

**PEACHTREE CITY AIRPORT AUTHORITY
MINUTES OF MEETING**

June 28, 2000

The June meeting of the Peachtree City Airport Authority, was held at the Aviation Center, Peachtree City-Falcon Field Airport, on June 28, 2000, at 7:00 p.m.

Those present were Authority Chairman: David M. Good; Members H.E. Buffington, Catherine M. Nelmes, Mark G. Bunker; Airport Manager James H. Savage; Assistant Manager B. Andrew Bolton; and Authority Attorney Douglas B. Warner.

Member Susan M. Cates was absent due to business conflicts.

I. ANNOUNCEMENTS

None.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the May 17, 2000, meeting as presented, was made by Mr. Buffington and seconded by Mr. Bunker.

The motion passed unanimously.

III. REPORTS

Airport Manager - Jim Savage

Mr. Savage presented the attached report:

**AIRPORT MANAGER'S REPORT
June 28,2000**

1. Ms. Nelmes, Steve Smith and Ed Doyle of Wilbur Smith and Associates, and myself met with Mr. Terry Washington of the Atlanta Airports District Office of the FAA on June 14, 2000. The purpose of the meeting was to discuss the redesign of Hangar Area "B" taxiways and taxilanes to contain all construction on property currently owned by the Authority.

Mr. Washington was receptive to the idea and stated that should the cost exceed the current grant amount, which is likely, that he felt that additional funds will be available to complete the "new" Phase III. Whether those funds come from FY2000 dollars or from

FY2001 dollars will depend on the amount needed and the availability of "fallout" funds near the end of FY2000.

We have a request for proposals on the street for this project with a bid deadline of July 26, 2000. The RFP lists two additive alternates that, depending on bid prices, may have to be funded by a second grant. We have discussed starting the project late enough in the year so that we could use the successful bidder to do both Phase II and Phase III as if it were a single project, especially if Phase III is funded with FY2001 dollars. The State of Georgia has expressed interest in participating for 5.5 % of the total construction costs.

Results of the RFP will be available for the August meeting.

2. In what can only be described as a typical Federal Government process, the FAA has decided to re-acquire the ownership of the ASOS equipment installed on our airport, that is currently being operated by the National Weather Service (NWS), and they want us execute a lease with the FAA for that site.

This equipment that was paid for by the FAA (but "given" to the NWS for operation) is located in an area on the airport that was originally approved by the ASOS Program Office. A location map attached to the "license" granting the U.S. Department of Commerce (the NWS's parent organization) the right to install and operate the ASOS, shows an excerpt of our Airport Layout Plan with a future hangar 100 feet from the sensor array. That hangar site is located in Hangar Area "B."

In the proposed lease we received from the FAA they have required the right to control all construction with 300 feet of the sensor array. They also say, among other issues, that no trees can be located within 1,000 feet of the sensors. Trees located on business park property are no more than 500 feet from the current site.

I have requested Wilbur Smith and Associates to investigate the feasibility of relocating the wind sensor to an area near the runway so that we can provide the 600 foot diameter obstacle free area they have indicated is necessary for accurate wind information. No area on the airport, removed from the runway, is large enough for a circle of that size. We will report on progress.

3. As you may recall, on April 2, 2000, a Cessna 177 RG, Cardinal, N1997Q, crashed on a 2,200 foot private grass strip in Chipley, Florida. The private pilot was killed and his daughter, a passenger, sustained serious injuries. The aircraft was rented from Peachtree Flight Center.

The aircraft departed the unlighted airport at 8:38 p.m. central daylight time, and it has been reported that a flashlight and car headlights were used to illuminate the runway for takeoff. The aircraft collided with trees shortly after departure and crashed.

We have had a formal "Freedom Of Information" request from the legal firm representing the pilot's widow for a number of documents they seem to think are related to pending litigation. So far we have produced over a two inches of documents such as our charter, records of minutes, rules and regulations, etc.

Dale has been asked to produce all records pertaining to any maintenance we performed on the aircraft prior to the accident. Those records show that our involvement with the aircraft was limited to certain inspections and minor engine and airframe maintenance. The engine was run by the NTSB post crash and was found to run normally.

Our insurance company, AIG Insurance has been made aware of the inquiry by the widow's law firm and is participating with Mr. Warner in this "discovery" period.

Based on the preliminary information provided by the NTSB it does not appear that we have any liability in the crash, but we will keep you informed as things develop.

