

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, OCTOBER 5, 2010**

PRESENT: G. Geoffrey Longstaff, Chairman
Tim Donihi, Vice-Chairman
William T. Litton, Secretary/Treasurer
Tom Ball
U. Henry Bowlin
David L. Cattell
Whitey Eckstein
Stephen P. Smith
Brindley B. Pieters
Commissioner Patty Mahany, City Liaison
Commissioner Dick Van Der Weide, County Liaison
Brett R. Renton, Airport Counsel

ABSENT: None

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Bryant W. Garrett, Vice President of Finance
Diana M. Muñiz-Olson, Executive Secretary
Jennifer Taylor, Project Manager

OTHERS PRESENT: Krysty Carr, S.E. Ramp Development
Joe Decesare, White's Site Development
Tracy Forrest, Winter Park Construction
Larry Gouldthorpe, TBI
Alex Kracun, SAA ARFF
Geoff Lane, Starport
Brady Lessard, CPH Engineers, Inc.
Bill McGrew, PBS&J
Genean H. McKinnon, Enterprise
Al Nygren, O.R. Colan Associates
Tim Shea, AVCON
Kevin Spolski, Spolski Construction
Lori Steiner, Wilbur Smith Associates
Bob Tunis, City of Sanford Economic Dev. Director
Robert White, White's Site Development

1. INTRODUCTION OF GUESTS AND CALL TO ORDER

The meeting was called to order at 8:35 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON SEPTEMBER 7, 2010

Motion by Board Member Donihi, seconded by Board member Smith, to approve the minutes of the regular meeting held on Tuesday, September 7, 2010. Motion passed.

4. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Extension of Runway 9L-27R – The design is underway. CPH, Wilbur Smith Associates, and Avcon are involved in all the necessary surveying and benchmarking, and in getting ready the Exhibit A (Part 77 surface as it relates to the properties to be acquired). The grant for \$7.9916,017 million for land acquisition has been received, and so was the approval from the FAA for the force account (for land acquisition phase services). Staff is ready to get started as soon as Exhibit A is received.

Chairman Longstaff asked President Dale to explain the project to the new Board members. President Dale stated the extension of the Airport's main runway, Runway 9L-27R, has been on the planning stages for a long time. The Runway was recently overlaid and strengthened almost to its full length. The Benefit Cost Analysis (BCA) and the Environmental Assessment (EA) were completed and approved. Grants were received not only to do the BCA and the EA, but also for the design. The Board awarded the contract to CPH, who is working with Wilbur Smith Associates and Avcon on the project. As part of the project, the Authority has to buy approximately 8-9 properties and will receive the grant of almost \$8 million. Since the last Board meeting, the Authority finally received that grant and staff has been approved to do it as a force account. By doing it as a force account, staff does the work and the Authority gets paid for it. It is approximately a \$231,000.00 force account job over the duration of the project. Unlike the discretionary land purchases for noise mitigation, these purchases are not for noise but for development. Over the years, the Authority has purchased approximately \$10 million worth of properties, both for development and for noise mitigation (in the 65 DNL noise contour area). Currently, the engineers are doing surveys on the area and deciding the base elevation for the extension. As soon as the Part 77 surfaces surveys are done, staff is ready to start the project.

Board Member Cattell questioned how far the Runway will be extended. President Dale clarified the Runway will extend 1,400 ft from the threshold. Board Member Pieters questioned how many properties the Authority needs to

acquire to accommodate the extension. President Dale stated there are eight or nine properties that have been identified. Board Member Pieters questioned if the Authority had all the properties it needed to accommodate the noise abatement. President Dale stated the Authority has not acquired all the properties eligible for noise abatement, but is working on it. Board Member Ball questioned if it would require the warehouse spaces on Beardall. President Dale showed on the map the two warehouse spaces required. He clarified the warehouses have never been occupied or leased.

- B. Large Commercial Aviation Hangar – The project is progressing well, ahead of schedule. The project completion date is January 31, 2010. Structural steel red iron and side wall sheeting is in place. Sheeting the roof is scheduled to start the following week. Roof on office and shop is completed. Office framing inside is completed and approved. Second plumbing rough-in is completed and approved. Office electric rough-in is completed and approved. Office windows are installed. Drywall is stocked. Fire suppression system is completed in the office, shop and 70% of hangar area. FPL will do the underground installation. Briar is scheduled to finish the remaining site work after FPL completes underground installation. AC rough-in is underway. Cameras and access control equipment has been ordered. Stucco to be completed the following week. The project is 55% complete. Avocet expects to have their FAA Major Repair Station certification by end of October 2010.
- C. Airport Law Enforcement Training Range – Board Member Smith briefed the Board on the project. The range is coming along well. There was an issue with the footers because of the wet conditions, but now the pylons and footers are in. Poles are secured, the slabs have been poured, and the roof frame is complete to this point. Roofing should be installed by the end of the week. Underground electrical runs from the existing panel to the building. President Dale clarified that they ran into problems with the footers because the footers are deep and they ran into water. The project is funded through state security funding for security maintenance and operations. He stated Detroit is spending \$7.8 million on their range to train solely their police department.

Board Member Donihi questioned why big footers were needed. Board Member Smith clarified the range has 1,200 ft of open roof, big footers keep the roof from coming off the ground due to uplift in a hurricane.

President Dale briefed the Board on range security and discussed the location of the cameras and gates. It is a very well secured area. Board Member Pieters questioned who will be using the range. President Dale stated it will be used mainly by Airport personnel (wildlife operations, police, and some maintenance employees) for training with pyrotechnics and shotguns for wildlife. The training teaches weapon familiarization, muscle memory, hand-eye coordination, and wildlife identification. It will be offered to other local airports and other law

enforcement departments; on occasions, public demonstrations can be done. However, this will not be a public range.

