

**PEACHTREE CITY AIRPORT AUTHORITY  
MINUTES OF MEETING**

**October 11, 2000**

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

**I. ANNOUNCEMENTS**

None.

**II. APPROVAL OF MINUTES**

Mr. Savage pointed out that both sets of minutes presented had improper dates printed at the top, which he would correct prior to publishing the final documents.

A motion to approve the minutes of the September 13, 2000, and September 21, 2000, meetings as corrected, 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:

1. The AIP 11 Project is well underway, with most of the retaining wall built and the entire area graded to approximate finished grade. We did run into one problem with a conflict between a new storm drain installed for this project and the Water and Sewerage Authority's "forced main" sanitary sewer line and the lift station located in the same area.

It will be necessary to modify the storm drain and possibly the retaining wall to avoid interference with their system. Wilbur Smith and Associates is working with

WASA to find an immediate solution, which may be temporary fix until we have sufficient funds in Phase III to pay for a permanent solution. Due to our inability to purchase the land from Pathway's Communities, which forced the redesign of the project and a delay in its start, we are operating at the maximum federal funding available for Phase II.

My instructions to WSA have been to find a temporary solution that can be paid from the federal funds available, without incurring non-federal Authority funds.

2. Mr. Giles' T-hangar project is also underway, with grading for the slab nearing completion. Hangar slab construction will start soon, with the building erection to follow. Timing of the building erection is contingent upon the availability of the erecting contractor, Mr. Charlie Clermont, who indicates he may not be available until after the first of the year.

Mr. Clermont is the same contractor who built our T-hangar in 1996, in 13 days. While we all want to see the hangar available as soon as possible, waiting for Mr. Clermont is well worth the wait.

3. I have ordered a 5' by 13' sign from Air BP which they will install at their cost. The sign can be wall mounted or placed on the ground. It is my recommendation that it be installed on the straight portion of the wall above the windows of my office. The sign will come with internal lighting, which because it cannot be seen from the public right-of-way, should be OK with the City and handled like all of our airport informational signs.

It was necessary to order the sign prior to October 1, 2000, so that the cost would be borne entirely by Air BP, otherwise we would have had to share the cost with Eastern Aviation Fuels. Once the sign has been delivered, we can review where it should be installed.

#### **IV. FINANCIAL REVIEW**

Mr. Savage presented the financial report for the month of September, offering explanations for the areas where expenses exceeded the monthly budgeted amounts. As has been the case for the last three months, jet fuel sales for the month of September were less than anticipated. He provided information on the reduced income and increased expense items that contributed to a net ordinary loss of \$6, versus the budgeted net ordinary income of \$2,650.

Net cash flow for the month was calculated to be a positive \$9,797 versus the budgeted amount of a positive \$2,636, due in part to the sale of the surplus aircraft parts and maintenance equipment at the bid price of \$10,002.

Chairman Good reminded the members and public assembled that the actions taken at the September 21, workshop regarding reductions in payroll and other operating expenses, did not go into effect until the last week of September and that even so, the operation essentially broke even for the month. Commenting further that it was good step in the right direction to assure our long term survival.

## V. OLD AGENDA ITEMS

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

Mr. Mike Rossetti rose to give a brief comment regarding the new "Through-the-Fence" (TTF) agreement that had been delivered to his attorney last week. He expressed his belief that the minimum access fee of \$.10 per square foot and the 2% of gross revenues provision were both excessive, and stated that under no condition would he allow the Authority to review his books as would be required by the agreement. He stated further that he would not accept the agreement as presented and that if they could he and the Authority could not reach an agreement on access fees, he would develop the five acres as an office/institutional project.

Following Mr. Rossetti's comments, Chairman Good gave a brief review of the events to date and suggested that it was very important for the Authority to reach an agreement on the philosophies and rates to be charges so the issue could be concluded, adding that it was not the Authority's desire to prevent aviation development of the property in question, but in fairness to other operators located on the airport, TTF operators should help support the cost of running the airport.

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. Rossetti, indicated that he would be building approximately 20,000 square feet of hangar and some 30,000 square feet of aircraft parking apron. He expressed the opinion that with current hangar rates going for some \$3.50 to \$4.00 per square foot, he would have to increase his rates by \$1.50 per square foot to meet the maximum fees. He also raised a question regarding the language pertaining to the "based-aircraft fee", and how it was to be applied to his proposed operation.

In further discussions, the Authority agreed that the "based-aircraft fee" and the "aviation-related business operations fee" were mutually exclusive, and the based-aircraft fee would only apply to non-commercial operations such as a private or corporate aircraft.

