

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, MAY 2, 2017**

PRESENT:

Tim M. Slattery, Vice Chairman
Jennifer T. Dane, Secretary/Treasurer (arrived 8:35 a.m.)
Henry Bowlin
Tom Green
William R. Miller
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Commissioner Brenda Carey, County Liaison
Commissioner Art Woodruff, City Liaison

ABSENT:

Frank S. Ioppolo, Jr., Chairman
Clyde H. Robertson, Jr.
Mayor Jeffrey C. Triplett, City Liaison

STAFF PRESENT:

Diane H. Crews, President & CEO
George D. Speake, Executive Vice-President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Thomas Fuehrer, SAPD
Lori Hunt, Administrative Assistant
Jacqueline Lauterbach, Leasing Manager
Al Nygren, Property Manager
Lauren Rowe, Director of Communications

OTHERS PRESENT:

Krysty Carr, AFA Flying Services
Dave Cattell, NAI Realvest
Alaina Chiappone
Tracy Forrest, Southeast Ramp
Bilal Iftikhar, City Engineer City of Sanford
Geoff Lane, Constant Aviation
Tom Miller, NAI Realvest
Jeremy Owens, CPH
Dan Ping, The Bokey
Bill & Gerhea Robbins
Keith Robinson, OSI/TBI
Christopher Smith, Project Planner City of Sanford
Gregg Smith, Million Air
Kevin Spolski, Spolski Construction
Greg Smith, Million Air
Bob Turk, Economic Development Director City of Sanford
WKMG News 6

Channel 13 News

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INTRODUCTION OF GUESTS

The meeting was called to order at 8:31a.m., by Vice Chairman Slattery followed by the Pledge of Allegiance.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON MARCH 30, 2017

Motion by Board Director Smith, seconded by Board Director Bowlin, to accept the minutes of the regular meeting held on Tuesday, March 30, 2017. Vote taken, none opposed. Motion passed.

4. ACKNOWLEDGEMENT OF RETIREMENT OF SAPD CANINE, POEKI

Presentation of Resolution No. 2017-02 to Officer Mike Robbins on behalf of K9 Poeki, in recognition for his years of service.

Motion by Board Director Smith, seconded by Board Director Green, to approve Resolution No. 2017-02, recognizing K9 Poeki for his years of service to the Orlando Sanford International Airport. Vote taken, none opposed. Motion passed.

5. MARKETING PRESENTATION BY COMMUNICATIONS DIRECTOR

Lauren Rowe, Communications Director, introduced intern Alaina Chiappone from the University of Florida, majoring in Communications. Ms. Rowe gave a PowerPoint presentation regarding marketing of the Airport.

6. LIAISON REPORTS

A. Seminole County

Commissioner Carey requested that an information board be posted for passengers upon exiting security check-in during the terminal expansion project. She invited everyone to attend the upcoming Soldiers Creek Park grand-opening on Wednesday May 17, 2017 from 6-8 p.m. celebrating the completion of major renovations, and noted that the SR 46 road project is still on track, scheduled to be open November 2018.

Commissioner Carey stated she spoke recently with the County Manager who requested an update on the property adjacent to the County's twelve acres. Right now the County doesn't have enough tourist development dollars to start building anything, but they are trying to start planning and need to know if they are planning with the Airport or not.

President Crews responded we are negotiating the contract with Zyscovich Architects which will be brought to the Board at the June 6, 2017 meeting and then they have nine months to create, finalize and bring the deliverable of the master plan for the outparcels. Commissioner Carey responded it looked like next year sometime before the Airport would know what they are looking at and she was hopeful since it's been a discussion that's been going on for quite some time that stalled.

Commissioner Carey requested to be kept in the loop and noted that the County would love to talk to our consultant. President Crews responded that meeting with all local stakeholders is actually part of the consultant's scope.

B. City of Sanford

Commissioner Woodruff updated the Board on the following: Weekend of May 6-7, the City will be holding a Fine Arts Festival along with a Comic Book Event; Catalyst Site Agreement should be on the next Commission Agenda for final approval; and a parking study is being conducted regarding issues downtown and with the courthouse parking lot.

