

**Peachtree City Airport Authority (PCAA)**  
**Thursday, September 9, 2021**  
**Regular Meeting Minutes**

**Members Present:** Max Braun – Chairman, Greg Garmon – Vice Chairman, Allen Morrison – Member, Tom Lacy – Member, Gary Zarlengo – Member, Mark Oldenburg – Attorney, 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 recognized FLYT for flying supplies to Louisiana to help with hurricane relief from hurricane Ida.

Max gave an open comment period to the public. There were no comments.

Allen Morrison made a motion to add an agenda item to discuss the T-Hangar rents and CPI increase, seconded by Greg Garmon.

Motion carried 5/0.

**II. APPROVAL OF MINUTES**

Gary Zarlengo made a motion to approve the August meeting minutes, seconded by Allen Morrison.

Motion carried 5/0.

**III. REPORTS**

Finance & Capital Budgeting – Allen Morrison

Allen said that the airport had another good month. He said that in reference to the new budget for next fiscal year, Hope took a conservative approach so that we will have leeway to complete capital projects, such as the tree removal on the golf course.

Operations- Mike Melton, Manager of Operations

Mike reminded those in attendance that there will be a food truck tomorrow, Tactical Smoke BBQ.

He mentioned that we have been working with the USDA to deter geese that have wandered onto airport property. He said that there are also a couple coyotes that USDA are working to get rid of.

There have been several incidents of criminal activity at the airport as of late. One of them being that Gardner Lowe had two aircraft that were broken into and avionics stolen. The event was less than a week after we had the jet blasting incident that caused property damage to another aircraft, which could possibly turn into a felony for the offending individual. Additional to that event was a physical altercation between the two pilots after the initial jet blasting. We have been working with police and the FAA on all of these issues. With all of these issues continuing to be a problem it brings to light not having enough cameras and coverage. We have been looking into what it would take to implement a camera system and access control. Mike noted that he just wanted to keep this on PCAA's radar because he plans to come to them with more information and a request soon. Allen asked that we make sure it is sooner rather than later. Mike said that we should have it soon. Gary asked when we can have the information. Mike said that we can have it by the next meeting. Max asked if this would be eligible for federal funding. Hope said that would not be eligible at this time.

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

Hope Macaluso gave the following financial review:

##### **Revenue and Expense Highlights:**

June revenues were above budget, mainly due to JetA sales. There were also several callouts for the month. Expenses were over a bit, mainly due to Repairs and Maintenance expenses being over for the month. We are still below budget for the year. There was an unbudgeted expense in the month for the surveying and marking of the trees that we removed from the golf course. Overall, we exceeded budget for the month.

##### **Capital Expenses:**

The only capital expense for the month were parts bought for the batwing bushhog.

##### **Grant Update:**

W.K. Dickson submitted an amended scope to GDOT for the obstruction clearing project since the golf course trees have already been removed. It is with GDOT for review.

**Future Expenses:**

We have been talking with the golf course about cleaning up the areas where the trees have been taken out. Once I have a finalized plan and cost, I will let you all know.

The heat exchanger in the FBO building is rusted out. We need to have that fixed before it gets cold, it is going to cost about \$15,000 for that rooftop unit.

The cost that we are looking at right now for the cameras, which does not include access control, will be in the range of \$160,000.

Our fuel trucks are technically too close to our building and the parking area was not built to hold the weight that it is. The concrete is literally crumbling underneath it. We have a price for the redesign of how and where our trucks get parked. The design is \$45,000. This includes some testing of the soil. If any fuel seeped into the soil, we would have to dig that out.

We have several drainage issues on the airfield that need re-grading due to washouts. The quote we received was \$31,000. We can probably break that up into separate areas.

Last month, the Authority approved the crack seal and seal coat for the lower ramp and the northern ramp. We have now priced this for the upper ramp to the back of the FBO hangar. It will be \$49,000 to crack seal and seal coat that apron.

A while back, the Authority approved asphalt repairs to Leo Giles, inside our fence. Where that road comes in on the back gate, once you get into our gate, the asphalt needs some repair there, as well. We had received a quote of \$39,000 to \$50,000. This has been a while back; I need to get that updated. Max asked if this is something that could potentially be wrapped into the quote the crack seal/seal coat. He asked if we could get a discount this way. Hope said possibly, but she is unsure because the crack seal/seal coat and this are two totally different jobs. Mike said that they use different equipment.

