

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
JULY 9, 2019
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman (appeared via phone)
Tom Green, Vice Chairman
Jennifer T. Dane, Secretary Treasurer (arrived 8:42)
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 Art Woodruff, City Liaison

ABSENT: Commissioner Brenda Carey, County Liaison

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Tom Fuehrer, SAPD Chief
Tommy Gentry, IT Director
Lori Hunt, Executive Assistant
Misty Lizarralde, HR Manager
Al Nygren, Property Manager
Jennifer Taylor, Project Coordinator
Rachel Walker, Finance Manager
Josh Phelps, Grounds Maintenance Director

OTHERS PRESENT: Angela Adams, AWW
Sonya Brauer, South East Ramp
Elizabeth Brown, AWW
Krysty Carr
Steve Cornell, Kimley-Horn
Kevin Dillon, Constant Aviation
Luke Frey, Walbridge
Jonathan Hand, Atkins
Karen McKinnon, CE Avionics
Sarah Nemes, Southern Strategy
Jeremy Owens, CPH
Keith Robinson, AWW
Sandeep Singh, AVCON
Greg Smith, MillionAir

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

Vice Chairman Green called the meeting to order at 8:30 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON JUNE 4, 2019 AND MINUTES OF THE WORK SESSION MEETING HELD ON JUNE 24, 2019

Motion by Board Director Smith, seconded by Board Director Gregg, to approve the Minutes of the Regular Meeting held on June 4, 2019 and the Work Session Meeting held on June 24, 2019. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. City of Sanford

Commissioner Woodruff stated he appreciated the Airport's support for the City of Sanford July 4th festivities and noted it went very well. The City of Sanford is going through their budget process. Commissioner Woodruff stated the City is working with the Airport to have a new fire station on airport property.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews updated the Board regarding the ongoing construction projects:

- Terminal Expansion Project: Jeremy Owens provided an update via a Power Point presentation, including discussion of timeline, wayfinding, change orders and unknown conditions that have been discovered during the project.
- Welcome Center Renovation: Project estimated to begin July 29th.
- Rehabilitation of Taxiways Bravo, Lima and Charlie: 90% design submittal should be ready for review on July 12th.
- CBP/FIS Repair/Replacement: Moving ahead on this project, received a two-page list of repair replacement items from CBP, engineers

working on list to fit into existing floor space. Major concern is funding for the project. Representative Murphy's office has reached out to President Crews to see if there is anything, they can assist us with. She has given them a list of items, including potential funding for the CBP project.

Don Poore presented the financials.

Southern Strategy: Neither Kelly Cohen nor Oscar Anderson could be present today, although they have arranged a meeting with Florida's Turnpike on July 30th to discuss the slip ramp extension on Airport Blvd.

President Crews referenced the property report for the month of May and noted that Paul Partyka with NAI Realvest could not be present.

President Crews reminded the Board of the upcoming FAC Conference August 4th – 7th in Fort Lauderdale.

President Crews reviewed Community Involvement items in the President's report:

- George Speake briefed the Board on the June 25th Veterans Day Appreciation Luncheon, held at the Sanford Civic Center which the Airport supported.
- President Crews noted recent meeting with J.D. Cox, Longwood City Manager who toured the Airport.
- On July 8, she, George Speake and Board Director Ioppolo met with State Representative David Smith, who has great interest in the Airport, uses the Airport frequently, and wants to assist where he can. Representative Smith is a 30-year veteran of the Marines and was a Naval aviator.
- Airport is hosting the monthly meeting of PBAS, Private Business Association Seminole County on July 10; Board Directors and Elizabeth Brown were invited to attend.
- "Doing Business with the Airport Symposium" is being held at the Airport on Friday, July 12, to introduce the community to opportunities at the Airport for their businesses. We are trying to target the disadvantaged enterprise businesses (DBEs) and part of the event is to reach out to those businesses.
- President Crews and George Speake will conduct an airport tour for Sanford Commissioner Kerry Wiggins July 15th.
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- Staff will be meeting with the FDOT for the annual work program July 16th.
- The Airport will be hosting Seminole High School Principal, Jordan Rodriguez and his leadership team on July 29th in the Vigilante Room

President Crews distributed the aerials.

President Crews updated the Board that Congresswoman Murphy's office had announced a press release regarding the \$4.4M AIP Grant on the Consent Agenda.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding: Gator Dock & Marine clean-up site.

8. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board: June is the highest ever on record for this airport in terms of passengers, 11% year over year, 1.7M total passengers in the first six months of this year. Growth from Allegiant as expected, tracking expected growth of 5% by the end of the year. Additional charter service from Sun Country. Via Airlines has functionally ceased operations. Two new Allegiant routes beginning October this year to State College, PA and Traverse City, MI. Surinam Airways returned last Sunday operating weekly until the end of summer.

Elizabeth Brown discussed attendance at Jump Start Conference and noted there is conversation among the airlines regarding the grounding of the 737 Max which continues to plague the rest of the industry. They have heard the 737 Max may continue to be grounded until early next year, extended another six months from last update.

Elizabeth Brown stated a lot more information has been added on social media. Tanisha Morris has increased presence on Twitter and Facebook and destination of the month is featured. Florida is experiencing a tight job market challenging AWW, ground handling team, food and beverage and retail. AWW is using Facebook to notify people about job opportunities. Ms. Brown felt there are opportunities to work with Seminole High School and our community partners regarding the job market.

Elizabeth Brown updated the Board that AWW has been fully integrated into the Vinci portfolio and is experiencing more of a Vinci presence. We are starting to see more people from the Vinci network coming over and expecting to see a lot of positive changes implemented.

President Crews updated the Board regarding Via Air, that they have struggled with reliability issues. Via Air has been purchased by Ashley Air and President Crews noted she and executive staff will be meeting with the CEO today at 3 p.m. Ashley Air is a high-end charter operation with 8 aircraft in their fleet, their core operation is out of Tupelo MS. Via Air still has an operating certificate, they are still viable, hopeful to see what the new leadership has planned.

9. CHAIRMAN'S REPORT

Chairman Slattery thanked the Board for their time with the Budget process and stated he looks forward to seeing everyone at the FAC Conference.

10. APPROVAL OF THE FY 2019-2020 PROPOSED OPERATING AND CAPITAL BUDGET FOR TRANSMITTAL TO THE CITY OF SANFORD

President Crews stated a revised proposed budget has been distributed to the Board. Don Poore explained the changes in the revised budget.

Vice Chairman Green requested clarification from Don Poore on his forecasting process. Don Poore updated the Board that two Police Officer positions and two Curb Monitor positions were added to the budget. Chairman Slattery noted these positions were his push due to safety concerns on the curb. He requested police presence at all times on the curb and encouraged the Board to agree. Don Poore updated the Board that a 3% increase for all employees was re-instated. Discussion regarding increased percentage of expenses exceeding budgeted increase in revenues, yet still maintaining a healthy fund surplus.

Motion by Chairman Slattery, via telephone, seconded by Board Director Dane to approve the budget as presented to transmit to the City of Sanford. Board Director Robertson requested a revision to line 5, duplication to be corrected before submittal to the City. Vote taken, none opposed. Motion passed.

11. CONSENT AGENDA

- A. Consider approval of Annual Funding Agreement Between Sanford Airport Authority and Metroplan Orlando FY 2019/2020.
- B. Consider Sanford Aviation Noise Abatement Committee (SANAC) Appointments.
- C. Approval and authorization to execute the FAA Grant for AIP project No. 3-12-0069-080-2019 for the following projects:
 - Construct Air Carrier Apron – phase II
 - Install Security Enhancements – Access Control
 - Design Only: Rehabilitate Taxiways B and related connectors K and L and Taxiway C to include taxiway lights and airfield signs.

Commissioner Woodruff requested Consent Agenda Item B, the City appointment to SANAC, be removed. George Speake updated the Board; item B contains two different appointments. Brent Renton stated Item B needed to be removed and moved to Discussion Agenda.

Board Director Smith made a motion, seconded by Board Director Robertson to approve Consent Agenda items A & C. Vote taken. None opposed. Motion passed.

12. DISCUSSION AGENDA

B. (Consent Agenda item B moved to Discussion Agenda)
Consider Sanford Aviation Noise Abatement Committee (SANAC)
Appointments.

George Speake updated the Board we will remove the City's appointment at this time and leave the appointment of Dave Hazel. Kevin Thompson was the SAA staff person who was appointed to SANAC, but unfortunately for us, he decided to take another position. In his place, we have Dave Hazel, another Operations Supervisor who was recently promoted to Assistant Director of Operations, to take on that responsibility and that requires this Board's approval.