7. COMMENTS FROM THE PUBLIC

None

8. PRESIDENT'S REPORT

President Crews updated the Board on the following:

Terminal Expansion signage and information as mentioned by Commissioner Carey is a very important element and Engineer Jeremy Owens has focused a considerable amount of time discussing this during terminal expansion meetings. The design is substantially complete, on target to be put out for bid the end of May. FAA comments and questions on PFC Application No.4, which will fund the majority of the project, have been received and the Airport should be submitting its response by end of May. Regarding the Domestic Outbound Baggage project, the temporary wall for Phase 1 has been taken down on the west end of terminal B and the domestic ticket counter is scheduled to go live Wednesday. New office space was created for Allegiant and they will be moving in this week. Temporary walls for Phase II of the project will be installed next week. The entire project is 50% complete.

On the International side, the FIS Inbound Baggage Claim Project was awarded to Collage who is also doing the Domestic Outbound Baggage Project. Notice-to-Proceed was issued April 10; however, construction will not begin until June or July due to lead time necessary to order the baggage carousel. The Runway Incursion Mitigation project is in the design stage, awaiting FAA input to complete design. The Rehabilitation of Taxiway Romeo and accompanying Ramp Expansion was advertised April 24th, pre-bid meeting to be held May 4th. The projects have taken a lot of coordination with the FAA to facilitate grant funding, and will be bid out as a project with two alternates. At present, the FAA is unsure if the projects can be done concurrently as funding will be a determining factor, and we are bidding the project the way the FAA advised.

Don Poore, CFO, presented the Financials to the Board. President Crews distributed the aeriels.

President Crews updated the Board on the Hotel, noting that a meeting was held last week and the City of Sanford has agreed to relocate the waterline traversing the hotel site at their cost. George Speake and Jennifer Taylor met last week with the developer and FPL regarding moving the power line. Robert Miller with SOIA has stated he intends to submit the site plan to the City of Sanford this week and is still on schedule to begin construction in August. Board Director Green inquired if the construction plans are complete and does the developer have a commitment letter signed from the bank. President Crews responded she doesn't have a commitment letter, they have the term sheets she required but she hadn't asked for a copy of the commitment letter. George Speake stated he is lacking the preliminary site plan needed for FAA approval. Board Director Slattery inquired of any upcoming hard deadlines. Mr. Renton clarified contractual deadlines for the Board. Vice Chairman Slattery requested definite dates to perform or move aside are given to the developer. He also requested a commitment letter and signed agreement be provided to the Board at the June meeting. Board Director Simmons requested the developer be told that the Board wants to see the site plan.

President Crews updated the Board on the property the Authority purchased on Beardall Avenue and noted there is a tenant who needs to be relocated. Al Nygren is working with the tenant on that relocation. Survey has been done, appraisal ordered, thirty days to complete that, appraisal should be in hand for June 6 Board meeting. The Airport can't be reimbursed from FDOT until the appraisal has been completed.

On April 8th an incident occurred at the Airport, a crash with fatality near the Southeast Ramp on Airport property. Fatality victim was a long time tenant of the Southeast Ramp and a great loss. President Crews thanked Lauren Rowe who covered this event serving her first incident as Communications Director. President Crews commended ARFF's initial response, Airport Police Department and Airport Operations, George Speake, Thomas Fuehrer and Rick Shea who responded immediately and worked together as a team. ARFF (who has a duty to respond within three minutes) responded and had the fire completely

extinguished in just over three minutes. The NTSB was very complimentary when they arrived the next day because of the way records were kept and provided to them, kudos to Chief Fuehrer. President Crews noted that assistance was provided from City of Sanford and Seminole County and expressed appreciation for their assistance.

President Crews highlighted upcoming events:

May 10th - Seminole State College Scholarship Breakfast, scholarship being implemented by former Congressman John Mica.

May 19th - Leadership Seminole luncheon, to honor former Congressman John Mica as this year's Leadership Legend.

President Crews stated she attended the Allegiant Conference in Las Vegas. Allegiant plans to hold the conference in different locations every other year, and President Crews has put the Airport in the hat for consideration. President Crews stated Lauren Rowe is going to be in contact with Allegiant's public relations department. Allegiant is in the process of purchasing 12 new A320 aircraft, taking possession of the first one on May 15th which will be received by SFB. She noted that the MD 80's will be gone from SFB by the end of 2018.

9. COUNSEL'S REPORT

Mr. Renton updated the Board on the FRS funding liability issue as it relates to the budget as required by the enabling legislation of SAA. Mr. Renton asked the Board if they wanted counsel to request an attorney general opinion, to insure the process we are doing is correct under both the enabling legislation and the accounting side. Following discussion, Board Director Dane asked Counsel to find out if any attorney general opinions had been issued relative this matter.