Mr. Stan Smith rose to distribute a document that outlined the differences between the cost of leasing space at the Griffin Airport verses Falcon Field, stating that it appears that Griffin is showing a small operating profit, even though their rates were

much lower. His argument being that the lower rates attract more operators which in turn increases revenue.

Chairman Good responded by stating that he had also conducted research on the Griffin Airport operation, and that according to financial statements provided by the airport, certain major expenses, such as personnel costs, were not considered in the profit and loss statement. The City of Griffin currently subsidizes the airport operation by approximately \$27,000 per month, or some \$15,000 per month more than the hotel/motel tax provided to Falcon Field by the City of Peachtree City.

After additional discussion by the Authority members, Mr. Buffington offered a motion to approve the agreement as modified by Mr. Savage, but the motion died for lack of a second.

The members continued to discuss certain issues, including whether or not the minimum fee should apply to both TTF operations and on airport operations, and it was agreed by consensus that it should apply only to TTF operations.

Following certain wording changes supplied by Ms. Nelmes and Mr. Savage, Ms. Nelmes moved to approve the agreement as modified, which was seconded by Mr. Buffington.

Chairman Good indicated that because he was a TTF operator, even though this modified agreement would not affect his operation, he would abstain from voting on the issue. He wished to avoid the appearance of a conflict of interest.

Under similar conditions, Mr. Cobb expressed his concern that as an on the airport operator it might be construed that he also had a conflict of interest, and therefore he would also abstain from the vote.

Chairman Good called for a vote on the question, with Ms. Nelmes and Mr. Buffington voting in the affirmative; Ms. Cates voting no; and Chairman Good and Mr. Cobb abstaining.

Chairman Good offered the opinion that the motion carried, however he requested Mr. Warner to offer a legal opinion on the vote and report his opinion to Mr. Savage.

Mr. Warner offered his legal opinion the following day that according to Robert's Rules of Order and the Authority's State Charter, the majority vote of those voting in the presence of a quorum of the body, shall carry the vote. The motion, therefore was approved.

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

Chairman Good reviewed the action from last meeting and stated that in his opinion there were three basic options available to the Authority:

1. To lease the area to Mr. Smith to build four or five hangars as the site can economically support based on the draft agreement developed since the last meeting, or,
2. Consider other proposals that have been presented to lease the lots individually, or,
3. Have the Authority develop the site itself and hold a lottery to decide who will lease each lot as Mr. Savage has recommended in the past.

Chairman Good offered his opinion that since Mr. Smith was the first to approach the Authority with a written proposal to develop this area, which on further investigation was modified due to the economic viability of the project, Chairman Good felt the Authority had an obligation to consider Mr. Smith's revised proposal on its own merits.

Mr. Leo Giles, one of four individuals who had submitted proposals to lease one the lots in question, scheduled to be heard under Agenda Item 00-10-03, offered the opinion that the proposed lease agreement being considered was significantly different than the second offer made by Mr. Smith, in that it did not include monies being held in escrow nor allow for a full refund at Mr. Smith's request, therefore all of the proposals should be considered together.

Ms. Nelmes stated that she had reviewed the subsequent proposals received and that in her opinion they did not appear to offer the Authority any added value over Mr. Smith's proposal, she concurred with Chairman Good that they should consider Mr. Smith's proposal first.

Mr. Cobb stated that he would not be voting on the issue due to his previous offer to build hangars on this same site, but offered the opinion that to be absolutely fair to all, the Authority should develop the area and hold an auction to decide the lessees as has been previously suggested.

Mr. Buffington stated that he believed that the Authority should act in a manner consistent with policies previously discussed and adopted so that it would be fair to all.

Mr. Warner stated that the Authority was under no legal obligation to accept bids on the property and that they could lease their land to whom ever they chose, so long as they did so in a public forum and in a fair and equitable manner.

Mr. Savage reviewed several changes to wording in the lease agreement under consideration that he and Mr. Smith discussed, to understand the desire of the Authority on certain items including the issue of how many lots to develop. It was Mr. Savage's opinion that the cost to develop the fifth lot could be as much as \$110,000 and that he believed that the cost versus benefit ratio would prohibit its construction.

Further discussion focused on the cost comparison for different configurations and the idea that moving one corrugated metal pipe and redesigning the slope of the taxiway might make it practical to build five lots. It was agreed that if the pipe could be moved for approximately \$5,000; the fifth lot could be developed at no additional cost to the Authority; and if Wilbur Smith and Associates agreed that it was a sound engineering option, then the fifth lot should be built.

Mr. Smith acknowledged that if the changes he and Mr. Savage had discussed were incorporated into the lease agreements, including the elimination of the \$.10 per square foot minimum commercial access fee, he would sign the documents as soon as they were made available.

