

# PEACHTREE CITY AIRPORT AUTHORITY MINUTES OF MEETING

July 16, 2003

The July meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on July 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. Savage announced that the airport has a new tenant, Mr. Richard Spencer who will be keeping his OV-1D "Mohawk" at the Commemorative Air Force's hangar. The OV-1 was used during the Vietnam War effort as a counter-insurgency aircraft by both the U.S. Army and the U.S. Marine Corp.

Mr. Savage also mentioned that Rescue Air 1 has moved one of their rescue helicopters to Falcon Field. The company has sub-leased office space from SouthEast Piper and will be parking their helicopter on the southeast corner of the main ramp. The company operates on a 24/7 basis and their presence in Fayette County can save valuable time in critical trauma and medical emergency situations.

## II. APPROVAL OF MINUTES

A motion was made by Mr. Cobb and seconded by Mr. Fisher to approve the minutes of the June 11, 2003, Regular Meeting, as presented.

The motion passed unanimously.

Mr. Cobb offered a correction to the minutes of the June 16, 2003 Special Called Meeting, stating that in the next to last paragraph on page one, he felt that the list of speakers should be expanded to reflect all who spoke at the meeting since these minutes were the only official record kept of the meeting.

After some discussion regarding how the names would be added, Mr. Toombs moved to approve the minutes of the June 16, 2003, meeting as amended, with the understanding that Mr. Savage and Mr. Cobb would work together to determine the names to be added.

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

### III. REPORTS

#### AIRPORT MANAGER'S REPORT

July 15, 2003

**1. Aviation Center roof leaks.** On June 27<sup>th</sup>, Gus Scheffer of Williamson and Associates and I held a pre-bid conference with several contractors that will be bidding the repair work to the roof and wall sections of the Aviation Center. They were given an opportunity to inspect the areas that need repair and to ask questions of Mr. Scheffer regarding the specifications. One suggestion regarding the method of sealing around the HVAC duct work that supplies conditioned air to the main atrium has been incorporated into the request for bids. The bid opening will be on July 28<sup>th</sup>, at 2:00 p.m. here in the Aviation Center, so we can have a proposal for the Authority's review and approval for the August meeting. If approved, work will begin on or about September 8<sup>th</sup>, following the airshow. Engineer's estimates for the completed project are in the \$150,000 to \$200,000 range.

**2. FBO Hangar Office area landscaping and parking lot seal coating.** In an effort to keep both the landscaping and seal coating projects within budget limits, we have transferred a portion of the seal coating project to the landscaping project. The paving of the area between the new sidewalk and the parking lot will be included in the landscape project. Since we have been able to do the landscaping with Authority personnel and a volunteer fulfilling his "community service" requirements imposed by the City Court, we have been able to transfer the \$750 cost of paving that small strip to landscaping, and keep the seal coating cost from the second lowest bidder to less than the \$1,900 originally approved for that project. Seal coating work should begin soon, and the landscaping work should be finished this week.

**3. Hangar Area "B" construction.** The structural steel for Mr. Russ Solsvig's hangar arrived this morning, however the recent rains have delayed the footings and hangar slab construction on Hangar B1, so the site is not yet ready for steel. We received a copy of the plans for Gardner Aviation Specialists' hangar on Monday of this week and we have a few questions of the contractor prior to approval. The other three hangars will be discussed later under Agenda Item #4.

**4. Relocation of utilities on Stallings Road.** Agenda Item #2 addresses the relocation costs of the power lines along Stallings Road and must be approved and completed prior to road construction.

Atlanta Gas Light Company is ready to proceed with construction of the gas line to serve Hangar Area "B" from the intersection of Dividend Drive and Stallings Road to the hangar area. We will need to stake the edge of the right-of-way of the road as well as mark the location of the gas line and the power lines prior to construction. Wilbur Smith and Associates will perform that work.

The orientation and layout of hangars B2, B3 and B4 must be decided prior to the installation of all of the utilities, as well as the determination of who will be responsible for the additional cost involved.

