

**PEACHTREE CITY AIRPORT AUTHORITY
MINUTES OF MEETING**

September 13, 2000

The September meeting of the Peachtree City Airport Authority, was held at the Aviation Center, Peachtree City-Falcon Field Airport, on September 13, 2000, at 7:00 p.m.

Those present were Authority Chairman David M. Good; Secretary/Treasurer H.E. Buffington; Members Catherine M. Nelmes Susan M. Cates and Jerry R. Cobb; Airport Manager James H. Savage; Assistant Manager Andrew Bolton; and Authority Attorney Douglas B. Warner.

I. ANNOUNCEMENTS

Chairman Good welcomed new Authority member Jerry R. Cobb who has been appointed by the Peachtree City Council to fill the unexpired term of Mr. Mark Bunker who has been transferred by Photo Circuits, Inc. to manager a new manufacturing plant in the Philippines.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the August 9, 2000, meeting as presented, was made by Ms. Nelmes and seconded by Mr. Buffington.

The motion passed unanimously.

III. REPORTS

Airport Manager - Mr. Jim Savage

Mr. Savage presented the following report:

AIRPORT MANAGER'S REPORT
SEPTEMBER 13, 2000

1. We opened bids for the aircraft parts, tools and accessories that had been declared surplus on August 30, 2000. The high bidder for the "Aircraft Parts" was Romanair, Inc. of Winder, Georgia, with a bid of \$5,001.00.

The high bidder for the "Aircraft Tools and Equipment" was also Romanair, Inc. with an equal bid of \$5,001.00.

In all, we received two bids for the parts and five bids for the tools and equipment. Based on efforts to establish a fair market value for these components without influencing the bids, I set the minimum bid price at 30% of book value, or \$6,286.24 for the parts and \$8,947.20 for the tools and equipment.

I spoke with Romanair, Inc. and they are still interested in purchasing the components at the above bid prices, however since their bids are below the minimums established, I need direction from the Authority regarding further action on this item. Do we hold an auction to sell the components by the piece (or by smaller lots) or do we wish to delete the minimum bid requirements and award the components to Romanair, inc. at their bid prices?

2. Construction on the Hangar Area "B" taxiway project started this last Monday, after a one week delay due to weather. We have been advised by Mr. Terry Washington of the Atlanta Airports District Office of the FAA, that the additional funding for Phase II of the project has been approved and a revised grant including the additional 15% will be arriving soon.

Funding for Phase III will be made available as soon as funds are received by the ADO, which may be with FY 2000 dollars, but more than likely will be from the FY 2001 budget. We will know prior to September 30, if "fallout" FY 2000 funds are available which may require accepting a new grant at the "eleventh hour." Should that occur, the current contractor will continue through Phase III.

If FY 2001 funds are used and are delayed past December 31, 2000, it may be necessary to re-bid the Phase III work, which consists mostly of paving and taxiway lighting. The estimate that we have given the FAA also includes sufficient funds to build the "L" shaped taxiway in Hangar Area "A" that Mr. Stan Smith had originally offered to build.

Your actions at the last meeting authorized the Chairman to accept such a grant should it be offered and will not require further action by the Authority at this time.

3. I mailed a "Request for Proposals" to several airport navigational equipment technicians that the FAA has listed as qualified on our equipment, seeking proposals to maintain our navigation aids effective October 1, 2000.

In recent weeks, we have had serious difficulty in keeping our Localizer in operation. This component is crucial during periods of low ceilings and poor visibility to allow inbound aircraft to approach and land safely. Indeed, on more than one occasion, jet aircraft inbound during poor weather have had to divert to other airports because the minimums for our secondary instrument approach procedure (NDB) were too high for the pilots to see the runway. Not only did this inconvenience the passengers, but we lost fuel sales as well.