Chairman Good moved to direct the Airport Manager to enter into a ground lease with Mr. Smith for the property in question, including the changes discussed, at the prevailing rate of \$.336 per square foot.

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.

## **VI. NEW AGENDA ITEMS**

### **00-10-01 Consider request from Mr. Kelly Hale to pave the access road to Hangar Area A" during Phase III taxiway construction.**

Mr. Hale offered an explanation that he had submitted this request to consider paving the area mentioned, before he learned that the project would most likely not be included in the Phase III paving project due to its very low priority for Airport Improvement Program funding.

Mr. Savage presented his estimate of \$18,250 to pave the driveway and auto parking lot, stating that unless the affected tenants were willing to share the total cost, the project should be delayed until the Authority could afford the expense.

After further discussion by the Authority and the tenants, it was agreed by consensus that the project would not be considered at this time, but would be revisited at a later date. No further action was taken.

**00-10-02 Consider recommendations from the September 21, 2000, workshop for airport financial condition improvements, and other related financial issues.**

Chairman Good requested Mr. Savage to review his memorandum of October 4, 2000, regarding the items discussed at the September 21, workshop. That memorandum is attached and made a part of these minutes.

After the review and a discussion of the issues by the Authority and the public attending was held, a motion to formally accept the 17 points included on pages one and two of the memorandum, as prepared, was made by Mr. Cobb and seconded by Chairman Good.

Chairman Good asked that the item included on page three of the memorandum not be considered at this time, but be carried forward to the next meeting as the first agenda item to be considered.

Hearing no objections, Chairman Good called for a vote on motion which passed unanimously.

**00-10-03 Consider requests from Mr. Randy Weston, Mr. Russ Routsong, Mr. George Janigian, and Mr. Leo Giles to lease one lot each of the five lots to be made available in Hangar Area "A."**

Chairman Good stated that since the area in question had been leased to Mr. Stan Smith in the previous action under Item 00-09-02, no action on this agenda item was necessary.

**00-10-04 Consider request from Mr. Stan Smith to address the Authority's budgeting policy.**

Mr. Smith rose to express his concern that the Authority's budget assumptions, especially regarding income, should be based on historical data and not on some optimistic assumptions of expected income produced by the Authority's staff.

Chairman Good thanked Mr. Smith for his concerns, and assured him that indeed the Authority does review each budget proposal in depth, and more specifically how the assumptions in that budget are calculated. Where historical data is available, it is the primary consideration, however, since some items such as Jet A fuel sales are subject to the indiscernible patterns of corporate flight operations, it is not an exact science.

Chairman Good assured the public that the Authority is taking every step necessary to insure the long term viability of the operation and they welcome any recommendations to help in that regard. No actions were taken on this item.

**00-10-05 Review proposals for nav-aid maintenance and select technician.**

Mr. Savage reviewed the two bids received from the list of some ten qualified bidders that were sent requests for proposals(RFP). Mr. Wyatt Miler of Melbourne, FL, (the Authority's current technician) was the low bidder at \$750 per month, with an "unscheduled callout" price of \$820 per visit. The second bid was from Mr. Raymond Allen of Butler, GA, for \$950 per month with an "unscheduled callout" price of \$300 per visit.

The RFP addressed the problems that the Authority has had recently with the lack of quick response from Mr. Miler, and considering that the Authority has only paid for two "unscheduled callouts" in the last three years, it was Mr. Savage's recommendation that the Authority renew the contract with Mr. Miler for the amount bid, which is his current fee.

A motion was made by Ms. Nelmes and seconded by Mr. Buffington to accept the proposal as recommended by Mr. Savage.

The motion passed unanimously.

**VII. EXECUTIVE SESSION**

At 10:47 p.m., Chairman Good indicated that he knew of no items for Executive Session and called for a motion to adjourn. Mr. Cobb so moved.

Ms. Cates seconded the motion and it passed unanimously.

Attested by:



David M. Good, Chairman



## MEMORANDUM

**DATE:** October 4, 2000  
**TO:** PCAA  
**FROM:** Jim Savage, Airport Manager  
**SUBJECT:** Agenda Item 00-10-02

During the workshop on September 21, several items were suggested for ways to improve our financial condition. Below I have listed those items and described the action that has been taken or my recommendation for an action that I believe should be taken.

