

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
OCTOBER 1, 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
Commissioner Art Woodruff, City Liaison

ABSENT:

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
Danette Maybin, HR Manager
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Jennifer Taylor, Project Coordinator
Rachel Walker, Finance Manager

OTHERS PRESENT: Angela Adams, AWW
Sonya Brauer, South East Ramp
Krysty Carr
Michael Damico, AWW
Brady Lessard, CPH
Jonathan Hand, Atkins
Hilary Maul, Avcon
Genean McKinnon, EHI
Karen McKinnon, CE Avionics
Jeremiah Owens, CPH
Paul Partyka, NAI Realvest
R. Keith Robinson, AWW
Doug Saunders, C & S
Tim Shea, Avcon
Greg Smith, MillionAir

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

Chairman Slattery called the meeting to order at 8:32 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON SEPTEMBER 10, 2019

Motion by Board Director Smith, seconded by Board Director Gregg to approve the Minutes of the Regular Meeting held on September 10, 2019. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. City of Sanford

Commissioner Woodruff updated the Board that the City of Sanford is considering an Economic Incentive Ordinance that would allow them to be more flexible to provide tax rebates. The City would be looking at developments through their Economic Development plan. Expected to be coming online within the next couple of months, this program would assist with hard-to-get-developed or re-developable properties. Commissioner Woodruff noted one example would be the Wells Fargo Building.

Chairman Slattery requested from Commissioner Woodruff an update on his replacement. Commissioner Woodruff reported that the Commission is slated to make board appointments at the October 14th meeting. Chairman Slattery informed Commissioner Woodruff he would be out of the country for the November Board meeting.

B. Seminole County

Chairman Carey updated the Board regarding Wekiva Parkway, completion date slated for September 2022. Commissioner Carey informed the Board there is "Beyond the Ultimate Workshop" scheduled for October 23rd and she will send the notice out to President Crews to distribute to the Board. Central Florida Expressway Authority continues to have conversations with the Governor's office and his team regarding the purchase of 417 by the Expressway Authority from the Turnpike. Chairman Carey stated she just received a copy of a letter from Washington regarding the funding to make the connection from Poinciana

Highway to I-4. She also noted that Seminole County's budget was approved which takes place today without a millage increase.

Board Director Green referenced past conversations regarding the 417 eastside and whether it was worth widening that road. The County was in favor of widening the road, and the other group was against it.

Chairman Carey updated the Board a couple of years ago that was the Turnpike. The Turnpike runs the entire length of the County to Aloma the County line. At that point it becomes the Expressway Authority between Aloma and University exit. The Central Florida Expressway Authority improved the University exit, but the Turnpike was proposing to place express toll lanes in the middle of the Expressway from 434 to the County line. Chairman Carey stated she opposed that idea then because all that traffic would be dumped out at Aloma which is where the bottleneck was anyway and that would help nobody.

Chairman Carey stated it was suggested just paving that section and Seminole County will work with the Turnpike to pave and widen it past University. Our part is under construction right now which is probably causing some of the backup. The Turnpike is looking to widen that section from 434 down to the County line, again if it was under one set of controls and one owner operator it would surely make things a lot easier.

The Turnpike has a new director who came from Sun Rail; she is very familiar with the Expressway Authority, and they have a good relationship with her.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews noted t-shirts and hats were distributed to the Board with our new website "flysfb.com". President Crews updated the Board regarding ongoing construction projects:

- Terminal Expansion project: 58% complete – project on schedule to finish by the end of 2020. Board Director Robertson offered to donate his painting of the PV1 Ventura to the Airport.
- Welcome Center Renovation: 54% complete, estimated completion end of December 2019.
- Taxiway Bravo, Charlie, Lima Rehabilitation: approval of bid award contract is on today's Consent Agenda, Halifax Paving was the lowest apparent bidder. FAA/FDOT Grants to be considered at the November Board meeting. Construction commenced to be determined (tentatively November 2019).

- CBP Repair & Replacement Project: approval expedited for reduction of throughput of passengers to 900 pax per hour. They also approved the implementation of biometric exit. Michael Damico with AWW is here today as he'll be presenting an overview of ParkJockey, the revenue equipment vendor for our parking lots and structure. President Crews requested he also provide an update on the biometric exit.

Chairman Carey inquired if the E-pass exit strategy is part of the overall ParkJockey item. President Crews responded yes, part of the consideration with ParkJockey is that the equipment needs to align with E-pass. President Crews stated the project has been held up getting the contract finalized and on the Consent Agenda today.