D. Privatization of Security Screening

- i. Report from Chairman Longstaff: Greater Rochester International Airport (ROC) visit – Chairman Longstaff briefed the new Board members about the consideration of opting out from TSA screening. The Board wanted to do due diligence before making a decision. Greater Rochester International Airport never opted out because they never opted in to begin with. The legislation that was created permitted them to go private from the beginning. The government came to ROC right after 9-11 and wanted them to privatize. The airport was privatized from the moment screening (handled by TSA) started; it never was under TSA. ROC is an airport twice the size of SFB, with almost all its services being domestic. Staff at ROC recognize they have two customers: the airlines and the passengers. Chairman Longstaff stated ROC staff thinks like the Board does. He met with David P. Damelio, Director of Aviation. The following week, Mr. Damelio was scheduled to testify on Congressman Mica's behalf urging privatization. First, the airport would have to opt out. Once the airport opts out, it works with TSA on the RFP. The contract will be between TSA and the screening company, and administered by TSA. Chairman Longstaff discussed three key points:

- 1) It is critical that the RFP is worded the way the Airport wants. The Airport will have to make sure the RFP has a list with all the items the Airport needs.
- 2) It seems the TSA and Homeland Security are concerned with a lot more issues nationally than screening. Mr. Damelio believes there is a disconnect between TSA's governing board/management, and the screening process that takes place in the airport. It is better administered locally.
- 3) As a part of the RFP, one of the critical components is that the Airport has to have a say on who will be the supervisor for the company that wins the bid. If the supervisor does not get along with Staff it could be a terrible process and it does not work. Good chemistry with the staff is needed. Contracts come up every 5 years; if they do not make the airport staff happy, then the airport can do another RFP when the contract expires. Once the company is selected, they will interview current TSA employees. It is expected that approximately 60-65% of TSA employees will be rehired by the new company.

Board Member Pieters asked if the private company will have about the same amount of employees that TSA had. Chairman Longstaff stated yes, they can tell you exactly how many screeners you need based on the

(flight) schedule and amount of passengers. He went on to give the example of the Continental Airlines flight that was diverted to Rochester, Minnesota due to weather. The plane landed and the passengers aboard were forced to spend 8 hours on the plane because the TSA screeners had gone home and would not return (therefore the passengers could not clear security). Had this been a private contract, the supervisor would have brought people back to the airport and solved the problem.

Board Member Eckstein questioned if the company will hire locally. Chairman Longstaff clarified the company will interview the existing TSA staff first (approximately 60-65% will be re-hired), then hire the new employees locally. Nationally, the absentee rate for the private company is a fraction of what it is with TSA. Board Member Eckstein questioned if the Board could make the requirement to hire locally. Chairman Longstaff stated the Board could make it part of it (RFP).

Chairman Longstaff stated there are screeners at the checkpoint where you put your carryon baggage when entering, but there are also screeners at the exit lane. George Speake clarified TSA covers the exit lanes during the hours the screening area is opened. However, when the screening area is closed and flights are arriving, OSI personnel staff the exit lanes. Chairman Longstaff stated it has to be covered the same way since this contract does not cover the exit lanes. In regards to the Airport doing the screening, Chairman Longstaff stated Mr. Damelio cautioned him against it and recommended the Airport do it through a private company.

Board Member Pieters stated TSA has a system where they perform checks and balances, and questioned if the private company or TSA will do that function. President Dale clarified TSA will still do the testing, but the company has to meet or exceed the threshold. If they exceed the threshold, the company gets a bonus; this is one of the ways the company makes money.

President Dale briefed the Board on screening. The TSA Act of 2002 set aside five airports for the private program from each category. All five airports have remained private to this day. In 2004 Congress changed the pilot program to the Screening Partnership Program (SPP), allowing any airport to opt out.

- ii. Report from Board Member Cattell and George Speake: Jackson Hole Airport (JAC) visit – Board Member Cattell asked George Speake to show the PowerPoint presentation [Attached]. Board Member Cattell and Mr. Speake met primarily with Jeanne Kirkpatrick (Assistant Airport Director), Aimee Crook (Director of Screening Operations), and Sam Holte (TSA Transportation Security Manager). JAC has seasonal traffic like SFB. Mr. Speake discussed the airport comparison (Slide #2) and the 2008 financial comparison (Slide #3). He clarified JAC is surrounded by national park, causing their development to be restricted. He discussed

the airport's Screening Partnership Program specifics (Slide #4). In the first year, staff was intimately involved in the Staffing Allocation Model (SAM) process; however, since then, TSA has told them it is sensitive info and they cannot know. President Dale stated that even if we were involved in it, it would probably still be security-involved information. Law enforcement might have access, but not necessarily the Board. Slide #5 showed the negatives of the program. Regarding defining territory, President Dale clarified our staff meets with TSA and Customs every Friday, and believes it does not apply. Chairman Longstaff stated statistics are on the internet, and the absentee rate is a fraction of TSA's. Slide #6 showed the programs benefits.

Board Member Cattell stated he was really glad he had the opportunity to travel with Mr. Speake and discuss the questions and practical applications, and what it would mean to the Airport. A concern he had before the trip, he questioned if it was worth it to do something different from other airports, if there was really a small amount of money involved. He was also concerned that he did not want it to be a dead end job for the TSA. Staff at JAC claimed it was not a problem. Two predecessors had been the 2nd option for FSD, and others had moved up to TSO's within the TSA organization. He came away with the feeling that it would not be a stretch at all considering the fact that we already are in the security business. There is an opportunity to get revenue from this. He recommends revenue money be used to help support/grow the service at the Airport. He stated he does not have the reservations now that he had before the trip.

