

Peachtree City Airport Authority (PCAA)
Regular Meeting Minutes
Thursday, July 10, 2008
Aviation Center, Peachtree City – Falcon Field
7:00 PM

Members Present – Chairman - Jerry Cobb, Greg Carroll, Bill Flynn, Richard Whiteley, Aviation Director – John Crosby, Assistant Aviation Director – Barry Griffith, A.A.E., and Airport Attorney – Doug Warner.

Members absent - John Cordner

I. ANNOUNCEMENTS

Chairman Cobb introduced Richard Whiteley as the newest Airport Authority member and showed the meeting in session at 7:05 p.m.

II. APPROVAL OF MINUTES

PCAA tabled the May 30, 2008 Special Meeting Minutes until the next meeting.

III. REPORTS

Aviation Director – John Crosby reports construction on Taxiway “F” is nearing completion and a ground check of the new glideslope is tentatively scheduled for July 24, 2008. The Instrument Landing System (ILS) will not be actively published or operational until the new Localizer is in place.

Mr. Crosby indicated that Area C – Phase I plans along with the Localizer project are being advertised for bid during the next 30 days and that hopefully Airport staff can provide bid information at the next PCAA meeting.

Mr. Crosby stated that the relocation of the 2 golf holes at Planterra Ridge is moving forward rapidly. It is expected that the golf holes will be ready by October 2008 or sooner.

Mr. Crosby stated that Falcon Aviation Academy, the organization of Black Airline Pilots (OBAP) in partnership with Delta Airlines have sponsored Atlanta Flight Line Camp which is a program for inner City youth from the Atlanta area where 10 students will receive 15 hours of flight training as part of a Aviation Career Enrichment (ACE) program. The program starts July 14, 2008 through July 25, 2008.

IV. FINANCIAL REVIEW

Aviation Director – John Crosby stated that financial reports for June 2008 have been better than the previous 3 months. Jet A sales exceeded budget as more corporate traffic used the airport during this time. Mr. Crosby stated that fuel pricing is competitive with surrounding airports and that our profit margins are within industry standards. Mr. Crosby also indicated that AvGas sales, while not meeting budget, have improved this month due to the Flight School.

Bill Flynn stated that the margins on Jet fuel were down but revenue was up and that margins and total revenue for AvGas was down. Mr. Flynn discussed the need to set a targeted gross margin and was concerned about the airport's profitability during these difficult economic times. Mr. Whiteley noted June's percentage margins for Jet (13%) and AvGas (11%). Mr. Flynn stated that the PCAA should establish a percentage margin on fuel sales that would be easy to administer and explain the bottom line instead of only the dollar amounts so future price adjustments would not affect the margin.

Mr. Crosby handed out a copy of fuel prices from local, competing airports. Mr. Crosby stated that we are using industry standards for the price margins and that we were not chasing our competitors but were competitive. He stated that our market would sustain the high fuel prices that FBO's at Peachtree Dekalb Airport (PDK) are currently charging. He stated that we have seen increases in jet fuel sales from customers who did not want to pay \$2.00 more per gallon at PDK. Greg Carroll stated that if KFFC charged close to PDK like prices that jet operators would fly over us and not stop at all for fuel. More discussion regarding fuel pricing and the state of the industry occurred.

Chairman Cobb stated that some of the surrounding airports may have a larger capacity for storing fuel than KFFC. That KFFC tanks are filled weekly and the margins are less flexible. Airports that have large fuel tanks that have not sold fuel for long periods of time would be able to sell their fuel cheaper in order to move it. Chairman Cobb also spoke about the airlines factoring in their tankering costs on route schedules and how management is attempting to control their fuel purchases based on pricing.

V. OLD AGENDA ITEMS

None.

VI. NEW AGENDA ITEM

08-07-01 Grants Discussion - no action taken

Aviation Director – John Crosby stated that due to the PCAA's proactive stance in seeking federal and state grant funds, that the Airport is in a very favorable position and could receive a substantial amount of grant funds for fiscal year 2008/2009. He indicated that the money will be used to fund Area C-Phase 1 development and the Localizer relocation.

Mr. Crosby handed out a summary of the Airport's (5-year) Capital Improvement Program (ACIP) and gave an overview of the items listed for each year and the matching funds needed for the FAA and GDOT. He indicated that current year appropriations allow KFFC to swap land as part of the match needed for federal Airport Improvement Program (AIP) funds but GDOT grants are normally split 75% GDOT/25% PCAA.

Mr. Crosby stated that this year and next year's GDOT projects will require a large capital commitment from the PCAA. Mr. Crosby stated that the \$500,000 will be used to fund PCAA's obligation to the GDOT funded projects which included the runway rejuvenation work, the new glideslope antennae and the relocated Localizer that will allow for the new ILS approaches. Mr. Crosby handed out a brief summary sheet (see attached) that shows the airport's current financial need for matching GDOT funds for the Taxiway "F"/NAVAIDS project.

Chairman Cobb indicated that each pay request that goes to a GDOT contractor for GDOT's pay portion is accompanied with another check from KFFC's LOC. This was done purposely so that there will be no co-mingling of general funds with LOC funds.

Bill Flynn reiterated that PCAA should consider and shop around for long-term loans due to the low interest rates. He stated that all funding needs should be articulated in a cash flow analysis and that information should be used when shopping for low interest loans. Mr. Whiteley requested information on how the PCAA plans to pay down the LOC out of operational costs?