Don Poore presented the interim financials. Board Director Green inquired about the Commerce Park \$178,000 below revenue. He acknowledged the L3 True Up, inquired the reason for the revenue shortage.

Don Poore responded there was an adjustment made for Jetezy. We are awaiting a settlement with Jetezy. President Crews added we have several buildings that were previously under the Commerce Park that became aviation use, we budgeted for one type of use and that converted to aviation and will affect those numbers. She stated next year she doesn't believe we would see that.

Lauren Rowe presented the media report: Hurricane Dorian coverage of Air Unlimited teaming up with Advent Health to transport physicians and supplies to Grand Bahama. All the news stations were present when Allegiant made three trips to the Bahamas carrying relief supplies. Lauren Rowe demonstrated the Airport's new look shown in publications with focus on the numerous destinations to which we fly. The Airport is now the official sponsor of Stetson Athletics and Lauren played a promotional video for the Board. The annual report will be distributed at the next Board meeting.

NAI Realvest Paul Partyka distributed a handout with listing activity of the Airport's available parcels. Paul Partyka stated in the last thirty days on the website there were hits at the rate of 100 per day on each of the seven parcels. Discussion regarding whether this information was posted on Airport website. Discussion regarding ability to collect more detailed information and link from Airport homepage to available properties.

Board Director Green requested an update on L3. President Crews updated the Board regarding L3 Harris lease. Robert Luthy has been the

President at our campus, he is taking a promotion and moving to Colorado Springs. He has total confidence in the gentlemen who is taking his place.

President Crews referenced the property, police and fire reports.

President Crews distributed the aerials.

Southern Strategy: President Crews stated Oscar Anderson is not here with us today. Following the last Board meeting they discussed some other projects for grant funding. Oscar shared with us that of the projects approved by the governor he didn't veto anything having to do with water quality. We have our Commerce Park where we need to have drainage addressed, the need for a study and implementation. She stated we have provided the information for the application and Oscar is taking care of that, we've put in for \$750,000. That would be matched with \$250,000 by the Airport. This would be the design as well as the first phase of this project and would get us closer to fulfilling the Zyscovich plan. President Crews stated Oscar is continuing the FAC legislative committee meetings; we know there are several outstanding issues that need a stronger voice, they have a legislative conference coming up at the end of this month, Oscar will be part of that and she is contemplating sending George as well.

President Crews referenced community activity in the Presidents Report. President Crews stated she and George Speake will be leaving for the Allegiant conference directly after today's Board meeting. Thursday they will be participating in a one on one meeting with Allegiant to discuss performance, route changes they are contemplating making and new routes. President Crews noted she wants to increase Allegiant's presence here as a distribution center for their operation and will be talking to them about a new building, they need more space.

President Crews referenced the Boy Scout Invitational Clay Shoot taking place this month, that Frank Ioppolo and former Board Director Henry Bowlin will be attending along with several of our staff. Constant Aviation is holding their inaugural bike rally this month and Board Directors Ioppolo and Smith will be participating. President Crews reminded the Board we are co-hosting the Take Off Conference with AWW which will take place October 27th – 29th at the Westin Lake Mary.

President Crews recognized Tim Shea, AVCON who will be retiring in ten days. President Crews thanked Tim and wished him the very best. Mr. Shea stated on behalf of AVCON it has been a pleasure to serve the Airport.

President Crews updated the Board about an individual who owns property adjacent to Lake Golden and has approached her about

purchasing the property. President Crews distributed property appraiser report, aerial and detailed map. She inquired if the Board was interested in purchasing the property, we would obtain an appraisal, and then be looking for a 50/50 FDOT Grant. The property was purchased in 2017 for \$290,000, they are asking \$355,000. Chairman Slattery inquired if the Board would be interested in pursuing the purchase of the property. After further discussion, it was determined the Board is interested, President Crews will follow through with the appraisal.

Board Director Robertson informed the Board Friday November 1st is the Greater Sanford Chamber of Commerce Golf Tournament to be held at the Debary Golf & Country Club.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding Gator Dock & Marine environmental issue. Chairman Slattery stated the Sunshine Law is very important to the Board and he appreciates Brett as our liaison counseling us and reminding the Board to abide by the Sunshine Law.

8. AIRPORTS WORLDWIDE REPORT

Keith Robinson updated the Board: Elizabeth Brown is in Sweden attending a Conference with Vinci representatives. Passenger count for September is estimated and looking to be slightly below September of last year. September is the shoulder month for domestic and continues to be the one month every year we can't crack a new record. Hurricane Dorian impacted 51 flights. Projecting for calendar 2019 a 6% increase in passengers over 2018.