4. Attached to this report is a copy of the invoice that I have prepared for the Wings Over Dixie 2000 Committee outlining the expenses and revenues the Authority encountered during the airshow.

It was the Authority's position that considering our financial position we should not suffer any losses as a result of hosting the airshow. Payment of this invoice, when added to a previously paid invoice for one of the VHF radios, will make us whole.

Based on comments from members of the airshow Board of Directors, it appears that the paid attendance of 12,000, which was some 15,000 to 18,000 less than expected, created, at best, a "break even" situation for the event.

Plans are being discussed for a Fall 2001 airshow, but certain key individuals have indicated that they will not be available for the next event. Once the airshow board makes a determination, I will encourage them to make a presentation to the Authority.

IV. FINANCIAL REVIEW

Mr. Savage presented the financial report for the month of May, outlining several areas where extraordinary expenses occurred and where quarterly and annual payments were made that exceeded the monthly budgeted amounts. The "bottom line" was that the Authority lost money in the Aircraft Maintenance Division (\$6,883) and the Airport Division (\$1,564). Net cash flow was calculated to be a negative \$8,486 versus a budgeted positive cash flow of \$4,700.

V. OLD AGENDA ITEMS

00-05-01 Discuss aircraft maintenance in private hangars

Mr. Warner, after a review of the operation being conducted in hangar D2 and the erection permit by which the portable hangar was installed, presented a legal opinion that the aircraft maintenance operation was in violation of Paragraph 15 of the agreement.

Paragraph 15 states in part that "Permittee agrees not to use or allow Permittee's hangar to be used for commercial operations or activities." It was Mr. Warner's opinion that even though the hangar was leased by Peachtree Flight Center (PFC); that the work was being performed by an employee of PFC; that the aircraft being maintained were either owned or operated by PFC, that because PFC is a commercial operation, the activities involved were in violation of the agreement.

Mr. Savage spoke in opposition to Mr. Warner's opinion stating that since the erection permit is silent on the Permittee's right to do maintenance on it's own aircraft or to hire outside mechanics to perform such work, and that since other hangar leases in the same area permit such an activity, even for commercial operators, he believed that the operation in D2 was in compliance with the agreement.

Chairman Good stated that he had asked Mr. Warner for a legal opinion and that he concurred with Mr. Warner's view. He polled the Authority members for any differing views and hearing none instructed Mr. Savage to issue a letter to the owner of the hangar to immediately "cease and desist" the above mentioned activities.

No formal vote was taken.

VI. NEW AGENDA ITEMS

00-06-01 Consider proposal from Mr. Stan Smith to build five non-commercial hangars in Hangar Area "A."

Chairman Good allowed Mr. Smith to make his presentation, followed by a presentation by Mr. Jerry Cobb for a somewhat different idea for development of the same area. Mr. Cobb expressed a strong view that a taxiway should be built connecting the T-hangar taxiway to Taxiway "D", regardless of who developed the hangar site.

After considerable discussion, which included comments from the Authority, its staff and the public regarding the need for the proposed new taxiway connector, a motion

was made by Ms. Nelmes and seconded by Chairman Good to build the hangars as depicted on the existing Airport Layout Plan.

After additional discussion, Ms. Nelmes amended her motion to read that the taxiway to serve hangars D28 through D31 should be built as depicted on the Airport Layout Plan. Chairman Good, as the original second, concurred with the amendment. The motion passed unanimously.

Mr. Buffington expressed concern about the lack of an established policy for handling inquiries or proposals for developing airport land. Chairman Good requested that Mr. Savage draft a proposed policy and present it at the next meeting for consideration by the Authority.

Discussions continued regarding whether the Authority should consider Mr. Smith's proposal only or allow others to offer additional proposals. Chairman Good expressed the opinion that since Mr. Smith had offered a written proposal, where others had been verbal, and since the action just taken by the Authority made Mr. Cobb's proposal impossible, he believed they should vote on Mr. Smith's proposal.

Mr. Bunker expressed the concern that since Mr. Savage had told previous inquirers that the Authority had always planned to develop the area itself, thus discouraging written proposals, but had changed that policy due to recent financial issues, he felt that the Authority should make every effort to be fair to all interested parties.

