

MINUTES

The Spalding County Board of Commissioners held their Special Called Meeting in Room 108 in the Courthouse Annex, Monday, June 23, 2014, beginning at 5:30 p.m. with Chairman Samuel Gardner presiding. Commissioners Raymond Ray, Rita Johnson, Gwen Flowers-Taylor, and Bart Miller were present. Also present were County Manager William P. Wilson Jr., Jim Fortune, County Attorney and Kathy Gibson, Executive Secretary to record the minutes.

- I. **OPENING (CALL TO ORDER)** – Chairman Samuel Gardner.
- II. **INVOCATION** – led by Commissioner Rita Johnson.
- III. **PLEDGE TO FLAG** – led by Commissioner Raymond Ray.

Chairman Gardner advised the board would allow public comment during the meeting and it would be allowed after the presentation.

Motion/Second by Flowers-Taylor/Johnson to amend the Agenda to discuss the disbursement of the remainder of funds available in the Commissioners Contingency. Motion carried unanimously by all.

Commissioner Flowers-Taylor requested that the fund balance of the 2014 Commissioners Contingency Fund be divided equally between the Library, the Animal Shelter and the Sheriff's Department.

William Wilson, County Manager, advised that the 2014 Commissioners Contingency was initially funded with \$75,000.00 for the year. Year-to-date the Commissioners have authorized expenditures in the amount of \$50,504.64 leaving a balance of \$24,495.36; however, from that we will have to deduct the \$3,500.00 the Board authorized for the scholarship fund to the Parks and Recreation department. Leaving approximately \$21,000.00 remaining.

Mr. Wilson advised that the Sheriff's Department had requested \$20,000.00 to be used for tactical entry vests for the Special Operations Unit. The Sheriff's Department has applied for a Justice Department Grant to assist in paying for these tactical entry vests; however, the grant will not cover the amount needed to purchase the 11 vests and they are requesting the balance from the Commissioners Contingency so that all 11 officers will have the tactical entry vests. The cost of the vests are \$25,300.00 the maximum amount of the grant is \$10,750.00 with the required county matching funds brings the total to \$12,000.00 which will only purchase about 5 of the vests.

Chairman Gardner stated that the Library periodicals have not been updated in years and that is definitely something that should be updated. He further stated that the money given to the library should allow discretion as to how to best use the funds and that the Board shouldn't place conditions on the funding so that it can be utilized where it is needed the most.

Commissioner Flowers-Taylor expressed her concerns over the conditions that the animals in the shelter have to endure and she feels that any funding available should be directed to air conditioning and improving the living conditions for the animals housed at the Shelter.

Motion/Second by Flowers-Taylor/Johnson to allocate the funds left in the 2014 Commissioners Contingency equally to the Library, the Animal Shelter and Sheriff's Department and once the Sheriff's Department receives the JAG grant, the remainder of the funds needed to purchase tactical entry vests will come out of the 2015 Commissioners Contingency budget. Motion carried unanimously by all.

IV. PRESENTATIONS/PROCLAMATIONS

1. Mike Reiter and Robert Mohl to present cost analysis scenarios for proposed and existing airport.

Robert Mohl, Airport Director, outlined the reasons that we need a new airport:

- Current Airport loses money
- It is a 75 year old facility that is expensive to maintain and operate.
- The majority of the current tenants fall within the declining market category of aircraft.
- Rentable hanger space/business park are maxed out.
- The runway is insufficient to attract large volume fuel customers and does not meet current regulation and standards.
- Lease agreement have no reversion clause.
- Business park design is not optimum.
- Upgrading the existing facility is cost prohibitive.

Mr. Mohl stated that in order to convert the current facility into a profitable operation it will be necessary to:

- Cut Costs
- Transition operations based from a declining market to a growing market.
- Grow revenue volume via a new business model.
 - Increase fuel sales.
 - Increase tenant capacity.

Mr. Mohl presented a comparison of the 2015 Budget for the existing Airport to the 2022 Projected Budget for the New Airfield. That projection reflects a reduction in operating costs of approximately \$38,153.00 in the first year of operation of the new Airport.

Mr. Mohl stated that the aircraft currently using the Griffin-Spalding Airport were Turbine, Piston and Rotor Craft. Usage of these types of aircraft is diminishing and therefore the aircraft that we can currently service is declining. In order to have a profitable airport we will have to be able to service jet aircraft in addition the current base.

Mr. Mohl further stated that the current airfield is 198 Acres limiting the current airport business park to 42 acres, which is the maximum capacity. The proposed airfield will have 728 acres with an anticipated 124 acre business park.

Mr. Mohl stated that he had been asked to show a comparison of purchasing the necessary property to bring the old airport up to

code versus the cost of acquiring the property for the new airport. He stated that the current airport would require a land purchase of 113 properties and demolition of the current buildings to bring the airport up to code would total approximately \$45,024,000.00. Versus the new airport land purchase would involve 59 properties, airport construction with terminal and parking would total approximately \$637,802,200.00.

Commissioner Flowers-Taylor asked how Mr. Mohl came up with the reduction in maintenance costs and utilities for the proposed airport.

Mr. Mohl explained that they took the monthly breakdown of the budget for the current airport and they went through every line of that budget breakdown and backed out any item that had to do with maintenance or old aging infrastructure repair which resulted in a decrease in the maintenance of approximately \$25,000.00. A new airfield infrastructure will be built using new higher energy efficient equipment and therefore it should cost less to operate.

Mr. Wilson asked for a breakdown of the Administrative Costs listed in the report.

