

**PEACHTREE CITY AIRPORT AUTHORITY
MINUTES OF MEETING**

July 11, 2001

The July meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on July 11, 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; Assistant Manager Andrew Bolton and Authority Attorney Douglas B. Warner.

I. ANNOUNCEMENTS

Chairman Nelmes gave a brief review of the efforts of the Wings Over Dixie Airshow Committee to find corporate sponsors for the airshow scheduled for September 8 - 9, 2001. She has sponsor packs for anyone interested in sponsoring this charity event.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the June 13, 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
July 11, 2001**

1. The Intergovernmental Agreement with the City of Peachtree City, regarding the distribution of the Hotel/Motel Tax, has been signed by both entities and awaits the first month's distribution which will occur in August. It is estimated that the Authority's distribution will be approximately \$27,578 per month, or some \$15,500 more per month than we have been receiving since the beginning of FY 2001.
2. The localizer antenna for Runway 31 was realigned on June 15, 2001, by our Nav-Aid Technician Mr. Wyatt Miler and two representatives of the FAA in an attempt to re-commission the back-course approach to Runway 13. The procedure has been

partially flight checked, however we await a final inspection and a response from the FAA to determine if the work accomplished actually helped to solve the signal loss problem that has disabled the back-course approach. An answer is expected next week.

On the initial flight check, reports were that the work improved the signal significantly, which affects the front-course approach as well, and pilots should be able to now utilize autopilots on coupled approaches to Runway 31.

3. Applications for federal and state funding of the AIP 12 project (Phase III of the Hangar Area "B" project) have been submitted to the appropriate offices. The low bidder, Cline Services, Corp. of Columbus, Georgia, has provided Wilbur Smith and Associates with proof of their ability to perform the construction and indeed will be using APAC, Inc. (the next lowest bidder) as a sub-contractor to do the paving.

Both government entities have indicated that their grants offers should arrive next week, which means we could be under construction by the end of July.

4. If you haven't driven to the end of Echo Court lately, you may wish to visit the Dixie Wing's new hangar site. The site has been graded to approximate finished elevation and building construction will start as soon as a building permit has been issued. The organization hopes to have the slab poured and most of the steel up by mid August, with completion slated for later this fall.
5. And finally, starting Monday, July 16, the runway at Tara Field in Hampton, Georgia, will be closed for approximately one week for resurfacing. Smith Air, an "on-demand" air freight operator will be moving five of their jets to FFC during the runway closure. They operate a number of Lear and Falcon jet aircraft. Plans are to position them on the upper ramp across from the "blimp" hangar. They will be buying fuel and will most likely take advantage of our single-purchase discount program.

The flight school at Tara has discussed moving one or more of their aircraft here during the period and we may see other operators divert to FFC as well.

IV. FINANCIAL REVIEW

Mr. Savage gave a brief overview of the financial report for the month of June, noting that fuel sales for both products were very near budgeted quantities, but pilot sales continued to climb creating a total income that was \$3,156 more than budgeted. However, expenses also climbed with extraordinary items in three areas: (1) Professional Fees, which included \$5,000 for the FY 2000 audit that was approved off-budget; (2) Repairs and Maintenance, which included replacement of a water heater in the flight school offices for \$1,115 and \$1,450 for repairs to a circuit board for the localizer transmitter; and (3) \$450 for food and beverage furnished by the Authority during the joint City Council - Airport Authority workshop held in May.

These items combined to create an ordinary loss of \$2,438 versus the small projected income of \$443.

With the Hotel tax revenue \$236 less than expected, the net cash flow for the month calculated to be a negative \$2,931 versus the budgeted negative cash flow of \$1,091.

V. OLD AGENDA ITEMS

None.

VI. NEW AGENDA ITEMS

01-07-01 Consider change to interval between Consumer Price Index adjustments to airport storage fees and ground lease rates.

Chairman Nelmes asked Mr. Savage to review his memo of July 5, 2001, regarding this item, which is attached and made a part of these minutes.

After Mr. Savage's review and a general discussion of the subject among the members (there were no airport tenants present at the meeting), Mr. Harris moved to "adopt as Authority policy the implementation of a three year interval in the application of the CPI adjustments to all airport fees as outlined in Mr. Savage's memo of July 5, 2001."

