

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
FEBRUARY 5, 2019
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman
Tom Green, Vice Chairman
Jennifer T. Dane, Secretary Treasurer
Chick Gregg, Sr.
Frank S. Ioppolo, Jr.
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Commissioner Brenda Carey, County Liaison
Mayor Jeff Triplett, City Liaison

ABSENT:

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Dory Adams, Finance
Jerry Crocker, IT Director
Thomas Fuehrer, Chief SAPD
Lori Hunt, Executive Assistant
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Jennifer Taylor, Project Coordinator

OTHERS PRESENT: Owusu Amaning, GCI
Elizabeth Brown, AWW
Sonya Brauer, Southeast Ramp
Krysty Carr, Sanford Chamber of Commerce
Dave Cattell
Steve Cornell, Kimley-Horn
Kevin Dillon, Constant Aviation
Luke Frey, Walbridge
David Gierach, CPH
Jonathan Hand, Atkins
Pam Hargis, Focal Point Counseling
Tanisha Morris, AWW

**Jeremy Owens, CPH
Paul Partyka, NAI Realvest
Donna Sinclair, CDS Orlando
Sandeep Singh, Avcon
Angela Singleton, Hilltop Securities
Greg Smith, MillionAir
Kevin Spolski, Spolski Construction
Bob Turk, City of Sanford Economic Development Director**

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

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

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON JANUARY 8, 2019 AND THE WORK SESSION HELD ON JANUARY 10, 2019

Motion by Board Director Robertson, seconded by Board Director Smith, to approve the Minutes of the Regular Meeting held on January 8, 2019 and the Work Session held on January 10, 2019. Board Director Green requested an amendment to the minutes from January 10, 2019 Board Work Session page 5 to include "Discussion ensued Board Director Green requested an independent third-party appraisal for valuation". Motion by Board Director Robertson, seconded by Board Director Smith, to approve the amended minutes. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

Commissioner Carey updated the Board regarding SR 46 project. Commissioner Carey stated she was contacted by someone looking for industrial land in Seminole County and she directed them to look by the Airport. Commissioner Carey noted February 14, 2019 is the State of the County in partnership with the Chamber. The Airport provided updated information to be presented at the State of the County. The two newest elected officials Amy Lockhart and Jay Zembower will be introduced. Commissioner Carey noted that when SAA Board meetings are re-scheduled to the second Tuesday of the month, it conflicts with County Board Meetings.

B. City of Sanford

Mayor Triplett updated the Board that the Riverwalk project construction has begun, anticipated to take eighteen months. Catalyst site project underground work will begin this month, anticipated construction to begin next year. The Chamber has moved into the Welcome Center and the City is considering private sector partnership for the old Chamber building.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews updated the Board regarding: Terminal Expansion, RIM Runway Incursion Mitigation, Taxiway Romeo Rehab and Welcome Center renovation projects. President Crews gave a status report regarding Shaner hotel contract negotiations and asked the Board to consider the possibility of an additional Board meeting this month if necessary.

George Speake updated the Board regarding Aviation Day while a video by Matt Heimerl was shown: website designed in house by Matthew Antonio; guest speaker Rochelle Floyd visited Sanford Middle School and Seminole High School the day before the event; estimated attendance of 5000-6000; the Supervisor of Elections' parking lot plus two other areas were used for parking and they were turned over twice; Seminole County Sheriff's Department Explorers volunteered for parking; ROTC from Lake Mary High School manned the entrance gate; Law Enforcement Academy from Seminole State College assisted people getting from parking to the gate; twenty-seven (27) aircraft were on display; and thirty-seven (37) exhibitors which included airport tenants, various government agencies, and all engineers.

Mr. Speake noted that Million Air donated half of their ramp and one of their buildings, EEA Young Eagles provided free flights via raffle to sixty children, and an aerobatics demonstration was conducted by Southeast Ramp tenant Keith Lickteig. George Speake thanked Southeast Ramp and Walbridge for donating towards the event. He noted that Saturday's guest speakers were Joe Kittinger and John Leenhouts, CEO Sun and Fun Lakeland, and that News Channel 6 Tom Sorrells was the Master of Ceremonies. The PV-1 was on display and this was the last time it will be seen at ground level before being elevated on a platform as part of the terminal expansion. Mr. Speake thanked Constant Aviation who donated the paint job for the PV-1 and Sherwin Williams, the company that donated the paint. ARFF handed out 4,000 coloring books, and FAC sold water and

Gatorade as a fundraiser for educational foundation at \$1 each, raising \$750.00 towards scholarships and internships.

