

**MINUTES OF THE REGULAR MEETING OF THE  
SANFORD AIRPORT AUTHORITY  
MAY 1, 2018  
8:30 A.M.**

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**PRESENT:** Tim M. Slattery, Chairman  
William R. Miller, Secretary/Treasurer  
U. Henry Bowlin  
Frank S. Ioppolo, Jr.  
Clyde H. Robertson, Jr.  
Clayton D. Simmons  
Stephen P. Smith  
Brett Renton, Airport Counsel  
Mayor Jeff Triplett, City Liaison

**ABSENT:** Jennifer T. Dane, Vice Chairman  
Tom Green  
Commissioner Brenda Carey, County Liaison

**STAFF PRESENT:** Diane Crews, President & CEO  
George Speake, Executive V.P. & COO  
Don Poore, Chief Financial Officer  
Jerry Crocker, IT Manager  
Thomas Fuehrer, SAPD Chief  
Lori Hunt, Executive Assistant  
Al Nygren, Property Manager  
Lauren Rowe, Director of Communications  
Jennifer Taylor, Contract Administrator  
Rachel Walker, Finance Manager

**OTHERS PRESENT:** Elizabeth Brown, AWW  
Kelly Cohen, Southern Strategy  
Kevin Dillon, Constant Aviation  
David Gierach, CPH Engineers  
Jonathan Hand, ATKINS  
Jerry Johnston  
Karen McKinnon, CE Avionics  
Jeremiah Owens, CPH Engineers  
Paul Partyka, NAI Realvest  
Dan Ping, The Bokey  
Rachel Saunders, NAI Realvest  
Sandeep Singh, AVCON  
Greg Smith, MillionAir  
Kevin Spolski, Spolski Construction  
Paul Vermast, CE Avionics

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

The meeting was called to order at 8:30 a.m. followed by the Pledge of Allegiance and introduction of guests.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON APRIL 10, 2018

Motion by Board Director Smith, seconded by Board Director Bowlin, to approve the Minutes of the Regular Meeting held on April 10, 2018. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

Commissioner Carey was absent.

B. City of Sanford

Mayor Triplett stated he had nothing to report.

Chairman Slattery thanked the Mayor and the City of Sanford for the recent Board Appreciation Dinner.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews introduced Elisha Gilmore, an employee who sustained a critical injury following a harrowing ordeal and had just returned to work on Monday. Chairman Slattery, on behalf of the Board and staff, welcomed Elisha back to work, so happy he is back with us. Elisha Gilmore thanked Chairman Slattery and everyone present; he stated that means a lot and it's great to be back with his work family.

President Crews updated the Board that the draft Gate Needs Study for PFC No. 5 was received last night from ADKINS; Runway Mitigation project is about to kick off; Key Control Project should be complete this month;



Taxiway Romeo Rehab and Ramp Expansion Project is 45% complete; and Terminal Expansion Project construction is slated to begin May 2<sup>nd</sup>.

George Speake updated the Board on the MRO America's Conference that he and President Crews attended. President Crews distributed booklets made by Zyscovich for the conference and airplane thumb drives.

Don Poore presented the quarterly report financials.

President Crews inquired of the Board to select a date for the Budget Work Session. The date of June 5<sup>th</sup> immediately following the regular Board meeting was determined for the Budget Work Session.

President Crews stated the Board Director Commerce Park tour would have to be re-scheduled for a later date.

Lauren Rowe updated the Board regarding public relations. Lauren Rowe announced that the Orlando Sanford International Airport will be the official sponsor of Telemundo's coverage of World Cup Soccer, Orlando. Elizabeth Brown stated the Telemundo sponsorship puts us in as the lead airport and affords us the same opportunity when World Cup returns. They felt it was very important to do this now when there is no other airport taking advantage of it. There are a lot of benefits coming out of this sponsorship. President Crews thanked AWW especially Elizabeth for making that decision after it was discussed, as it is so far reaching.

Property Management Report – NAI Realvest: Paul Partyka presented a brief overview of the monthly Property Management Report. Chairman Slattery inquired how the transition of the property management was going. Mr. Partyka replied from his standpoint it is fine. President Crews responded it is going well; Rachel Walker, Finance Manager has been very involved initiating that process. The last report we will receive from NAI Realvest for property management will be in June, the July report will be from SAA staff. Rachel Walker updated the Board on progress made. May 20<sup>th</sup> is the official cutoff date for billing, and there will be a slight lapse until the first report. Paul Partyka stated their goal is to make sure the reporting is accurate all the way through this, and if there is a slight overlap so be it.