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

The next CPI adjustment will be implemented on July 1, 2004, and will include the aggregate change in the index as calculated from July 1, 2001.

Mr. Cobb asked that a memo be sent to all airport tenants outlining this action, including the comment that the CPI adjustment that was due on July 1, 2001, on certain agreements, was not being implemented, which in essence gives those tenants an extra year at current rates.

01-07-02 Consider authorizing Chairman to seek and execute loan for Non-AIP infrastructure construction associated with Phase III of the Hangar Area "B" paving project.

Chairman Nelmes gave a brief review of the need to execute a loan for the Non-AIP portion of the Phase III paving project soon, so that certain Non-AIP activities can be accomplished prior to AIP work, and so that an exact monthly debt service can be established to provide a basis for the new Hotel Tax distribution.

Mr. Savage reviewed his memo of July 6, 2001, which addresses the need for this authorization. He also reviewed the revised estimate of the cost to add a natural gas line, power lines and telephone lines that were not part of the original bid submitted by Clines Services, Corp. in conjunction with the AIP 12 bid. That memo, including the revised cost estimates, is attached and made a part of these minutes.

Considerable discussion was held regarding the need to keep the loan amount at \$200,000, rather than for an amount equal to the new estimate of \$220,651.50. Chairman Nelmes stated that she believed that the City's efforts to date, regarding the Hotel Tax distribution and their preparations for issuing the bond referendum, were based on the Authority seeking a new loan for \$200,000, and she felt it would complicate the City's efforts considerably to ask for an additional amount at this late date.

Mr. Savage reviewed the new cost estimate and stated that he felt the Authority should not run the gas line at this time, which would defer approximately \$15,000 until a later time. He also stated that he believed he would be able to trim the additional \$5,000 from the estimate through negotiations with the contractor and the our engineering firm, keeping the total cost under \$200,000.

Chairman Nelmes agreed with the delay in installing the gas line provided the duct banks were installed so the utility lines can be run under the taxiways and aprons after the paving is completed. She called for a motion to approve the loan request.

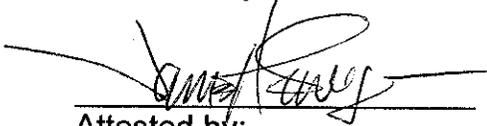
Mr. Cobb moved to authorize the Chairman to seek a loan in the amount of \$200,000 to build roads, auto parking areas and utility infrastructure associated with the federal and state financed Airport Improvement Project # 03-13-0146-12, and that the Chairman be further authorized to sign all loan agreements, contracts or other required documents to complete this additional work.

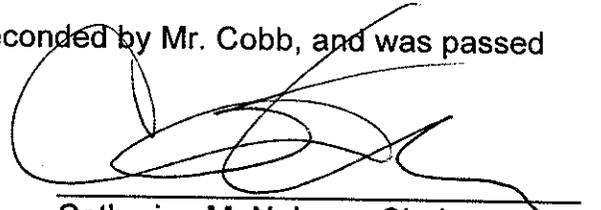
The motion was seconded by Mr. Buffington and was passed unanimously.

VII. EXECUTIVE SESSION

At 7:55 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. Fisher and seconded by Mr. Cobb, and was passed unanimously.


Attested by:


Catherine M. Nelmes, Chairman

MEMORANDUM

DATE: July 5, 2001
TO: PCAA
FROM: Jim Savage, Airport Manager
SUBJECT: CPI adjustments.

At the meeting of the Authority on April 19, 2001, you voted to establish an Airport Access Fee of \$.20 per square foot of aircraft parking apron and finished hangar floor space developed by adjacent land owners who operate "through-the-fence." At that same time the Authority voted to make Consumer Price Index (CPI) adjustments to those fees on a three year interval rather than annually as provided for in some lease agreements used on the airport.

Over the past ten years, annual CPI adjustments have not been applied consistently for a variety of reasons. Some agreements, such as our T-hangar and FBO hangar lease agreements, do not provide for such an automatic adjustment. Hangar ground leases include provisions for such an adjustment every July 1, but the port-a-port erection permits do not have such a provision. In recent years to offset continued losses, the Authority has made this adjustment annually where permitted, and raised other rates as it deemed necessary. These actions have raised considerable controversy with the airport tenants chiefly because of the inconsistency of application.