George Speake stated Lee County Port Authority requested feedback in order to make their aviation day event better, and the Sun n Fun Ace Group had tried to do this at their high school and wanted to know how to make it better. He also thanked Krysty Carr who brought her ice cream truck out to the event, Julie Sawyer for her assistance in planning the event and keeping everything on track and extremely organized, and Rick Shea, Operations Director for all his effort assisting with the event. Jennifer Taylor, Al Nygren, Lori Hunt and the Walbridge team were thanked for assisting. Next year's event is already being planned and the date will be set soon.

Lauren Rowe stated she couldn't express enough how valuable this event is from a public relation standpoint. She suggested making this a two-day event next year and include Orange County Schools. Orlando Sentinel covered the event and they are also working on a long format story 9-10 minutes long dealing with the pilot shortage, which included L3. Ms. Rowe noted this is what we are about and doing it through the eyes of kids and in such a visual display, shows people that we are about innovation. This also shows people that we are about business communication which is a very important message.

Diane Crews stated this all started a couple of years ago when she and Frank Ioppolo met with Seminole State College and Seminole County Public Schools (SCPS), and from that one meeting, all of this has transpired. This has become George's project and he has done an amazing job. It was very heartening to be there and see all the participants, including Seminole State College President Dr. Georgia Lorenz who was attending for the first time and loved the event. She noted that SCPS Superintendent, Dr. Walt Griffin, and four of the five school board members attended as well, were very excited and brought their children and grandchildren. The event is one more element that showcases our partnership with the community and we will continue to build on this as well.

Commissioner Carey replied during the State of County presentation she will be mentioning the 9th grade student center and Seminole High School having the aviation program. Lauren Rowe stated News Channel 6 did a story *Getting Results from your Schools*. Commissioner Carey noted partnership is about this community, we have a need for aviation and a need for maintenance, so we come together and collaborate - the schools, college, airport and county.

Elizabeth Brown updated the Board that when you are talking to airlines and trying to attract them, substantiating that you have a base for

maintenance and pathway for people to move into the aviation industry is an important factor.

Lauren Rowe updated the Board the PV-1 installation will be the next upcoming media event, and she is planning Facebook live and videography on March 12th weather pending. President Crews stated this is not a public event although all the Board Directors will be contacted with details. The viewing area will be on top of the parking garage. George Speake noted that for the 75th Anniversary they had sought out a PV-1 pilot and weren't successful. However, they have found a 97-year-old pilot who lives in Stockton CA, and he's already bought his airline tickets to be here March 11-13.

President Crews thanked everyone who participated in Aviation Day.

Don Poore presented the financials. Discussion ensued regarding the lease with L3, holdover provision, new lease templates, other parties' interest in leasing the hangar.

Paul Partyka updated the Board regarding: Ace Aviation luxury pilot training school is in discussions with L3 with no formal proposal at this time. Discussion ensued regarding site number 7 (site west of Lake Golden) for residential villa style construction, subdividing property. Paul Partyka updated the Board regarding: 3,000 permits for homes and a proposed shopping center with major tenants along SR46 and Lake Mary Blvd., TORO, American Business Supply, Gator Dock and Marine. He noted that every renewal signed has at least a 3% increase and he is looking at 2019 as a very good year.

Southern Strategy: President Crews stated Kelly Cohen and Oscar Anderson are in Tallahassee. President Crews updated the Board regarding a meeting last week with the City of Sanford focusing on the 417-slip ramp and traffic backing up at the exit from SR 417 onto E. Lake Mary Boulevard. It was determined a study needs to be done and to pursue a legislative appropriation for that, the OSIA Area Surface Transportation Plan. The scope was prepared by Jeremy Owens, CPH, cost of \$64,500 and signed by Representative Scott Plakon. Next steps: once the house bill is filed by Representative Plakon, we need to prepare him to present the issue before the House Transportation and Tourism Appropriations sub committees.

President Crews referenced Police and ARFF reports. Chief Tom Fuehrer presented a power point giving the annual police update.

President Crews referenced community outreach events.

President Crews updated the Board that on February 11-12, she and Chairman Slattery will be participating in the USN Distinguished Visitors Embark Program aboard the aircraft carrier USS Abraham Lincoln.

President Crews updated the Board that on February 14th at the State of the County luncheon, there will be a table showcasing the pre-check and global entry programs here at the Airport. There is a follow-up event in March where people can come to the Airport and sign up for pre-check.