Kelly Cohen, Southern Strategy briefed the Board on what she and Oscar Anderson are doing on the Board's behalf. Major focus will be on the FDOT as it is election year. Southern Strategy and SAA are hosting FDOT Secretary Mike Dew May 30<sup>th</sup>. He will conduct a tour and briefing; SAA is hosting a reception.

President Crews updated the Board; the revised Zyscovich Phase II report had been distributed and emailed to the Board, to present to the Board in June during the regular meeting.



President Crews referenced the Police and Fire reports, updated the Board on Calendar events and distributed the monthly aerals.

Chairman Slattery requested of Chief Fuehrer to have 24/7 Police monitoring of the pedestrian crosswalks in front of the terminal; motorists are not stopping for pedestrians in the walkways.

President Crews congratulated Board Director Bowlin on his official retirement from Century Link.

Chairman Slattery thanked the Board Directors for representing the Airport by attending functions in the community.

Chairman Slattery asked President Crews to give the Board a brief update on the MRO booklet distributed to the Board. President Crews stated the Airport was a vendor at the recent MRO America's Conference held in Orlando. The booklet was prepared by Zyscovich and focused on the available out parcels, taking the best we could find from the Visioning Plan and putting it into booklet form. Zyscovich also prepared a backdrop for the booth which was a 10'x10' color photo of the airport layout.

Board Director Smith thanked SAA, AWW, Brett Renton, Frank Ioppolo, Robbie Robertson, and Brady Lessard for sponsoring the Sanford Elks Club Army of Hope event that raised \$11,000 to help active duty soldiers with financial problems here at home if they are deployed.

## 7. COUNSEL'S REPORT

Brett Renton announced to the Board that he and his wife are expecting a baby in October. Brett Renton updated the Board regarding community involvement in their role as a Board Director. Both the FAA and the State encourage members to get out in the community as a champion of the SAA and OSI. Mr. Renton reminded the Board of the prohibitions in the statute if more than one director attends a function. Mr. Renton updated the Board on the trademark litigation.

## 8. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board and noted they are absent a written report due to the timing of this month's Board meeting making it difficult to complete reporting for the month of April. Ms. Brown presented a verbal update with an estimate for the month of April. AWW team will be attending the Jump Start Conference in June. They are continuing to work with Allegiant regarding the retiring of the MD80's and the first aircraft will arrive the middle of May. AWW has added staffing to ground handling to manage the fleet onsite.



Ms. Brown addressed the recent news item on Allegiant; the story has been greatly refuted. She felt they have retained passenger confidence and maintain confidence in the carrier.

Ms. Brown updated the Board on the recent sale of AWW to Vinci Airports of France. Vinci with OSI will operate 45 airports in 11 countries on 3 continents with 182,000,000 passengers all together. This is an important opportunity for Vinci to get into the US market, and they are very interested in OSIA which is really the star of the US airports for them and all of the other contracts at AWW's other airports. She noted that the sale is a very exciting opportunity for AWW, and they are looking forward to a lot of synergies that can be developed with Vinci and partnerships they have with other airlines. Ms. Brown also informed the Board that she will not be leaving OSI.

Board Director Ioppolo inquired of Elizabeth Brown regarding the air service conference she will be attending if there is something to be seen or something that can be created for the Board to see. Elizabeth Brown responded the linkage study and passenger study can be shared with prospective airlines. Board Director Ioppolo inquired if it was appropriate that Ms. Brown share that with the Board without seeing secret information. Ms. Brown stated she would defer to President Crews, as they are reviewing these studies one on one when she and President Crews meet with each board director. Ms. Brown felt she could make a presentation to the Board with a generic view of what is discussed with airlines.

Board Director Ioppolo addressed the Sanford City Commission's concern about noise complaints; he felt the retiring of the MD80's is a significant step towards addressing that from a community perspective. Ms. Brown confirmed that we are still on track for the full retirement of Allegiant's MD80 fleet by November 26<sup>th</sup>.

## 9. CHAIRMAN'S REPORT

Chairman Slattery thanked Board Director Smith for attending the SANAC meeting as the Board representative. Chairman Slattery thanked Staff, Elizabeth Brown and her team; they all met after the 60 Minutes story and formulated a plan to monitor our issues and certainly turned it into non-issues. Chairman Slattery thanked Lauren for monitoring social media accounts. He stated Allegiant stock dipped for a while but is rising right back; bookings may have taken a slight issue but didn't think it would be long lasting.

Elizabeth Brown responded that we have seen nothing in our market, but understood other markets have their challenges. These things hopefully are short lived and people understand in the end there was more truth out there than was being presented.