It is my recommendation that the Authority adopt a consistent policy for implementation of this much need adjustment and that it be applied uniformly to all airport leases, storage fees or access agreements at a pre-determined interval. I recommend that the three year interval used in the airport access agreement be used as the standard, and that it not be applied until July 1, 2004. For simplification of bookkeeping, I believe that all current monthly fees and all future monthly fees, once established, be rounded to the nearest dollar amount.

The draft paragraph below is presented for your consideration and would be used as a basis for all current and future agreements in calculating rate changes.

"Effective July 1, 2004, and on each subsequent July 1, of the third year following the last such adjustment ("Adjustment Date") during the term of this agreement, the lease rate due under this section shall be adjusted by the percentage change in the "Consumer Price Index for All Urban Consumers" (CPI - U 1982 to 1984 = 100), issued by the United States Department of Labor, Bureau of Labor Statistics, as revised. Such adjustment shall include the aggregate change in the CPI since the lease rate was last adjusted."

MEMORANDUM

DATE: July 6, 2001
TO: PCAA
FROM: Jim Savage, Airport Manager
SUBJECT: Non-AIP construction loan - Item 01-07-02

At the meeting of the Authority on May 9, 2001, you voted to authorize the Chairman to proceed with Phase III of the Hangar Area "B" taxiway and lighting project, including the development of the taxiway serving lots D28 through D31, and authorized her to sign all documents necessary to complete the project.

You discussed the need to build significant infrastructure to allow access to this area and in a later meeting authorized an agreement with the City to fund such Non-AIP construction up to a total of \$200,000. The debt service for this additional amount will be funded by the increase in the Hotel/Motel Tax which the City implemented July 1, 2001.

In reviewing the loan application with Mr. Tom Farr of Peachtree National Bank, he requested that we provide certain information which is outlined in the draft letter attached.

When I reviewed the action at the May 9, meeting, it appears that the Authority intended to authorize the Chairman to proceed with the loan, but it is not specifically mentioned in the motion. The bank would like to see a specific resolution passed by the Authority authorizing the loan request.

It is my recommendation that the "Authority authorize the Chairman to seek a loan in the amount of \$200,000 to build roadways, auto parking areas and utility infrastructure associated with the federal and state financed Airport Improvement Project # 03-13-0146-12, and that the Chairman be further authorized to sign all loan agreements, contracts or other required documents to complete this additional work."

I have included three pages of "bid tabs" that outline the two bids we received for this Non-AIP work. We have accepted the bid of Cline Services, Inc. which total \$168,697 for the three additive alternate bids. Not included in these bids will be the cost of running natural gas lines, power lines and telephone cable.

The gas company has stated they will run the gas line for \$9 per foot. We estimate that we will need to run approximately 1,500 feet of gas line. Georgia Power has indicated that if the anticipated power demand is sufficient, they will run the power lines at no cost. Southern Bell has indicated that if we open the trench, they will lay telephone cable to the sites at no cost. It is my belief that all of the remaining utilities can be run for the balance of \$31,303 left in the \$200,000 loan.

**PEACHTREE CITY AIRPORT - NON AIP
COST ESTIMATE
July 9, 2001**

Additive Alternate # 1	\$89,352.50
Additive Alternate # 2	35,255.00
Additive Alternate # 3	44,090.00
Duct bank (270 LF @ \$57.20/LF)	15,444.00
10" waterline (360 LF @ \$30.00/LF)	10,800.00
8" waterline (240 LF @ \$25.00/LF)	(6,000.00)
Extra fire hydrant	2,280.00
Trenching for telephone cable (1,000 LF @ \$1.43)	1,430.00
Gas line (1,667 LF @ \$9.00/LF)	15,000.00
Engineering Non-AIP	<u>13,000.00</u>
Total	\$220,651.50

PEACHTREE CITY AIRPORT AUTHORITY

RECORD OF ATTENDANCE AS OF:

July 31, 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 **	11	11	100%	3	3	100%
Douglas A. Fisher *	7	7	100%	3	3	100%
Mark H. Harris***	2	2	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
7/11/2001	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