Mr. Renton informed the Board of a letter received from the FDEP regarding Gator Dock & Marine.

Mr. Renton updated the Board with regards to the NAI Realvest and Zyscovich contracts

(Board Director Simmons departed the meeting at 9:58 a.m.)

10. AIRPORT'S WORLDWIDE REPORT

Keith Robinson, Director of Finance for OSI, updated the Board on the following:

April was another record breaking month in terms of traffic thru the airport, 250,951 up 12% increase over 2016. Year to date 942,661 a 7% increase over 2016. 2.8 million passengers versus 2.6 million passengers in 2016, running very close to budget and 3 million could be the number in 2017.

Mr. Robinson stated gearing up for the busy summer travel season May through July with July being the highest month of the year; August tends to trail off again. Mr. Robinson addressed signage concerns in the new terminal expansion design. He further stated they have been working with SSP, the main food and beverage vendor, reviewed first draft of their new contract and felt it wasn't up to standards this Airport deserves; brand needed some work so he asked them to go back and revise.

11. CHAIRMAN'S REPORT

None

12. CONSENT AGENDA

- A. Consider approval of Addendum C to Lease No. 2001-05 with Hazard Services International, Inc. for Bldg. 60/Airfield. (Bunker).
- B. Consider approval of Addendum E to Lease No. 2012-19 with Candice Rozzo for Building No. 303, located at 2850 Aileron Circle, (Residential).
- C. Consider approval of FY 2015-2016 Annual Audit
- D. Consider approval of Addendum G to Lease No. 2010-11 with Randy Dykes for Bldg. 513, 3905 Moores Station Rd., Sanford FL 32773. (Residential).
- E. Consider approval of Addendum C to Lease No. 2014-12 with Jeyza Manso for Bldg. 301, located at 2822 Aileron Cr., Sanford FL 32773. (Residential).
- F. **ADD-ON:** Consider ratification of lease No. 2014-10 with Skimmer Skiffs, LLC, for Bldg. 262, 2750 Flightline Ave., Sanford, FL 32773
- G. **ADD-ON:** Consider approval of Lease No. 2005-22 with Enterprise Leasing Company of Orlando, LLC, for Bldg. 453, 2101 E. Airport Blvd. Sanford, FL 32773

Motion by Board Director Dane, seconded by Board Director Bowlin to approve Consent Agenda items A through G. Vote taken, none opposed. Motion passed.

13. DISCUSSION AGENDA

- A. Consider approval of Budget Amendment.

President Crews noted that the amendment is necessary due to unanticipated expenses and briefly reviewed the individual items. She first reviewed two new positions, Contract Administrator, a new position that will monitor the new contract coming forward between SAA and OSI; and the position of Communications Director, which was budgeted as a contractual expense with a marketing company; instead a portion of that money has been moved to Salaries. It was noted that this is not an increase but merely moving monies from one line item in the budget to another.

President Crews stated that Legal Services was originally budgeted as \$150,000 and that amount is close to being used. Most of the excess has been due to the audit and the contract negotiation with Airports Worldwide; this is still ongoing and there will be more expenses. President Crews stated she is proposing the \$150,000 line item be increased to \$350,000 which is an additional \$200,000.

She explained that the expense for Design of the Tenant Key Control Conversion Plan resulted from an unanticipated mandate by the TSA. President Crews noted we will have to seek funding for the actual implementation at a later date, seeking funding now for design only at this time.

President Crews specified with regard to the Mutual Link System for SAPD that this is a beneficial communication system which among other benefits will provide live video feed at the Airport during incidents, as demonstrated at the Triennial Exercise last year, providing video feed between the Seminole County EOC and SFB. Funding is being requested now opposed to next budget year because they are offering a 50% discount and no charge for the support fees until October.

President Crews identified the budget reduction in the Marketing line item because that is being moved to Salaries line item.

Regarding salary increases for ARFF positions, President Crews informed the Board she receives industry surveys and targets different positions to focus on each year because the entire work force can't be done in a single budget year. There was a concern regarding the ARFF department which she had initially planned to address in the FY 2017-2018 budget. Several months ago there were salary changes within the firefighting community; the City of Apopka's starting pay is now in the low \$50,000's up to \$65,000 with certain acquired certifications from the State. The City of Sanford is moving to FRS retirement which would allow our personnel to transfer and keep their retirement, and they pay \$10,000 more than the Airport. Seminole County and other entities are also hiring at a higher rate of pay, and at least one other municipality has undergone a pay increase.

