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**TO:** Anthony Nicks, County Auditor

**FROM:** David Clark, Director of Public Works 

**cc:** Shauna Herbert, Audit Manager  
Jonah Williams, Internal Auditor III  
Dick Anderson, County Manager  
Pamela Roshell, Chief Operating Officer  
Gary Hudson, Airport Manager

**DATE:** June 27, 2025

**SUBJECT:** Public Works response to the Final Draft Audit of the Fulton County Executive Airport dated June 12, 2025

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The purpose of this memorandum is to provide the County Auditor's Office Public Works' response to the recently completed operational audit of the Fulton County Executive Airport, dated June 12, 2025. Generally speaking, Public Works is in agreement with the findings and have already begun to address many of them since Gary Hudson joined Fulton County on June 4<sup>th</sup> as the new Airport Manager.

Finding #1 – Lack of Standard Operating Procedures

Public Works agrees that Standard Operating Procedures for administration tasks need to be memorialized in written form. Most of the administrative SOPs have been handed down verbally from Airport Manager to Airport Manager over the years. Gary is currently working on developing SOPs based on his vast experience from Chester County, Pennsylvania and what he has observed here in the first three weeks of employment.

However, it should be recognized by the County Auditor that the Airport does have SOPs in place for airfield activity as required by the Federal Aviation Administration. We utilize the Airport Certification Manual when staff are interacting with the Control Tower and when they access the airfield for any maintenance activity.

Finding #2 – Inadequate Oversight and Monitoring of Airport Tenants

Public Works maintains that we have a productive and professional working relationship with each of the 15 tenants on the airfield. Public Works is not aware of an insistence where a tenant is out of compliance with any element of their lease terms and conditions. The finding is correct in that there is not an "integrated tenant management system" in place and Gary has already begun looking at ways to more formalize and standardize our tenant interaction and monitoring of their activities.

### Finding #3 – Lack of Hangar Inspection Policy

Public Works believes that this finding is closely tied to Finding #2 and the activities to be undertaken to address Finding #2 will also be applied to address this finding.

### Finding #4 – Current Tenant Lease Agreements Not of File

As explained during the Audit Review process, leases are handled by DREAM and not by Public Works staff. DREAM has a centralized folder on the Fulton County computer network that contains leases for each of the tenants. Public Works staff have been granted access to this folder on the network. In Public Works' review of the leases that are contained within this folder, Public Works believes that all leases are on file, so we do not agree with three (3) leases are missing as reported in the Audit. Based on our review of the structure of the folder on the network, the leases seem to be filed inconsistently based on different naming conventions. Some of the leases are filed by the street address, other leases are named by the company using the hangar, while other leases are filed by the lease holder name – which may or not be the same name as the tenant that is using the hangar space. For example, the US Marshall is currently using a hangar as a sublease tenant to the Fulton County Hangar Service, LLC that has a lease with Fulton County. Hence, it can take a lot of effort to locate a specific lease. However, since the centralized folder is managed by DREAM, Public Works does not have the ability to change or standardize the format of the lease folders.

Public Works supports the Auditor's recommendation that Public Works becomes fully responsible for the management of the leases and is willing to take that additional responsibility away from DREAM.

### Finding #5 – Missed Revenue Opportunity – FBO Aircraft Parking

Public Works is exploring the possibility of charging tenants for the use of any area that would be outside of a tenant's lease boundaries during special events. However, it should be noted that there are specific FAA regulations that must be adhered on how an airport uses a portion of the airfield, which is normally open for public use, is closed.

### Finding #6 – Lack of Verification of Fuel Flowage Fees

Public Works agrees that we currently rely on the individual tenants to report their fuel flowage to us on a monthly basis. Gary will be exploring options to implement a process to better verify the accuracy of the fuel flowage fees collected by the individual tenants.

### Finding #7 – Inadequate Record Keeping

The collection of fuel flowage fees is handled by two different methods – direct electronic payments to Finance and checks delivered to Airport staff. Public Works maintains specific records on the checks that are hand delivered to the Airport by the tenants, but relies on the Finance revenue reports to monitor electronic payments that are sent directly to Finance. Airport staff will be exploring options to combine these two payment methods into a single record keeping source.

### Finding #8 – Absence of Financial Records for Tenant Rent Payments

Like the fuel flowage fee collections process, the collection of rent payments is handled by two different methods – direct electronic payments to Finance and checks delivered to Airport staff. Public Works maintains specific records on the checks that are hand delivered to the Airport by the tenants, but relies on the Finance revenue reports to monitor electronic payments. Airport staff will be exploring options to combine these two payment methods into a single record keeping source, along with the fuel flowage fees collected.

#### Concern #1 – Fee Structures Not Compatible with Economic Changes

Fuel flowage fees are typically set within the ground lease terms and cannot be changed unless the ground lease is terminated, amended, or expires. Public Works will work with DREAM and the County Attorney to explore any option to change the fees under the current lease terms. Public Works suggests that the ground lease language should be changed in the future to allow for the fees to change based on economic conditions throughout the lease period.

#### Concern #2 – Failure to Resolve FAA Inquiry Regarding Nonaeronautical Use of Airport Property Timely

Public Works takes exception to this concern raised by the County Auditor. Public Works has no control over how quickly the FAA resolves their inquiry. Public Works has been very responsive in answering questions when poised by the FAA. However, years have gone between our responses until we hear back from the FAA. Specifically, the FAA poised a series of questions to Fulton County on February 2, 2023 which were responded to by Fulton County on March 31, 2023. Fulton County heard nothing from the FAA until March 27, 2025 (a full **two years** after our response) when they poised a new set of questions. We answered these questions on May 28, 2025.

It is unclear what improvements the County Auditor has in mind regarding how Public Works should be “adequate[ly] tracking and timely follow up for all FAA and DOT concerns.”

#### Concern #3 – Absence of Late Fee Provisions in Lease Agreements

Like Concern #1, this provision needs to be included in the ground lease agreement when initially executed. Public Works suggests that the ground lease language should be changed in the future to allow for the late fee provision to be included.

#### Concern #4 – Missed Revue Opportunities: Non-Collection of Late Fees

This appears to be related to Concern #3 and Public Works suggests that it be handled at the same time when Concern #3 is addressed.

Thank you for the opportunity to address the findings and concerns identified by the County Auditor’s recent review of the operation of the Fulton County Executive Airport. Overall, we believe that the airport is well run with limited issues concerning tenant payments but agree that improved measures could be implemented to balance the professional relationships we have with the tenants against the financial needs of ensuring that the airport remains self-funded.