Board Member Bowlin questioned if there is any way to talk to an airport that has been converted to see if there had been any problems. President Dale stated he has spoken (not visited) with some that have done it, and has not found one yet that is not happy. Not one of them is dissatisfied. He believed more airports will be doing it. Chairman Longstaff stated the transition is not a burden, primarily because the majority of TSO's are already there; it is mostly an adjustment to a new boss. President Dale stated the private companies have to be approved by the TSA and the Board would have to approve. Board Member Eckstein questioned if any airport has opted back in. President Dale stated an airport can opt back in after the contract ends.

Mr. Gouldthorpe asked if Chairman Longstaff or Mr. Cattell heard how the airports they visited conducted the airline consultation process relative the private screening. Chairman Longstaff stated that he didn't focus on that, that Mr. Damelio said the quality of service to the passengers will improve dramatically and that will automatically make the airlines happier. Mr. Gouldthorpe asked if they just made the decision and then notified the Airlines, to which Chairman Longstaff replied that he did not ask that question, that he just assumed there was a lot of consultation on the front end. Board Member Cattell noted that there is more flexibility on the

private side, such as being allowed to hire part-time employees rather than all full-time employees like the TSA, and this is where the savings comes in. Board Member Eckstein questioned if the dynamics change in an international airport with customs. Chairman Longstaff and Mr. Speake stated that they did not believe so. President Dale clarified that Customs is inbound, TSA is outbound only. They are both under Homeland Security but their jobs do not overlap. With regards to airline consultations, President Dale explained to Mr. Gouldthorpe that there is no requirement to consult with the airlines, that the TSA came in without consulting with the airlines. President Dale further noted that he would expect that we would consult with the airlines but that the two airports visited were part of a pilot program and they didn't consult with anybody. He stated that the airlines used to do the screening and the transition from TSA to a private company should be the same type thing as when screening transitioned from the airlines to TSA. Following discussion, President Dale advised that staff will handle the transition in a businesslike fashion and will include the airlines.

Board Member Pieters questioned what are really Mr. Gouldthorpe's concerns. Mr. Gouldthorpe stated he has given President Dale his concerns, and he has given him the assurances he needs. His concerns are: 1) TBI cannot afford any additional cost due to this decision; 2) service level is really important, and he would not like to see a decrease in staffing; 3) we need to talk to our airlines in advance to get them prepared; is there any model we can follow. President Dale stated it is the model we have always used in working with our airlines; there is no national model. Chairman Longstaff stated that if we do it, we will give it a 110% effort to make it a better system. He further stated that the two Larrys produce the finest service to the flying public of any airport, that he believes that can be applied to passenger screening as well, and he has confidence both staffs will deliver that level of service. Board Member Pieters stated he would really like to see President Dale and Mr. Gouldthorpe have more discussions. President Dale stated there is nothing more we can discuss and he stressed that the Airport gets the level of service it does from the TSA due to our oversight. Board Member Eckstein questioned why Mr. Gouldthorpe asked those questions. Mr. Gouldthorpe re-stated he has met with President Dale to discuss his concerns, and President Dale has given him the assurance he needs to be comfortable with it. As long as those concerns are covered, TBI agrees with it. President Dale explained why we cover the exit lanes when there are no outbound flights. He noted that TSA goes home when the last outbound flight leaves, and under the proposed contract, they will still not cover the exit lanes when there are no outbound flights. They only staff for outbound flights and that is not going to change if we opt out. Mr. Gouldthorpe explained that covering the exit lanes is part of their terminal management, but questioned if there is a reduction of screeners, will TBI be paying for ticket checkers at the beginning of the TSA line. Mr. Speake stated it would be included in the contract. Board Member Cattell stated

the level of staffing that we have today is based on traffic prior to level of traffic we have today. If they were to run the model today, based on number of enplanements, he believes that the staffing would be reduced. Chairman Longstaff stated his concern about the possibility of decreased staffing due to decrease in traffic. Mr. Speake explained that he doesn't think that would happen as they have found a way to keep the staffing here due to other considerations, such as cargo screening. President Dale clarified the Airport has seasonal demand, not only on TSA but on Customs. Board Member Cattell stated the dollars generated from this should be used to further generate additional air service. President Dale stated that he and Mr. Gouldthorpe have discussed it and he has spoken to the City and County, and he has thought of using the money to match TDC funds or other funds for airlines that meet certain parameters.

Board Member Smith questioned who will generate the RFP. President Dale clarified he would work with TSA on the RFP. Board Member Smith questioned if the Board's concerns can be incorporated. President Dale stated yes, they could.

Chairman Longstaff assured Mr. Gouldthorpe that the Board will take into consideration his concerns. Motion by Board Member Eckstein, seconded by Board Member Smith, to opt out of TSA. Board Member Donihi stated he agrees with Mr. Gouldthorpe that the Airport's customers are the airlines and the airlines' customers. He believes it does not hurt to get insight from the airlines on how they see other airports, since they probably know which ones are working and which are not. Chairman Longstaff clarified we would naturally do this. Board Member Donihi stated we are going to the airports, why not ask the airlines as well. President Dale stated certainly we will, we never have not done so. Vote taken, none opposed. Motion passed.

Chairman Longstaff requested President Dale and staff create a list of items that are important (high level issues) to be included in the RFP. President Dale stated that "staff" includes Mr. Gouldthorpe and his staff; it will be done together as a staff team. Board Member Cattell would like for the list to be part of the agenda, and go out with the agenda packet prior to the meeting.