Mr. Mohl advised that Administrative Costs included professional services, legal services, property and casualty insurance, communications, advertising, travel, tuition and conference registration, licenses to operate the airfield, bank fees, miscellaneous services any item not considered maintenance was rolled up into administrative costs.

Mike Reiter of the Michael Baker Corporation stated there had be questions regarding the cash flow analysis that was presented. He stated that the runway and the space available at the current airport is limited and the potential to change the paradigm at the old airport is very limited. The existing airport currently operates and will continue to operate at \$200,000.00 loss per year. Mr. Reiter stated that you are not going to be able to change the revenue at the existing airport due to the limitations of the property.

Mr. Reiter then presented the benefits of the new airport to include a longer runway that could attract larger aircraft that would purchase jet fuel and which has a better profit margin and, in turn, helps increase revenues. With new airport you will have new facilities and higher energy efficient equipment. As a new airport there will not be as much expense doing rehabilitation work to keep the facility up and running.

V. CITIZEN COMMENT

Speakers must sign up prior to the meeting and provide their names, addresses and topic in which they will speak on. Speakers must direct all comments to the Board only. Speakers will be allotted three (3) minutes to speak on their chosen topics and relate to matters pertinent to the jurisdiction of the Board of the Commissioners. No questions will be asked by any of the commissioners during citizen comments. Outbursts from the audience will not be tolerated. Common courtesy and civility are expected at all times during the meeting.

Bobby Peurlfoy, 917 S. McDonough Road, Griffin, GA stated that Spalding County cannot afford a new airport.

Mr. Tommy Addis, 1833 Carver Road, Griffin, GA wanted to know if the choice for the airport would be placed on the ballot in November.

Jim Fortune, County Attorney, advised that pure straw ballot, a yes/no vote cannot be placed on the ballot per the State law.

Chairman Gardner advised that we will not be able to have the yes/no vote that we had hoped to have on the referendum. It is yet to be determined if we will have a bond referendum on the ballot for November. We had wanted to have something on the ballot where the public could say yes or no that they wanted to do this, but we are not allowed to have this type of question on the ballot.

Mr. Addis stated that he was trying to find out if a new airport was going to make the mileage rate go up.

Mr. Wilson advised that he had answered a question similar to this for the residents of Sun City recently. The question was if the county's share for the airport is \$3 million how much would the residents have to pay. The answer was that a mil of tax last year was \$1.4 million and if we raised taxes for 1 year to raise the \$3 million, it would be 2.13 mils for a \$100,000.00 Fair Market Value house, the homeowner would see an increase of \$88.36 for that year only. However, bonds can be paid over 5, 10, 20 years which would lessen the amount per year for the taxpayer.

Mike Statham, 539 South Hill Street, Griffin, GA wanted the Options to be restated for the airport.

Mr. Mohl reviewed the Options and showed the slides for Mr. Statham.

Larry Johnson, 122 Sherbrook Way, Griffin, GA wanted to know if we build the airport does the county have to issue bonds and where will the money come from if we decide to upgrade the old airport.

Chairman Gardner advised that if we were to do the upgrades to the old airport we would probably have to do a bond issue for that as well. That is part of the decision that is going to have to be made.

Carl Pruett, 140 Four Oaks Drive, Griffin, GA stated that what we have is a 75 year old airport that we have been using since 1939. The current airport is one of 3 airports in the State of Georgia that is extremely land locked by homes and businesses. We have a problem here, we are losing money on the airport and that is not going to change we are just going to continue to lose more. Two to three years ago we had 102 planes out there and we have 92 now that is less revenue from rent and less revenue from aviation gas sales.

Donna Robertson, 110 Paul Circle, Griffin, GA stated that with regard to the new airport the county is going to have to take a leap of faith on if we build it they will come. She wanted to know what would happen if we as a county cannot upgrade the current airport to the standards being required.

Mr. Mohl stated that if we don't move the airport, and we don't do the upgrades then the FAA will come in and make the operation fit what

we have to work with, reducing the length of the runway and increase the minimums which means the aircraft that we do have utilizing the airport will be reduced to the smallest size aircraft possible which will affect the businesses we have out there.

Commissioner Flowers-Taylor stated that this year there was a \$230,000.00 operating deficit that the county and the city had to fund for the airport. If nothing is done, will that deficit increase?

Mr. Mohl stated if the runway is shortened and we have increased minimums due to not meeting state standards the deficit will go higher.

Mr. Wilson advised that the remaining question is “Are we going to put a question on the November ballot?” or “Two questions on the November ballot?” We are going to need that language before August first.

Chairman Gardner stated that this started out as a discussion for the new airport and the general population, both proponents and opponents, have said give us an opportunity to vote on the matter. His suggestion was to have a question on the ballot “Do you want to have the general obligation bonds for whatever it would cost the county taxpayers issued to construct a new airport?” Yes or No. If you put multiple questions on the ballot voters will have to vote on both of them, you cannot make it an either/or question.

Commissioner Ray asked if Bond Counsel could come down to discuss the potential referendum ballot question with the Board of Commissioners.

Mr. Wilson stated that Floyd Newton of King and Spalding is available on Thursday, he will check to see if he can get Todd Barnes of Robert W. Baird & Co., our Bond Underwriters, is available on Thursday as well to provide financing information.

Consensus of the Board is that they will meet at 4:00 p.m. on Thursday, June 26, 2014 with representatives from King and Spalding and Robert W. Baird & Co.

VI. ADJOURNMENT

Motion/Second by Flowers-Taylor/Johnson to adjourn at 7:40 p.m. Motion carried unanimously by all.

/s/ Samuel C. Gardner
Chairman

/s/ William P. Wilson, Jr.
County Manager