

Peachtree City Airport Authority (PCAA)

Thursday, June 10, 2021

7:00 p.m.

In Person & via Zoom Conference Call

Regular Meeting Minutes

Members Present: Max Braun – Chairman, Greg Garmon – Vice Chairman, Allen Morrison – Secretary/Treasurer, Tom Lacy – Member, Gary Zarlengo – Member, and Hope Macaluso, A.A.E. – Airport Manager.

I. CALL THE MEETING TO ORDER

Max Braun called the meeting to order at 7:00 pm.

Max made a motion to amend the agenda, moving item 21-06-01 ahead of the approval of minutes, seconded by Greg Garmon.

Motion carried 5/0

II. NEW AGENDA ITEMS

21-06-01 Consider General Legal Counsel

Hope Macaluso said that there were two resumes that were submitted for the position of legal counsel. The first was our current attorney, Nathan Lee. The second was Mark Oldenburg. Max, Greg Garmon, and Hope interviewed Mark earlier. Hope said that with Mark's qualifications and his experience with local authorities and even the city itself that she recommended the authority select Mark Oldenburg as the general legal counsel.

Max agreed with Hope. Max said that they had a chance to talk with Mark about his experience with the Water and Sewer Authority, along with working with the city council. Max said that some of the issues that Mark had dealt with parallel some of the things that the airport is going to be encountering over the next couple of years. Max said he believes that Mark will be best placed to serve the authority going forward.

Gary Zarlengo stated he had a couple questions. Gary said that the first he has heard of this was May 17th. Prior to that, Gary did not see any solicitation circulation among the board. In the solicitation, he noticed two things. There was a strong preference that the individual have some background in the FAA. From what Gary understood, the individual being considered does not have this background. Gary also does not think that one individual doing all our legal work was part of the solicitation.

Hope said that if we needed specific services outside of what Mark specializes in, we would reach out to another individual who specializes in that field. We would have handled the situation the same with Nathan. There are certain areas that Nathan did not specialize in. It is not unusual to go outside your general counsel for specialty items or cases.

Gary said that his concern is with the role of the general counsel. Typically, a general counsel advises the board. They themselves do not usually participate in outside legal activity. Gary stated that he hopes that this is not a vote to require Mark to be engaged in all outside legal activity. Gary said that Mark's engagement letter does propose all legal activity be part of his firm. While he does think that Mark should have a valid role in advising the board and overseeing any outside legal activity, he does not think that firms should be doing the legal activity. If this were the case, then there would be no one to oversee it, which is the role of the general counsel. At minimum, he urges the letter be revised if the board's intention is to go ahead and approve Mark.

Allen Morrison said that he thinks we are talking about wording and semantics. The general role of all the authorities in Peachtree City is that we have a counsel available to us to handle legal matters for us. Allen said that is obviously what we are looking for.

Gary said that the letter said "all", not "most". Allen told Gary that the letter is not a binding document. Max reminded Gary that the board is not voting on the letter. Max said that what we are doing is engaging him in a contract for legal services. When it comes to issues outside of his area of expertise, we will go to specialists. Gary repeated that he is concerned about the letter wording. Hope said that the motion can be worded to clarify that. Gary said that he would like to see what the airport is going to sign before they agree to it. Hope said that generally, we do not sign a contract with legal counsel, we just use them when needed and they bill us. Gary said that he thinks the attorney is required to have an engagement letter. Gary said that he does not understand how you could hire a professional without an engagement letter. Gary stated that all he is asking is that the authority be careful and deliberate about it and feels that this has been rushed into.

Allen reminded Gary that he has only been on the authority since January and said that this has been discussed at great length among members of the board.

Allen Morrison made a motion to accept Mark Oldenburg and his firm as the legal counsel for Peachtree City Airport Authority, seconded by Greg Garmon.

Gary stated that this conversation was not mentioned in the prior October meeting minutes. Allen reminded Gary that some things are discussed in Executive Session. Greg asked Gary if he is opposed to Mark Oldenburg being our attorney. Gary said that no, he is not opposed to that.

Motion carried 4/0. Gary Zarlengo abstained.

Max invited Mark Oldenburg to join the Authority up front.

III. APPROVAL OF MINUTES

Allen Morrison made a motion to approve the May 2021 Meeting Minutes, seconded by Greg Garmon.

Motion carried 5/0

IV. REPORTS

Finance & Capital Budgeting – Allen Morrison

Allen said that the airport had a great month financially. He said that part of that is based on fuel sales and the other part is due to the success of the airshow in May.

Operations- Mike Melton, Manager of Operations

Mike stated that things are continuing to get busier at the airport. A step that the airport is taking for the future is the ability to track aircraft. In April, an ADS-B tracking system was put in place, with no cost to us. We have grown from an estimated 250 operations per day to close to 350 daily operations on average, with busy days reaching 400-500 operations. He said that the airshow went well, and the airshow staff were great to work with. He was very impressed with Brian Lilley and his team.

Hope said that Mike worked very hard the entire week of the airshow. Max said that the entire staff at the airport did a phenomenal job. He said that he is extremely excited to see the airshow next year with the Blue Angels.

Mike mentioned a wildlife update. He said that the USDA was here and took out four deer, which brings the count to around twenty. He said that they are great to work with. He also reminded everyone that tomorrow is Food Truck Friday.