Our current technician lives in Florida, and unlike his father, does not fly his own aircraft. This has frequently resulted in lengthy delays in his arrival on site to initiate repairs. The last two failures were of a similar nature involving his ability to communicate with the system from a remote location. He stated that the reason for the second delay was that our spare components had not been repaired from the first failure, and that he did not wish to make the trip to Peachtree City without spare components. When I asked if that meant there were no spares available anywhere, he commented that "Well, the factory might have new ones."

As it turned out, the circuit board was loose in the transmitter and once seated properly the system worked normally.

I will evaluate the proposals we receive and make a recommendation at the next meeting for action by the Authority. Three of the potential technicians live in Georgia, including one that lives in LaGrange.

4. Preliminary reports from the investigation of the aircraft accident that occurred on August 12, indicate that a tear down of engine did not reveal any signs of pre-impact failure, although damage to the crankshaft on impact prevented it from being run.

The reports also indicate that the flaps were at or very near fully extended, but damage to the flap control switch, which may have occurred on impact, may make it impossible to determine if the flaps were retracted on the touch-and-go performed just prior to the accident, or were extended later in the flight.

Tests performed by AirBP have shown no contamination to the fuel sample taken from the service truck, nor have we received any complaints or reports of fuel related problems from any of the other aircraft fueled that same morning.

A final report from the NTSB on the "probable cause" is not likely for several months.

Following item one of his report, the Authority discussed the sale of parts and equipment, with Ms. Cates commenting that it had been her experience that it was not uncommon for surplus parts inventories to bring as little as 10% to 15% of book value, and suggested that the aircraft parts be sold to the high bidder.

Regarding the tools and equipment, she suggested that they be listed on the "ILS" (an internet system that reaches some 200,00 potential buyers) with the intent of considering any proposals received at the next regular Authority meeting.

Following discussion by the members, Chairman Good called for a motion on the item and Ms. Cates moved to authorize the sale of the aircraft parts to Romanair, Inc. for their bid amount of \$5,001.00, and to list the tools and equipment on the "ILS" and consider any proposals received at the next regular scheduled Authority meeting.

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

IV. FINANCIAL REVIEW

Mr. Savage presented the financial report for the month of August, offering explanations for the areas where expenses exceeded the monthly budgeted amounts. As was the case in July, jet fuel sales for the month of August were less than half of that budgeted. He provided information on the reduced income and increased expense items that contributed to a net ordinary loss of \$17,651, versus the budgeted net ordinary loss of \$9,080.

Net cash flow for the month was calculated to be a negative \$18,199 versus the budgeted amount of a positive \$8,907, due in part to the failure to sell the surplus parts and equipment at the estimated price of \$18,000.

After considerable discussion by the Authority and members of the public regarding the financial problems, Chairman Good called for a workshop to discuss the budget, and for a called meeting to discuss personnel matters, both to be held starting at 7:00 p.m., Thursday, September 21, 2000, at the Aviation Center.

V. OLD AGENDA ITEMS

00-08-01 Consider request from Enterprise Rent-A-Car to build car wash facility near their office.

Mr. Savage gave a brief review of the Addendum #2 he had developed for the Enterprise lease agreement that provides stipulations for constructing a car wash canopy adjacent to the office area leased by Enterprise.

Following a brief discussion, Mr. Cobb moved to approve the Addendum #2 as submitted, which was seconded by Ms. Nelmes.

The motion passed unanimously.

VI. NEW AGENDA ITEMS

00-09-01 Consider request from Mike Rossetti to discuss airport access agreement.

Prior to addressing this item, Chairman Good requested affirmation from Mr. Warner that because Chairman Good, Mr. Cobb and Mr. Warner were all hangar owners on or adjacent to the airport, that it would be proper for each to address the issue, but not proper for Chairman Good or Mr. Cobb to vote on the issue due to possible conflicts of interest. Mr. Warner agreed that it was his legal opinion that Chairman Good's opinion was correct.

