

**PEACHTREE CITY AIRPORT AUTHORITY
MINUTES OF MEETING**

June 13, 2001

The June meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on June 13, 2001 at 7:00 p.m.

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

I. ANNOUNCEMENTS

Chairman Nelmes welcomed new Authority Member Mr. Mark H. Harris, who was appointed to the Authority by the City Council to fill the unexpired term of Mr. David M. Good, and to serve a new five year term beginning January 1, 2002.

Chairman Nelmes welcomed Mr. David M. Good and stated that she had invited Mayor Robert L. Lenox to join the Authority in the presentation of gifts from the Authority and the City for Mr. Good's 17 years of service on the Authority.

Mayor Lenox was unable to attend, so after the Financial Review, Chairman Nelmes asked Mr. Savage to say a few words of appreciation.

Mr. Savage spoke of his 20 year friendship with Mr. Good, including 4 years on the City Council together during which they were instrumental in the creation of the Airport Authority. Mr. Savage outlined how after Eastern Air Lines shut down, Mr. Good and the Authority had offered him a management job at the airport, and how that with Mr. Good's "inspiration" and Mr. Savage's sometimes "perspiration", they had worked well as a team. It was Mr. Savage's opinion that had it not been for Mr. Good's efforts, the airport we enjoy today might not even exist.

Chairman Nelmes echoed Mr. Savage's comments, and presented Mr. Good with a set of night vision goggles as a gift from the Authority, which she hoped would be of use during Mr. Good's next adventure (retirement) aboard his new boat the "Alyeska."

II. APPROVAL OF MINUTES

A motion to approve the minutes of the May 9, 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 June 13, 2001

1. We held the bid opening for the AIP 12 project at 2:00 p.m., yesterday. Cline Services, Corp. of Columbus, Georgia, was the low bidder with a base bid of \$272,369.13 for the AIP taxiway and lighting project, and \$168,705.50 for the Non-AIP additive alternate bid which includes the driveway, auto parking, water and sewer. The other bidder, APAC of Georgia was some \$172,000 higher.

We will be making application with both the FAA and the Georgia Department of Transportation (GaDOT) for grants to perform the AIP work as soon as we verify the bid prices.

We will also be making an application with Peachtree National Bank for the loan necessary to pay for the Non-AIP work. This is the work that is anticipated in the additional distribution of hotel tax funds that will be addressed Agenda Item #1 below.

Under state rules, work cannot be started until we have received a "Notice to Proceed" from GaDOT, which will most likely be late July. The FAA has stated that their grant will be issued within 10 days of our application.

Once given his notice to proceed, the contractor has 90 days to complete the project, however it is our intent to have as much completed prior to the airshow as weather will permit.

2. The Georgia Department of Transportation performed their annual inspection of the airport on May 31, 2001. Mr. Tom Carr of the Aviation Division of the GaDOT was very complimentary of our facilities, and raised only one issue regarding some trees that had grown into the 34 to 1 approach slope to Runway 31. In fact he took pictures of our terminal building to use as an example of what many of the state's airport should be building for the corporate and general aviation operations.

The offending trees have been removed by Jim Freie of our maintenance staff.

3. The Localizer for Runway 31 will be out of service until 1700 EDT on Friday, June 16, 2001. Our technician, Wyatt Miler, will be working with two technicians from the FAA in an attempt to restore the back-course approach to Runway 13. They will be adjusting the individual elements of the antenna which will require the system to be shut down during the effort. The forecast now says the weather will be good during the maintenance period, but if not, NDB and GPS approaches are still available.

4. And finally, our Assistant Manager Mr. Andrew Bolton and his wife Steffanie gave birth to a new baby girl early Monday morning. At last report, mother and daughter were doing well. Ashton Grace weighed 7 pounds, .7 ounces, and is the Bolton's first child. Drew will be taking a few days off, returning on Monday the 18th.

