

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
JUNE 5, 2018
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman
Jennifer T. Dane, Vice Chairman
William R. Miller, Secretary/Treasurer
U. Henry Bowlin
Tom Green
Frank S. Ioppolo, Jr.
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Commissioner Brenda Carey, County Liaison

ABSENT: Mayor Jeff Triplett, City 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
Brian Logan, IT Coordinator
Al Nygren, Property Manager
Lauren Rowe, Director of Communications
Jason Shippell, ARFF Chief
Rachel Walker, Finance Manager

OTHERS PRESENT: Rick Baldocchi, AVCON
Elizabeth Brown, AWW
Kelly Cohen, Southern Strategy
Larry Gouldthorpe, AWW
Jonathan Hand, ATKINS
Jeremiah Owens, CPH Engineers
Paul Partyka, NAI Realvest
Grace Perdomo, Zyscovich Architects
Keith Robinson, AWW
Greg Smith, MillionAir
Kevin Spolski, Spolski Construction
Bob Turk, City of Sanford Economic Development Director
Paul Vermast, CE Avionics

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

The meeting was called to order at 8:31 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 MAY 1, 2018

Motion by Board Director Smith, seconded by Board Director Simmons, to approve the revised Minutes of the Regular Meeting held on May 1, 2018. Vote was taken, none opposed. Motion passed.

4. PRESENTATION OF ZYSCOVICH TASK II

Grace Perdomo, Zyscovich Architects presented a power point to the Board of two critical documents: 1) "A Global Hub for a Global Region", a marketing glossy which is intended for SAA's marketing purposes regarding the development of non-aviation parcels of land that they currently own; and 2) "Supplemental Information: a book that contains detailed information Zyscovich has analyzed, accessed and compiled over the months of planning they have been engaged. In addition, Ms. Perdomo referenced a financial model that was prepared by Lambert Advisory to be used to modify information within that financial model as needed.

Ms. Perdomo requested the Board review the documents and provide feedback within two weeks, and edits will be incorporated before production of the final document. President Crews asked the Board Directors to submit feedback to her and she would compile them and forward final edits to Ms. Perdomo. Commissioner Carey requested an electronic copy of the documents to allow the County Manager to review County Program information that was referenced. President Crews stated hard copies of the presentation are available today for anyone interested; in addition, all Board Directors received an electronic copy.

Board Director Green inquired of President Crews what is the target audience for the information presented. President Crews responded it is for anyone who seeks to develop property that we own around the Airport. Board Director Green suggested that the Orlando Economic Partnership (OEP) and Enterprise Florida also receive the information. President Crews responded NAI Realvest will use this as a marketing tool, as will the City, County, and the Orlando Economic Partnership. Board Director Ioppolo suggested the information be placed on the website.

Board Director Green stated presentations should be made to the development community. He also requested Orlando Sanford displayed more dominantly on the page. Chairman Slattery stated a lot of money and time was spent on this and it's no good unless we get it into people's hands. He inquired of Board Director Green how do we proactively get this information across the world. Board Director Green stated through site selectors, brokers and the community. He suggested a brief presentation to Enterprise Florida and Orlando Economic Partnership.

Board Director Miller stated the importance of what has been done and the time and money that has been spent, that the Authority needs a disciplined plan or document to carry out this plan. He requested a plan or document that lists all these things with a policy statement saying this will be done annually or quarterly. Board Director Green stated updates can be integrated into the plan because it's in an electronic format.

President Crews agreed with Board Director Miller and stated when we went into this she didn't want to spend a lot of money on a document that isn't used; therefore, she will be working with NAI Realvest to promote the plan. Paul Partyka has informed her he already has an idea on how to market this. President Crews stated she will sit down with the Orlando Economic Partnership and Enterprise Florida.

Lauren Rowe expressed concerns of link-ability and share-ability of the document, what platform this would come from. She also asked that any marketing elements buried within the analysis be brought to light and be highlighted, not buried in the copy.

Board Director Ioppolo requested a power point presentation that President Crews and staff could use when meeting with interested parties. President Crews requested the document in a format that she could manipulate.

Board Director Robertson stated for public record the Airport is not selling any of our properties around the Airport, we will lease them.

Discussion ensued regarding proper valuations on different parcels in relation to market.

Chairman Slattery requested the information be updated as frequently as necessary, and make sure it's on the top of our minds for the next couple of years. He requested a report at every Board meeting from Paul Partyka and staff on how this has been distributed, successes and failures, and requested this item be kept on the Agenda for the next few years.

