

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JULY12, 2016**

PRESENT: Frank S. Ioppolo, Jr., Chairman
Tim M. Slattery, Vice Chairman
Jennifer T. Dane, Secretary/Treasurer (arrived 8:59)
U. Henry Bowlin
William R. Miller
Clayton D. Simmons
Stephen P. Smith
Clyde H. Robertson, Jr.
Mayor Jeffrey C. Triplett, City Liaison
Commissioner Brenda Carey
Brett Renton, Airport Counsel

ABSENT: Tom Green

STAFF PRESENT: Diane H. Crews, President & CEO
George D. Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, Director of IT
Thomas R. Fuehrer, SAPD Chief
Lori Hunt, Administrative Assistant
Bill Stack, IT Manager

OTHERS PRESENT: Krysty Carr, AFA Flying Services
Larry Gouldthorpe, Airports Worldwide
Mike Kraus, KMI International
Amy Stuhl Holloway, Stuhl Engineering
Geoff Lane, Starport
Jeremiah Owens, CPH Engineers, Inc
Greg Smith, Million Air
Kevin J. Spolski, Spolski Construction
Katie Sloan
Holt Baker
Sasha Page, IMG Rebel
Chris McDirmitt
Tomeka Bell
Barry Cotton, Office of John Mica
Peter Bertz, HAS Golden
David Cattell

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

The meeting was called to order at 8:32 a.m., followed by the Pledge of Allegiance, and introduction of guests.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES

Motion by Board Director Smith, seconded by Board Director Slattery, to accept the minutes of the regular meeting held on Tuesday, June 7, 2016 and of the Special Meeting held on Wednesday, June 15, 2016, as corrected by Board Director Robertson. Vote taken, none opposed. Motion passed.

4. INTRODUCTION OF SASHA PAGE, SENIOR VICE-PRESIDENT WITH IMG REBEL

Chairman Ioppolo introduced Sasha Page, Senior Vice-President with IMG Rebel. Mr. Page stated he is with IMG Rebel a Financial Advisory Firm located in Washington D.C. The firm was present in 1999 for the first audit of OSD, and involved in the 2002, 2004 audits. Chris McDermott with Burman Hopkins accounting firm was introduced as partnering with IMG Rebel for the Audit.

5. LIASON REPORTS

A. Seminole County

Commissioner Carey, expressed her disappointment in the disapproval of the land exchange and stated the County entered into this proposal based upon a verbal agreement. Land was acquired in hopes of doing the exchange. Commissioner Carey requested to meet individually with each of the Board Directors to hear their concerns and obtain a resolution that everyone could support for the best public purpose as both the Authority and County are public agencies.

B. City of Sanford

Jeff Triplett, City of Sanford Mayor, indicated he was recently made aware of the economic impact of the new Seminole County Sports Complex by the manager of the Wing House which is the closest restaurant to the facility. They have seen a great influx of patrons. Mayor Triplett was pleased to be able to inform Commissioner Velma Williams the entrance sign in her honor on Airport Boulevard is slated to be constructed and completed within the next month. The Mayor informed the Board and attendees that members of the Mayors Youth Council have put together a Walk for Peace this evening

on the one month anniversary of the Pulse Nightclub shooting. Everyone is encouraged to wear purple and meet at the flag pole along the Riverwalk at 6:30 p.m. July 12, 2016. He expressed his gratitude that the young people of our community took the initiative to coordinate this event.

C. MetroPlan Orlando

Board Director Smith updated the Board stating MetroPlan Orlando conducted their June meeting at Second Harvest Food Bank. Second Harvest Food Bank grooms future chefs, provides food for the homeless, and assists the community members in training to be gainfully employed in the restaurant business.

D. Orlando Economic Development Commission

Chairman Ioppolo stated the EDC is promoting regionalism. There will be an EDC Meeting and reception in Seminole County at the Lake Mary Marriott on Thursday July 21, 2016; the Board Directors were encouraged to attend. The reception will provide a great opportunity to be ambassadors of the airport and community.

Commissioner Carey inquired where the EDC is with the potential of blending the agencies of Orlando and Central Florida Partnership. Chairman Ioppolo responded there will be another community meeting to discuss blending the two agencies and recruiting a new President. He expressed the importance of having representatives from Seminole County attend this meeting.

President Crews informed the Board the EDC will be hosted by the Authority in the upcoming months.

Board Director Miller inquired of upcoming MetroPlan discussion regarding Seminole County items. Commissioner Carey updated the Board on discussions centered on the closure or relocation of the rest stops, Commissioner Dallari will be presenting this item to MetroPlan.

6. COMMENTS FROM THE PUBLIC

Mayor Triplett readdressed the Board, to report that the City of Sanford had the third and final hearing regarding the tax abatement for Airports World Wide Allegiant Training Facility and this item was approved.

7. PRESIDENT'S REPORT

President Crews informed the Board that she attended the City of Sanford Work Session and Regular meeting on July 11, 2016; the audit presentation and budget amendment were approved.

