

PEACHTREE CITY AIRPORT AUTHORITY MINUTES OF MEETING

October 9, 2002

The October meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on October 9, 2002, at 7:00 p.m.

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

Member Mark H. Harris was absent due to business travel.

I. ANNOUNCEMENTS

Chairman Nelmes announced that the Authority would hold a workshop to discuss airport marketing ideas on Monday, October 14, 2002. Member Mark Harris has invited a guest to address the Authority on this issue.

II. APPROVAL OF MINUTES

A motion to approve the minutes of the regular meeting of September 23, 2002, as presented, was made by Mr. Fisher and seconded by Mr. Buffington.

The motion passed unanimously.

III. REPORTS

AIRPORT MANAGER'S REPORT: Mr. Savage gave the following report:

1. AIP 12 Project. Repeated attempts to get the General Contractor on this project to submit the required certification that he has paid all of his sub-contractors and to submit certification to the FAA that he has met his DBE goals continue to fall on deaf ears. We are reviewing ways to encourage his voluntary compliance, but should that fail, we will have few options but to set a specific deadline beyond which we will terminate his contract and he will forfeit all remaining payments. Before we take that final action however, we will need to coordinate such action with the FAA and the Georgia DOT, and report back to the Authority for your review and approval.

2. AIP 13 Project. We have scheduled the closing on the 23.93 acre land purchase of this project for Friday at 1:00 p.m. The funds were requested this morning and if they are transferred on Friday as we anticipate, we should be able to complete the closing as expected. Mr. Saud Alam, the owner the adjacent property which includes a portion of Stallings Road, executed an easement agreement on Monday of this week that will allow the Authority to have road access across that portion of Stallings Road. This item has been the major cause of the delay in closing of this land purchase.

3. Stallings Road Paving. On Monday of this week, a joint meeting of many of the parties involved with the paving of Stallings Road met with Mr. Saud Alam to discuss the project with him and to seek various easements and the dedication of that portion of Stallings Road that he owns to the City as a "right-of-way", so that we can proceed with the paving project.

City Engineer Troy Besseche has requested that the Authority ask Doug Warner to create the documents necessary for that transfer of property from Mr. Saud Alam to the City, as a right-of-way. That deed document was delivered to his engineer this afternoon and we hope to get it signed this week. A similar deed will be necessary from the Authority to the City for that portion of the right-of-way that lies within the 23.93 acres that we will be acquiring in the AIP 13 project. Mr. Besseche wants to move forward on this project as soon as possible so that it can be scheduled along with the City/County LARP Projects for FY 2003.

An additional agreement that involves Pathway Communities, the Peachtree City Water and Sewerage Authority (WASA), and the Airport Authority is being drafted by Mr. Doug Warner that will specify WASA's financial participation in both Phase I and Phase II of the road's construction. In this second agreement, WASA has pledged \$50,000 for each phase of the project, but the second \$50,000 must be applied by the end of FY 2006.

As we develop greater details of the how the project is progressing, we will report back to the Authority. As we have stated earlier, it will be necessary to generate other agreements between the City, County, State and the Authority on how this project will be conducted and who contributes what and when. The good news is that the project is moving forward.

4. Audit. Staff from Geeslin, Cordle, Johnson and Wetherington will begin the audit of the Authority's 2002 Financial Statements on Monday, October 14th. They expect to have the field work completed within two weeks and a finished report within 60 days.

5. Crack Seal Project. We have received the "Notice to Proceed" from the State DOT to begin the runway and taxiway crack sealing project. We will hold a pre-construction conference prior to start, after which we will ask the contractor to begin work. We hope to start work by the last week of October.

6. Georgia Airports Association Annual Conference. As you may recall, I serve as Treasurer of the GAA and our annual conference will be held in Savannah starting next Wednesday. The three day event brings together many of the state's airport managers together with FAA, State DOT and industry participants, to discuss the issues and solutions

for operating the state's airports in a post 9-11 era. I will be leaving on Tuesday afternoon and will return to the office on Monday the 21st.

IV. FINANCIAL REVIEW

Chairman Nelmes gave a brief review of the financial information for September, pointing out that in spite of the poor performance for the month, the estimated cash flow for the entire year was still some \$11,000 better than forecast.

Mr. Savage reviewed certain items that contributed to the net loss for the month, which included reduced fuel sales during the airshow due to poor weather, the loss of income from the six new hangar lots in Area "B" due to the Stallings Road paving issues, the expense of replacing the gate and operator on the "hangar alley" entrance road, outside attorney fees associated with discussions of the Intergovernmental Agreement with the City, and personnel costs and other expenses associated with the airshow.

The estimated net loss for the period was (\$7,806), versus an anticipated net gain of \$13,639.

Mr. Fisher inquired if the nature of the loss indicated a trend or was it a matter of extraordinary issues that combined to make for a poor month. Mr. Savage stated that he believed it was the latter and that so far in October, sales and expenses appear to be running normally.

Mr. Savage indicated that in meetings with accountant Ed Wetherington, they had agreed on changes to the monthly financial statements that will provide a more accurate estimate of monthly cash flow and will depict the cash balances and monthly activities of all Authority bank accounts. The new format will be available for the October monthly review.