Board Member Ball questioned why it is expected to take as long as 18 months. President Dale stated that estimation was reached after discussing it with other airports. It takes a while to formulate the RFP because it goes all the way to Washington for approval. Board Member Eckstein recommended the Board set a goal of October 1, 2011 (next fiscal year). President Dale stated it can be implemented, but we are at the mercy of TSA. Board Member Eckstein clarified it would only be a goal. Board Member Smith questioned if models of the RFP from other airports could be requested. President Dale stated he has RFPs from several airports, and clarified staff will work with Counsel on the RFP. We

will probably hold off the official opt out (as far as the legal terms) until some of the issues on the RFP are resolved with TSA. TSA will be informed the Board authorized opting out and that staff is interested in looking at the RFP process.

E. Attorneys' Fees – Distribution and discussion of August attorneys' fees.

F. Storage Facility – On September 30, 2010, Realty Development informed staff that they anticipate reactivating the truss plant due to an increase in business in South Florida. Ms. Crews stated the reactivation was very likely and that Sal Jurado, President of Realty Development, will know for sure within the next week or so. She also clarified this is the former Scotty's truss plant.

G. Transfer of Concession Agreement from "SSP North Florida" to "SSP America" – Mr. Gouldthorpe briefed the Board and requested the Board for approval of assignment of Concession Agreement from SSP North Florida to SSP America. Motion by Secretary/Treasurer Litton, seconded by Board Member Donihi, to approve transfer of Concession Agreement from "SSP North Florida" to "SSP America." Motion passed.

H. Demolition Pad Expansion –

i. Approval of Concrete Pad Addition at the Avocet Demolition Pad Area – The work includes: 1) demolition of 727 Aircraft; 2) take down the milling to six inches and put in a new pad; 3) site preparation, and 4) removal of trees. Four bids were received as follows:

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|----------------------------------|-------------|
| - White's Site Development, Inc. | \$43,000.00 |
| - Spolski Construction, Inc. | \$43,650.00 |
| - McKee Construction Co. | \$61,839.44 |
| - Wal-Rose, Inc. | \$72,268.75 |

President Dale requested approval from the Board. Board Member Smith questioned if part of the bid is for them to demolish the plane, remove the milling, and pour the slabs. President Dale clarified the slab will be a little higher than the milling, and that the milling will be feathered out.

President Dale recommended contract be awarded to White's Site Development, Inc., as lowest qualified bidder. Board Member Eckstein stated he will not vote for the lowest bidder. President Dale clarified this project is not in the budget (money will come from reserve). Board Member Donihi questioned how much is in reserves now. President Dale stated the Authority has about \$1.5 million in reserves. Board Member Smith questioned what kind of revenue do we derive of this from Avocet. President Dale stated right now the tenant is paying \$1,514.69, which will double to approximately \$3,000 per month. The SAA will get the money back in 2 ½ years.

Motion by Board Member Eckstein, seconded by Tom Ball, to award the contract to Spolski Construction, Inc., in the amount of \$43,650.00; realizing Spolski Construction, Inc. is not the lowest bidder, but based on previous performance and considering the difference is less than \$1,000.

Board Member Donihi asked Counsel what the Board's requirement is as far as accepting/declining a low bid. Counsel stated the bids were presented by President Dale, and as long as President Dale has qualified the bids as being accurate, it is the Board's decision to make. The funds are being pulled out of reserves. The Board can choose any of the bids at its discretion. He stated there are ancillary reasons why the Board might chose one over the other, as long as they are not biased decisions.

Board Member Eckstein stated he has done it for 16-17 years, and that sometimes there are reasons why you do not chose the lowest bidder, especially if you have a history with the contractor. The extra cost is well worth the peace of mind when you feel comfortable with the contractor, because he has done numerous jobs before, and he has a big presence in the overall project of what this Airport is trying to accomplish. He does not want to discourage other people from bidding in the future thinking that Spolski Construction will automatically get a contract no matter what it is, which is not true. However, considering the amount of money is so minimal, and that Mr. Spolski is at every meeting and knows what the Board wants, Board Member Eckstein has all the confidence in the world. Counsel questioned if an RFP was done. Chairman Longstaff clarified that an RFP was not done, just a bid. Commissioner Mahany stated she realize she does not have a vote, but commented that Kevin Spolski is local and gives back to the community, his volunteer work has been amazing. Commissioner Van Der Weide stated he is a liaison and does not have a vote on this issue; however, he has been observing the Board for a long time and commended the Board/Staff for their work.

Board Member Donihi stated he does not know White's Site Development qualifications; however, he just wants to make sure there is no bias towards Spolski Constructions, Inc. and against White's Site Development, Inc. President Dale briefed the Board on both contractors. Both contractors are all very qualified and are local. Board Member Smith stated there is a big differential between the lowest and highest bid. President Dale stated that difference is not unusual in today's market. Board Member Donihi reiterated his question and stated he would like to know if there is a reason why the Board should not accept the lowest bidder. Board Member Ball stated the reason why he seconded the motion is because he has the same thought process that Board Member Eckstein expressed (Spolski's involvement at the Airport and the community), when considering it is a difference of \$650.00. He also clarified the motion was for Spolski Construction, Inc., not against White's Site Development. Motion passed.