Board Director Ioppolo made a motion, seconded by Board Director Smith to appoint Dave Hazel to SANAC. Vote taken. None opposed. Motion passed.

A. Selection of Executive Search Firms for the Replacement of Retiring President.

Board Director Gregg updated the Board regarding selection of executive search firms for the replacement of retiring President. Four responses were received, and he, President Crews and Misty Lizarralde, HR Director, felt that none met the criteria of what was advertised. The suggestion was made to reject all the responses and use Misty to do a search instead of using an outside firm.

Board Director Robertson inquired of Counsel how he could change his April Board meeting vote of hiring a search firm and vote to reconsider that motion. Brett Renton advised Board Director Robertson and the Board of the proper course of action to take and how to proceed.

Board Director Miller made a motion, seconded by Board Director Robertson to accept staff recommendation to reject all responses. Vote taken. None opposed. Motion passed.

Board Director Smith made a motion, seconded by Board Director Ioppolo to use our in-house HR Department to conduct the search.

Discussion ensued.

Chairman Slattery noted the bid was done for transparency. He expressed concerns about using our own inhouse person who has been working with George for a few months, has no aviation reach and has only known us for a few months. He stated his preference to reach out with Misty and maybe Chick to go directly to a recruiter or firm that can help us meet most of our criteria.

Board Director Robertson stated George Speake is the best qualified person to do the job. Regarding transparency, he noted we are on public record, people can look up the job this man is doing, they can go online, come out to the Airport. He felt the proof is already here, and that's why he wanted to change his prior vote from the April Board Meeting.

Board Director Dane questioned why the committee didn't pick Renee Narloch & Assoc. It's not expensive, experienced in Public Sector recruitment, no negative data on the internet. She was not familiar with Misty or that we had an HR Department, and felt way more comfortable with this not being an inside deal. Misty doesn't have experience from the public sector and there is a difference between HR and recruiting, their scope of work is different. Board Director Dane stated her preference for a small woman owned firm with 25 years' experience with public sector for recruitment. We're setting a standard for how we'll move forward because this is going to happen again, and thought we need to have a bar for which we're expecting the Board in the future to go and recruit good talent.

Board Director Gregg noted the main reason for not considering Renee Narloch was lack of airport experience, and that of the 4 firms, had the lowest price at \$17,450, whereas the highest was \$53,000 plus expenses.

Board Director Simmons referenced staff memo from Board Director Gregg and the selection committee with Misty's qualifications and outlined search criteria.

Board Director Gregg advised the Board he discussed impartiality with Misty, and he had no concerns.

Board Director Smith inquired of Vice Chairman Green could we have Board Director Gregg oversee Misty on behalf of the Board? Board Director Gregg agreed. Board Director Smith noted Chick has experience in the airline industry and staff assistance would sure help our budget.

Counsel advised Board Director Smith it's his motion and he'd have to

make a friendly amendment. Board Director Smith made an amendment to the motion that Chick would work with our HR Department to oversee the project. Board Director Ioppolo accepted the friendly amendment.

Discussion ensued.

Board Director Ioppolo stated his confidence in Chick and Misty although he noted he has yet to meet her. Board Director Dane requested Misty outline her plan.

Board Director Ioppolo stated having lived the process once it's important to have a Board member involved, it makes it a lot easier for everyone else. His only concern is that transparency for objectivity is important for any public organization. The process of having an outside firm is valuable but if it's the will of the Board to have Chick who in effect is the outside firm because he does come with airline experience and Misty in the process he can support that and would be more comfortable with that outside group. And as Board Director Dane said, he didn't think it's a bad thing for this Board to be supportive of a business that is a woman owned business.

Vice Chairman Green stated he's a believer in process and this is the biggest decision to be made, any appearance of potential for conflict of interest in his opinion is not worth it. The fact that we have someone capable in HR and he likes the fact Chick's going to be involved. He also likes the Chairman's idea of having an independent firm to ride along right beside in a consultative way to enhance the process so that at the end of the day when we look back, it's clear transparency. Vice Chairman Green invited Misty to outline the process.

Misty Lizarralde, HR Manager, stated to be 100% transparent, she has done VP searches for Tindal Federal Credit Union, for five years, and her level has been VP.