President Crews reminded everyone the FAC Conference is being held July 16-20, 2016. A dinner is being hosted by AVCON and Airport's World Wide Sunday, July 17, 2016.

Aerials were distributed.

President Crews updated the Board on the Terminal Expansion. She stated progress is past the 60% stage. Focus is largely on the PFC application and submittal as it is the primary funding mechanism. They are continuing to refine the plans, August will be the next presentation to the Board before final completion.

Chairman Ioppolo requested an update on the damaged boarding bridge. President Crews stated that situation has been rectified and the damaged bridge was repaired.

Don Poore, CFO presented the Financials to the Board.

8. COUNSEL'S REPORT

Brett Renton updated the Board on the McDonnell matter.

9. AIRPORTS WORLD WIDE REPORT

Airports Worldwide President Larry Gouldthorpe reported on the following:

A. Monthly Statistics For June 2016

- i. UK Traffic Total
25,834
- ii. International Traffic Total
36,056
- iii. Domestic Traffic Total
240,428
- iv. Total Traffic
276,484
- v. Year-to-Date Traffic
1,387,300

Mr. Gouldthorpe updated the Board with regards to National Airlines. In the past they specialized in DOD (Department of Defense) charter flights and large cargo transportation. The military charter work was abandoned when scheduled service began. One 757 was committed back to the DOD resulting in less scheduled service. National plans to obtain several

more airplanes, and ultimately have said they would have five airplanes at this airport.

With regards to Allegiant Airlines, Mr. Gouldthorpe stated they have continued profitability 53 straight quarters. Allegiant has reached a tentative agreement with IBT International Brotherhood of Teamsters who represents the pilots union.

Board Director Bowlin inquired on the service of Trinity Technology Group (TTG). Mr. Gouldthorpe responded they are adaptable and responsive; this airport needs flexibility and this is especially important here.

Board Director Simmons inquired about the impact of BREXIT regarding international traffic at the airport. Mr. Gouldthorpe responded immediate business impact has been seen in currency, with the pound declining against the dollar significantly, which has affected duty free spend. In terms of immediate impact on bookings there isn't a dramatic change due to the packages being sold 12-18 months in advance. Preparation is being made for some impact although the depth is an unknown.

Interjet maintains a great schedule and integrity; they are open to new markets.

In June, Airports World Wide attended the JumpStart Air Service Development Conference in Denver and the U.S. Travel Association's annual international IPW Travel and Trade Conference in New Orleans.

Airports World Wide was recently named preferred bidder for Atlantic City Airport Management Contract.

Mr. Gouldthorpe stated within commercial activities there is a rate war in the rental car industry. Increased competition at the Airport is driving down the average rental rate. Although the contract allows the collection of fees on ancillary items, for instance GPS, car seats, and insurance, that revenue has declined.

Commercial space consultant Unisom has recommendations for improvements in the food/beverage retail plan in the terminal expansion.

Mr. Gouldthorpe reported the holiday parking operation for July 4th was very successful. Parking lot F was able to contain 188 overflow cars in the improved adjacent grass lot. Public opinion was favorable. President Crews commented this was the first time it wasn't necessary to park any cars in the grass lot on Airport Boulevard near Lake Golden.

Mr. Gouldthorpe reminded the Board of the upcoming FAC Conference July 16-20 and to RSVP for the Airports World Wide/Avcon dinner. He

also reported the groundbreaking for the East Coast Training Facility for Allegiant has been rescheduled for August 4, 2016 at 1:30 p.m.

10. CHAIRMAN'S REPORT

Chairman Ioppolo referenced the recent events throughout the country and in the community with regards to law enforcement since the last meeting. He praised law enforcement for preserving an orderly and peaceful environment free of conflict that other communities have had. He commended Chief Fuehrer, the Mayor and community leaders who have found dialogue among each other.

Chairman Ioppolo distributed the Performance Evaluation Forms for the President/CEO. He instructed the Board that the forms need to be returned to Executive Vice-President George Speake before August 1, 2016 for tabulation.

President Crews addressed the Board regarding the Strategic Plan that will be used for the Performance Measures next year. Chairman Ioppolo requested that the Strategic Plan be placed on the August 2, 2016 Agenda as a Discussion Item.

President Crews advised the Board that Consent Agenda Item B is being withdrawn. Newman Veterinary Centers, Inc. is being sold and the new owner would like to remain at the present location with two five year terms. The signed addendum has not been received for this item.

Board Director Slattery requested Consent Agenda Item G placed under Discussion Agenda.

11. CONSENT AGENDA

- A. Consider ratification of Addendum E to Lease No. 2011-33 with MICHAEL LOADER for Building No. 302 located at 2836 Aileron Circle (Residential).
- B. Consider approval of Amended Addendum D to Lease No. 2008-26 with NEWMAN VETERINARY CENTERS, INC. d/b/a VAL-U-VET ANIMAL HEALTH, INC. for Building No. 440-B, located at 1701 E Airport Boulevard (Commercial). WITHDRAWN
- C. Consider approval of Addendum B to Lease No. 2014-21 with SKIMMER SKIFF'S for Building Numbers 138N and 138S located at 2764 Navigator Ave. (Commercial).
- D. Consider approval of Amendment to Lease Agreement 2016-02 with RP SALES AND LEASING for Building Numbers 333 and 333A, located at 1604 and 1620 Hangar Road (Commercial).

