

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, SEPTEMBER 11, 2007**

PRESENT: G. Geoffrey Longstaff, Chairman
Clyde H. Robertson, Jr., Vice Chairman
Tim Donihi, Secretary/Treasurer
David L. Cattell
Whitey Eckstein
Colonel Charles H. Gibson
William R. Miller
Brindley B. Pieters
John Nadjafi, Airport Counsel

ABSENT: John A. Williams
Comm. Jack T. Bridges, City Liaison
Comm. Bob Dallari, County Liaison

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Bryant W. Garrett, Vice President of Finance
George Speake, Vice President of Operations & Maintenance
Diana M. Muñiz-Olson, Executive Secretary

OTHERS PRESENT: Rusty Beavers, Starport
James B. Byrne, Jr., Esq.
Tom Callan
David Doudney
Tracy Forrest, Winter Park Construction
John Horan, Esq., Foley & Lardner, LLP
Krysty Kress, S.E. Ramp Development
D'Anne Mica, Mica McCormick
Yasmin Moreno, PBS&J
Doug Norman, HTA
Sabrina O'Bryan, Seminole County
Robert Palm, AVCON
Stan Poloski
Jack Reynolds, JRA, Inc.
Kevin Spolski, Spolski Construction
Ernie Stallings

1. INTRODUCTION OF GUESTS AND CALL TO ORDER

The meeting was called to order at 8:32 a.m. The Chairman asked for a moment of silence in observance of 9/11.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON TUESDAY, AUGUST 7, 2007.

Motion by Secretary/Treasurer Donihi, seconded by Board Member Eckstein, to approve the minutes from the regular meeting held on Tuesday, August 7, 2007 as amended.

Motion passed.

4. REQUEST FOR EXECUTIVE SESSION

James B. Byrne, Jr., Esq., SAA counsel for the Jett Aire lawsuit, stated he needed direction from the SAA Board, and requested that the Board schedule an executive session to discuss the lawsuit. It was determined the meeting would take place after the upcoming Board meeting on Tuesday, October 2, 2007.

5. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Craggs Construction Co. Lawsuit – President Dale recognized John Horan for his excellent representation during the two-week trial. Mr. Horan, along with Kevin Fowler, handled the lawsuit on behalf of the Airport. Jack Dow, former Vice President of Operations and Maintenance, served as corporate representative. President Dale served as witness. The jury ruled Craggs Construction breached their contract, not the Airport. The Airport is due damages in the amount of approximately \$212,000.00 for new lighting, liquidated damages in the amount of approximately \$530,000.00 for the interruption of airport operation, and approximately \$143,000.00 in liquidated damages for exceeding completion date as provided in the contract. The Airport stipulated all along that it owed Craggs Construction a final payment that had been held as an offset against the Airport's damages. The jury determined the Airport would make that final payment to Craggs Construction in the amount of \$334,000.00. It is believed Craggs Construction will appeal; however, President Dale believes the Airport will get the judgment. In addition, the Airport will receive an average of 9-10% interest (computed annually), based on the difference between the Airport's damages and what it owes Craggs Construction. Mr. Horan will also

seek judgment for attorneys' fees and costs. President Dale commended the Airport's staff for their good recordkeeping. Mr. Horan reiterated the Board should be proud of the staff, stating he never had such support in previous cases. According to Mr. Horan, President Dale's testimony was extremely helpful, and the staff really cared about the Airport. Board Member Miller asked Mr. Horan to acknowledge the work done by his paralegal, Reyna Gray, who has 20 years experience, and was responsible for approximately 10,000 documents.