Board Director Ioppolo inquired of Misty had she done any searches that looked for national people besides the immediate area. Misty replied yes, that she recruited for a VP of Risk Management and Internal Audit and had to go outside and bring people in from other states. She noted that similarly to what the search firm proposals outlined, there will be a need to create a brochure to reach out to people not knowing what the market is like. Misty acknowledged she doesn't have aviation experience but has experience in pulling in a type of candidate. This can be done through LinkedIn, the brochure, which is the process the respondents were going to use, AAAE, and ACI. A lot of the respondents talked about doing questionnaires, that is something she recommended but felt we need the right job description.

Board Director Ioppolo inquired of Misty if she has conducted a job search within the Sunshine Law which is different than private sector. Misty responded no, that she has only worked in the private sector.

Board Director Simmons noted that most of the responding firms have not either.

Board Director Dane noted the woman-based firm has Sunshine Law experience. Misty updated the Board that she researched other consultants, found two other firms that have aviation experience, and both have experience in Florida, though they are not Florida based.

Board Director Gregg noted of the four proposals none met the criteria that was requested. In most cases when respondents don't meet the criteria you throw them out and start over. We can start over again or have Misty conduct the search, we've got time to do either.

Board Director Ioppolo noted there are search firms out there that could meet our criteria because there are a whole lot of Airports hiring and using a search firm. He was curious as to why these two didn't. He thought it's great that Misty found them, we need to reach out.

Discussion regarding timeframe moving forward based on Committee recommendation, would an update be available at next month's board meeting or two to three months from now.

Discussion is the Committee confident they can go back into the process, identify other firms that specialize in aviation and could they come back with better candidates. Board Director Gregg left it to the Board to decide. Chairman Slattery requested clarification, this motion does not ask Misty or Chick to go out and continue to look for firms. If that is the case, he can get on board with it if that is added to the motion.

Discussion regarding the stated motion. Board Director Dane called the question. Vote taken on original motion. All opposed. Motion failed.

Brett Renton advised the floor is back open.

Board Director Ioppolo made a motion, seconded by Board Director Smith that Board Director Gregg work with staff to go back out and see if we can bring back more acceptable third-party search firms for the President search.

Brett Renton explained legality of issuing another RFP, that an RFP is not required.

Discussion President's job description needs to be evaluated. Discussion that it would be a function of the Board to evaluate the President's job description once staff drafts it.

Board Director Ioppolo made a motion, seconded by Board Director Smith that we authorize Chick to work with staff to go back among the same lines as before and find more acceptable search firms they choose to work with for the President's search. Vote taken. None opposed. Motion passed.

B. Discussion of Continued Rental of Don Knight Park at Lake Golden.

President Crews updated the Board regarding Don Knight Park: it's a community park, leased at \$300 per day, that this type of facility should require liability insurance. Discussion ensued regarding cost of liability insurance versus daily rental rate.

President Crews noted since the need for liability insurance has been brought to our attention, we need to decide what to do with Lake Golden in the future. Discussion regarding electric capacity, use of bounce houses, Airport's liability insurance, and assumption of liability.

The liability insurance is what is driving the conversation today. Options: 1) keep doing what we've been doing, don't require the liability 2) continue to lease but require liability insurance and discontinue use of inflatables. 3) lease only to business organizations and require the liability insurance. 4) don't lease it anymore period.

President Crews stated her recommendation is that we continue to lease Lake Golden Park but require liability insurance and formalize the discontinuation of use of inflatables.

Discussion regarding our insurance deductible, lost revenue, park provides community service, and the value of having the venue available for the community. Discussion regarding discontinuation of inflatables, use of generators for inflatables.

Board Director Simmons updated the Board regarding liability insurance and Airport liability. Board Director Robertson requested moving forward in everything to have a policy, so everyone knows it's all even playing field.

Discussion how often the park is rented, is the park available weekends only. Discussion regarding posting signage, monitoring the lake. Discussion regarding confining it to the use of the airport itself and make sure that we are properly covered even though we have the liability.

Commissioner Woodruff stated there is a lot of history there, and it's obvious the Airport is not in the recreation business. He suggested there be a

conversation with the City recreation department and see if there are some opportunities for us to work together to maintain it as recreational space.

