

Peachtree City Airport Authority (PCAA)
Regular Meeting – Minutes
Tuesday, November 11, 2008
Aviation Center, Peachtree City – Falcon Field
7:00 p.m.

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

Absent: Stephen Boone – City Council

I. ANNOUNCEMENTS

Chairman Jerry Cobb called the meeting to order at 7:07 p.m. and thanked the PCAA members for attending the rescheduled meeting. Greg Carroll recognized and thanked all the veterans in the audience including Aviation Director John Crosby, PCAA members Jerry Cobb, Bill Flynn and Richard Whiteley. Greg Carroll congratulated the organizers who hosted another fantastic Great Georgia Airshow. Chairman Cobb stated the Airshow's financial draw for 2008 was down but that all Airport expenses would be paid.

II. APPROVAL OF MINUTES

Motion made by Bill Flynn and seconded by Greg Carroll to approve October 9, 2008 Regular Meeting Minutes; motion carries 4/0.

III. REPORTS

Aviation Director – John Crosby reports that the localizer relocation project is moving along quite well. He stated that the contractor was able to move into the site one week earlier than anticipated and that previous golf holes numbers 5 and 6 have been removed. He indicated that the contractor has moved a lot of dirt and that there is still grading/drainage work still needed. He stated that the contractor is aware that the localizer array signal cannot be disrupted and must be graded prior to the December 19th FAA Flight Check. If all goes well, the targeted publication date for the new Instrument Landing System (ILS) precision approach will be March 2009, if we miss this date, the next publication date will be July 2009.

Mr. Crosby reports that the contract for Area "C" Development has not been released and that the Massana Construction is currently focused on the localizer relocation project. He also indicated that there a few minor issues on the Taxiway "F"/Nav aids project that the contractor must complete as well. Mr. Crosby

indicated that PCAA members are welcome to visit the sites to view the construction anytime.

IV. FINANCIAL REVIEW

Aviation Director – John Crosby states that the financial picture is not good this month. He stated that Jet A fuel sales are up but 100LL fuel sales are down over last month. He indicated that the wholesale price on fuel is similar to auto fuel prices and that we are competing with surrounding airports who have self-serve fueling stations that are basically offering the fuel at cost.

Mr. Crosby stated that he has directed staff to keep expenses to a minimum and to delay any purchases that are not a necessity until further notice. Mr. Crosby stated that staff may need to adjust the utilities line item in the budget as there have been additional items added this year (i.e. Toybox, Glideslope Antenna, New Localizer, Flight School Relocation) that have increased over last year's budgeted amounts.

Mr. Crosby stated that there has been recent interest in leasing the Toybox and the Annex hangar space. He indicated that we are advertising the space and that itinerant traffic has increased slightly which may bring a possible renter.

Mr. Crosby also gave a brief explanation on how airport staff processes federal and state grant funds. He indicated that we cannot draw interest on federal/state money and that the funds are processed through a draw down account through the FAA's Echo system. State funds are an agreed upon amount with a 75/25% split between the State and PCAA that are distributed in lump sums and partial payments where the airport does earn a small amount of interest. Mr. Crosby also noted that the State will soon manage all federal and state grants through a Block Grant program approved by the FAA. He indicated that this may provide more flexibility, as long as the State maintains the funding within the specified parameters approved by the FAA, for future funding for Falcon Field projects. Mr. Crosby stated that the FAA will continue to manage all existing federal grants currently in place.

Richard Whiteley asked if it was normal to have approximately \$400,000 in the General Fund account. Bill Flynn stated that this is normally the case and that this money should be in an interest bearing account. Mr. Crosby stated that this money is used to pay contractors working on federal grant projects.

Mr. Crosby indicated that the Eastern Aviation Fuels was the successful proposer to the recent request for proposals for fuel service and that we would enter into a 12 month contract with three (3) one year extensions. He stated that out of the five (5) proposals, Ascent Aviation and Eastern Aviation Fuels were the top candidates. He indicated that Eastern came out on top due to competitive vehicle leasing rates and once a week fuel pricing quotes versus multiple adjustments by Ascent Aviation.