A motion was made by Mr. Bunker and seconded by Ms. Nelmes authorizing the Chairman and the Airport Manager to negotiate with the parties present, or other interested parties, to lease the area in question for hangar development so as to maximize revenue to the Authority. He established a deadline of 5:00 p.m., July 12, 2000, for the submission of proposals.

Chairman Good spoke against the motion, again expressing the view that Mr. Smith had followed the established policy and that the Authority should vote on his proposal only. The motion as stated passed with three in favor and Chairman Good voting nay.

00-06-02 Consider personnel issues and continuation of aircraft maintenance by the Authority.

Mr. Savage announced the resignation of Aircraft Maintenance Director, Mr. R. Dale Donegan effective July 9, 2000. Mr. Donegan intends to take an active role in the operation and development of Peachtree Flight Center.

Mr. Savage expressed the opinion that due to recent financial losses with the aircraft maintenance division coupled with Mr. Donegan's departure, it was his

opinion that the Authority should terminate its aircraft maintenance operation effective with the close of business, June 30, 2000.

Chairman Good "so moved" which was seconded by Mr. Bunker. Following discussions on the issue, the motion passed unanimously.

Ms. Nelmes raised the question of the disposition of all remaining aircraft parts, tools and equipment. Following discussion on this issue, Chairman Good moved to authorize the Airport Manager to advertise for the sale of all aircraft tools and components in a single lot with the intent of having sealed proposals for consideration prior to the August meeting of the Authority. The motion was seconded by Ms. Nelmes and passed unanimously.

Mr. Savage had presented an operational budget for consideration that excluded the aircraft maintenance operation, however Chairman Good expressed concern that due to the late hour and the need to review it in detail, he recommended that it be considered at the next meeting of the Authority, scheduled for July 12, 2000.

No additional actions were taken on this agenda item.

00-06-03 Consider renewal and expansion of Peachtree Flight Center's office, and proposed hangar lease.

Mr. Savage explained that he and Chairman Good had prepared a draft lease agreement for consideration by Peachtree Flight Center and that Ms. Kim Donegan, President, had responded with three requested changes. She expressed a desire to reduce the amount of office space leased, have the lease renewable annually as opposed to the three years stated, and because of several interior improvements needed she hoped that the Authority would give consideration to a reduction in the \$8.50 per square foot lease rate.

Chairman Good offered a motion to approve the lease as written, with the exception that the total area of office space leased will be 2,104 square feet, and the lease shall have an initial term of two years. The motion was seconded by Mr. Bunker.

In the discussions that followed, Chairman Good expressed the opinion that should the Authority have additional office space in the future and should the flight school need to lease some or all of that space, the existing lease could be modified or terminated by the Authority to accommodate such a move. He also stated that the lease rate included in the agreement was derived by adding the increases in the Consumer Price Index over the last two years to the 1998 lease rate and adjusting for office space availability.

Chairman Good expressed the view that Peachtree Flight Center was a very significant asset to the airport and it was in the Authority's best interest to support their operation.

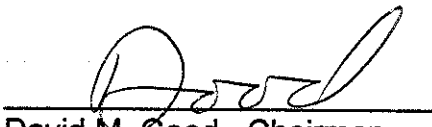
The motion passed unanimously.

VII. EXECUTIVE SESSION

At 9:05 p.m., Chairman Good indicated that he knew of no items for Executive Session and moved to adjourn.

Ms. Nelmes seconded the motion and it was passed unanimously.


Attested by:


David M. Good, Chairman

PEACHTREE CITY AIRPORT AUTHORITY

RECORD OF ATTENDANCE AS OF:

June 30, 2000

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	10	83%	2	2	86%
Susan M. Cates	12	7	58%	2	2	64%
Mark G. Bunker *	6	6	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 1/1/00

Members	Dates Absent	Type
David M. Good	7/7/99	Regular
	10/6/99	Regular
Susan M. Cates	1/12/00	Regular
	3/8/00	Regular
	6/28/00	Regular
	9/1/99	Regular
	12/8/99	Regular
Mark G. Bunker		
Catherine M. Nelmes		
H.E. Buffington	8/3/99	Regular

Meeting Dates	Type
1/12/00	Regular
2/9/00	Regular
3/8/00	Regular
3/22/00	Special
4/12/00	Regular
5/17/00	Regular
6/28/00	Regular
7/7/99	Regular
8/3/99	Regular
9/1/99	Regular
9/27/99	Special
10/6/99	Regular
11/10/99	Regular
12/8/99	Regular