Mr. Mike Rossetti then rose to give a brief outline of his request, which in essence called for the implementation of the old "Through-the-Fence" (TTF) agreement that would allow access from the property his organization has recently purchased, to the airport. That old agreement specifically excluded air charter and certain other flight operations from paying any airport access fees. Mr. Rossetti stated that when he purchased the property that he had not been informed that a different policy had been adopted and that when he requested the document, it was only available in outline form and not available as a formal agreement.

Following Mr. Rossetti's outline, Chairman Good gave a detailed history of how the TTF's were developed and the philosophies behind the fee structure. He emphasized that the original TTF agreement had been modified by action of the Authority at its March 1999, meeting and was therefore no longer valid. The new TTF agreement had not been fully developed because no one had approached the Authority for such an agreement.

Chairman Good continued, stating that in reviewing the new TTF document developed by Mr. Savage and Mr. Warner, which had been made available to Mr.

Rossetti's legal counsel prior to the meeting, it had occurred to him that there were a couple of issues that he felt the Authority should review before the agreement was implemented. Specifically, the agreement as written states: "No fees shall be charged based on revenues generated in the operation of aircraft leaving Adjacent Owner's facility to perform work elsewhere, generating revenues off airport property."

Chairman Good expressed his view that all commercial operators, regardless of the type of business, should be contributing some fees to support the operation of the airport. His recommendation was a minimum fee of \$.10 per square foot, based on the total area of the operator's hangar and aircraft parking apron.

A lengthy discussion followed with the members of the Authority, airport staff and the public gathered, offering various comments and suggestions on the matter. Mr. Jim Bischoff, Counsel for Mr. Rossetti, pointed out the need for a wording change that would permit charter operations, since current language would prohibit such an operation. In further discussions, the Authority generally agreed that while scheduled air carrier operations were not needed, nor wanted on the airport, charter operations were encouraged and desirable.

By consensus of the Authority, Chairman Good directed Mr. Savage and Mr. Warner to re-draft the agreement to include the minimum fee of \$.10 per square foot, as previously discussed, and to correct the language to allow for non-scheduled charter operations, with the intent of considering the document at the next regular scheduled meeting.

Mr. Warner suggested that the action should be in the form of a motion, whereby Chairman Good moved to table action on the item until the next regular scheduled meeting, with the directions given to Mr. Savage and Mr. Warner to remain as stated. The motion was seconded by Mr. Cobb and passed unanimously.

00-09-02 Consider request from Stan Smith to modify his original proposal to construct hangars in Hangar Area "A."

Mr. Smith gave a brief overview of the modifications to his original proposal, which basically calls for the Authority to build the taxiway access to the property with federal funds, while he absorbs the remaining infrastructure costs as part of his development costs. He offered to begin payments on the lots immediately, with the funds going into escrow until the taxiway is built, which he has calculated to net the Authority some \$16,000 in additional revenue over the next two years.

Mr. Savage expressed his opinion that the Authority has an obligation to the other tenants, especially those that were told originally that this area would be developed by the Authority for lease as individual lots, to allow others an opportunity to acquire one or more of the lots. His recommendation was that the Authority should build the

taxiway, survey the lots, and hold a lottery similar to the one held for the lots in Hangar Area "B" to determine who gets each lot. Adding later that it was his opinion that the new lessees would pay their proportional share of any required infrastructure improvements.

The issue was discussed at length by the Authority, except for Mr. Cobb who indicated a possible conflict of interest. After considerable discussion, including a concern expressed by Chairman Good that knowledge of the Authority's request for federal funds to build this taxiway had not been made public prior to the meeting and therefore action on the item should be delayed to allow for public input, he moved to table action on the item until the next regular scheduled meeting.

The motion passed with four voting in the affirmative. Mr. Cobb abstained due to a possible conflict of interest because of his previous offer to build hangars in this area.

VII. EXECUTIVE SESSION

At 9:59 p.m., Chairman Good indicated that he knew of no items for Executive Session and called for a motion to adjourn. Ms. Nelmes so moved.

Mr. Buffington seconded the motion and it passed unanimously.


Attested by:


David M. Good, Chairman