5. **"Flying Rebels" fly-in.** On June 21<sup>st</sup>, approximately 50 members of the "Flying Rebels" an aviation organization that supports the concept of the \$100 hamburger, flew in, in some 25 aircraft for a meeting over hamburgers and grilled chicken. Among other activities, they hold an annual Flying- rallye to Florida each year, during which they measure each pilot's flight planning skills against his actual flight operations for estimated time enroute, fuel burn and ETA. Their next rallye was the main topic of discussion at this fly-in. They made food available to our line crew and anyone that looked hungry, and a good time was had by all.

6. **Rescue Air 1.** We have a new tenant on the field. Rescue Air 1, an Atlanta based company that provides rescue helicopters for the greater metro area. They lease office space from SouthEast Piper and keep their helicopter on the southeast corner of our main ramp. They are available on a 24/7 basis with this helicopter assigned to cover the south metro part of the Atlanta area. They average two to three flights per day.

#### IV. FINANCIAL REVIEW

Mr. Savage gave a brief review of the financial information for June. Jet -A sales were less than expected, but AvGas sales were significantly better than expected, with total income for the period ending \$732 better than budget. Gross profit was less than expected by \$3,149 due in part to a reduction in the margin on AvGas associated with the larger fuel discount we offer on volume sales, and the reduction in income from the Annex Hangar due to the incentives granted the flight school to lease the facility.

As stated last month, the liability insurance expense that was budgeted for May, that includes a larger first payment, was actually realized in June. This expense added \$5,500 to the month that was not budgeted. When the reduction in Gross Profit was combined with the unbudgeted insurance expense, Net Profits fell to \$8,197 less than expected. All other expenses were held to \$750 less than budget.

For June, cash flow was calculated to be a negative \$3,348 compared to the original estimate of a positive \$3,911.

The Capital/Reserve ending fund balance for June was \$124,117 after a payment to Wilbur Smith and Associates for the design of the Stallings Road pavement work, which was approved last year in the amount of \$35,980. The Grant Fund account balance was reduced to \$1,252 after a payment to Atlanta Gas Light in the amount of \$1,446 for the installation of the gas lines to Hangar Area "B".

#### V. OLD AGENDA ITEMS

None.

## VI. NEW AGENDA ITEMS

Prior to consideration of New Agenda Items, Chairman Nelmes asked the Authority Members if they objected to hearing Agenda Items 03-07-05 and 03-07-04 first due to a number of people in the audience who had come just for those issues. There were no objections.

### **03-07-05 Consider request from Ford Air Tours to use FFC as a stopover for their fall air tour, scheduled for September 17, 2003.**

Mr. Nathan Rounds, working with the Aviation Foundation of America, Inc. rose to speak to the Authority about the efforts of their organization to re-create the 1925 - 1931 National Air Tours in celebration of the Centennial of Flight.

A series of questions were asked of Mr. Rounds by the Authority and Staff regarding the commitment that the airport was being asked to make to support the event. Mr. Rounds commented that while they would appreciate any donations anyone would like to make to support the event, that they were just asking the Authority for the use of the airport for about a 24 hour period and help in coordinating certain logistical issues regarding fuel, meals, grand transportation and security.

He stated that they would like to park the some 25 to 30 aircraft, including 10 to 12 Ford Tri-motor size multi-engine aircraft, plus another 12 to 20 single engine classic and antique type aircraft, in as close proximity as possible so the public could visit and see these classic airplanes in what could be a once in a lifetime event.

Mr. Fisher asked Mr. Savage if he believed the airport could accommodate that many aircraft without disrupting normal operations? Mr. Savage said it might require relocating some based aircraft and perhaps using the grassed area immediately southeast of the main ramp, but with adequate planning he believed it was possible.

After verifying that this effort would not require any direct expense to the Authority, other than manpower and equipment, a motion was made by Mr. Cobb and seconded by Chairman Nelmes to invite the National Air Tour to stop at Peachtree City - Falcon Field Airport on it's fall air tour, now scheduled for September 17<sup>th</sup> and 18<sup>th</sup>, 2003.

The motion passed unanimously.

Mr. Cobb indicated that as Chairman of the Great Georgia Air Show, he would be glad to work with the organization to help coordinate the logistics.