- B. Parking Garage – Certificate of Occupancy was issued on Friday, August 3, 2007. The garage opened for operation on Thursday, August 9, 2007. The grand opening is scheduled for October 11, 2007 at 3:00 p.m.
- C. Extension of Runway 9R-27L – The new plans have been received and the project is progressing well. Two buildings still need to be demolished. On the day of the meeting, the cul-de-sacs were scheduled to be paved. Runway 9R-27L will be closed starting October 1, 2007 for an indeterminate amount of time. The only delay is the imminent domain action. A hearing will take place on September 21, 2007 regarding this issue. President Dale presented pictures to the Board showing the progress.
- D. Extension of Runway 9L-27R/Benefit Cost Analysis (BCA) – President Dale requested authorization to submit the BCA of the Extension of Runway 9L-27R to the FAA ADO. Motion by Board Member Eckstein, seconded by Secretary/Treasurer Donihi, authorizing President Dale to submit the Benefit Cost Analysis to the FAA ADO. Motion passed. President Dale stated the next step would be to do the environmental assessment (EA). Since the EA has been budgeted for, he requested that Jack Reynolds and AVCON prepare a task order for approval by the Board at the October meeting.
- E. S.E. Ramp Development – Progressing well, almost done with this phase. Tracy Forrest of S.E. Ramp Hangar Development stated that the signage is confusing and closure of the road has been a hardship for the tenants at S.E. Ramp. President Dale stated that Seminole County had also closed a portion of Beardall Avenue, thus contributing to the problem.
- F. 84-Lumber – Progressing well with no issues.
- G. Delta Connection Academy – The 3rd Bay build-out has been completed. The simulator hangar is scheduled to be completed in 45 days.
- H. Hotel – Construction plans are scheduled to be finalized before Christmas. President Dale will meet with St. Johns River Water Management District on September 20, 2007.
- I. GA Hangar – Hangar on Mellonville Avenue and 26th Place. The water line was moved. President Dale presented pictures to the Board showing the progress.

- J. Starport 33,000 square foot expansion (Phase 3) – The contract is still being reviewed, but should be finalized soon. Plans are being drawn. Applications to the City in 30 days.
- K. Jett Aire Lawsuit – Scheduled for trial in November. Jett Aire’s lawyer might ask for a continuance at the end of the month. (Discussed after TBI Report) President Dale requested for the Board to ratify an engagement letter, signed by him on behalf of the Board, from Jeannette Byrd, CPA for consulting and possible accounting expert witness services. Motion by Secretary/Treasurer Donihi, seconded by Board Member Cattell, to approve to ratify engagement letter requesting the services of Jeannette Byrd, CPA with reference to the Jett Aire Lawsuit. Motion passed.
- L. Letter to Governor – President Dale asked for authorization to write a letter, on behalf of the Board, urging Governor Crist to oppose the use of State Transportation Trust Fund dollars for any purpose other than the funding of Florida’s transportation needs. Motion by Board Member Robertson, seconded by Board Member Gibson, authorizing President Dale to write letter on behalf of the Board regarding State Transportation Trust Fund. Motion passed.
- M. FAC Resolution – Resolution from Florida Airport Council thanking the Airport for its participation as host of this year’s FAC Conference.
- N. ARFF Department – Chief John Shanley retired effective August 27, 2007. The ARFF Department might be re-organized. Chief Alex Kracun is serving as Interim Chief.

6. COUNSEL’S REPORT

- A. Parking Garage – The Parking Garage was completed approximately 268 days late. As a result, the Airport has incurred actual damages in the amount of \$678,000.00. Under contract, as long as the delay is attributed to ACI Construction Services, Inc. (ACI), it owes the Airport \$2,500.00 a day for each day of delay. The approximate amount is \$670,000.00, which the Airport withheld from ACI. President Dale met with ACI representatives in a pre-suit mediation on August 27, 2007. The details of the pre-mediation are confidential and cannot be discussed in public. Counsel requested an executive session, immediately after the Jett Aire executive session on October 2, 2007, to discuss the details of the litigation. SAA filed suit against ACI Construction Services, Inc. & Continental Casualty Company on August 31, 2007. Counsel expects a counter-claim in the amount of \$670,000.00. President Dale authorized Counsel to file suit on the Board’s behalf, with the Chairman’s consent. Motion by Secretary/Treasurer Donihi, seconded by Board Member Cattell, to ratify the filing of suit against ACI Construction Services, Inc. & Continental Casualty Company. Motion passed.