IV. FINANCIAL REVIEW

Mr. Savage gave a brief overview of the financial report for the month of May, noting that Jet A sales were \$4,466 less than forecasted, but AvGas sales were \$3,482 more than expected, and with an increase in pilot sales, total income was just \$307 less than budget. Expenses however, were also \$5,069 less than budget, which generated a net ordinary income of \$8,623 versus the budgeted amount of \$4,110.

Even though the Hotel tax revenue was \$3,764 less than expected, the net cash flow for the month calculated to be a positive \$4,736 versus the budgeted amount of \$2,886.

V. OLD AGENDA ITEMS

None.

VI. NEW AGENDA ITEMS

01-06-01 Consider Intergovernmental Agreement with the City of Peachtree City for distribution of Hotel/Motel tax proceeds.

Chairman Nelmes opened the discussion with a brief review of the draft document presented to the Authority for ratification, that had been negotiated with the City Attorney by Mr. Warner and Mr. Savage. The agreement outlines the amount and the schedule of distribution of the Hotel tax, to the Authority.

At its last meeting, the City Council voted unanimously to authorize the Mayor to execute the agreement as presented, subject to a review by the City Attorney. The agreement is attached and made a part of these minutes.

After a brief discussion, Mr. Cobb moved to authorize the Chairman to sign the document as presented. The motion was seconded by Mr. Fisher and was passed unanimously.

01-06-02 Review priority listing of projects in Phase I of the Airport Master Plan.

Chairman Nelmes gave a brief review of Table 6-2 of the Airport Master Plan. This table list 12 projects that have been identified as needed during the next 5 year period. She stated that because of the uncertainty of how the remaining land in the Airport Business Park might be developed, it was her recommendation that the acquisition of additional land for Hangar Area "B" be moved from its current position of ninth, to second, behind the completion of the current Southeast Hangar Area taxiway project. The remaining projects would be moved down one space each.

Mr. Fisher inquired what effect delaying the acquisition of the easement or land under the approach path to Runway 31 would have on the ability to develop a precision approach to that runway?

Chairman Nelmes responded that most of the projects in Phase I were time critical, but the easement acquisition for Runway 31 was currently sixth on the list, and funding for it would most likely not be available in FY 2002. The FAA has indicated however, that funding for the land acquisition for Hangar Area "B" was possible in FY 2002.

Mr. Savage commented that while the airport would like to acquire a 50 to 1 easement to protect a future precision approach, existing obstructions would most likely prevent the development of approach minimums much below 300 feet above the ground, and that the existing 34 to 1 easement should protect most of the approach area from encroachment.

After additional discussion, a motion was made by Mr. Buffington and seconded by Mr. Cobb to move item nine on Table 6-2 of the Airport Master Plan to the number two position, and move the remaining items down one space each.

The motion passed unanimously.

01-06-03 Consider authorization of part-time Customer Service Representative position and \$500 per month for line service overtime and training.

Chairman Nelmes gave a brief review of the request and asked Mr. Savage to get a more detailed review.

Mr. Savage pointed out the differences between the budget approved in April and his proposed changes. The changes include differences in the budget amounts scheduled for airport liability insurance payments brought about by the recent change in insurance carriers; a reduction in the amount budgeted for payroll tax due to an error in the percentage amount assumed; and the increase in payroll payments calculated to pay for the new position and the overtime/training fund.

Mr. Savage pointed out that with the current turnover rate of line service employees, it was necessary to train new employees frequently, and that the payroll amount paid each month had consistently run some \$300 to \$400 over budget due to overtime and training costs.

Chairman Nelmes supported Mr. Savage's request for the additional Customer Service Representative, stating that the realignment of Mr. Savage's and Mr. Bolton's schedules would give them both additional time for management duties, but she would prefer not to provide a flat \$500 overtime and training fund, without some indication of how it would be spent. She called for a motion to that effect, but none was offered.

Mr. Cobb moved to approve the budget amendment as presented, which was seconded by Chairman Nelmes for further discussion.