Richard Whiteley asked why there is an expense line item for the Airshow? Mr. Crosby indicated that this is a carry-over from years past and would look into what this amount represents. He stated that all airport expenses incurred are paid for by The Great Georgia Airshow and that amount normally ranges between \$25,000-\$30,000.00.

Chairman Cobb stated that in the past the Airshow has always been a no cost item to the Airport. Mr. Cobb stated that fuel sales have been the only source of airport revenue and that all proceeds from the Airshow are used to generate money for local charities. He stated that under Department of Defense (DOD) guidelines, the DOD determines how money is distributed to charitable organizations if the event is classified as a charity event. The Great Georgia Airshow currently hires the Kiwanis Club of Peachtree City to handle the food service and other ground service activities and hires the Dixie Wing to handle all the air support of the Commemorative Air Force. Under this scenario DOD does not get involved in how the money is distributed. GGAS is a 501(C)3 non-profit Georgia corporation. He indicated that each group, the Kiwanis Club and the Dixie Wing, received approximately \$50,000 from the 2007 airshow.

Bill Flynn stated that PCAA needs to find a way to share in the profit generated by the Airshow especially in lieu of the current economic downturn which is affecting the Airport's budget. He indicated that The Great Georgia Airshow is getting use of a \$23M dollar facility at no cost and that the PCAA should consider requesting 20% of the profits.

Airport Attorney – Doug Warner stated that the Airshow has brought more notoriety and attention to Falcon Field Airport than any other marketing effort to date. Chairman Cobb stated that the PCAA currently does not assume any of the liability of the costs to put on the Airshow and that the PCAA should think long and hard about making a decision on this issue. Chairman Cobb stated that if the PCAA was willing to put money up front for the promotion of the airshow, there would not be a return on the investment unless there was a profit generated. He

indicated that The Great Georgia Airshow committee is in planning stages for 2009 and that this decision could impact whether or not an Airshow will even happen. Mr. Flynn stated that Chairman Cobb might have a conflict since he was associated with GGAS and was also a member of PCAA. Chairman Cobb pointed out that when Wings Over Dixie, Inc. (now The Great Georgia Airshow, Inc.) was organized in Feb. of 2000, it was determined that a PCAA member would occupy a voting position on the GGAS board and that position was open to anyone willing to serve. Chairman Cobb also indicated that he was the Chairman of The Great Georgia Airshow in 2008 but no longer serves as Airshow Director.

Chairman Cobb restated that the Airshow committee is developing the 2009 schedule and will need to discuss this issue. Bill Flynn stated that while he was in favor of the Airshow and the many worthy things it supported, his primary concern was for the Airport. Greg Carroll indicated that it would be prudent to look at the tangible value the Airport receives from the Airshow now and not hurt the Airshow in this effort.

Bill Flynn made a motion to develop numbers in a position paper in terms of a new deal with The Great Georgia Airshow by the December PCAA meeting. Chairman Cobb stated that the PCAA could not take action as this item would need to be put on the agenda in December which was confirmed by Airport Attorney – Doug Warner. Bill Flynn asked Chairman Cobb if he would direct staff to work on the position paper to explore the issue. Chairman Cobb stated that the Airshow was trying to pay off all bills from this year and now would not be the best time to bring up a new deal.

Bill Flynn requested an analysis be done in a position paper by the December meeting or by December 15th to give a recommendation based on current PCAA business plans/cost benefits and run the numbers to determine if a fair deal exists or if PCAA should take a percentage of the profits from the Airshow. Richard Whiteley stated that there are qualitative and quantitative issues/pros & cons to this deal structuring. That while the Airshow is experiencing a down year, this may be a temporary hurdle, and that there may be some point where PCAA participates during a downturn so as not to drive the Airshow away.

Chairman Cobb stated that the PCAA has one seat on the Airshow Board as part of the 501C(3) organization and that he started on this board in 2001 and in 2002 became the Airshow Director. The structure of the current air show Board allows one seat for a PCAA member, a secretary, a treasurer, two seats for the Dixie

Wing and two seats for Kiwanis. He indicated that the airport did not participate in proceeds from the show. He stated that the Airshow purchases food at wholesale costs and allows food vendors to sell the food for a profit at the Airshow. All food vendors are school, scouting, and other non-profit groups. He stated that approximately \$35,000 is generated from food sales.