After further discussion it was determined President Crews will come back to the Board with more information on this after speaking to the City and Board Directors individually. President Crews noted it isn't stated anywhere Don Knight park will remain a park forever, it is a valuable piece of property. And as we continue to develop the Airport, we don't want to do anything to hinder the Airport's growth.

Commissioner Woodruff stated he understood and until that time felt there is going to be a lot of push back if it's closed off to the public without something else happening.

C. Consider approval of proposed land exchange with Safari Investments LLC.

President Crews presented a historical recap of this item.

Discussion regarding sketch, the 3.5 developable acres, and remaining wetlands portion.

President Crews reminded the Board the land exchange was first discussed in 2016, that Staff initiated discussions with Safari Investments, went to the Board with the proposal. The Board referred the request to the Economic Development Committee who met three times to discuss it in March, April and May 2016. Those discussions led to us having the environmental assessment done which showed minimal impacts, fill projections from CPH, as well as appraisals on both parcels. The EDAC recommended that we go to the owner and ask them to fill the site to grade, that we would not consider the exchange unless that was done. We also knew there were contingencies with the FAA and FDOT needing to give approval for the land exchange. The owner was not willing to fill the site, and negotiations stopped in May of 2016. She stressed that this parcel is important to our future development, having control of the parcel to keep someone else from developing on it.

Discussion ensued regarding the amount of developable acreage being 3.55 acres, that the owner had recently spent \$400,000 to have the conversation easement removed by St. Johns Water Management District. and the City of Sanford's partial removal of the resource protection zone. Commissioner Woodruff noted property has recently been re-zoned (to MI-2, Medium Industrial).

President Crews reported that she and George Speake went back to the owner several months ago and asked them to reconsider the request. This was discussed with the Board at last month's meeting, and the property owner has been informed that the Board would consider the land exchange if the appraisals came in at comparable amounts and if the property owner is willing

to bring the lot to grade. President Crews stated she just got the numbers back from Durango, Best and Associates and the valuation given is the same on both parcels, \$1.26 Million. She noted that they are comparable values, and we have an owner who has said that they will bring the site to grade. We have the entrance parcel which is approximately 9.32 acres and our site which was 10.5 acres but has a small section in the Runway Protection Zone (RPZ) that must be removed so it's really 9.7 acres.

President Crews reiterated that in 2016 we did significant due diligence on the site and she is bringing consideration of the land exchange forward for the Board's consideration today. Last month the Board indicated that they wanted her to proceed.

Chairman Slattery requested to see the appraisal upon receipt. The Board requested further information regarding retention, bringing lot up to grade, amount of fill, and specs.

After further discussion the Board agreed subject to the details, we are going in the right direction, and requested a firm deal sheet or letter of intent.

President Crews informed the Board she would send the appraisals to the directors upon receipt and then individual conversations could be held regarding their concerns before the August 13th Board meeting.

Discussion ensued regarding Davis Avenue which runs between the Safari Investment parcel and the SAA's property immediately adjacent to the north. The property owner to the east has gone to the City requesting to use that road for access. Staff has discussed with the owner the possibility of allowing access from Marquette Avenue instead.

D. Status update on Gator Dock & Marine's environmental rehabilitation and related restrictive covenant. Information to be provided by SAA Counsel at meeting.

Brett Renton noted he discussed this item under Counsel's Report.

13. COMMENTS FROM THE PUBLIC

None.

14. OTHER BUSINESS

Board Director Dane inquired if the L3 lease was signed. President Crews updated the Board, she had communication with L3 who is going through a merger with Harris Corp. The lease has been approved but not signed, they weren't sure she would get it back in her possession by the Board meeting. President Crews requested a payment from them as a show of good faith. L3

was cutting checks last week and requested an invoice, as of today's meeting we hadn't received payment. Delay attributed to holiday week, L3 Harris merger. New name will be L3 Harris.

Board Director Robertson inquired if the SAA has ever thought about a walkway from the Airport cell phone lot to the Vigilante Memorial. George Speake responded that Staff has discussed the possibility.

15. REMINDER OF NEXT BOARD MEETING (AUGUST 13, 2019) AND JOINT BOARD MEETING (AUGUST 26, 2019)

16. ADJOURNMENT

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

Respectfully submitted,

Diane H. Crews

Diane H. Crews, President & CEO

/lh