President Crews stated this was all brought to her attention by Chief Shippell when several firefighters made their intentions known that they were applying at other municipalities. Given the thought of being faced with losing three of the nine positions, Chief Shippell did a quick salary survey looking at local agencies and throughout Florida, and President Crews then came to the conclusion that she could not delay the increase. Waiting could cost us manpower that would not be easily replaced. If we are already at a lower pay rate, the quality of replacements will be less and the labor pool will be comprised of people who aren't able to be employed elsewhere. Firefighters additionally have to go to ARFF training due to the specialized

field. She concluded with the input of Chief Shippell, Executive Vice-President/COO George Speake and CFO Don Poore to bring this item forward with a budget amendment increasing their pay now.

Board Director Smith felt during his eight years as a Board Director ARFF has always been an issue, we've lost employees to other agencies, and we had to put money in to their training resulting in a loss of good personnel. He further stated he didn't feel we needed to be a training facility for the other agencies; we need to take care of our firefighters and keep them here for 20 years. Board Director Dane inquired why this was retroactive. President Crews responded because when it was originally discussed with the Chairman, it was supposed to have been on the April meeting which was canceled. President Crews stated nothing has been promised to the firefighters; they know they have the support of her, George Speake and Don Poore but ultimately this is a decision to be made by the Board.

Board Director Bowlin stated his preference is to stay current with market. In his business there is a learning curve bringing new people that delays productivity and also results in additional costs. All of these things need to be considered.

Board Director Miller suggested the need to look at all positions. President Crews agreed and stated that she had shared with several board directors that she believes we do need to have our own full-blown salary survey, not relying on Airports Council International (ACI) or AAAE. These are expensive, and you have to deal with the results once you get them, but we do want to stay with the market, we want to be competitive and try to get the best people. That survey is being planned for FY 2017-2018 Budget.

Vice Chairman Slattery stated he is in favor of competitive salaries for all departments but in the past six years has made it clear he is not in favor of budget adjustments. Also this year is the first year that President Crews is being managed to the budget; if the budget is able to be negotiated midway through, how is her success or failure to be managed. In addition, the budget adjustment has to go to the City of Sanford for approval; in the case they say no, we'd have to manage our budget. He stated his preference would be to use the large overage in salaries to satisfy the department that is underpaid in lieu of asking the City for a budget amendment in the same category which is something we should have planned for.

At President Crews' request, CFO Poore explained why the Authority is currently under budget on salary expenses year to date. President Crews reiterated that the situation creating the need for a salary increase for ARFF could not have been anticipated.

Regarding legal fees, Vice Chairman Slattery felt that was not something that could be planned for and felt that it is warranted to go above budget. The other remaining items he felt if we couldn't find \$11,000 in a line item,

then we are very tightly budgeted. Vice Chairman Slattery further stated that if at the end of the year we need more money to pay employees at that time, go to the City and ask permission.

President Crews addressed Vice Chairman Slattery's comments regarding the \$11,000 and agreed we do have a tight budget, especially looking at the capital budget. President Crews inquired of Chief Fuehrer if he had \$11,000 in his capital budget, to which he responded no. President Crews further stated that everyone obtains price quotes and tries to be specific as possible during preliminary budget planning meetings. Capital budgets have less wiggle room than anything else. Throughout the budget in general she could find \$11,000 but not specific to this particular line item.

Board Director Miller inquired if the \$11,000 could be taken out of Reserves. Mr. Renton responded that if a check is written for something it has to be categorized in that specific line item. Board Director Miller restated the question to CFO Don Poore. Mr. Poore responded it didn't matter which bank account he pulled the money from; the question has to do with the budget and do we have a line item to cover that expense and the answer is no.

Commissioner Woodruff replied that in the City of Sanford that particular type of request would also be considered a budget amendment.

Motion by Board Director Dane to accept Discussion Agenda item A in its entirety, seconded by Board Director Smith. Vote taken, Vice Chairman Slattery dissenting. Motion passed.

- B. Consider approval of proposal from AVCON for Professional Services Task Order No. 2017-02/Design Tenant Key Control Conversion Plan.

President Crews advised the Board this item follows the Budget Amendment it is asking for approval of the task order for the design of the TSA mandated project.

Motion by Board Director Dane, seconded by Board Director Smith to approve Discussion Agenda item B. Vote taken, none opposed. Motion passed.