- ii. Approval to construct 5,000 square foot storage building – [Discussed after Item P] Motion by Board Member Eckstein, seconded by Board Member Cattell, to approve construction of 5,000 square foot storage building, not to exceed \$70,000. Motion passed.
 - iii. Approval of Addendum A to Lease 2009-14 with Avocet Capital– [Discussed after Item Q] Addendum A proposes increasing the size of the demolition pad from 12,500 sf to 25,000 sf. The new monthly rate is \$3,009.37 with taxes, an increase of \$1,504.68. Motion by Board Member Donihi, seconded by Board Member Cattell, to approve Addendum A to Lease 2009-14 with Avocet Capital. Motion passed.
- I. AIP/PFC Eligible Capital Expenditures (CAPEX) Priorities – President Dale briefed the Board and requested approval of Resolution 2010-15 to establish by resolution the following AIP and PFC eligible capital infrastructure priorities (previously established by the Board without resolution):

PFC Eligible Project Priorities

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|---|--------------|
| SAA administrative costs from PFC application #2 | \$ 812,090 |
| Completed projects (Exhibit A) | \$ 1,776,455 |
| New projects – replace 12 passenger loading bridges | |
| Exhibit B | \$11,758,887 |
| Replace 3 baggage carousels and replace 4 related belt systems, both inbound and outbound. All non-TSA eligible costs in completing two consolidated in-line checked baggage security screening systems, one in the Domestic Terminal (\$2,725,157) and one in the International Terminal (\$1,687,102). To also include the integration into the Airport Access Control System, structural modifications, and the replacement roll-up doors (\$339,987). | |
| Exhibit B | \$ 4,752,246 |
| Total | \$19,099,678 |

PFC effective date: April 1, 2012
Approximate PFC duration: March 1, 2020

AIP Eligible Project Priorities

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|--|--------------|
| Extension of Runway 18/36 from 6,000 feet to 8,000 feet. | |
| Extension grading, paving and lighting/signage | \$ 5,500,000 |
| Access and security roads | \$ 200,000 |
| Fences and gates | \$ 200,000 |
| Taxiway Romeo extension/widening | \$ 3,000,000 |
| Environmental considerations | \$ 200,000 |
| Design engineering fee, testing, surveying | \$ 750,000 |
| Construction management/RPR | \$ 300,000 |
| Land Acquisition | \$ 3,000,000 |
| Total Runway 18/36 extension | \$13,150,000 |

ILS or other appropriate precision approach
for Runway 18/36

\$ 2,000,000

Motion by Board Member Donihi, seconded by Secretary/Treasurer Litton, to approve Resolution No. 2010-15. Vote was taken, none opposed. Motion passed.

- J. Bldg. 310 – President Dale briefed the Board on the status of the Lease proposal to Aerosim. He stated there are some problems that need to be rectified. Aerosim needs to spend approximately \$66,000.00 in structural repairs (re-caulk the seams, waterproofing, etc). President Dale stated he has offered for the Authority to pay \$40,000.00 (of the \$66,000.00), to be paid as a credit on Aerosim's lease over a three-year period. Aerosim would like to get credit the first year, but President Dale wants to compromise and offer to give them the credit for \$40,000 over two years. Chairman Longstaff stated he does not believe the Board has to dictate every step of the negotiations. Following discussion, the Board concurred that President Dale should work it out and come back.
- K. Energy Savings Report – ESG had guaranteed that the energy saving improvements would save the Airport 4,300,484 Kilowatt hours, in reality I has saved over 5,868,900 kilowatt hours, for a total savings of approximately \$1.2 million.
- L. Insurance Renewals – President Dale briefed the Board on insurance renewals. Bryant Garrett has signed the insurance renewal, and that it basically remained the same as the previous year. Workers Compensation went up a little bit, but is expected to go down next year. Liability went down a little.

Regarding the health insurance, United HealthCare came back with a 10.2% increase, the Authority's agent negotiated to a lower rate (8% medical increase, and a 6% dental increase). The Authority will offer supplemental hospital policy. This year there is an increase based on age; however, staff proposes employees pay \$5.75 per pay period regardless of age. PIGIT has offered to lock in the commercial package for 2-years for \$244,119.00 (a increase of \$281.00). Board Member Eckstein stated he liked that, and asked President Dale if he was requesting the approval of the Board for renewal. President Dale clarified last year the Board had said to do this (renew) in a five-year basis and bring it back if it was something unusual. He had discussed with the Chairman Longstaff that the increase was less than 10%, and is briefing the Board now to keep them informed.

- M. Property Report – The occupancy rate is 93%.
- N. Assignment of Lease No. 2008-23 – Staff recommends approval of Consent to Assignment of Lease No. 2008-23 by Nomad Aviation, Inc. to AMI Aviation Services, LLC [mgm – Aeromech, Inc]. Motion by Board Member Donihi,

seconded by Board Member Smith, to approve Consent to Assignment and authorizing President Dale to execute. Motion passed.

- O. Settlement agreement – The money from the settlement agreement with Moss Waterproofing and Painting Co., Inc. has been received, in the amount of \$70,000.00.
- P. Southwest/Airtran acquisition - Mr. Gouldthorpe briefed the Board on the acquisition. Southwest Airlines was looking for a partner in 2009 when their attempt to acquire Frontier Airlines failed. Cash value of the acquisition is \$1.4 billion, with some stock bringing the total up to \$3.4 billion. By acquiring Airtran, Southwest will be 25% larger than it is currently. Airtran served 71 cities, while Southwest served 69. Airtran has six international routes, mainly in the Caribbean. This international market gives Southwest a new market. There is only 1% overlap in their total network, and although Southwest services 32 of the 71 cities that Airtran services, the overlap has to do with the timing and frequency of flights. Airtran largest city is Atlanta, Georgia, with 60% of their operations coming from that city. Southwest wanted to get a presence in that city. This acquisition gives Southwest immediate access to gates in the Atlanta airport. Southwest will start to stimulate markets out of Atlanta. They also will get slots at LaGuardia Airport and at National (Ronald Reagan Washington National Airport). It will be a combined fleet of 685 aircraft, with an average age of 10.5 years; operating 86 Boeing 717. A challenge they might face is the culture clash. The culture of the Southwest employees (people that are happy and charged about their job) took 40 years to develop. Mr. Gouldthorpe stated it will be interesting to see how both cultures blend; however, he believes it will be a challenge.