President Crews updated the Board she will be attending the Fly-in to Washington DC March 6th-8th sponsored by FAC. She has asked to have the unfunded mandate by CBP be added to their agenda. President Crews stated she will be meeting with FAC and the legislators to discuss this issue.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding number of litigations recently brought against individuals, companies, industries targeted by a specific law firm under the ADA going after websites for compliance. Shutts has prepared a full memorandum that sets forth all the requirements and provided that to the Airport, they are ensuring that our website would meet that standard.

8. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board regarding the decline in traffic compared to December 2017, a predicted bump because of the change in the Allegiant's fleet. She explained the significant change in Allegiant's fleet transition to A319 and A320's as MD80's were retired, due to their inability to acquire as many A320s as they planned. Eight of thirteen planes were canceled, and Allegiant can't continue at present with anticipated growth. In January 2018, there were 740 aircraft turns compared to 705 turns in January 2019. She noted that this represents 13,620 less seats in the market, partly due to the A319 aircraft which has 10 less seats than the MD80. Interjet is no longer flying which we had last year and impacts numbers. Via Air was not flying last year but is flying now, although they are flying less than expected.

Elizabeth Brown announced new advertising presence in the terminal building will be installed within the next couple of days with Universal. We are very happy to see this presence, important milestone in terms of seeing attractions presence, advertising and revenue in this building. Hopefully it will cause the other attractions to sit up and take notice.

She briefed the Board on air development service moving forward. Surinam Airways has indicated that they intend to return to flying their schedule this year,

they have not submitted a schedule yet, we are hopeful they will file a flight schedule and see a return. Jason Terreri will attend Routes America in Quebec for at least a week, with a confirmed 11 airline meetings which is highest they've ever had before at Routes America. She anticipates headquarter meetings on March 4, 2 with domestic carriers, 2 with International carriers. In terms of international carriers, they are finally benefiting from Vinci's leverage. We are starting to see them help us when talking to airlines because they can offer incentives and have discussions with airports in their system of which we are now a part.

Vinci has announced publicly they have taken control of a share of London Gatwick which is a very significant airport, the largest single surface runway airport in the world based on passenger base. Elizabeth Brown introduced a new member of their team, Tanisha Morris, Marketing Social Media. She started yesterday and will be meeting with Lauren and the team. The Board welcomed Ms. Morris.

9. CHAIRMAN'S REPORT

Chairman Slattery referenced the Orlando Sentinel article about Board Director Gregg and Air Unlimited. Chairman Slattery stated he attended Aviation Day, it was incredible seeing the children having so much fun, and he enjoyed seeing the PV-1's full paint job. Chairman Slattery advised George Speake to prepare for Aviation Day to mushroom as every year it seems to get bigger and bigger. He noted that when we have the air show in 2020 it's going to be big, this town is starving for that type of event.

10. DISCUSSION AGENDA

A. Discuss path forward resulting from January 10, 2019 Workshop.

President Crews stated last month at the Board Work Session several items were discussed; however, there were no decisions made on how to proceed. President Crews referenced her Agenda Memo which specifies three items: Procurement/CCNA, Construction Phase Services and Board Agenda Structure.

President Crews stated at the Work Session when Counsel made their presentations, the procurement policy through the Consultants Competitive Negotiation Act was brought forward. Currently we are using continuing contracts and that is allowed under the CCNA 1) for projects which the estimated construction cost for each individual project does not exceed \$2M. 2) For study activity if the fee for professional services for each individual study under the contract does not exceed \$200,000 or 3) For work of a specified nature as outlined in the contract required by the agency, with the contract being for a fixed term or with no time limitation except that the contract must provide a termination clause. The third option is what we have been operating under during her time

at the Airport. We go out to RFP and select three engineering firms for professional engineering services under continuing contract. Two of those are conducted at one time and then there is an off year when the third one has been done. She noted in reading the CCNA language that's what it allows, however she has asked Brett Renton to address what an Attorney General has recently said.