Chairman Slattery recognized Larry Gouldthorpe, AWW, who will be retiring June 15th. President Crews thanked Mr. Gouldthorpe for all the work and accomplishments over the last twenty years and he was presented with a

souvenir propeller. Mr. Gouldthorpe thanked the Board and staff, he stated the relationship has been the biggest highlight of his career, and noted the growth of the Airport has been achieved through a collective effort.

5. LIAISON REPORTS

A. Seminole County

Commissioner Carey updated the Board on the SR 46 road project and economic impact to date at the Boombah Sports Complex.

Paul Partyka, NAI Realvest distributed to the Board, marketing flyers which are support documentation to the Zyscovich presentation targeting industrial, retail and high intensity pieces. In addition, internally the properties have been priced based on what the market is for land prices, and ground lease price. He stated the flyers have been distributed to all EDC groups in their NAI system across the country and world, including SIOR, NYAP, CCIM, anything in a commercial basis. Chairman Slattery requested before the flyers are distributed that the Orlando Sanford International logo be placed directly underneath NAI Realvest logo. Mr. Partyka updated the Board on Gator Dock and Marine.

B. City of Sanford

Mayor Triplett was absent.

6. COMMENTS FROM THE PUBLIC

None.

7. PRESIDENT'S REPORT

President Crews updated the Board on: construction projects, PFC#5 application.

George Speake updated the Board on: Seminole County Aviation Program Advisory Committee and Seminole County Tourism Development Council. Next Aviation Day scheduled for January 26, 2019, President Crews invited the Board Directors to attend.

Don Poore presented the quarterly report financials.

Kelly Cohen, Southern Strategy thanked the Board and senior leadership for attending the FDOT Secretary Mike Dew reception. Ms. Cohen referenced Rachel Cone, the interim DOT Secretary who was in attendance. Ms. Cohen referenced a Southern Strategy newsletter that is distributed to the community and reported that she is working with Lauren

Rowe to add positive stories representing the Airport. The Board requested to be included in the distribution.

Lauren Rowe updated the Board regarding public relations: Allegiant's new Syracuse route, School Board Superintendent Walt Griffin's editorial on Aviation Day and Seminole High School Aviation program, Via Air new Alabama route which included a press junket tour of Sanford, and Telemundo World Cup commercials featuring OSIA.

Board Director Ioppolo thanked Lauren Rowe and President Crews for getting the kind of press we want, took a little while to get there but glad we made the investment.

Lauren Rowe updated the Board that we have contracted with Meltwater along with AWW to monitor print and social media, to use to our advantage those mentions we receive. We are trying to continually put our name out there and get as much exposure as we can. She referenced share-ability of digital items, and clarified that the more visual things are, the more we put stuff out there, we'll continue to get better exposure.

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

Discussion ensued regarding moving the Board meetings permanently to the Vigilante Room versus the Boardroom, updating furniture, enlarging boardroom, and convenience of location.

8. COUNSEL'S REPORT

Brett Renton advised the Board Directors regarding the Form 1 Financial Disclosure they should have received from the Department of Ethics, to please get those forms filed. Brett Renton updated the Board regarding GOAA litigation. Brett Renton updated the Board regarding Collage and requested under the Florida Statutes a Shade Session after the July 10th SAA Board meeting should it be necessary.

9. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board on May results: passenger levels were 4% higher year over year, continued sign of growth and another record month. Allegiant continues to grow adding new routes. She updated the Board on her recent conference attendance and noted the FAC conference commemorates her first year with the Airport. Elizabeth Brown congratulated Lauren Rowe and Michael Caires, AWW Public Relations Director, on their coverage of the new Via Air route and spending time with visiting dignitaries. She and her team will be traveling to Europe to meet with a targeted carrier. Allegiant fleet basing is fully underway and by the end of this week there will be 29 aircraft on the ground.

President Crews asked Elizabeth Brown to explain to the Board the full global implications of TUI. Ms. Brown explained TUI is the largest vertically integrated tour operator in the world. They have not just airplanes, they own over 300 hotels, 16 cruise ships, more than 1500 travel agencies throughout Europe and representation in pretty much every country in Europe. TUI offers services with airlines based in UK, Netherlands, Brussels, France and has 49% ownership in Sun Wing of Canada. They bring in 300,000 international passengers to SFB.