- E. Consider approval of Addendum A to Lease 2014-16 with ACCORDANT COMMUNICATIONS, INC. FOR Building No. 141 located at 2774 Carrier Avenue (Commercial).
- F. Consider authorization to advertise Request for Qualifications (RFQ) for Planning and Development Services.
- G. Consider approval of Amendment A to Lease No. 2012-11 with SYNERGY WOOD PRODUCTS, INC. for use of an additional 14,400 sq.ft. in Building No. 400 located at 3017 S Mellonville Avenue (Commercial). MOVED TO DISCUSSION AGENDA.
- H. Consider approval of Addendum G to Lease No. 2001-22 with Broadway Services for Building No. 13 located at 2885 S Mellonville Avenue (Commercial).
- I. Consider approval of Sanford Aviation Noise Abatement Committee (SANAC) Appointment Confirmation.

Motion by Board Director Smith, seconded by Board Director Dane, to approve Consent Agenda Items A-I with B being deleted and G moved to Discussion Agenda. Vote taken, none opposed. Motion passed.

12. DISCUSSION AGENDA

- A. Approval of FY 2016-2017 Proposed Operating and Capital Budget for transmittal to the City of Sanford.

President Crews stated after the Budget Work Session, a few changes were made to the budget in addition to recommendations from the Board that were incorporated. She referenced her memo on the specific budget changes.

Board Director Smith requested a new golf cart wrapped with the airport logo for the Curb Monitor. Chairman Ioppolo responded this would be directed to staff for consideration.

Board Director Slattery commended staff for adding staff and budgeting for increased net profit in the FY 2016/2017 budget.

Chairman Ioppolo commended staff regarding the budget and the focus on marketing and community relations.

Board Director Dane inquired if holiday bonuses were included in the proposed budget. President Crews replied no bonuses were included although there is a provision for a Holiday Party. She also stated last year bonuses were not budgeted although the Board approved those at fiscal year-end.

Board Director Robertson Jr. inquired about the pay back of the CFC. President Crews replied \$400,000 a year was committed towards several projects that were identified, thru the first quarter of 2019.

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

- B. Consent Agenda Item G. Consider approval of Amendment A to Lease No. 2012-11 with SYNERGY WOOD PRODUCTS, INC. for use of an additional 14,400 sq.ft. in Building No. 400 located at 3017 S Mellonville Avenue (Commercial).

President Crews stated that Synergy Wood Products, Inc. has been leasing most of Building 400. Due to budgetary constraints of Synergy Wood, the initial lease did not include the entire building and was approved by the Board because the tenant didn't need to use the entire building. A portion of the unleased space is raised and isolated from the rest of the building space. Although they haven't been leasing that portion they have been using it for storage. Now, there is a need for additional space so instead of renting a new building, the lease manager structured the current lease to include the additional space with the lease rate for the elevated portion of the additional space charged at one-half the rate. President Crews stated she is in favor of the request because they are good tenants and this is in keeping with the agreement they currently have.

Motion by Board Director Robertson Jr., seconded by Board Director Smith, to approve Discussion Agenda Item B. Vote taken, Board Director Slattery, Board Director Miller voting in opposition. Motion passed 6-2.

13. COMMENTS FROM THE PUBLIC

None.

14. OTHER BUSINESS

Board Director Simmons requested that Counsel draft a memo to the Board on the distinction of policy and operation, the role of the Board vs the President and staff.

Chairman Ioppolo requested Counsel have one of his summer interns be assigned with this task.

Board Director Robertson Jr. spoke in honor of the recent passing of Red Cleveland, past President of the SAA who had a great history with the Airport. Red Cleveland Boulevard is named for him, and Board Director Robertson inquired if the Board needs to do anything else to honor his memory. President Crews responded that she and Executive Vice-President Speake attended the

service along with past Board Members and Mayor Triplett. Executive Vice-President Speake also added that one of the display cases in the terminal will contain items from Mr. Cleveland's legacy. President Crews responded she is also sending the information of his passing to FAC.

Chairman Ioppolo reminded the Board of the FAC Conference July 16, 2016.

President Crews inquired of the Board if they would like to change the date of the September Board meeting scheduled for September 6, 2016. Following discussion, the Board concurred to change the date of the September meeting to September 13, 2016 at 8:30 a.m.

15. REMINDER OF NEXT BOARD MEETING (August 2, 2016)
16. REMINDER OF JOINT MEETING WITH CITY OF SANFORD (AUGUST 22, 2016 – 4:00 P.M.)
17. ADJOURNMENT

There being no further business, the meeting adjourned at 10:23 a.m.

Respectfully submitted,



Diane H. Crews, A.A.E.
President & CEO

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