03-07-04

**Consider requests from tenants of Hangar Lots B2, B3 and B4, to rotate hangars 90 degrees to face Taxiway "E", and other related issues.**

Chairman Nelmes asked if the tenants present wanted to speak on the subject.

Mr. Stan Smith presented a drawing of the area that showed Lot B4 with the hangar rotated 90 degrees to face Taxiway "E". Mr. Smith also indicated that he was not interested in rotating the hangar on B2 because of grade differences between the hangar floor elevation and the taxiway which would make the apron slope too steep for aircraft operations. In the discussions that followed, it was determined that should the changes be approved, a number of issues must be addressed from an engineering point of view as well as how the cost of the changes will be covered.

Issues discussed included: the reduction in the obstacle free area along the edge of the taxilane between Lots B4 and B5, and how the taxilane entrance might need to be widened; a similar problem between Lots B2 and B3; the re-location and possible addition of a number of taxiway lights along Taxiway "E" and the associated re-wiring; the installation of additional duct banks under the proposed new apron areas to accommodate the utility lines, cables and existing water lines that will serve the area; the construction of a new connecting taxiway between Taxiway "E" and Taxiway "A" to insure ingress and egress to all hangars regardless of whether or not aircraft are parked on aprons adjoining Taxiway "E"; the need to raise or lower storm water drop inlets and drainage piping, and the determination that the drainage system will handle the changes in storm water run-off that are created by the redesign; and other minor issues.

Ms. Karen Gess rose to speak of their plans for Lot B3 and addressed a letter she had sent to Chairman Nelmes for delivery to the Authority, which outlines their desire to accommodate as large an aircraft as practical.

After considerable discussion by the tenants and the Authority, it was agreed that the tenants would get together with Mr. Davis and his planning committee to look at preparing a sketch with proposed locations and dimensions of the hangars, that would also address the issues discussed above. The sketch would then be reviewed by the engineers at Wilbur Smith and Associates and the FAA. If the plan is acceptable to WSA and the FAA, the Authority would then call a special meeting at the earliest time possible to consider the changes.

A motion to table action on this item pending a called meeting to consider it further was made by Mr. Davis and seconded by Mr. Fisher.

The motion passed unanimously.

03-07-01

**Due to the pending change in the brand of fuel supplied by Eastern Aviation Fuels, review proposals from Eastern and two other suppliers and select brand/supplier.**

Chairman Nelmes asked Mr. Savage to review this issue and make his recommendation.

Mr. Savage gave a brief history of the Authority's association with Eastern Aviation Fuels and how Eastern has been very supportive over the last 10 years in building a fuel farm, supplying fuel tenders and fuel, training for employees, quality control and even at times allowing the Authority to drop to "interest only" during periods of poor cash flow on the repayment of the \$120,000 loan to build the fuel farm.

Mr. Savage gave an in-depth review of a comparison matrix that listed many of the major items each company covered in their proposals. That comparison matrix is attached and made a part of these minutes. Mr. Savage focused on the need to automate the daily sales information and how that information is transferred to the Authority's accounting system.

Two proposals, the one from Phillips 66 and the one from Eastern Aviation both included the free installation of a Point Of Sales (POS) system that is compatible with Quick Books, and that would allow the automatic updating of the Authority's accounting system, saving as much as five man-hours daily. The proposal from the Hiller Group proposed a different stand-alone accounting system and a POS system that would not be compatible with Quick Books.

After a point by point review of Phillips 66's and Eastern's proposals, it was Mr. Savage's opinion that either proposal would be acceptable, however, because Eastern has agreed to pay the estimated \$7,500 necessary to replace the aging fuel filler vessel on the AvGas system at the fuel farm, and because of the excellent working relationship the Authority has had with Eastern in the past, it was Mr. Savage's recommendation that the Authority accept the proposal from Eastern Aviation Fuels.

Discussions followed, with Mr. Davis wanting to know if staff had checked with other FBO's on the successful operation of the "FBO Manager" software. Mr. Bolton reviewed his discussions with staff at Eastern, Cornerstone Software, the developer of the software, and the FBO Manager of Wilson Air in Memphis, Tennessee. All have indicated that the system works as advertised. Mr. Davis asked if staff had discussed it with other FBO's and Mr. Bolton indicated that he had not, but would if the Authority believed it was necessary.