Air service development: Vinci Airports is representing us at World Roots Conference in Australia, waiting for the final report of that representation.

Thomas Cook used to operate here in Sanford, filed for bankruptcy recently, there has been a lot of media reports. Keith Robinson discussed the relationship Thomas Cook had with TUI.

Parking: starting to plan for the upcoming Thanksgiving and Christmas holiday seasons.

Michael Damico, IT Director for AWW, presented an update regarding purchase of ParkJockey equipment. The biggest goal is revenue, increase efficiency and improve the passenger experience. The software will allow us to accomplish those tasks with better data analytics. They offer an online reservation system, and app in addition to LPR (license plate recognition). This will be a ticketless system, no more jammed or lost tickets.

Payment options: online reservation system and app users can pay ahead of time, easier payment system. The online reservation system can be linked to our website, thru the ParkJockey website and the app. They offer pay by web, accept all forms of credit cards, support Clear biometric technology, and TSA pre-check. Intend to integrate with Clear and E-pass. Central Florida Expressway has been out to our facility to do a complete walk thru with ParkJockey of all our parking areas. In addition to revenue control we are also replacing all the hardware, everything including gate arms, equipment that runs the gate arms to all the backend equipment.

Michael Damico updated the Board regarding installation of biometric exit gates on the five international gates at the Airport.

Discussion regarding ParkJockey implementation during busy holiday season.

Board Director Smith informed the Board when the parking garage entrances were re-formatted, all the concrete that was poured and all the piping is in preparing for this, that was done in advance of that equipment getting here.

Discussion regarding reservation system through ParkJockey and possible future addition of notification signs in the garage which specify available spaces.

9. CHAIRMAN'S REPORT

Chairman Slattery requested Board Director Gregg update the Board on the executive search. Board Director Gregg stated we've gotten strong references on two firms and they have been very responsive. The next step is interviewing those two firms and coming back with the number one pick to recommend to the Board and proceed from there. Chairman Slattery inquired so maybe next month? Board Director Gregg responded yes. Chairman Slattery felt we were still on time.

President Crews referenced back to the AWW report and inquired on the operations activities, that she noticed the installation of the sanitary interceptors was listed as complete and operational. She noted it's not complete, we need the company to go back and add dirt, the grade needs to be shot and fill brought in, they left the manhole covers too high and will be above the pavers. Keith Robinson stated he agreed, and he sent the contractor an email yesterday, the area remains fenced off and the situation will be corrected.

Chairman Slattery inquired if the canopy demolition will be completed soon, it's an eyesore to our passengers. President Crews responded this will be going on for a while it's being done in phases as a minimal impact to our traffic. Lauren Rowe suggested vinyl signage with "pardon our dust" to make it all look nicer.

Chairman Slattery noted as the Chairman you have to work with staff way more then any of the Directors do. Regarding George and Diane, he interacts with them multiple times a month, but he also had a lot of interaction the past two years with Don Poore. Don would give him any report he wanted as fast as he possibly could. Therefore, Tom or whomever is the next Chairman, Don is a huge resource, he has a year left then you've got Rachel and she's also a very smart lady. Chairman Slattery stated there is someone that the Chair really depends on and interacts with a lot and that is Lori, she keeps me straight, she keeps Diane straight, so I just wanted to say "Thank you, Lori" for putting up with me, it's been a pleasure.

10. CONSENT AGENDA

- A. Consider approval the Eighty Addendum to Snack Bar Concession Agreement between Orlando Sanford International, Inc., Sanford Airport Authority and SSP America, Inc. for food and beverage services.
- B. Consider approval of and authorize President to execute contract between the Sanford Airport Authority and Halifax Paving, Inc.
- C. Consider Interlocal Agreement Between Seminole County and the Sanford Airport Authority for CAD System Mobile Services.
- D. Consider approval of Addendum F to Lease No. 2009-28 with GATOR DOCK & MARINE ACQUISITION, LLC for Building No's. 16A-C and 425, located at 2880 S. Mellonville Ave., Sanford, FL 32773. (Commercial).
- E. Consider approval of Addendum D to Lease No. 2015-21 with LEE RICHARDSON for Building No. 520, located 3933 Moores Station Rd., Sanford, FL (Residential).
- F. Consider approval of Addendum B to Lease No. 2017-020 with MICHAEL & BARBARA JO RIVERA for Building No. 302, located at 2836 Aileron Circle, Sanford, FL (Residential).
- G. Consider Sanford Aviation Noise Abatement Committee (SANAC) Appointments.
- H. Consider approval of "Parking Equipment Purchase and Service Agreement" between Orlando Sanford International, Inc. and ParkJockey Miami LLC; and a separate Side Letter Agreement providing for assignment to the SAA.
- I. Consider authorization of President/CEO to issue a Request for Qualification (RFQ) for Professional Airport Engineering Services.