Greg told Mike and Hope that they did a great job with the airshow. He also thanked the city for letting us use some equipment that we needed. Greg said that he thinks there should be a tent set up next year to fundraise for different projects around the airport that are important, but do not fit into the current budget. He wants everyone to think about that and come up with ideas.

V. FINANCIAL REVIEW

Airport Manager, Hope Macaluso, A.A.E.

Revenue and Expense Highlights:

Hope explained that May revenues were above budget. This was primarily due to good fuel sales and the Air Show facility use fee. There were some expenses associated with the airshow, but the fee offset those expenses. The strong fuel sales were not due to the airshow, as we sold about the same amount as we would have on a normal weekend. Overall for the month, we exceeded budget.

Capital Expenses:

The only capital expenses in the month were associated with the grant.

Grant Update

There is no update this month.

VI. OLD AGENDA ITEMS

21-02-01 Consider Long Term Ground Lease Options for Area A

Max said that last month, it was brought to the authority's attention that some insurance provisions that were put into the lease were unattainable for a lot of the tenants, specifically experimental aircraft owners. Max and Greg had an opportunity to sit down with Jay Herrin and Tommy Turner (airport tenants), who shared some feedback they had received about the matter. The authority, along with Hope, changed some items on the lease, which was circulated among the authority earlier in the month. Aircraft insurance requirements have reverted to the prior standards. Methods of payment will be a bit less restrictive, and the authority is working to update the methods available. There will be an update to access control and security. There will also be some language changed regarding a longer lease negotiation in the case of a hangar rebuild due to a natural disaster. Finally, there was some discussion about fuel storage in hangars. This was researched. Max said that currently the limit in the lease is five gallons of stored fuel in a hangar. This will be removed from the lease and placed as an airport policy in the rules and regulations. Based on the fire code, in an approved storage container, you can store up to about 15 gallons in your hangar, for Area A. Hope added, that to be able to store 15 gallons of fuel, it must be in an approved storage cabinet. Otherwise, you may only store seven and a half gallons. Max said that the airport policy will be circulated yearly so that everyone has an available copy.

Gary Zarlengo made a motion to approve the ground lease for Area A, seconded by Allen Morrison.

Greg said that he would like to wait another month to approve this, as he wants to have Mark look it over.

Hope said that she sent this to Mark for his review. Greg asked Mark if he had any thoughts. Mark said that it needs to be reworded a bit. He said that while he looked at it for the first time with an outsider's view, he did not understand parts of the lease. Mark said that in the worst-case scenario, if the authority had to show it to someone from an enforcement standpoint and they also did not understand it, then the authority would lose. Mark said that this does not have anything to do with the issues that were just discussed. He suggested that the changes that were discussed be approved and then later in the year, there be a cleanup to get everything straightened out. Hope said that she would rather these revisions go ahead and happen.

Hope stated that the CPI index increase is this summer, and it makes sense for the lease to line up with that increase. She said that if the authority is okay with it, she would like Mark to review it further now, rather than later.

Max said that he is not opposed to cleaning up the lease and that he appreciates the tenants being flexible about the lease taking time to be finalized. He said that the lease terms are set, but that there is some minor cleanup that is needed. He said that nothing will be done to change the intent of lease. The only intent now, is to tighten it up from a legal standpoint.

Greg asked Mark how quickly he can get this done. Mark said he could have it done in a month. Allen said that he is okay with this.

Gary withdrew his motion. Allen withdrew his second.

Greg said that the authority should give Mark a month to clean up the lease. Max said that was fine with him. Allen said "Whatever."

The agenda item was tabled by the authority.

VII. NEW AGENDA ITEMS (Continued)

21-06-02 Consider Environmental Assessment for Area B

Max said that we are out of immediately developable land at the airport. We are in the process of going through an ALP update. The places that we have left to develop are in Area B and C and both of those areas have wetlands within them, which requires us to go through the National Environmental Protection Act for an environmental assessment (EA). This will be an 18-month process before we can even touch any of the land. This process is necessary if we want to build more hangars. Max said that he thinks we should go ahead and start an EA. In talking with Hope, Area B is going to be the more economically feasible area to work with. Max said that we are proposing to start an EA on that area.

Upon review of the solicitation, he said that he does not see anything that precludes us from putting this out to bid to a wider range. He said that this is another opportunity to explore potential professional service firms to make sure that we are getting the best.

Gary asked where Area B is. Hope said that behind the Commemorative Air Force and the Area B hangars, that entire area of trees up to Dividend Drive and Aviation Way is what we own.

Hope said that from a previous EA, she knows that there is a stream in there that needs to be mitigated in some way. She said that we cannot do anything with the land until there is an EA done on the property because federal dollars were spent on the land.

Gary asked if the EA would give us all the information that we need. Max explained that yes, it will give us all the information. Gary asked what the approximate price of the EA would be. Hope said that we do not know the exact price because it will be put out for bid. Max said that this is just something that he wanted to bring to the authority's attention. Gary asked when this process would start. Hope said that it would be two or three months before we have more information and pricing. Gary asked if we have sufficient reserve to pay for this. She said that we really do not have sufficient budget or reserve, but we must keep moving forward.

No action was taken on this agenda item.

VIII. EXECUTIVE SESSION

Allen Morrison made a motion to move to executive session for real estate matters, seconded by Greg Garmon.

Motion carried 5/0

IX. ADJOURNMENT

At 8:10pm Max Braun made a motion to adjourn the meeting, seconded by Greg Garmon.

Motion carried 5/0

Attest

Max Braun, Chairman