Discussions continued, with Mr. Cobb offering a motion to stay with Eastern Aviation Fuels and to move to the Shell Aviation product effective October 1, 2003, or as may be practical during the transition. The motion was seconded by Mr. Toombs.

The motion passed unanimously.

**03-07-02      Authorize the relocation of power lines along Stallings (Aviation Way) at a cost of \$56,921.00.**

Mr. Savage gave a brief review of the events leading to the request from Georgia Power for power line relocation expense of \$56,921. When the paving project was first contemplated, consulting engineers at Wilbur Smith and Associates (WSA) estimated the cost of relocating the service lines along Stallings road at \$30,000.

As the project took shape, Mr. Savage received a copy of an estimate sent to Mayor Steve Brown from engineers at Georgia Power that provided a "budget" estimate of \$45,000 to complete the project. After Mr. Savage met with field engineers to get a firm price, a different engineer was assigned the task. The new engineer using a formula he says was established by the tariffs approved by the Public Service Commission, calculated the price to be \$56,921.

Considerable discussion by the Authority followed with Mr. Davis and Mr. Fisher both expressing concerns with the significant variance between the estimate from WSA and the final price established by Georgia Power.

Mr. Cobb stated that he was also unhappy with the higher price, but since there was no alternative he felt that the expenditure should be approved so the project can proceed. Chairman Nelmes also expressed the desire to go forward, explaining that this relocation was the first step in the paving of Stallings Road and that she did not want the Authority to be responsible for any delay in paving the road.

Mr. Cobb offered a motion to approve the expenditure as presented, with the funds to come from the Reserve Fund, and to authorize the Chairman or the Airport Manager to execute the agreement with Georgia Power to complete the work. The motion was seconded by Mr. Toombs.

Additional discussions followed, with Mr. Davis again expressing his displeasure with the large variance in the original estimate and the final price. In an effort to determine the reason for the apparent discrepancy, it was agreed that a letter should be sent to both WSA and Georgia Power requesting their methodology for determining the cost of the project.

Mr. Cobb, with the agreement of the second, amended his motion to read: the Authority shall approve the expenditure of up to \$56,921 to relocate the power lines as described in the Relocation Agreement, with the funds to come from the Reserve Fund, and to authorize the Airport Manager to execute the agreement with Georgia Power to complete the work. The Airport Manager is also requested to send a letter to both WSA and Georgia Power requesting their methodology for determining the cost of the project, and that a follow up effort should be made to appeal the final cost prior to executing the agreement.

The motion passed with three voting in the affirmative, with Mr. Davis and Mr. Fisher voting no.

03-07-03

**Consider budget amendment to adjust for the estimated \$1,500 loss expected due to the recent change in 2% commercial fee structure for Hangar Area "A".**

Mr. Savage gave a review of his efforts to locate one or more areas in the budget that could be adjusted to reflect the anticipated shortfall that the change in the 2% commercial fees for Hangar Area "A" would create. As during previous meetings, where this change in fee structure was discussed and ultimately approved, he reiterated that he did not believe that any action was necessary due to the fact that the Authority had already collected some \$3,154 more in commercial fees than was originally budgeted for FY 2003, and that any shortfall would not be realized until FY 2004.

Mr. Savage suggested that as the budget for FY 2004 is developed, the anticipated loss in revenue should be considered and the Commercial Fee line item be adjusted accordingly. However, if the Authority still wished to amend the FY 2003 budget the following choices could be considered:

\* Delete the remaining \$1,500 budgeted towards Advertising (# 5101), or

\* Adjust Workers Compensation Insurance (# 6250) downward by \$150 per month (\$450); delete uniform expense (# 6262) for August (\$500); reduce postage (# 6341) by \$50 per month (\$150); reduce office supplies (# 6440) by \$133 per month (\$400). Total \$1,500.

Mr. Savage also stated that he did not see any unanticipated income for the remainder of the fiscal year, and indeed, the revenues from the Annex Hangar (per the agreement) will continue at \$800 per month less than the amount budgeted until the end of the fiscal year.

