should grant funding become available and construction proceed, Wilbur Smith Associates estimates that an additional \$95,000 would be required for Construction Administration, full-time CEI, and testing.

Should you have any questions or require a breakdown of the above amounts, please feel free to call me.

cc: Danny Doyle
Alan Peljovich

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:

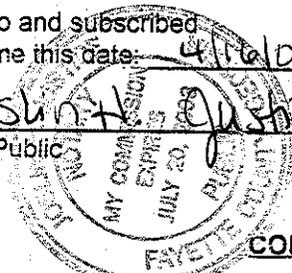
- Discussing matters protected by the attorney-client privilege. O.C.G.A. §50-14-2(1).
- Discussing the future acquisition of real estate. O.C.G.A. §50-14-3(4).
- Discussing or deliberating the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or 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: 4/16/03

Joseph H. Justice
Notary Public



[Signature]
Signature

CHAIRMAN
Capacity

Date of meeting: 4/16/03

CONCURRENCE OF AUTHORITY MEMBERS

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

[Signature]
[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