Board Member Eckstein questioned which logo will be used. Mr. Gouldthorpe stated the transition will take two years, but it will be Southwest's logo only. President Dale stated the headquarters will be in Dallas, Texas. Mr. Gouldthorpe stated it will still be single seating (one single class), and they will do away with Wi-Fi. It will definitely be Southwest Airlines once it is combined. Southwest has a reputation of having the highest paid employees in the industry, once integrated it will affect Southwest's cost and could affect the market. The distraction potential could affect them too. The airline that acquires the other is not as concerned about their own route structure, they are more concerned about the acquisition route. This might be positive for Allegiant Air.

- Q. New ARFF Trucks – George Speake showed a presentation to the Board with pictures of the new ARFF trucks. Chief Kracun thanked the Board and staff for being an instrumental part in getting the funding for the trucks. He briefed the Board on the trucks and their use. Mr. Speake commended Chief Kracun on his efforts to contact every department the Airport has Mutual Aid Agreements with. Last year he had 300 firefighters from around the county train at the Airport's facility so that in the event a major incident occurred at the Airport, the

firefighters knew the basis of what was expected of them when they arrived to the scene.

5. COUNSEL'S REPORT

No formal report. Counsel welcomed Board Member Ball and Board Member Bowlin and stated he will be sending them information about the Sunshine Law. Commissioner Mahany requested the information be sent to her as well.

6. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for September 2010

- i. UK traffic total
September 2010 – **48,374** passengers
- ii. International traffic total
September 2010 – **48,895** passengers
- iii. Domestic traffic total
September 2010 – **31,859** passengers
- iv. Total traffic
September 2010 – **81,531** passengers
- v. Year-to-date traffic
September 2010 – **947,184** passengers
- vi. Percentage
UK traffic is down 18% compared to September 2009. International traffic is down 17% compared to September 2009. Domestic traffic is down 29% compared to September 2009. Total traffic is down 22% compared to September 2009. Year-to-date traffic is down 31% compared to 2009.

B. Miscellaneous Updates

- i. Cargo – Imports are up significantly: 189 tons this September compared to 129 tons last year. Exports are 129 tons this September compared to 92 tons last year.
- ii. Fuel – The new fuel supply arrangements have been working great. Chairman Longstaff asked Mr. Longstaff to brief the new Board members during the next meeting.

7. LIAISON REPORTS

City of Sanford

Commissioner Mahany reported on the following:

- A. Board appointments – Regarding the possibility of a voting emeritus member, at this point, the rest of the Commission will allow an emeritus member in an honorary position only, without voting rights.
- B. Millage – The Commission voted to increase the millage rate from 6.325 to 6.825. Mayor Kuhn and Commissioner Mahany voted against it.
- C. New Hours – City Hall has gone to a 4-day workweek from 7:30 a.m. to 5:30 p.m., closed on Fridays. The City Manager decided that it would be a morale booster considering the employees will not get an increase this year (third year in a row). It is expected the new operating hours will save \$100,000 a year. Commissioner Mahany expressed concern that the developers and builders are very imposed upon (with the new hours); City staff is working on it. There will be an availability of inspectors and a possibility of two inspections a day. President Dale stated that cutting down by 20% the ability to get inspections (due to the new hours) will affect the Airport's operation very much, with all the construction we do. He questioned if there is going to be a cost associated with it (inspections on Friday). Commissioner Mahany stated as of the first part of the previous week, the City was planning to put a cost to that (inspections on Friday). However, she will talk to the City Manager to discuss and get all the details. Commissioner Mahany stated she does not agree with adding a cost. She believes some departments should remain open. She stated it would be great if President Dale would join her in a meeting with Tom George (City Manager) to discuss the issue further.
- D. Permit fees – Russ Gibson, Director of the Department of Planning and Development Services, decided the City was not in line with other permit fees and raised the City's permit fees.
- E. Sanford Police Chief – Police Chief Brian Tooley is retiring January 31, 2011, but will stay on an advisory capacity until May 2011. Commissioner Mahany has been told the City would like to conduct a nationwide search.
- F. Public Safety Center – The new Public Safety Center will be completed on October 25, 2010. The dedication ceremony will take place on November 5, 2010.
- G. Relocation – The federal government allocated \$1.3 million to relocate 83 families from Lake Monroe Terrace. The units at Lake Monroe Terrace will be the first ones to go.

- H. Bikefest – Approximately 50,000 bikers are expected the weekend after the meeting at Sanford's Bikefest. Keith Lickteig will be doing an air show.
- I. Sunshine Law Course – Commissioner Mahany stated that she is looking for a Sunshine Law Course, and asked Board Member Ball and Board Member Bowling to let her know if they are interested in attending. President Dale stated Kenneth Wright has given the course to the Board in the SAA Executive Offices Board Room in the past. Commissioner Mahany stated she would like to attend if it is given again.

Seminole County

Commissioner Van Der Weide stated the County is not raising the millage, and in fact has lowered it a little bit. The School Board is raising theirs (millage) and is going for a sales tax increase. The County is having a reorganization meeting on November 15, 2010. This will be the third year in a row that the County employees do not get raises; however, they will receive a \$1,200 bonus.