Hope continued and noted that Mike is working with Georgia Power to get a quote for a couple things. The first thing is to bring three phase power to the fuel farm. The second is to electrify the gate at Area C.

The blimp hangar/annex hangar, which is the hangar with the tall door connected to the FBO hangar, needs repairing of the roof insulation. It is literally falling in clumps, and that tenant pays thousands of dollars a month to be there. She did not have a quote on that yet.

A couple years ago, we seal coated the floors in T-Hangar A. Now, T-Hangar B needs to be done, as well. We also still need to replace our small tug.

That is our list of things that need to be done. She just wanted to give everyone a heads up of some expenses that are out there. One of the things that Gary asked is that Hope put together a capital list of what buckets they come out of. Hope stated she is working on that.

Gary asked if Hope plans for this money to be spent in the next 12 months. Hope said that yes, it needs to be addressed in the next year. Hope said that she can have the list together by next month's meeting.

**V. OLD AGENDA ITEMS**

None

**VI. NEW AGENDA ITEMS**

**21-09-01** Consider Voluntary Termination of Leases for T-Hangar C and Non-Portable D-Hangars to Enter into New 10-Year Lease

Hope said that one of the tenants is in the old five-year lease with an additional rent clause in it and the tenant requested to terminate that lease and sign the new 10-year lease. Hope said that she would like to put the same offer for anyone that wanted to request the same. Gary asked how many tenants this could apply to. Hope said that it could be as many as ten tenants. Max and Allen said that it was a good idea.

Allen Morrison made a motion to allow for tenants in T-Hangar C and Non-Portable D-Hangars to voluntarily cancel their old lease and enter into the new 10-year lease, seconded by Greg Garmon.

Motion approved 5/0

## **21-09-02 Consider FY 2022 Budget**

Hope reviewed the Fiscal Year 2022 Budget: The following is a summary of the key points in this budget.

### Overall Summary

The anticipated income from operations for FY22 is \$586,185, which includes \$59,000 for the latest CARES grant that she does not expect to get before the end of this month. This number represents an increase over anticipated FY 2021 income from operations of an anticipated \$417,935, which will include the \$23,000 CARES grant that she does anticipate we will receive prior to FY21 end.

### FY 2022 Revenue Highlights

- Hangar leases increased based on CPI. Office space increased based on FLYT taking more space starting October 1.
- We are anticipating an increase in the volume of gallons sold for both JetA and AvGas. The increase in jet fuel sales is due to Wardaddy Aviation bringing more jets to the field for maintenance, the anticipation of a large jet going into hangar C1, and an overall trend in the increase of business. The increase in AvGas is due to FLYT adding to their fleet.
- We also have budgeted for a reasonable margin on both fuels based on this past year's average margins and expect fuel pricing to go up.

### FY 2022 Expense Highlights

- Our insurance policies have increased by over 15% overall.
- The most significant change is in payroll. I am moving Mike from Manager of Operations to Assistant Airport Manager and increasing his salary by just over 10%. Amanda Denton currently works two days at the front desk and assists Mike and Hope three days a week. Hope is taking her off the desk except for scheduling and having her help in the back five days a week. She will remain part-time and does not need our health insurance. For the hourly staff, Hope is starting our pay now at \$18.00 per hour and moving everyone up incrementally.

## FY 2022 Other Income Highlights

The 10-year City Agreement - There is a decrease this fiscal year and we are entering year 10.

Hope asked the authority if they had any questions regarding the budget.

Allen Morrison said that he realizes it seems steep going from \$12/hour starting pay to \$18/hour, however he thinks it is the right move. His company is unable to keep employees for more than a week or two because other places are offering them jobs with a higher starting pay. The Amazon Warehouse is offering over \$20/hour and McDonalds is offering \$15-\$16/hour. Allen said that he would like to think that our staff is worth more than that, being as they are around jets and general aviation aircraft.

Max commented to say that entry level salaries are up 50% from what they were two years ago.