Board Director Robertson stated he told people to watch the story, and a lot of people called him to thank him, they bought stock. He also recounted a story of meeting an elderly lady who was worried about her family flying in. He assured



her Allegiant was a great airline and his wife would be flying out. When he saw the lady a week later she thanked him for reassuring her and stated Allegiant is a great airline.

Chairman Slattery thanked Board Director Green, he realized EDAC has been quite busy lately, and he appreciated them spending time on the many issues that they are tackling.

10. CONSENT AGENDA

- A. Consider approval of and authorize President to execute Agreement between The Seminole County Sheriff's Office and the Sanford Airport Authority/ Sanford Police Department for Legal Services for Forfeiture Actions.
- B. Consider approval of and authorize President to execute amendments/ assignments of agreements between the SAA, OSI Inc., and the Airport's concessionaires.
- C. Consider approval of new templates for residential, commercial and t-hangar leases for rental properties.
- D. Consider ratification of Lease No. 2018-09 with Alaris Aerospace Systems, LLC for Building Nos. 9,9A, 9B, 401 and 401A, located at 2955 S. Mellonville Ave., 1168 30<sup>th</sup> St., 1169 29<sup>th</sup> St., 1174 30<sup>th</sup> St., and 1173 29<sup>th</sup> St., Sanford (Warehouse/Office).
- E. Consider approval of Request for Proposal (RFP) for Employee Benefits.
- F. Consider approval of Addendum B to Lease No. 2015-014 with AVOCET PARTS TRADING, LLC FOR Building No. 415, located at 3015 Carrier Ave., (Hangar).

Motion by Board Director Smith, seconded by Board Director Robertson to approve Consent Agenda items A - F. Vote taken, none opposed. Motion passed.

11. DISCUSSION AGENDA

- A. Consider approval of Task Order No. 2018-1 for CPH, Inc. for Terminal Expansion Post Design Services and Confirmation of the Continuing Consulting Contract for General Engineering Services Agreement with CPH, Inc. through its last option period expiring August 11, 2019.

President Crews distributed additional information to the Board. This item was pulled from the agenda last month so that we could provide additional information and better educate the Board on the typical amounts that we see for construction management services. The Board has approved task orders like this for construction management services over and over in the 17 years that she has been here. Because this is a much larger project, the task order was for a much larger amount and it took it to a level where there were a lot more questions about exactly what was involved in this type of construction management.



President Crews stated she took some time to better explain the differences between what you see in the private sector versus the public sector. She referenced her Memo which addresses 3% for construction administration for private sector projects versus a federally/publicly-funded project where a lot more is required. The CPH task order divides their services into non-RPR and RPR. The non-RPR typically mirrors what is seen in the private sector at 3%, and the remaining RPR services bills as 4.9% for a total of 7.59%, which provides for all task order items that go beyond construction administration. This includes quality control in the field, inspections, overseeing the testing, comparing everything against the specifications and the plans, and taking the project inside out and making sure that everything is being done appropriately.

A project of this magnitude where the entire terminal is affected was considered to be complex enough that we needed two full time inspectors as well as other staff, including a part time administrative assistant, part time construction manager, and part time project manager. These positions with the exception of the administrative assistant are all certified and licensed engineers. She noted that she looked very closely at all the hours that were involved in the scope, and felt they were justified. In her own experience with smaller, less complex projects, you see one full time inspector and then the addition of construction administration personnel. In looking at that, she felt this was an appropriate amount, but going beyond that to see what is typical of the field, she knew that from among our own three firms that we have on contract to do professional engineering services, 7-10% was pretty normal.

President Crews stated she also checked with other airports to see what they are paying and also checked with the FAA. A spreadsheet was distributed that shows 5 airports in addition to our airport which ranged from 9.54%-17.8% for these services. President Crews referenced force account work, in those situations which are AIP Grant funded, we can use our own construction manager as the resident project representative, and we actually made money by paying ourselves for his services. That can't be done on projects that are funded with PFC's or in a larger projects like the Runway 9L Extension we had to do both, use their services for construction management and our construction manager for RPR services. If we just look at those where we did construction administration and construction management, you'll see that 9% was the average that we were paying for those projects, and contract administration was 3% which is the industry average in the private sector. She explained that the 7.59% was actually reduced from 8% because we received a \$250,000 deduct thanks to Board Director Steve Smith's intervention working with CPH. She took that into consideration and felt we were in a very good position. Further, in talking to FAA Orlando Districts Office, she was told that when they do their cost analysis for construction management services, which includes administrative as well as management, 12% is their norm. That is typically a breakdown of 2% for administration, 3% for quality control and testing oversight and then 7% for everything else. With the ADO telling her that 12% is the norm when they do their cost analysis, she felt with 7.59% we are doing very well and this is certainly



justified. Her recommendation is to approve this task order and to also go ahead now and confirm that we are extending the CPH contract through 2019 to the end of the term.