8. CHAIRMAN'S REPORT

None

9. CONSENT AGENDA

- A. Consider approval of Addendum B to Lease No. 2009-09 with STONE PRODUCTS, LLC for Building No. 526, located at 3945 Moores Station Road (Warehouse/Office).

Staff recommends approval of Addendum B to Lease No. 2009-09 with STONE PRODUCTS, LLC for Building No. 526, located at 3945 Moores Station Road (Warehouse/Office). On July 28, 2010, tenant submitted their 60-days notice to terminate the lease. Addendum B renews the lease term for ten (10) additional months, effective September 1, 2010. The building consists of 5,738 square feet of office and warehouse space, at \$2.091 per square foot. The annual rental rate is \$12,000.00; the monthly payment is \$1,000.00 exclusive of taxes.

- B. Consider approval of Resolution 2010-14 to authorize adjustment to the Airport Customer Facility Charge (CFC).

On December 5, 2006 the Board adopted Resolution 2006-09, imposing an Airport Customer Facility Charge (CFC) as a user fee on all rental car transactions by each rental car company (whether onsite or offsite) doing business with the Sanford Airport Authority. The CFC became effective on February 1, 2007 at a fee not to exceed \$5.50 on each rental car transaction with respect to Retail Contract Customers and became effective on January 1, 2008 at a fee not to exceed \$5.50 on each rental car transaction with respect to Wholesale Contract Customers. The established rate of the Airport Customer Facility Charge was to remain in effect until December 31, 2010.

On December 1, 2009, due to the state of the economy and the ongoing need for upgrades to airport facilities, the Board agreed to continue with the Airport Customer Facility Charge at the established rate beyond December 31, 2010.

On January 5, 2010, the Board approved Resolution No. 2010-01 authorizing the continuation of the Airport Customer Facility Charge.

Resolution 2010-14 will supplement and amend the Authority's Resolution 2010-01 to authorize the adjustment to the Airport Customer Facility Charge. Resolution 2010-14 adjusts the rate to \$6.60 for Retail Customer rentals effective January 1, 2011 and for Wholesale Customer rentals effective July 1, 2011.

Staff recommends approval of Resolution 2010-14 to authorize adjustment to the Airport Customer Facility Charge (CFC).

- C. Consider and authorize the disposal of a 2001 Ford Explorer (Airport 7 – Operations) as surplus property.

The Operations Department has a 2001 Ford Explorer with 137,239 miles on it, which has exceeded its useful life. The maintenance of this vehicle has become so expensive that it is no longer economical to keep.

Staff recommends that the above vehicle be declared as surplus and requests that the Board direct staff to dispose of the equipment through sealed bid offers, with a minimum amount of \$250.00. The offer to submit sealed bids will be made to Sanford Airport Authority employees first. Should there be no offers over the minimum of \$250.00, staff will dispose of the vehicle in the most economical manner possible.

Motion by Board Member Smith, seconded by Board Member Donihi, to approve Consent Agenda Items A through C. Motion passed.

10. DISCUSSION AGENDA

None.

11. COMMENTS FROM THE PUBLIC

Robert White, President of White's Site Development, wanted to tell the Board about his company and discuss the decision by the Board in awarding the contract to Spolski Construction. He stated they have been in business for 25 years, and for 10 years in Sanford. The company has done multiple projects for the Airport. The company is bonded and he is trying to understand the Board's decision (to award the contract to Spolski Construction) considering they are the lowest qualified bidder. Chairman Longstaff clarified the Board has discretion to select the contractor. He believes there is a general comfort level with Spolski Construction, since Mr. Spolski is doing Airport projects at the current time. Mr. White stated his company has done demolition for Avocet's hangar, and they did Phase I of the Demolition Pad. Chairman Longstaff

assured Mr. White it was not a vote against White's Site Development. In all fairness, Kevin Spolski is here, is familiar with the Airport, attends every meeting, and participates in Airport activities. Chairman Longstaff believes that probably all these factors had a large part to do with the comfort of the Board in choosing Mr. Spolski, considering the closeness of the two bids. He wanted Mr. White to not consider it as a vote against him. It was probably more of a support to Mr. Spolski given his commitment to the Airport over the years. Chairman Longstaff stated he is not suggesting Mr. White does not have a commitment to the Airport; however, Mr. Spolski is perceived as a little more "there" (present). Board Member Ball, who seconded the motion, agreed with the comments from Chairman Longstaff. Mr. White stated he just wanted to clarify it was not favoritism towards Mr. Spolski. Board Member Ball clarified that was not the case at all and stated he appreciated and respected Mr. White for wanting to discuss this openly. Board Member Pieters questioned White's Site Development bonding capacity. Mr. White clarified they have a \$5 million individual bonding capacity and thanked the Board.

12. OTHER BUSINESS

None

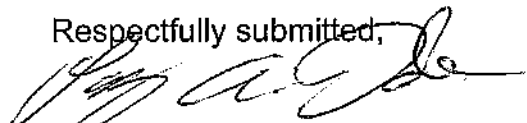
13. REMINDER OF NEXT BOARD MEETING (NOVEMBER 2, 2010)

14. REMINDER: ELECTION OF OFFICERS AT NEXT BOARD MEETING (NOVEMBER 2, 2010)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,



Larry A. Dale, President & CEO
/dmm



SANFORD AIRPORT AUTHORITY
1200 Red Cleveland Boulevard
Sanford, Florida 32773
(407) 585-4001 • Fax (407) 585-4045
www.orlandosanfordairport.com

September 14, 2010

Via email: legals@mysanfordherald.com

The Sanford Herald
P. O. Box 1657
Sanford, Florida 32772 1657

Attn: Scott, Legal Classified

Please publish the following Public Notice one (1) time in the **Sunday edition (September 19, 2010) of the Sanford Herald Classifieds.** Please confirm receipt of this advertisement by email to dmuniz@osaa.net.