Bill Flynn stated that the Airport should receive some of that money including profit from fuel sales. It was noted that the Airport received approximately \$32,000 in gross sales this year from fuel sales to the military and the airshow.

Airport Attorney – Doug Warner noted that the Airport has budgeted \$10,000 in Airport Advertising funds that have not been spent due to the enormous public relations and marketing benefit that the Airshow provides each year. He estimated that over the last ten years that 150,000 – 200,000 people have attended the Airshow coming in from other states, etc. Mr. Warner stated that the agenda was to market the Airport and that the Airshow markets the Airport well and that you cannot discount this intangible value. He asked if there was any precedent from the other network of airports who have airshows that could be including in the position paper.

Aviation Director – John Crosby managed Concord, NC and stated that the airshow was an event hosted by the military. He indicated that at one point the idea of charging the public was discussed but there was a strong public outcry against this approach and it did not occur. He also mentioned two other airports where sponsor money from the airport was used to help fund the airshow for a return on the profits. Bill Flynn suggested that Airport staff contact Lakeland Airport (Sun & Fun) and find out where the money goes from the event.

Chairman Cobb reminded the PCAA that some of the performers are local acts and while their costs are expensive, some of the other acts can be very expensive to support. He gave an example of \$20,000 per two (2) day show performance. He indicated there are corporate sponsorships that help fund these performances such as Lexus and others.

Chairman Cobb also noted that the Airshow generates 250 to 275 room nights which provides Hotel/Motel tax compensation to the City and the Airport. He indicated that the Georgia Tourism and Fayette County Economic Development models show positive economic impacts to the area through sales tax, etc. At this time a gentlemen from the audience spoke about his experience in developing an airshow in another state and how this program was sold later for over \$1M.

Chairman Cobb indicated that when the Hotel/Motel tax was revisited and renewed without a drop dead date that previously was in affect for 50 years, that agreement was abrogated and another agreement was imposed by the City that has a 90-Day Cancellation Notice provision. Bill Flynn stated that while this is a great one year deal he thinks the Mayor does not continue supporting the Hotel/Motel tax funding to the Airport even if he is only one vote on the City Council.

Bill Flynn indicated that we have some fundamental Generally Accepted Accounting Principle issues and that we should have a workshop with the auditors to correct this problem and then give staff support for monthly financial reports. He stated we should try and have the workshop before the end of the year and requested staff check with the auditors schedule for a December workshop.

OLD AGENDA ITEMS

None.

V. NEW AGENDA ITEM

VI. EXECUTIVE SESSION

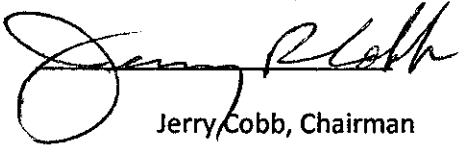
Motion made by Bill Flynn and seconded by Greg Carroll to enter into executive session to consult with legal counsel at 8:10 p.m.; motion carries 4/0.

Motion made by Bill Flynn and seconded by Greg Carroll to return to regular session at 9:30 p.m.; motion carries 4/0.

VII. ADJOURNMENT

Motion made by Bill Flynn and seconded by Greg Carroll to adjourn the meeting at 9:35 p.m.; motion carries 4/0.

Attested By: 


Jerry Cobb, Chairman

COMMISSION/AUTHORITY ATTENDANCE RECORD

Peachtree City Airport Authority

Nov-08

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	12	12	12	0	n/a	100%
Bill Flynn, Vice Chairman 1/1/2007-12/31/2012	12	12	12	0	n/a	100%
Douglas Fisher, Secretary/Treasurer 1/1/2006-12/31/2010	12	4	4	0	(resigned 3/7/2008)	100%
Richard Whiteley, Secretary/Treasurer 6/20/2008-12/31/2010	12	4	4	0		100%
Greg Carroll 3/3/2005-12/31/2008	12	12	10	2	5/30/2008 8/14/2008	83%
Rick Mendenhall 1/1/2003-12/31/2007	12	2	2	0	(Term 12/2007)	100%
John Cordner, III 1/1/2008-12/31/2012	12	10	6	4	11/8/2007 7/10/2008 8/14/2008 (resigned 9/11/08)	60%