V. OLD AGENDA ITEMS

None.

VI. NEW AGENDA ITEMS

02-10-01 Review and consider revising order of priority for items listed on the FAA Capital Improvement Plan.

Chairman Nelmes gave a brief overview of the issues regarding the need for the Authority to review and confirm the priority of the projects that must be submitted annually to the Georgia DOT and FAA as part of the Authority's Capital Improvement Program, for the next five years. The projects for the next fiscal year include:

- (1) Land acquisition - Hangar Area "C" (60 Acres) - estimated cost: \$2,200,000
- (2) Land/Easement Acquisition RW 31 Precision Approach Slope - est. cost: \$1,980,000

(3) Build Hangar Area "B" taxiway - estimated cost: \$697,000

A general discussion by the Authority followed, highlighting the reasons why each of these three items should be listed as the number one priority for next year, but ultimately concluding that additional review was needed before making that decision.

A motion was made by Mr. Cobb, that was seconded by Chairman Nelmes, to table this item until the November meeting of the Authority to allow for further review of the projects and to seek additional information regarding the estimated costs and likelihood of funding, so that a updated priority list for the five year period can be developed.

The motion passed unanimously.

02-10-02 Authorize the Airport Manager to renew the annual agreement with MilerTronics to maintain the airport's navigational equipment at a rate of \$773 per month.

Mr. Savage reviewed the proposed one year contract, explaining that the new monthly rate included a 3% increase over the rate that the Authority had been paying for the last three years for this service. He also stated that previous service problems had been corrected and that since the Authority had sought proposals from seven other qualified technicians last year, receiving only two bids, and that Mr. Miler's proposal was the low bidder by some \$200 per month, he recommended that the Authority renew the contract with Mr. Miler.

A motion was made by Mr. Fisher to authorize the Airport Manager to renew the agreement with MilerTronics to maintain the airport's navigational equipment as submitted at a rate of \$773.00 per month.

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

02-10-03 Review invoice to airshow committee for Authority expenses during the event and consider adjustments as necessary.

Mr. Savage reviewed the invoice presented to the airshow committee regarding the expenses incurred by the Authority during the airshow, noting that the fuel bill for \$7,208.77 had been paid within the last few days, but the remaining balance of \$7,477.32 was still outstanding.

He gave a line-by-line explanation of the expenses, pointing out how the margin between the price of fuel invoiced and the cost of those goods had been applied to other expenses, leaving the balance due stated above.

Mr. Cobb, in his role as Airshow Chairman, explained that while the committee had the funds available to pay the balance due, because the poor weather had affected the airshow's attendance considerably, it does not appear that the event will show a positive cash flow for the year.

A general discussion of the desire of the Authority to work with the committee to address the anticipated deficit was held by the members, with Chairman Nelmes inquiring of Mr. Cobb if other methods of payment had been discussed by the committee?

Mr. Cobb stated that in recent days, he had been contacted by representatives of Hank Aaron BMW to see if there was any interest in the Authority allowing a new BMW Mini-Cooper automobile to be displayed in the lobby of the Aviation Center at an agreed payment to the Authority of \$1,000 per month. They had expressed a desire to contract for as long as 12 months if the Authority was interested.

The issue was debated by the Authority, with Mr. Fisher pointing out that while this offer was being made through the airshow committee to help offset airshow expense and was therefore a one time event, it might be advisable for the Authority to consider establishing a policy for such requests in the future. The debate continued, with a general consensus that this was an innovative way to address the needs of both organizations.

Mr. Fisher moved to amend the invoice to the airshow committee as follows:

- (1) Authorize the Authority staff (in conjunction with the airshow committee) to negotiate an agreement with Hank Aaron BMW to display a Mini-Cooper automobile in the lobby of the Aviation Center for a period of up to 12 months, at a rate of \$1,000 per month.
- (2) The Authority should retain the right to cancel the agreement at any time with a 30 day notice.
- (3) Assuming an agreement is reached to display the car, the Authority will then waive \$6,000 of the balance due shown on the invoice to the airshow committee dated October 4, 2002, and will bill the committee for a new balance of \$1,477.32.

The motion was seconded by Mr. Buffington.


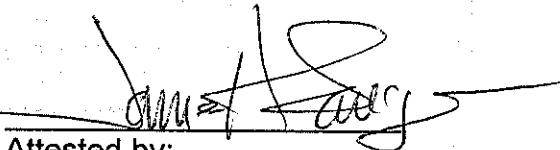
Prior to taking a vote, Mr. Cobb expressed his concern that because of his position as Airshow Chairman he might have a conflict of interest and therefore he would abstain from casting a vote on the motion. A vote was taken and the motion passed with three voting in the affirmative, with Mr. Cobb abstaining.

VII. EXECUTIVE SESSION

None.

At 8:38 p.m., hearing of no further business for consideration in regular session, Chairman Nelmes called for a motion to adjourn. The motion was made by Mr. Cobb and seconded by Mr. Buffington, and was passed unanimously.

Attested by:



Catherine M. Nelmes, Chairman