Brett Renton stated in looking into this when President Crews proposed that the Board was going to be considering an actual vote and policy on this, what came up is there are zero court cases interpreting the statute itself, and there is no litigation, no interpretations from the court as to what that means. Looking at the statute's plain language and the language is clear. Someone at Osceola County for the schools asked whether the \$2M cap would apply to projects even if they were going under a continuing contract. The Attorney General Opinion recognizes that the use of the word "or" generally means "or", but they didn't stop there, and they decided that they believe there was some greater intent. So, they drilled down to the staff reports that were written when this particular act was passed, and it was an amendment that put in the limits of \$2M for a project and \$200,000 for study. They concluded that despite the language that was used there was some intent on the part of the Legislature that really meant that for any project that is over \$2M you should not go through a continuing contract and you should bid that out on a project by project basis. That is the AGO's opinion which is given weight by a court, but it is not a court that says here's the result. Brett Renton stated he and Ken Wright disagree with this. If they were writing this opinion, this would not be their opinion. They would have stopped at the plain language of the statute and in fact believe that's exactly what the Airport has done for years, is follow the plain language of the statute. The contracts are very specific, and they believe that you have awarded and operated completely under the CCNA correctly in the past.

Discussion ensued regarding counsel's recommendation

Motion by Board Director Ioppolo, seconded by Board Director Dane that we continue to use the "continuing contract" procedure and mechanism in accordance with the opinion and advice of our legal counsel with respect to our contracts going forward unless and until there is a change in the status of law for interpretation. Vote taken, none opposed. Motion passed.

Construction Phase Services

President Crews stated Construction Phase Services consists of 1) construction management and 2) post design services. These are both currently performed by each project's design engineer along with Resident Project Representative (RPR) services generally provided by inhouse staff (Frank Liberatore, SAA Construction Manager).

Options: 1) Separate design services and construction management services on each project, use different engineering firms; or 2) continue to use the design firm for construction phase services on each project.

Board Director Green discussed what is happening in the industry in the private sector, that you have someone who draws the project, someone who builds it, and a project manager who manages the project. If there's an error on the drawing side versus the contractor side, the project manager acts as the referee to avoid a conflict of interest. He noted that there are some great project management firms out there who can come and read the construction drawings and construction contract and then they'll be that person that acts 100% without conflict in the best interest of the Airport.

Discussion ensued regarding pros and cons of each option. President Crews noted the project oversight provided by both the FAA and the FDOT, which includes the requirement for an independent fee estimate, as well as the oversight provided by staff, including the inhouse construction manager. Discussion ensued regarding conflict of interest, lack of staff engineer, eventual replacement of inhouse construction manager and desired qualifications, and third-party project manager cost.

Motion by Board Director Simmons, seconded by Board Director Gregg to use the same engineering firm for design and construction phase services on each project. Vote taken, Board Directors Green, Ioppolo, and Slattery opposed. Motion passed.

Board Agenda Structure

President Crews stated at the Work Session, she was asked to provide a recommendation for determining what leases would go on consent versus discussion agenda based on cost and duration of the lease. She noted that Board Director Ioppolo had also suggested that we consider automatic placement of any add-on item on the discussion agenda. President Crews stated her recommendation for the discussion agenda threshold would be: all ground leases, all building leases 5 or more years in duration, any building lease in potential conflict with the Zyscovich Plan and any add-on items. This provides greater scrutiny of more complex leases, provides for consideration of potential impacts of certain leases to future development, and ensures adequate attention is given to add-on items.

Discussion ensued regarding placing a dollar amount on leases to be placed on discussion agenda. Discussion ensued regarding length of initial lease. Discussion regarding lease templates, scheduling an EDAC meeting.

Counsel suggested prior to the motion for purposes of memorializing this, the SAA enabling legislation grants the Board the ability to set your own policies and procedures and that is exactly what this is. He asked that

whatever the motion is that legal counsel prepare a resolution so that this is memorialized and will be in the policies and procedures.

Discussion regarding ground leases, future development and new buildings.

Motion by Board Director Miller, seconded by Board Director Simmons for the placement of all ground leases, all building leases 5 or more years in duration, any building lease in potential conflict with the Zyscovich plan, and all add-on items be placed on the Discussion Agenda. Vote taken, none opposed. Motion passed.

11. COMMENTS FROM THE PUBLIC

None

12. OTHER BUSINESS

Board Director Ioppolo inquired since Allegiant has retired their MD80's have we seen a decrease in noise and complaints that were a big issue to the City. George Speake responded there have been improvements on the engine run-up side. In the last budget we were approved to purchase some new noise reporting software that was purchased two weeks ago, and we are still in trial period. He stated in another month or two he would be able to have some graphs and reports available. Board Director Ioppolo requested of Chairman Slattery that in two months staff report to the Board. Chairman Slattery agreed to the request.

13. REMINDER OF NEXT BOARD MEETING (MARCH 5, 2019)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:16 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO

/lh