| ITEM   | ACTION   |
|--|--|
| 1. Reduce operating expenses.                                | * Reduced operating hours to 7am to 8pm<br>* Eliminated one full-time employee<br>* Eliminated one part-time employee<br>* Converted one full-time to part-time<br>* Reduced part-time hours<br>* Reassigned one full-time to multiple jobs<br>* Eliminated overtime |
| 2. Have Airport Manager approve all expenditures in advance. | * Accomplished.  |
| 3. Chairman Good will discuss attorney fees with Mr. Warner. | * Accomplished.  |
| 4. Eliminate future help want ads.                           | * Accomplished.  |
| 5. Adopt fuel volume discount program for Jet aircraft.      | * Accomplished - see attached schedule.  |
| 6. Lease available lots in Hangar Area A                     | * Requires PCAA action and I recommend yes.  |
| 7. Market airport as alternative to Atlanta Hartsfield.      | * As time permits, will periodically send someone to record aircraft "N" numbers from aircraft parked on Mercury ramp, and send letters of invitation.   |

| ITEM  | ACTION  |
|---|---|
| 8. Sell remaining tools and equipment to highest bidder.  | * Accomplished - received \$5,001.  |
| 9. Lease T-hangar where tools were stored.  | * Accomplished - \$296.32 per month.  |
| 10. Lease "surplus" space in Aviation Center.   | * Recommend against idea as space is needed for our operation.  |
| 11. Increase lease rates for use of lobby and patio at Aviation Center for private parties.                 | * Recommend that fees be raised to \$75 per hour, with three hour minimum, and that clean-up fees also be raised to \$150.  |
| 12. As an inducement to attract new based tenants, offer discount for annual pre-payment of tie-down rents. | * "Three months free" was discussed, however, I recommend "two months free" for an annual pre-payment of tie-down fees. (14 months for the price of 12). Non-refundable.                  |
| 13. Reduce retail fuel prices to lowest in area.  | * Please review attached price comparison sheet prior to any action.  |
| 14. Offer volume discounts or contract fuel prices to "fractional share" aircraft operators.                | * Will be seeking company addresses and sending fuel discount schedules To those we locate.   |
| 15. Update web site and include fuel discount schedule.   | * Will have service desk personnel assist Mr. Buffington with this task.  |
| 16. Implement "partial" monthly hangar rates for frequent visitors on space available.                      | * <u>Added idea</u> - from one user who visits several times a month, but does not stay a full month. Recommend monthly rate, divided by 30, times 15 day stay minimum, plus 20% per day. |
| 17. Order AirBP sign to help identify FBO location.   | * <u>Added idea</u> - AirBp has offered wall sign for aircraft side of building to help pilots locate FBO and assist with fuel sales.   |

Additionally, because of the reduction in the number of lots available at the Hangar Area "B" site, which is under construction on the southeast end of the airport, the Authority needs to review the lease rate established when it was planned for ten lots.

Included with this memo is an estimate of the cost to bring all utilities to the six sites and to pave the interior service road and auto parking lots for each site.

PEACHTREE CITY AIRPORT AUTHORITY

RECORD OF ATTENDANCE AS OF:

October 31, 2000

| Members             | Regular Meetings Last 12 Months | Meetings Attended | Regular Attendance % | Special Called Meetings Last 12 Months | Special Called Meetings Attended | Total Attendance % |
|---------------------|---------------------------------|-------------------|----------------------|--|----------------------------------|--------------------|
| David M. Good       | 12                              | 11                | 92%                  | 2                                      | 2                                | 93%                |
| Susan M. Cates      | 12                              | 7                 | 58%                  | 2                                      | 2                                | 64%                |
| Jerry R. Cobb *     | 2                               | 2                 | 100%                 | 1                                      | 1                                | 100%               |
| Catherine M. Nelmes | 12                              | 12                | 100%                 | 2                                      | 2                                | 100%               |
| H.E. Buffington     | 12                              | 12                | 100%                 | 2                                      | 2                                | 100%               |

\* New member as of 9/1/00

| Members             | Dates Absent | Type    |
|---------------------|--------------|---------|
| David M. Good       | 8/9/00       | Regular |
| Susan M. Cates      | 1/12/00      | Regular |
|                     | 3/8/00       | Regular |
|                     | 6/28/00      | Regular |
|                     | 8/9/00       | Regular |
|                     | 12/8/99      | Regular |
| Jerry R. Cobb       |              |         |
| Catherine M. Nelmes |              |         |
| H.E. Buffington     |              |         |

| Meeting Dates | Type    |
|---------------|---------|
| 1/12/00       | Regular |
| 2/9/00        | Regular |
| 3/8/00        | Regular |
| 3/22/00       | Special |
| 4/12/00       | Regular |
| 5/17/00       | Regular |
| 6/28/00       | Regular |
| 7/12/00       | Regular |
| 8/9/00        | Regular |
| 9/13/00       | Regular |
| 9/21/00       | Special |
| 10/11/00      | Regular |
| 11/10/99      | Regular |
| 12/8/99       | Regular |