Hope said that she looked year over year at what payroll was as a percentage of operating expenses. It has generally been about 25%. It is currently only about 22%, because revenues and operating expenses have increased.

Gary commented that Hope has done a great job putting together the budget.

Greg Garmon made a motion to approve the fiscal year 2022 budget, seconded by Gary Zarlengo.

Motion carried 5/0

Max opened the floor for a public comment period.

Ralph Trapaga spoke about T-Hangar rates going up to \$535/month. He spoke with every airport in Atlanta today to find out their T-Hangar rates. Ralph said that he is speaking for the tenants. The Newnan airport is 10.3 miles away and their T-Hangar rent is \$150 a month. They have no scheduled increases. The airport in Hampton charges about \$300 a month and has for the last twenty years. They recently raised the rate by \$25. Ralph said that Falcon is looking to go up \$34 in two years, which is 13.6 times as much of an increase over a twenty-year period as Hampton. Griffin charges \$165 per month. They do have a CPI increase. He said that most of the airports he talked to do not have rent increases. Ralph guesses that this is justified because our airport has a waitlist for the T-Hangars. He does not think that the airport is being a very good neighbor. He thinks that the airport has the attitude of, "You are going to pay this hangar rate or someone else

would be glad to fill your spot.” He said this is rapacious and punitive. He said that every airport has a hangar waitlist right now. Ralph said that T-Hangars here cost more than PDK. Ralph finds it reprehensible that he pays ad-valorem tax, but that the airport does not get any of that money back. Ralph said that 80% of the ad valorem tax goes to the school district to help pay the superintendent the salary of the President of the United States, which is \$400,000. He finds this ridiculous. He proposed a moratorium on any further hangar rent increases, until the eight surrounding airports come up on their hangar rent.

Max thanked Ralph and let him know that the airport is aware of those concerns. Max said that the authority works very hard to balance their responsibility to maintain our very nice facilities without putting an undue burden on the tenants. Hope and Mike said that they have been on the phone all day with other airports, as well. The other airports called Falcon Field after Ralph called them with questions.

### **21-09-03 T-Hangar and CPI Discussion**

Allen said that his parents are tenants of T-12, and because of that, he plans to recuse himself from voting, however, still plans to take part in the discussion. Allen said that the airport takes advantage of its tenants. Allen said that he agrees we need a CPI increase periodically, as it is pointed out in our Grant Assurances. Allen said that having a CPI Increase on \$535 is different from a CPI increase on \$213. Allen said that we do have a nice facility, but he does not believe that justifies charging the tenants so much. Allen said that lowering the price of the t-hangars does not dramatically change the budget. Allen said that the airport is price gouging its customers. Max pointed out that most of the other airports discussed operate in the negative and/or are funded by the county or city.

Max said that recreational flying is already highly subsidized by the federal government, our state, JetA sales, and the taxpayers of Peachtree City. Max said that we need to go about this in a very deliberate way, so that when it comes time to fight for those increasingly scarce dollars from the people who fund us, that we can stand up and not be accused of taking the dollars and using them to subsidize discounts for tenants. He does not want that to be used against us. Max said that we need to be mindful of this. Max said that is not to say that we should not reevaluate the rate, however he wants the authority to look at the big picture. Max said that Allen pointed out at the last meeting that because we charge a bit more, that the airport should be well taken care of. We just spent over \$100,000 taking trees down off the end of the runway to ensure the safety of the approach. We are

also refinishing some pavement on the ramp. Max said that you can go to Hampton and get a t-hangar with three walls and that hangars at Griffin practically have dirt floors. Max commented that while he does not know the right amount to be charged, that is something that needs to continue to be explored. He encouraged Allen to help figure out a number that can be defended, but also reflects the investment that this airport puts in.

Allen said that we need to look at how little t-hangar rent affects our budget. Max said that it is 8% of our budget. Allen said that he thinks we could lower the t-hangar rent by 25%. Max asked Allen how he plans to make up that lost money in the budget. Allen said that he does not believe that we need to make it up.