10. CHAIRMAN'S REPORT

Chairman Slattery thanked the Board for attending the FDOT Secretary Mike Dew reception, and thanked the Board for spending time today on the budget.

11. CONSENT AGENDA

- A. Consider approval of Addendum H to Lease No. 2010-11 with RANDY DYKES for Building No. 513, located at 3905 Moore's Station Rd. (Residential).
- B. Consider approval of Addendum F to Lease No. 2012-19 with CANDICE ROZZO for Building No. 303, located at 2850 Aileron Circle, (Residential).
- C. Consider approval of Addendum B to Lease No. 2015-014 with AVOCET PARTS TRADING, LLC. for Building 415, located at 3015 Carrier Ave., (Aviation/Warehouse).
- D. Consider approval of Addendum B to Lease No. 2012-16 with ADVANTAGE OPCO, LLC. d/b/a ADVANTAGE RENT A CAR formerly SIMPLY WHEELZ for Building No. 565, located at 3050 Carrier Ave., (Commercial).
- E. Consider approval of Addendum D to Lease No. 2014-12 with JEYZA MANSO for Building No. 301, located at 2822 Aileron Circle, (Residential).
- F. Consider approval of Addendum C to Lease No. 2001-20 with THE HERTZ CORPORATION for Building No. 519, located at 3050 Carrier Ave., (QUICK TURN AROUND FACILITY).
- G. Consider ratification of Lease No. 2018-12 with SANFORD RV REPAIR, LLC for Building No. 407, located at 1211 E. 26th Place, (Commercial).
- H. Consider approval of and authorize President to execute RPO Agreement between Sanford Airport Authority and Seminole County Sheriff's Department.
- I. Consider award of contract for Employee Benefits.
- J. Consider acceptance and approval of Supplemental Joint Participation Agreement No. 4 and Resolution Number 2018-02, for 50% of expenses related to construction of this project that are not covered by Passenger Facility Charges for Construction of Passenger Terminal Expansion.

Motion by Board Director Dane, seconded by Board Director Simmons to approve Consent Agenda items A - J. Board Director Smith requested moving items H & I to Discussion Agenda. Friendly amendment was accepted. Vote taken, none opposed. Motion passed.

12. DISCUSSION AGENDA

- H. Consider approval of and authorize President to execute RPO Agreement between Sanford Airport Authority and Seminole County Sheriff's Department.

President Crews stated we partner with the Sheriff's office on several agreements. The Risk Protection Order Act came about to keep firearms out of the hands of people who have presented a danger to themselves or others. Board Director Ioppolo clarified this legislation was recently passed in response to the Parkland, Marjory Stoneman Douglas High shooting.

Brett Renton clarified the process is set forth, requiring the Sheriff for each county to be the point person, the Sheriff is contracting with every police agency within the general area. This agreement generally states if a reason presents itself that police believe there is some type of danger caused by an individual, they can then move forward through this process to ensure that person's constitutional rights are both protected but at the same time that dangerous instrument is removed.

Board Director Smith requested of Brett Renton to explain to him how constitutional rights are protected under this order. Brett Renton stated you must go to a judge and file for it and then are entitled to a preliminary removal, which allows that person to come in and say no I'm not a danger, there is no issue etc. There is some weight in the act, not in the agreement, but the act itself that discusses the criteria how the judge looks at that scenario and what they do. Board Director Smith inquired of him if the firearms have already been taken away. Brett Renton responded if there is a probable cause determination, it must meet a threshold. The statute has all the criteria.

Board Director Smith stated he was against this, felt it infringed upon his constitutional rights, and as a second amendment advocate, he's definitely against it.

Board Director Simmons stated there are more protections in this act than there are in the domestic violence statutes.

President Crews inquired of Chief Fuehrer over the past 12 years since we've had our own Police Department, how many times would this have been helpful. Chief Fuehrer responded twice.

Motion by Board Director Dane, seconded by Board Director Simmons to approve Discussion Agenda H. Vote taken, Board Director Smith opposed. Motion passed.

- I. Consider award of contract to provide employee benefits insurance services.

Board Director Robertson recused himself from this item and reported his son works for the firm being awarded the contract. Chairman Slattery noted that Board Director Robertson can recuse himself from the vote. Board Director Smith stated he requested this item be moved to Discussion Agenda so President Crews could give the Board more information.