PUBLIC NOTICE
SANFORD AIRPORT AUTHORITY

Notice is hereby given that the Sanford Airport Authority will conduct its October meeting on Tuesday, October 5, 2010, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

Certified proof of publication and invoice should be sent to:

Attn: Diana M. Muñoz-Olson
Sanford Airport Authority
1200 Red Cleveland Boulevard
Sanford, FL 32773

Please do not hesitate to call me at (407) 585-4002 if you have any questions.

Sincerely,

Diana M. Muñoz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority will be held on Tuesday, October 5, 2010, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

SANAC

The Sanford Airport Noise Abatement Committee (SANAC) meeting will be held on Tuesday, October 12, 2010, at 9:00 a.m., in the Sanford Airport Authority Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Scheduling and information is available by contacting the Vice President of Operations at (407) 585-4006.

USER GROUP

The Airport User Group meeting will be held on Tuesday, October 12, 2010, at 10:00 a.m., in the Sanford Airport Authority Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Scheduling and information is available by contacting the Vice President of Operations at (407) 585-4006.

DESIGN REVIEW COMMITTEE (DRC)

The Sanford Airport Design Review Committee (DRC) meetings are conducted on the first Wednesday of each month unless otherwise posted. The next meeting will be held on Wednesday, October 6, 2010 at 10:00 a.m., in the Authority's Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by calling (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

Jackson Hole Airport TSA Screening Partnership Program

Interview with Jackson Hole Airport and TSA Staff
September 23, 2010

Sanford Airport Authority Personnel in Attendance

David Cartell – Sanford Airport Authority Board Member

George Speake – VP of Operations and Maintenance

Jackson Hole Airport and TSA Personnel in Attendance

Jeanne Kirkpatrick – Assistant Airport Director

Annex Crook – Director of Screening Operations

Sam Hoke – TSA Transportation Screening Manager



Airport Comparison

JACKSON HOLE AIRPORT

Jackson, Wyoming



- 2009 Enplanements - 284,397

- 4 to 20 flights per day

- Service to Salt Lake City, Denver, Chicago, Dallas, Minneapolis, Atlanta, LAX

- Primarily Leisure Travel

- Joint Powers Board

- Operated as a "Business"

- Gateway to Yellowstone

- 2009 Enplanements – 815,137

- 2 to 19 flights per day

- Service to 21 Domestic Destinations and 9 Intl Destinations

- Primarily Leisure Travel

- Airport Authority

- Operated as a "Business"

- Provide access to Central Florida Beaches and Amusement Parks

2008 Financial Comparison

JACKSON HOLE AIRPORT

Jackson, Wyoming



■ Landing Fees

■ Terminal Revenue

■ FBO Revenue

■ Cargo Rental

■ Fuel Flowage

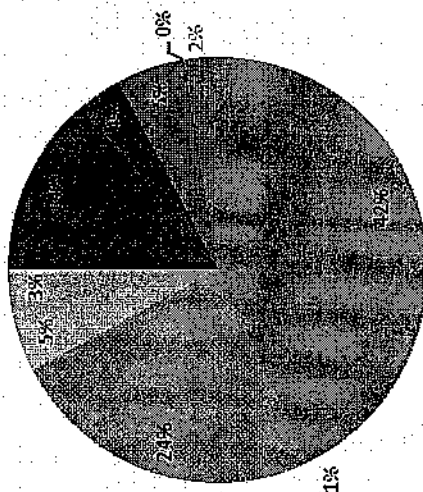
■ Security Reimbursement

■ Terminal - food and beverage

■ Rental cars

■ Parking

■ Interest Income



■ Landing Fees

■ Terminal Revenue

■ FBO Revenue

■ Cargo Rental

■ Fuel Flowage

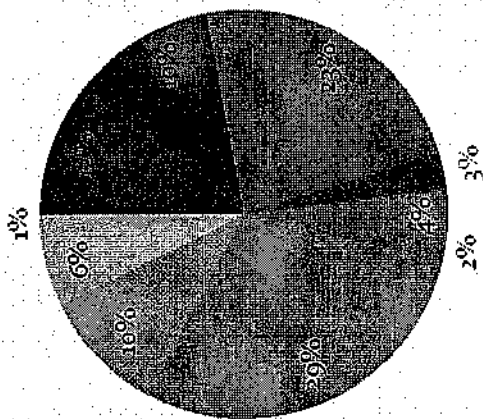
■ Security Reimbursement

■ Commerce Park

■ Rental cars

■ Parking

■ Interest Income





Jackson Hole Airport Screening Partnership Program Specifics

- Contract covers all personnel and applicable training
- Currently employ between 37 and 45 employees
- Most recent RFP response requests 55 employees
- Staffing Allocation Model (SAM) no longer a transparent process



Screening Partnership Program

Negatives

- From Washington, D.C. to the local level, TSA tends to forget about SPP
- Communications between new TSA employees and Airport employees takes time to work out
- Defining Territory – TSA has to be reminded that their function is audit only
- Absentee rate is about the same



Screening Partnership Program

Benefits

- Ability to efficiently and creatively manage the screening checkpoint
- Significant source of revenue
- Higher level of customer service
- Still required to implement all Standard Screening SOP's
- Seamless transition from normal operations to emergency situations
- TSO's have a vested interest in doing a good job, because it is their airport
- The Airport is already in the "Business" of Safety and Security , so it makes sense to fill the Security Screening Functions as well

Questions?