Board Director Smith made a motion, seconded by Board Director Dane to approve Consent Agenda items A-J. Vote taken. None opposed. Motion passed.

President Crews updated the Board, the RFQ for Engineering services typically we have a committee that goes through the submittals and critiques them based on criteria. She stated Board Director Gregg is an engineer and she discussed with him and he is willing to assist us with the RFQ. President

Crews just wanted to make sure that is the will of the Board. This does not require a vote; she is just seeking consensus. Chairman Slattery thanked Board Director Gregg for helping.

11. DISCUSSION AGENDA

A. Consider adoption and approval of resolution 2019-06 Investment Policy for the Sanford Airport Authority.

Chairman Slattery stated as we continue to build our reserves and our finances get even more complicated, we need policies to help not only Don but Rachel, as she steps into that role in the coming years, know how to invest and where to invest. Therefore, Don has been working on this with him for years now and it's finally in a format to present. This is not a finished product and Don has many months ahead of him to add to it.

Don Poore stated we've brought two financial policies forward, and in order to write procedures we need to have policies. The Board gives their direction to the policies. We've put two policies out, investment policy and a reserves policy. The reason we need an investment policy is the State requires us to have an investment policy anytime we have money for investment purposes going into anything other than a bank or local government investment pool. Reserves go hand in hand with this, reserves are those funds that we can use for the investment purpose. We have basically done an arbitrary description of restricted and unrestricted reserves which is what we show you in the financials. One I need to have a reserves policy that says this is what reserves are, this is how much we have there, and this also gives us the ability in regard to services we should have this much in reserves if we don't have the amount that the Board and all of us agree that we should have in there, then it gives us a two year window to get up to that point. And if we can't get there within two years then it goes into the budget cycle and we must put something in place in the budget to build those reserves back up.

Don Poore stated he's looked across the different governments and entities, they are all close to the same, and governed by the GFOA Government Financial Officers Association.

Chairman Slattery specifically brought up a CD type investment policy or vehicle with the banks when your investing large amounts of money over there. There are several other ones out there, but we're trying to stay clear of commercial paper which in 2008 was a problem.

The reserves policy dictates what is reserves, what are pooled resources, how do you go ahead, how do you take care of it if there's excess, how do you take care of it if there's a shortage.

Discussion regarding FAA constraints or requirements that we must follow. Don Poore explained that there are no FAA requirements, they just want us to have a set of financial policies and they want to know what policies we have. We've never had anything structured that we needed to put in place, this is kind of moving ahead and putting some framework moving forward.

President Crews noted that this does not require FAA approval, but the FAA would care if we were building a huge reserve. Don Poore replied they do ask if we have a policy and they would monitor it from time to time if they chose to. President Crews informed the Board the big issue with our investment policy is that we don't constrain ourselves and reduce our fluidity. She stated Don has done a really good job of creating the policy from numerous documents under the advisement of Mark Galvin, so that we are protected.

Don Poore stated that the policy requires us to have a 3-month reserve. In other words, 3 months of operating cost reserved, that's about \$2.7M. And then above that is available for investment, but any investment that goes in place has to be liquid. Part of the investment policy requires him to do a cash flow analysis of when amounts of cash are needed.

Discussion regarding the maximum amount of time you would invest being 5 years, and no more than 20% can be invested for more than thirty-six months to maintain the fluidity. Discussion regarding retaining investment advisor. Discussion regarding Mark Galvin as our investment advisor, Mark Galvin doesn't do investing strategy for us. Discussion regarding whether or not investments come back before the Board for a decision.

Chairman Slattery discussed comfort level the Board would have with Rachel and advisors around her, think about how much control you want, and how much you want to give the CFO and President. Discussion regarding the Board approving the firm, due diligence on the firm itself; from a government standpoint, the audit is the safety, monthly financials and auditors.