During the additional discussion, Mr. Harris expressed a concern that the turnover rate might be the result of low wages or other work related issues.

Mr. Savage reviewed his use of aviation student workers for the majority of the part-time positions, stating that the Authority gets enthusiastic employees who have an interest in aviation and want to learn the business, and which also allows for a more modest pay structure. The frequent turnover rate caused by the students moving on to a permanent job at the completion of school is a continuing challenge, but given the budget constraints the Authority has had for the past three years, he really didn't have many other choices.

Mr. Savage stated that he felt this issue, along with the budgeting process for FY 2002, should have Authority member input and welcomed the development of a budget committee to assist in that regard.

Following a few comments from the floor, including the idea that it might still be cheaper to constantly train new student employees than to pay a higher wage and retain qualified employees, Chairman Nelmes called the question.

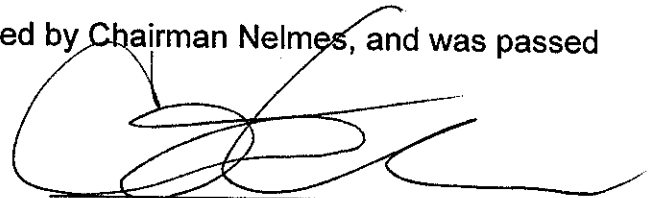
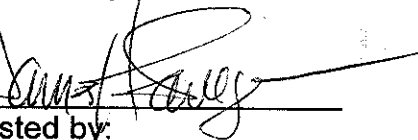
The motion passed with four voting in the affirmative, and with Chairman Nelmes voting no.

VII. EXECUTIVE SESSION

At 8:13 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. Cobb, seconded by Chairman Nelmes, and was passed unanimously.

Attested by:



Catherine M. Nelmes, Chairman

STATE OF GEORGIA
COUNTY OF FAYETTE

**INTERGOVERNMENTAL AGREEMENT FOR ADDITIONAL EXPANSION OF FACILITIES
AT FALCON FIELD AIRPORT AND PAYMENT OF EXISTING DEBT**

THIS AGREEMENT entered into this _____ day of June, 2001, between THE CITY OF PEACHTREE CITY (hereinafter referred to as "City") and the PEACHTREE CITY AIRPORT AUTHORITY (hereinafter referred to as "Airport Authority").

WITNESSETH:

WHEREAS, the Airport Authority was created in 1984 by the Georgia General Assembly at the request of the City to manage, own, and operate an airport for the City;

WHEREAS, the Airport Authority has effectively managed, operated, and built a premier airport facility;

WHEREAS, the Airport Authority has largely utilized available monies from the Federal government to construct and expand the airport facility, but has also utilized its own money and has borrowed money to pay for the improvements and expansions;

WHEREAS, the Airport Authority and the City agreed in 1993 that funds from the hotel/motel tax would be utilized to assist in servicing the debt incurred to pay for the airport improvements and expansions as such improvements and expansions have been designed to promote tourism and trade;

WHEREAS, it is the goal of the Airport Authority and the City that the Airport Authority become financially self-sufficient and eventually have the ability to pay its continuing operational costs without assistance from the City;

WHEREAS, the debts incurred by the Airport Authority to construct some of the improvements and expansions are hindering the Airport Authority in operating the airport and hindering the Airport Authority from becoming financially self-sufficient;

WHEREAS, the City is willing to dedicate a certain portion of the hotel/motel tax monies to assist the Airport Authority in satisfying the debt incurred for the improvements and expansions;

WHEREAS, the Airport Authority desires to construct additional expansions and improvements which will cost approximately \$200,000.00 in local monies;

WHEREAS, the proposed new expansions and improvements are designed to assist the Airport Authority in achieving its financial self-sufficiency; and,

WHEREAS, in order to obtain the needed loans to complete the proposed expansions and improvements, and in order to maintain its credit worthiness for existing and outstanding debts, the Airport Authority and City desire to establish the level of monies from the hotel/motel tax which the City shall provide to the Airport Authority.