Hope referenced the chart of the Annual Economic Impact studies for all the local airports that were given to the authority in their binder. There are over twenty airports in the chart. The data was pulled from GDOT's (Georgia Department of Transportation) website. There are only five airports on the chart that operate in the black, one of them being us and the other three being Peachtree Dekalb (PDK), Fulton County, and Thomaston. We are third from the top, in reference to our annual economic impact. PDK has an economic impact of 372 million. Fulton County has an economic impact of 342 million. We have an economic impact of 160 million. Gwinnett County has an economic impact of 140 million. Cobb County has an economic impact of 129 million.

Gary asked of those top six airports that Hope listed, how many provide subsidies to the general aviation community. Hope said that none of them do. Hope said that the t-hangars that Ralph mentioned at PDK are not even owned by the airport. They are ground leases. Gary asked if Hope feels that the numbers that Ralph spoke of are reflective of what tenants would pay at those airports with a new lease. Hope said that PDK and Cobb County are higher than us with their rates. Cobb County is \$750 per month. Allen said that we are not like PDK and Hope responded that we are also not like Hampton. Allen said that we are like Newnan. Hope responded by pointing out that Newnan's economic impact is 40 million. Ours is 160 million. Hope said that Newnan operates at a loss of \$109,000. Hope said that we will not operate at a loss. Allen asked if lowering t-hangar rates by 25% would cause us to operate at a loss. Hope said that it would not, but it all adds up. Allen asked Hope if this would fundamentally change our budget. Hope said that no it would not, however her point is that we are nothing like the airports that we are being compared to.

Gary asked what we spend on maintenance for the t-hangars. Hope said that it varies. The restroom was about \$25,000. Coating the floors was about \$50,000. The quote for Hangar B was closer to \$70,000. Those were in the last two years. We service the doors and take care of water issues for the hangars. We also pay utilities. Gary asked if it were possible for her and Mike to put together a three-to-five-year retrospective look of the revenue brought in versus the expenses for the t-hangars. Hope said that yes, that can be done.

Mike said that he and Hope have been with the airport for almost 10 years and that this is the first authority that they have felt able to approach with capital expenses. Mike said that they do not feel like they are walking on eggshells with this authority, and he said that he appreciates that.

Hope said that not long before she started here, a prior chairman lowered the hangar rates. Max asked if a history for the last ten years of hangar rent could be pulled together. Greg said that he is not arguing one way or the other. He struggles to see why the waitlist is such a negative thing. Greg said that the authority has a fiduciary responsibility to the airport. Greg said that when the airport has \$90,000 or \$100,000 expenditures, we can write a check for them, while other airports cannot. Greg said that he used to base an aircraft at the airport in Hampton; it is in bad shape. The asphalt is broken, and he taxied through weeds. Therefore, our tenants pay a premium. Greg invited everyone who puts their house on the market in the next year to lower the price by \$100,000, to the 2018 price, just because. Greg said that no one is going to do that because there is a demand. Greg said that Peachtree City has the demand and people pay a premium for good services and to be at an airport that can write a check for whatever improvements it needs. Greg found it unacceptable that there is an appearance being put on the airport that we price gouge our tenants. Greg said that the \$535 rate is on the high end, but it is not unheard of. We market ourselves as an airport that is commutable from Atlanta, and we attract people like Chick-Fil-A. Greg said that we do not do that with cracked asphalt on our ramp. He said that he is not arguing one way or the other. He would like to see the data that Gary has asked for. Greg said that at the end of the day, the idea that we have high prices just to leverage the waitlist is not accurate. He said that it is a basic economic concept. Hope said that the figure Ralph quoted is one of the highest hangar rates we have. Nine of the t-hangars are \$450 per month. Max said that he looks forward to seeing what Allen puts together. Allen said that the market analysis has already been put together. It is about how we apply it.

No action was taken.

**VII. EXECUTIVE SESSION**

Allen Morrison made a motion to move into Executive Session for real estate and personnel matters, seconded by Greg Garmon.

Motion carried 5/0.

Allen Morrison made a motion to adjourn the executive session at 7:47 PM and enter back into the regular meeting, seconded by Greg Garmon.

Motion carried 5/0.

**VIII. ADJOURNMENT**

Allen Morrison made a motion to adjourn the meeting at 7:49 PM, seconded by Greg Garmon.

Motion carried 5/0.