President Crews stated we put out an RFP and had five firms respond and felt it was a very good response. The firms that responded were: Bennett Insurance & Financial Services, Brown & Brown of Florida, Gallagher Benefit Services, McClain Pearce & Associates and Enterprise Team which is part of Sihle Insurance. She clarified Board Director Robertson's son works for Sihle, but he does not work for the health insurance division. President Crews stated we are required to go out to bid from time to time on our insurance. She recommended a one-year contract with Enterprise Group which is part of Sihle Insurance.

Board Director Smith inquired if there was any cost savings over what they are providing us for the services. President Crews responded it's too early, our year begins October 1st and generally we know by August what the proposals are. We are engaging a firm to go out and solicit offerings from different carriers, they will shop the best price for us.

Board Director Ioppolo stated he was pleased to see this happen, and there are two other RFP's coming up property insurance and legal.

Chairman Slattery clarified he had nothing to do with this process because his wife works for Gallagher Benefits, one of the respondents. He inquired of counsel if he needed to abstain. Brett Renton responded no. Chairman Slattery inquired if Board Director Robertson needed to abstain. Brett Renton replied that Board Director Robertson has abstained mainly because there is possibility of some pecuniary benefit to his child.

Motion by Board Director Dane, seconded by Board Director Miller to approve Discussion Agenda I. Vote taken, none opposed, Board Director Robertson abstained. Motion passed.

13. COMMENTS FROM THE PUBLIC

None.

14. OTHER BUSINESS

President Crews updated the Board regarding L3's Letter of Intent. There have been several revisions, the only substantial thing that needs to be addressed and she is seeking guidance on is the issue of a guarantee. This is a sticking point for L3 and she proposed a cross default provision in lieu of guarantee. They will have two primary leases: 1) which includes several buildings covered in the main lease that has been in place since

1989 and which represents \$347,000 annually and we will be getting a 3% increase each year on a 10-year lease; and 2) a ground lease that represents \$15,000 per year; it is home to a building that they built in 2007 which is worth over 2 million dollars. She believes that L3 might agree to the cross-default provision as they aren't planning on going anywhere, or defaulting because there is great value to them in not only the location but the facilities they occupy.

President Crews inquired of the Board if they would consider waiving the guarantee, L3 is a strong entity, representing almost \$360,000-year income, or would the Board waive the guarantee in lieu of the cross-default provision or something else.

Board Director Green inquired what would the cross default do. President Crews replied if they default on one lease they default on both. Board Director Green noted but we still don't have a parent to go after. President Crews noted we get a \$2 million-dollar building. Board Director Green inquired the annual lease amount. President Crews responded \$361,000. President Crews stated she asked the property director how much push back there was (on the guarantee), and he responded a 9 out of 10, it's a big thing they are really pushing back hard on.

Board Director Green inquired if this item would go back to EDAC. President Crews noted it's already been to EDAC and counsel; therefore, she felt it didn't need to go back to EDAC. She clarified she would make sure the LOI was distributed to the Board before a vote.

Board Director Green stated when this came before EDAC, it's a very complicated high value long term transaction and he thought NAI Realvest was going to be consulted. President Crews replied she did not recall that. Board Director Green stated it was his understanding when we terminated property management, NAI would be a consultant on deals like this. President Crews clarified we said we would use them going forward on deals like this. Board Director Green stated his concern is it's a huge deal with big time implications to the Airport. He understands the guarantee is one of the elements, but when you have an issue like that, what are the things they gave to get that if we end up giving it to them. He noted he hasn't even seen the deal in its final format.

Board Director Ioppolo inquired if the entity that is signing the lease simply a special purpose entity to holding these leases so it has no assets in them other than a lease and perhaps this building, or does that entity itself have a financial wherewithal. If it was a substantial company on its own, he might not care.

Board Director Green replied he thought it was a wholly owned subsidiary. President Crews replied it's a wholly owned subsidiary. Board Director Green stated they don't provide financial statements but they need to.

Board Director Ioppolo replied that is one way around it if that subsidiary has substantial assets of its own that would cover in effect the \$300,000 for ten years. Call it a \$3 million-dollar liability, \$2 million on the building if it's got sufficient wherewithal on its own we don't need the personal guarantee or the corporate guarantee. He suggested to Chairman Slattery that we ask Board Director Green to be the Board representative on this conversation along with the President to reach a conclusion with some haste to move forward 30-45 days away from making a decision.