Mr. Flynn also stated that Peachtree City is having financial difficulties especially with the Amphitheater. He indicated that the City is looking at ways to offset this problem and have considered using the airport portion of the hotel/motel tax. He stated that recent decisions by the PCAA such as declining the right to purchase hangars D20 and D28 have led the City Council to believe that the Airport is self sufficient and does not need any additional revenue, therefore, the hotel motel tax may eventually go away. Mr. Carroll stated that there were no guarantees on revenue for hangars D20 and D28 and that PCAA could have had a large financial burden if the hangars remained vacant.

Mr. Crosby gave background information on the Airport's reserve account and stated that when he arrived as the director the account was less than \$40,000.00. He indicated that PCAA has worked diligently to bring the reserves amount up so that there would be a cushion for unfunded or unexpected financial needs.

Mr. Crosby continued with a review of the ACIP funding requirements and had further discussion on current revenue streams such as the lease from the recently acquired "Toybox" executive hangar. Mr. Crosby stated that we should see approximately \$4,000 a month from the Toybox starting in July 2008. That additional revenue will be realized when the entire facility is leased out. Mr. Crosby also gave examples of recent deals approved by the PCAA for other through-the-fence properties such as Chick-fil-A (CFA). He stated that the anticipated revenue streams that were initially proposed have not materialized to date. That CFA only leases the ½ of the front hangar complex and plans to lease the second half for \$6,500 month. That PCAA has only seen about \$20,000 in revenue from CFA in the last 12 months. With CFA installing their own jet fuel tanks, the fuel sales revenue has also diminished. Mr. Flynn indicated that this was a missed opportunity

Mr. Crosby spoke about the ad valorem tax that the County receives from both aircraft and hangars on the field and that this amount exceeded \$500,000 last year. He also stated that with the possibility of attracting additional jet aircraft that this tax amount could possibly triple in the coming months. Mr. Crosby also stated that additional revenues streams would be coming on line with the continued development of Area C both in forms of ground lease and fuel sales.

Mr. Flynn asked what the anticipated payment would be for a standard size hangar (120' x 100'). Mr. Crosby stated that the debt service payment is normally 1% of the capital development costs. For instance, if the hangar costs \$1M to build then the payment would be \$10,000 per month.

Mr. Crosby gave more information on the plans for Area C- phase 1 and spoke about the alternates that would bid as part of this project. He indicated that the apron area would be big enough to accommodate the current flight school aircraft but that with the bid alternates, depending on funding, additional apron area may be possible. Mr. Crosby spoke a little about the out years for future projects such as an air traffic control tower and fuel farm facility. He stated that these capital improvements were shown on the revised Airport Layout Plan (ALP) currently under review with the FAA which helps make them eligible for future funding.

Mr. Crosby stated that Airport staff has numerous requests/applications for funding submitted with the FAA and GDOT. That PCAA is obligated to live by the grant assurances associated with accepting federal money for up to 20

years. That through PCAA's proactive design and planning efforts, the Airport will have plans on the shelf that the FAA/GDOT can chose to fund if there is any discretionary money available in the second round of funding. He stated that the FAA/GDOT will know more about funding levels in the next two weeks but that we should receive funds by September 30, 2008.

PCAA took no official action on this item.

VII. EXECUTIVE SESSION

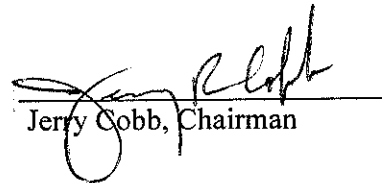
Motion made by Bill Flynn and seconded by Greg Carroll to enter executive session to confer with legal counsel at 8:25 p.m.; motion carries 4/0.

Motion made by Greg Carroll and seconded by Bill Flynn to return to regular session at 9:18 p.m.; motion carries 4/0.

VIII. ADJOURNMENT

Motion made by Greg Carroll and seconded by Bill Flynn to adjourn at 9:20 p.m.; motion carries 4/0.

Attested By: 


Jerry Cobb, Chairman

COMMISSION/AUTHORITY ATTENDANCE RECORD

Jul-08

Peachtree City Airport Authority

Board name

Report Date: Month Year

Name & Date of Appointment	Meetings Held Past 12 Months	# of Meetings Member Eligible to Attend	# Meetings Attended	# Meetings Absent	Meeting Dates Absent	Percentage Attendance
Jerry R. Cobb, Chairman 1/1/2005-12/31/2009	11	11	11	0	n/a	100%
Bill Flynn, Vice Chairman 1/1/2007-12/31/2012	11	11	11	0	n/a	100%
Douglas Fisher, Secretary/Treasurer 1/1/2006-12/31/2010	11	7	6	1	7/6/2007 (resigned 3/7/2008)	86%
Richard Whiteley, Secretary/Treasurer 6/20/2008-12/31/2010	11	1	1	0		100%
Greg Carroll 3/3/2005-12/31/2008	11	11	9	2	10/11/2007 5/30/2008	82%
Rick Mendenhall 1/1/2003-12/31/2007	11	5	5	0	(Term 12/2007)	100%
John Cordner, III 1/1/2008-12/31/2012	11	11	7	4	7/6/2007 10/11/2007 11/8/2007 7/10/2008	64%