Discussion ensued regarding RFP for professional engineering services, future separate RFP for small professional engineering firms. Discussion ensued regarding the various tasks advertised in the RFP scope.

Brett Renton clarified because of the size of the particular project for engineering services, we are obligated by the Competitive Consultant Negotiation Act (CCNA) per Florida Statute to use the RFP process to select an engineer to work on this particular project or task. There is an exception for continuing contracts and this Board has typically gone out for an RFP and selected 3 engineering firms through that full selection process and then contracts for work. Rather than RFP every single project you have going on, you select the most appropriate of the 3 engineering firms at that point and issue a task order. This statute specifically says for continuing contracts, you don't need to re-RFP.

Initially, the Airport had one RFP that went out, three companies were selected, one of the firms was fired in the middle of the contract, and at that time, another RFP process went out and another engineering firm was brought in. That's how the SAA got into a cycle where two firms are selected through one RFP and one firm is selected through another RFP. To make a selection between this entity and all of the others would be a question for President Crews.

President Crews stated that she along with AWW sat with this company for two years during a very intense design process. It is a very complex project. She has been told by every airport, engineering firm and the FAA, that fee is generally based on the complexity and duration of the project. We have a project with a duration of 2 ½ years and the complexity cannot be denied, the fact that it is not a ground up new terminal further complicates it immensely. To take an existing facility and make the kind of structural changes that we are making is huge. The point is, to go out and bring another firm in to go into all those plans she believes we would end up with a much higher cost. Right now seeing that the average is 7-10% among the three firms that currently serve us with professional engineering services, we're getting on the low end of that with 7.59%. We're getting a company that did the design, a low cost compared to everything else and the FAA's standard. She felt we're best served by staying with CPH in this particular case. We have been very well served over the last 17 years with having our design engineer doing the construction administration and sometimes management. We did not bid it out among the three.

Board Director Miller asked if the original contract on the terminal expansion included construction management services.

President Crews responded it's a separate task order; design is always one task order and construction is a separate task order. Board Director Miller referenced his experience in a couple of industries when you have a such sized project as



this or smaller when you have the complexity, construction services inspections etc. as part of the project you take the engineering company that did all of the design of the project and now you've hired them to monitor their own work or the results of their own work. He personally felt and questioned if it is the right way to go; they are looking back at their own work and can anything be questioned in that. He then questioned if that gives grounds to look at another qualified engineering company to do those services for us.

Board Director Smith responded he felt what they are doing is making sure the contractor is performing the work for and according to the drawings that they did. It's not like they are inspecting their own work, they aren't doing the actual construction work.

Chairman Slattery stated that is what makes him comfortable, because they know the drawings and they know the expansion intimately so we can hold them accountable for the performance accurately, on time and on budget.

Board Director Simmons said if it doesn't work, then they can't dodge that bullet, they designed it. If you have a separate engineering firm doing the construction management part of it, they can point fingers at the contractor or the engineer that designed the project and say it's their fault. CPH will have to say we designed it, there's a defect in the plans, and we own it.

Board Director Ioppolo called the question.

Motion by Board Director Robertson, seconded by Board Director Smith to approve Discussion Agenda item A, consider approval of task Order No. 2018-1 for CPH, Inc. for Terminal Expansion Post Design Services in the amount \$4,551,011 and Confirmation of the Continued Consulting Contract for General Engineering Services Agreement with CPH, Inc. through its last option period expiring August 11, 2019. Vote taken, none opposed. Motion passed.

12. COMMENTS FROM THE PUBLIC

None.

13. OTHER BUSINESS

Chairman Slattery stated last month after the meeting, he and Board Director Miller signed a \$60 million dollar promissory note and he wanted to thank the team that put this together they put in a tremendous amount of time and effort. Don and his team did a fantastic job for us; we got the lowest rate he's ever seen for a loan of this size.

President Crews reiterated the Chairman's comments and informed the Board that Don started working on this over a year ago by meeting various lenders to discuss the project. In talking to Mark Galvin, our financial advisor, he really

credited that for being a good part of the reason we had such successful results, because Don took that time and foresight to start engaging lenders in the conversation early on. She thanked Don for doing a job very well done. Chairman Slattery noted that usually the rates reflect the health of the organization and certainly we are very confident.

Board Director Ioppolo informed the Board that Mayor Triplett will be running for re-election.

14. REMINDER OF NEXT BOARD MEETING (JUNE 5, 2018)

15. ADJOURNMENT

There being no further business, the meeting adjourned at 10:10 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Diane Crews".

Diane H. Crews, President & CEO

/lh