B. Attorneys' Fees – Submitted for review.

7. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for August 2007

- i. UK traffic total
August 2007 – **139,422** passengers
- ii. International traffic total
August 2007 – **143,207** passengers
- iii. Domestic traffic total
August 2007 – **65,047** passengers
- iv. Total traffic
August 2007 – **209,918** passengers
- iv. Percentage
UK traffic is down 11% compared to August 2006. International traffic is down 1% from August 2006. Domestic traffic is up 28% compared to August 2006. Total traffic is up 7% compared to August 2006.

There were 16 extra operations (rescue flights) due to the hurricanes affecting Cancun (Yucatan Peninsula, MX.)

B. Airlines/Tour Operators Update

None

C. Miscellaneous Updates

- i. Parking Garage – OSI took over management on August 9, 2007. There were some software issues, which do not affect the collection of revenue. The new rates were implemented effective August 9th.
- ii. Concession program – The design team is now working on the new concept. Mr. Gouldthorpe will bring back recommendations regarding the new concession program (brands) late in November or December.
- iii. Airlines & Airports Conference – Greg Dull will attend an important networking conference at Stockholm, Sweden. Airports request meetings

with the various airlines. The airlines in turn decide if they want to accept the invitation. Every request to meet made by TBI was accepted.

- iv. UK Charter Airlines Summit – The summit discusses traffic schedules for 2008; it will take place in November. This summit is of importance because the consolidation of four charters to two will affect terminal operations.
- v. Southeast Airlines – The Court approved the sale of the aircraft. Mediation took place the day before the meeting, September 10, 2007. Joda, TBI, and World Fuel met in Tampa; it was not a successful mediation. Joda and World Fuel want 100% of the sale, approximately \$500,000.00. TBI's attorneys have several strategies; if the strategies do not work, it might go to trial. President Dale stated that next time a similar situation arises, the Airport might consider not seizing the aircraft, or discuss the issue further before doing so.
- vi. Press Release – TBI has a new management contract with the City of Macon, Georgia to operate the Middle Georgia Regional Airport and Herbert Smart Downtown Airport.

8. LIAISON REPORTS

City of Sanford

None

Seminole County

None

9. CHAIRMAN'S REPORT

Chairman Longstaff discussed the following:

- A. President Dale's bonus for FY 2006-2007 - Discussion of President Dale's annual bonus. Motion by Secretary/Treasurer Donihi, seconded by Board Member Robertson, to approve a 15% bonus for President Dale, taking into consideration his job performance. Board Member Eckstein stated when determining the bonus, the 5% increase in salary has to be taken into consideration. Chairman Longstaff clarified President Dale does not automatically get a 5% increase, it has to be approved by the Board. Board Member Eckstein stated the Board had voted for a 5% increase to all SAA employees. Chairman Longstaff clarified that President Dale was excluded; the Board sets his salary annually. Board Member Eckstein was under the impression President Dale would be considered an employee as well. Chairman

Longstaff clarified President Dale had not received an increase in salary until last year. Board Member Eckstein wondered how much the bonus would be. Based on his current salary, President Dale will receive a bonus of \$31,875.00. Chairman Longstaff called for a vote, motion passed unanimously.

- B. President Dale's salary for FY 2007-2008 – Chairman Longstaff stated President Dale had agreed to receive an increase in salary at 5%, same as the other SAA employees. Motion by Secretary/Treasurer Donihi, seconded by Board Member Gibson, to approve a 5% increase in salary for President Dale. Board Member Robertson stated that he believes that is what Board Member Eckstein meant previously (to receive the same 5% increase in salary as regular employees), because President Dale is an employee. Chairman Longstaff clarified that according to President Dale's contract, the Board has to approve it each year. Board Member Robertson asked Counsel to clarify if President Dale would be considered an employee like everybody else. John Nadjafi stated he could not provide counsel regarding this matter. Chairman Longstaff called for a vote regarding President Dale's salary, motion passed unanimously. Board Member Eckstein wondered if bonuses could be given to all SAA employees. He stated the Airport is a success because of its employees; if the Airport can afford it, it should recognize them too. Secretary/Treasurer Donihi believes the bonus should be based on merit. Board Member Eckstein asked the Board to consider giving something to the employees in the form of a bonus. He wondered if it could be given before Christmas. Chairman Longstaff wondered how SAA's bonus program worked. President Dale clarified bonuses in past years have been funded with extraordinary income from sale of dirt removed during construction or other material. Chairman Longstaff requested President Dale to recommend some options at the next board meeting. Board Member Cattell commented companies usually prosper through the implementation of bonus plans. However, he did not notice a bonus program on the budget; it could be added to the next fiscal year budget. Board Member Miller wondered what would be done if funds were not available. Board Member Cattell wants to ensure the growth of the airport. He believes if the investment side is covered, then SAA should consider the bonus program. He would like it "laid out in a formal manner." President Dale stated he tries to set a reasonable reserve for the Airport. Board Member Eckstein commented that if the Airport has some excess money, it could be used as a Christmas bonus. He would like for the Board to consider bonuses on a yearly basis. He reiterated President Dale deserves the bonus given to him.