Chairman Slattery clarified he didn't believe we delegated this to Board Director Green, believed it has to be a Board decision. Chairman Slattery stated the work can be done ahead of time consulting Board Director Green. He requested to see why this company is wanting us to step outside common practice. Chairman Ioppolo inquired of Chairman Slattery would he be okay if the subsidiary had sufficient assets to cover the obligation. Chairman Slattery responded yes, but we'd have to be careful setting precedent. He doesn't want to do that, and doesn't advise that we do that, even if they have the assets. Board Director Ioppolo replied he wasn't sure that precedent is a bad word, you have an obligor or lessee on a lease that has the financial ability to perform and the financial wherewithal to cover a default, so why do we need two entities in that chain.

Board Director Simmons responded we might not know what they pledged and what their other obligations are, and their financial statement doesn't show how encumbered they are so that's why we ask for a guarantee, the cross default is at least something.

Board Director Green stated he'd rather have a letter of credit where we give them the option to come back with a \$3 million-dollar letter of credit, then that's a business decision. The Airport can reach out and hang on to something versus going to litigation.

Kevin Spolski gave a historical update of L3, and stated that he felt it would take an act of congress to get a guarantee. Spolski Construction just finished \$200,000 in improvements for site landscaping, improved the buildings over the last 4 months and they have eight (8) other contracts pending right now for them to start improvements on three (3) buildings that the Airport owns. L3 is going to invest a lot of money in the Airport's buildings beyond their operations building which is the \$2 million dollar building referenced. He stated his company built that building in 2007 for \$2 million and at today's prices, you can't get a building built for that cost.

What L3 is planning to do and already has done, has shown their commitment to Sanford; they have been very open with him on their progress and what they plan to promote. Their activity has increased since they took over from Aerosim, what they will have on hand by the end of this year beginning of next year is phenomenal for the Airport. He understands the concerns of the Board, but wanted them to know the money they are

talking about putting into the buildings that the Airport owns is in excess of the guarantee.

Chairman Slattery assured Mr. Spolski we are going to find a solution.

15. REMINDER OF NEXT BOARD MEETING (JULY 10, 2018)

16. ADJOURNMENT

There being no further business, the meeting adjourned at 11:05 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO
/lh

**MINUTES OF THE BUDGET WORKSESSION MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JUNE 5, 2018**

PRESENT: Tim M. Slattery, Chairman
Jennifer T. Dane, Vice Chairman
William R. Miller, Secretary/Treasurer
U. Henry Bowlin
Tom Green
Frank S. Ioppolo, Jr.
Stephen P. Smith
Clayton D. Simmons
Clyde H. Robertson, Jr.
Brett Renton, Airport Counsel

ABSENT:

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Scott Cole, Director of Maintenance
Jerry Crocker, IT Director
Thomas R. Fuehrer, SAPD Chief
Lori Hunt, Executive Assistant
Al Nygren, Property Manager
Rick Shea, Director of Operations
Jason Shippell, ARFF Chief
Rachel Walker, Finance Manager

OTHERS PRESENT: Elizabeth Brown, AWW
Keith Robinson, AWW

1. CALL TO ORDER

The meeting convened at 11:20 a.m.

2. WORK SESSION – Review of Draft SAA Budget FY 2018-2019

Chairman Slattery clarified that although the Board sometimes gets into the details, he requested they stay at a higher level and not drill down on every single item during budget discussion.

Don Poore distributed a revised draft budget with projected revenues, salaries, expenditures with justifications by department, and results of the salary survey.

Chairman Slattery briefed the Board that he had spent several hours with staff

on the draft budget, there have been a couple of changes and he encouraged the Board to stay high level. He reported we are in fantastic shape, it's a matter of how much we want to protect the growth of net income or reinvest in the Airport. Various decisions need to be made today.

Don Poore stated one of the things we struggled with over the last couple of years was trying to get salaries in line, last year there were substantial pay raises for firefighters and other individuals to true them up plus the 2% overall increase. This year we conducted a salary survey using a company out of Melbourne that is quite familiar with looking at compensation and job responsibilities according to the market. There were three different groups of people: blue collar workers, white collar workers and exempt in salary. The scales were a little different in each one, and he explained the adjustments.

Chairman Slattery recommended the Board make one assumption that this salary survey is accurate, because you can pick apart a salary survey. The consultant looked at airports our size and some private businesses for comparisons.

Commerce Park Revenues

Discussion ensued regarding rent rolls and occupancy of Commerce Park.