Discussions by the Authority followed, with Mr. Davis expressing his disappointment that Mr. Savage had made no effort to identify a new revenue source, such as the possibility of removing FBO products from the display case and locating a company that would rent the space to display their products.

Mr. Savage responded by saying that the display of FBO products was necessary to maintain current sales and that with only three months remaining in FY 2003, it would be unlikely that any such arrangement could be completed in time to generate any significant revenue for the current year.

Mr. Cobb expressed the view that the change in the budget amounted to "make-work" for Mr. Savage, but in an effort to resolve the issue once and for all, he moved to amend the FY 2003 Budget by reducing the remaining amount budgeted under Item # 5101 Advertising, by \$500 per month for July, August and September, to achieve the \$1,500 adjustment requested. The motion was seconded by Mr. Toombs.

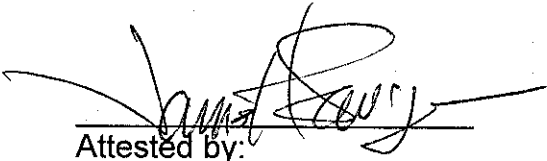
Following additional discussion, the motion was passed with four voting in the affirmative, with Mr. Davis voting no.




**VII. EXECUTIVE SESSION**

There were no items for consideration in Executive Session, so at 10:00 p.m., a motion was made by Mr. Cobb and seconded by Mr. Toombs adjourn.

The motion passed unanimously.

  
Attested by:

  
Catherine M. Nelmes, Chairman

### FUEL SERVICES PROPOSAL COMPARISON

Company	Fuel Price Info		Truck Rental Info		POS System	EFT		Excess	QC & Ramp	Signage	Length of	Extras
	6 mos avg / current		Cost per month		Quick Books	Payments	Receipts	Insurance	Training	COOP Ads	Contract	
	Jet A	AvGas	Jet A	AvGas	Compatible							
<b>Chevron</b> (Hiller Group)	Average \$ 1.24	Average \$ 1.69	1996 Reconditioned Ford F800	1995 Reconditioned Isuzu NPR	Yes Total FBO Not Compatible	Yes Net 20	Yes 72 Hours	Yes \$1 Million	QC - Annual NATA / PLST 5 hr video	Signs - free with cap of \$1,500 inst. Coop - 50% cap \$.005/gal	5 Years	None
	Current \$ 1.11	Current \$ 1.61	3,000 Gal 1 - overwing 1 - single pt. Full Maint 24 Hr Delivery \$1,332	1,200 Gal 1 - overwing N/A Full Maint 48 Hr Delivery \$738			\$75 Million	\$200 / per lineman				
<b>Phillips 66</b> (Company)	Average \$ 1.18	Average \$ 1.57	2000+ Reconditioned Ford F800	2000+ Reconditioned Ford F800	Yes Prism System Yes Set Up - Free	Yes Net 12	Yes 48 hours	Yes \$1 Million	QC - Semi-annual Phillips 66 Video LTP	Signs - free Coop - 12 month limit \$.005/gal	5 Years	\$25,000 Loan for conversion expenses amortized over 5 years
	Current \$ 1.08	Current \$ 1.59	2,200 Gal 2 - overwing 1 - single pt. Full Maint 24 Hr Delivery \$1,100	1,200 Gal 1 - overwing N/A Full Maint 24 Hr Delivery \$750			\$50 Million	Free				
<b>Shell</b> (Eastern)	*Average \$ 1.33	*Average \$ 1.73	2000 Reconditioned Ford F800	2001 Reconditioned GMC	Yes FBO Manager	Yes Net 10	Yes 48 hours	Yes \$500,000	QC - Quarterly NATA / PLST 5 hr video	Signs - free Coop - no cap	3 - 5 Years	\$7,500 for fuel farm repairs at no cost to PCAA
*Air BP prices	Current \$ 1.11	Current \$ 1.61	2,200 Gal 2 - overwing 1 - single pt. Full Maint 24 Hr Delivery \$900	1,200 Gal 1 - overwing N/A Full Maint 24 Hr Delivery \$700	Yes \$10,000 set-up fee waived		\$50 Million	Free	\$.002/gal			