10. CONSENT AGENDA

- A. Consider approval of Addendum E. to Lease No. 2001-19 with AVIS RENT A CAR SYSTEM, INC. for Building No. 518, located at 1751 Airport Boulevard (Service Facility).

Staff recommends approval of Addendum E to Lease No. 2001-19 with AVIS RENT A CAR SYSTEM, INC. for Building No. 518, located at 1751 Airport Boulevard (Service Facility). The lease consists of 87,120 square feet of land at \$0.25 per square foot. The annual rental rate is \$21,780.00, an increase of \$3,484.80; the monthly payment is \$1,815.00, exclusive of taxes.

- B. Consider approval of Addendum A to Lease No. 2006-26 with KENNETH L. EUNICE for Building No. 531, located at 3575 Marquette Avenue (Residence).

Staff recommends approval of Addendum A to Lease No. 2006-26 with KENNETH L. EUNICE for Building No. 531, located at 3575 Marquette Avenue (Residence). Addendum A extends the lease term for one (1) additional year, effective August 1, 2007. The annual rental rate is \$13,800.00, an increase of \$600.00; the monthly payment is \$1,150.00, exclusive of taxes.

- C. Consider approval of Addendum A to Lease No. 2006-27 with PAUL M. EVANS for Building No. 520, located at 3933 Moores Station Road (Residence).

Staff recommends approval of Addendum A to Lease No. 2006-27 with PAUL M. EVANS for Building No. 520, located at 3933 Moores Station Road (Residence). Addendum A extends the lease term for one (1) additional year, effective October 1, 2007. The annual rental rate is \$11,400.00, an increase of \$600.00; the monthly payment is \$950.00, exclusive of taxes.

- D. Consider approval of Addendum C to Lease No. 2005-17 with MIRO HOSPITALITY PROPERTIES, LLC for property located on East Airport Boulevard [Hotel site].

Staff recommends approval of Addendum C to Lease No. 2005-17 with MIRO HOSPITALITY PROPERTIES, LLC for property located on East Airport Boulevard [Hotel site]. Addendum C replaces Exhibit C with a new Exhibit C that shows a revised timeline for hotel construction, as approved by the Sanford Airport Authority on August 7, 2007.

Motion by Board Member Eckstein, seconded by Board Member Gibson, to approve the Consent Agenda Items A through D.

Motion passed.

11. DISCUSSION AGENDA

None

12. OTHER BUSINESS

None

13. COMMENTS FROM THE PUBLIC

None

14. REMINDER OF NEXT BOARD MEETING (TUESDAY, OCTOBER 2, 2007, 8:30 A.M.)

15. ADJOURNMENT

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

Respectfully submitted,

Larry A. Dale, President & CEO
/dmm



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

August 29, 2007

Via email: legals@mysanfordherald.com

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

Attn: Patti, Legal Classified

Please publish the following Public Notices one (1) time in the Wednesday edition (September 5, 2007) of the Seminole 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 September meeting on Tuesday, September 11, 2007, 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. Muñiz-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. Muñiz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority will be held on Tuesday, September 11, 2007, 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, September 18, 2007, 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, September 18, 2007, at 10:30 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 meeting for Wednesday, September 5, 2007 has been cancelled. 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) 585-4021.

Larry A. Dale
President & CEO