- C. Discuss schedule for FY 2017-2018 Budget preparation.

President Crews stated there is no memo for this item, this is for discussion only. The Board needs to determine a date for the Board Directors Budget Work Session, and she proposed the month of June. President Crews explained the draft budget will be given to the Board Directors at the June 6 meeting.

Wednesday June 21, 2017 12:00 p.m. noon was selected as the Budget Work Session date.

D. Consider request from City of Sanford to construct a new fire station on Airport property.

President Crews stated there are three representatives present from the City of Sanford; SAFD Chief Craig Radzak, Chris Smith and Bilal Iftikhar. President Crews stated the City of Sanford was planning to purchase property on the south side of Marquette Avenue which is not Airport property; she suggested they consider Airport property on the north side of Marquette Avenue. This site is not likely to be used for anything else, although it would require the perimeter fence and access road be moved. President Crews noted the primary advantage to having this station on airport property would be more rapid response time. Although Seminole County has a fire station on Airport property on SR46, if they had to respond to the terminal, they would have to come down Sanford Avenue to Airport Boulevard. If the City of Sanford responds, they are located on Airport Boulevard near the bowling alley (Hwy 17-92). The City of Sanford is looking to build this new fire station because of the increased growth in the area, including currently 1000 roof tops planned for or under construction near the Airport entrance. She stated today she is asking for the Board's input and approval of the project.

The FAA has been advised of the request, sees this is as a tremendous benefit to the Airport and is very much in favor, but the Airport will still have to follow protocol of obtaining appraisals. This would be a long term ground lease for in-kind services. This is not a new concept, and would be the same type of lease that the SAA has with Seminole County for Station 41. The City of Sanford would construct the building themselves and we would provide the land. President Crews referenced the Pros and Cons as listed in her memo.

Board Director Smith noted our insurance rates should go down having a fire station that close to the airport. Board Director Slattery inquired if the size of the station would be adequate to handle quite a bit of density, ladder trucks etc. Mr. Smith replied they are proposing 9,900 square feet, 4 bays with tower truck capability. Board Director Slattery stated he was in favor of the request, to be a good neighbor to a city that owns us and gets no benefit.

Motion by Board Director Dane to approve the request from the City of Sanford to construct a new fire station on Airport-owned land on the north side of Marquette Avenue between Red Cleveland Boulevard and Skyway Drive, subject to approval of a long-term ground lease between the SAA and the City of Sanford, completion of a survey and appraisal of the site, the final approval of the FAA and an out clause per Board Director Green of relocating the fire station to another Airport property at no cost to the City, seconded by Board Director Bowlin. Vote taken, none opposed. Motion passed.

(Board Director Green departed the meeting at 10:32 a.m.)

E. Consider request from City of Sanford for exchange of property.

President Crews stated she had been in discussion with the City of Sanford for a little over a year as they have tried to find a site for a new Public Works Facility. President Crews invited Chris Smith, City of Sanford to address the Board.

Mr. Smith informed the Board that the City of Sanford has been in long term discussions to use the site west of Runway 9L. It is still a moving target; administration is working on potential land swaps with the School Board and the Airport. The City of Sanford owns acreage west of 9L and is potentially entering in to a swap agreement with the School Board for the left half of a parcel out of the Runway Protection Zone (RPZ) in exchange for a Mellonville site owned by the School Board. The City will retain half of that site to continue with some operations for their Public Works' main storage site. The City has also been in preliminary discussions in doing an additional land swap with the Airport of potential Airport-owned parcels for the property owned by the City in the RPZ.

President Crews stated the City owns property in the RPZ they would like to swap for 6 designated Airport-owned parcels which are surrounded by residential with substandard roads. The land exchange would give the Airport control over the RPZ. Mr. Smith said there has been some discussion possibly doing some type of storage yard for Waste Pro dumpsters, as they understand they can't construct anything in the RPZ. Discussion ensued regarding types of use, concerns expressed if use would attract birds or appear visually unattractive upon approach.

Vice Chairman Slattery noted this is a preliminary discussion item and a motion is not required at this meeting.

14. COMMENTS FROM THE PUBLIC

None

15. OTHER BUSINESS

None

16. REMINDER OF NEXT BOARD MEETING (JUNE 6, 2017)

17. ADJOURNMENT

There being no further business, the meeting adjourned at 11:09 a.m.

Respectfully submitted,

Diane H. Crews

Diane H. Crews, A.A.E.

President & CEO

/lh