Other Leases & Miscellaneous

Don Poore explained this was decreased a little bit as he struggles every year with odd ball things included in this item: selling millings, residential leases, security fees, security fines, and force account which there will be none in this coming year. Communications dropped revenue down \$10,000 because we tend to struggle to meet that.

Aviation Revenues

Don Poore stated Alaris is a new tenant which is adding revenue. We are starting to build 3% into some leases, resulting in better return.

Domestic terminal revenues

Don Poore explained OSI reconciliation annual year versus fiscal year. Discussion ensued regarding prior versus current OSI Contract.

Airfield Revenues

Don Poore presented an overview of airfield revenues and explained fuel flowage is the bulk of this. He stated our fuel flowage jumped up last year in August/September and we're starting to see a rise in that. International flights have been dropping and they take a lot of fuel as compared to domestic flights.

However, as international flights start to decrease, that needs to be balanced against the increased flights of Allegiant that is going to more and more destinations.

Ground Transportation

Discussion ensued regarding TNC's. We're presently getting about \$5,000 a month just at the onset, from the TNC operations. That is projected to change effective June 1st to \$12,000 a month based on the increase in per pick-up fee.

Interest Earnings

Don Poore explained this line item was capped at the same. With the amount of money sitting there, we're making about the same amount of interest. However, he is going to start making payments on a debt with some of the money and won't be able to earn quite as much.

Discussion ensued regarding TNC impact on parking and rental cars, CFC's.

Keith Robinson, AWW suggested a couple of things to keep in mind regarding Allegiant passenger growth. Allegiant pays per airplane, so while we see increased passengers, it's not a linear aeronautical type of use. It's linear for related commercial revenue not aeronautical, so you won't see that. The other thing is that with construction, we think we'll see some drop off in food and beverage as we're going to have some shops close. Passengers increased 5% but probably doesn't equate to revenues increasing 4-5%.

Salaries & Benefits

Don Poore explained the three different areas of the Salary Survey FY19. Discussion ensued regarding \$157,000 budgeted to bring individuals to the minimum, overall 2% increase, job descriptions, market place salary range, and additional staffing needs.

Discussion ensued regarding growth potential and need for additional Police, Fire, Operations employees, and minimum required funding surplus with the bank to satisfy desired debt service ratio.

Discussion ensued regarding management reserve.

Office Administration

Don Poore explained Office Administration includes lease cars and travel. Chairman Slattery updated the Board the lease car program will continue; it has been economically and financially successful and we're going to put more cars into this program.

Don Poore updated the Board that money was added to travel because President Crews is doing more travel. Increased credit card fees are another reason for increase.

Professional and Contract Services

Don Poore stated legal is where we've struggled and tried to hold the costs down and it just seems to continue to build, so we're adding another \$50,000 to stay within budget rather than having to go get Budget amendments.

Discussion ensued regarding an RFP for legal services.

Marketing Advertising Community Relations

Discussion ensued regarding projected increase and the contract requirement to develop a joint budget.

Repairs Maintenance

Discussion ensued regarding new aerials.

Discussion ensued regarding need for a new maintenance building, design and building cost.

President Crews updated the Board that the cell phone lot needs to be paved, millings are failing as we have more and more people using the cell phone lot, and the cost will be \$40,000. L3 is doing tons of repairs and improvements themselves but they've asked us to pave the area around one of their buildings, a small area.

Diane Crews updated the Board regarding hurricane repairs, she got the final spread sheet today from the adjuster. We've got to pay our deductible, 2% of the value of the buildings, and on some of the repairs, the value is less than the repair cost so we'd have to pay for the entire repair. Out of \$440,000, in damage, the deductible is \$172,000.

Chairman Slattery stated we need to prioritize where we re-invest in the airport and right now this year we are re-investing in our people and he thought that's strong enough and maybe next year we re-invest in the maintenance shed, at least get one thing tackled each year. He stated President Crews needs to come back to the Board with her priorities.

Discussion ensued regarding reserves for future opportunities.

Discussion ensued whether to do a budget amendment now and use monies that weren't expended in this year's budget and push those things forward which will leave the budget for next year intact.

Discussion ensued regarding the Commerce Park and budgeting for a business plan.

3. REMINDER OF NEXT BOARD MEETING (JULY 10, 2018, 8:30 A.M.)

4. ADJOURNMENT

There being no further business, the meeting adjourned at 12:57 p.m.

Respectfully submitted,



Diane H. Crews, President & CEO
/lh