NOW, THEREFORE, in consideration of the mutual covenants provided herein, the governing bodies of the City and the Airport Authority agree to enter into a contract to provide continuing and improved airport services to all Peachtree City citizens and to pay for those services as follows:

1. Except as provided in Paragraph 4 herein and as illustrated in Exhibit A attached hereto, the City shall dedicate, and does hereby dedicate, a portion of the hotel/motel tax to the Airport Authority in an amount sufficient to satisfy the current debt obligations of the Authority and the debt obligations of the Authority which will arise from the proposed \$200,000.00 expansions and improvements, and to pay to the Authority on an annual basis the sum of \$120,000 for operational costs.
2. The Airport Authority shall utilize the funds it receives from the City to service its outstanding debt, to pay for improvements and expansions designed to promote tourism and trade, which are designed to assist the Airport Authority in becoming financially self-sufficient, and to operate a high quality airport for the best interests of the City, its residents, and business community.
3. The Airport Authority shall provide to the City annual financial reports and construction reports which shall include at a minimum profit and loss, balance sheet, construction project budgets and actual costs.
4. This Agreement shall continue and shall be of force for the lesser of: (1) the period of time permitted by law, (2) the period of time the City funds such indebtedness through moneys raised by a bond issue, (3) the period of time the City funds such indebtedness from moneys obtained from another source, or (4) the period of time until the date the current indebtedness is retired and all indebtedness incurred for the presently planned future expansions and improvements have been satisfied and the Airport Authority and the City agree that the supplemental funding is no longer necessary for the continued operation of a high quality airport.

5. The funds provided hereunder may be decreased from time to time by mutual written agreement of the City and the Authority in the event that both parties agree that the decreased portion of such funds is no longer required for payment of the indebtednesses of the Authority, or in the event that both parties agree that the Authority has become financially self-sufficient. Unless both parties mutually agree otherwise, the funds provided hereunder shall not be decreased until such time as the debt obligations arising from the current indebtedness of the Authority have been satisfied and the debt obligations of the Authority which will arise from the proposed \$200,000.00 expansion and improvements have been satisfied. Once such debt obligations have been satisfied, then the City, in its sole discretion, may decrease the funds provided hereunder to no less than \$120,000.00 annually unless the parties mutually agree otherwise.

6. If the City is able to pay to the Airport Authority moneys as provided herein through funds received through a bond issue or otherwise, the City and the Airport Authority shall re-negotiate the terms of this Agreement concerning the payment of indebtedness incurred for the airport improvements and expansions.

7. Both the City and the Airport Authority have agreed, through their respective governing bodies, to enter into this Agreement, and have given the Mayor and the Chairman the power to sign on behalf of each.

This Agreement entered into as of the date first above-written.

CITY OF PEACHTREE CITY

BY: _____
Robert L. Lenox, Mayor

ATTEST:

Jane Miller, City Clerk

PEACHTREE CITY AIRPORT AUTHORITY

BY: _____
Catherine M. Nelmes, Chairman

ATTEST:

H. E. Buffington, Secretary/Treasurer

PEACHTREE CITY AIRPORT AUTHORITY

RECORD OF ATTENDANCE AS OF:

June 30, 2001

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	11	92%	3	3	93%
Jerry R. Cobb **	10	10	100%	3	3	100%
Douglas A. Fisher *	6	6	100%	3	3	100%
Mark H. Harris***	1	1	100%	0	0	100%
Catherine M. Nelmes	12	12	100%	3	3	100%

* New member as of 1/1/01

** New member as of 9/1/00

*** New Member as of 5/18/01

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

Meeting Dates	Type
1/10/2001	Regular
2/14/2001	Regular
3/14/2001	Regular
4/11/2001	Regular
4/19/2001	Special
4/25/2001	Workshop
5/9/2001	Regular
6/13/2001	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