President Crews discussed using reserves for replacement which occurs when something happens outside the budget. The Board five years ago had a real concern about reserves because we didn't have adequate reserves, so we worked to build it and we have reserves, but we don't have any formal acknowledgement of a minimum level. This reserve policy establishes a minimum of three months, but we had a subsequent conversation after talking to Tim because we really weren't sure and different places have different amounts, some have three some have six and some had a year. And Tim felt six months is what we should go with.

Chairman Slattery clarified the investment policy basically is an outline for the staff how to invest our excess funds, if you've got a capital project like redoing the curbs and gutters that we introduce in the budget, they need to budget for that and move from reserves or the investment policy to be liquid enough to pay

for what you need. Until you have those projects outlined and costs, then the rest of the money is going to be invested how Don sees fit within the policy. The reserve policy basically dictates you can't touch this money because this is our rainy-day money. Then if you want to put the reserve in for improvements in our industrial park then that's a different line item for the reserve policy.

Discussion regarding insurance policy for dishonesty, fraud at \$500,000, fiduciary responsibility, policy amount seemed low. Don Poore to review policy amount and discussed separation of duties and dual control.

Don Poore discussed intergovernmental investment pool, and Chairman Slattery's concerns that 40% of our funds is in that, they own commercial paper. Chairman Slattery updated the Board regarding commercial paper. Discussion change 40% to 20%, add phase in period, compliance and yearly review.

Brett Renton explained appendix A statutorily says as a municipal government you don't get to invest in private companies. The statute has walked a fine line and said for investment purposes you as a government entity can't invest in anything other than these 5 things, which are relatively safe hence very low return. That's what you are operating under and have been operating under, you can only invest in these four things whether you agree with their investment strategy or not. In order to change it you must by resolution pass your own investment policy and the statute itself says these are your considerations 1-15. And there are several items listed your policy must hit to be compliant with the statute. Without the investment policy you're just stuck on investments that you're in right now. This will open you up to the possibility of being able to invest in a larger scheme of things.

Board Director Ioppolo made a motion, seconded by Board Director Smith to adopt the investment policy as presented with the change on page 13, section K2A, that the maximum not be 40% but 20% of available funds that may be invested in any other of the government investment pools and that staff have a 6 month period to transition wherever they are to full compliance with this policy and that when they are in compliance they certify it to the Board they inform the Board they have achieved that. Vote taken. None opposed. Motion passed.

Board Director Dane made a motion, seconded by Board Director Smith to adopt Resolution 2019-06 and that the Investment Policy attached hereto is adopted by the Authority, and shall take effect within 6 months of the adoption of this policy and staff will certify once this Investment Policy is being complied with. Vote taken. None opposed. Motion passed.

B. Consider adoption and approval of resolution 2019-07 Reserves Policy for the Sanford Airport Authority.

President Crews informed the Board we need to discuss the length the number of months we want the reserves to cover. We're looking at 5M if we increase it to six months roughly. Don Poore clarified 5.5M. President Crews noted 5.5M that will leave us with 1M unrestricted. Board Director Ioppolo stated he would rather use the six months as a goal, so we're not suddenly re-categorizing liquidity into something we can't use. Board Director Smith noted we already have three months reserve as a policy. President Crews replied it's not policy, what's in front of you is three months.

Chairman Slattery responded to Board Director Ioppolo that he's okay with that, this is his pushback to Don. Our concern is our single carrier airport we have such high risk there that he wanted to be able to cover the time it takes to have another carrier backfill if Allegiant ever decided to leave. He said he's saying this on the record, that's his concern. He's okay if we go to three months with working towards six months but the staff couldn't really answer how long it would take to backfill if Allegiant left. That was the risk he was trying to push to cover but he's okay with the goal of getting six months, because 5.5M that's quite a reserve. Obviously, a lot of things change if that does happen, our expenses drastically drop, so he's okay with that suggestion. Board Director Robertson noted we'd still be operating as a GA airport. Board Director Smith inquired would the FAA have a problem if we had 5.5M in reserves. President Crews responded no.

Discussion regarding catastrophic storm deductible. Discussion regarding property interruption, property damage.

Board Director Robertson made a motion, seconded by Board Director Miller to approve the Reserve Policy as Resolution 2019-07, be it resolved by the Governing Board of the Sanford Airport Authority that the Reserves Policy attached hereto is adopted by the Authority, and shall take effect immediately upon its adoption. Vote taken. None opposed. Motion passed.

12. COMMENTS FROM THE PUBLIC

None.

13. OTHER BUSINESS

President Crews notified the Board today is Rachel Walker's Birthday. The Board wished Rachel Happy Birthday.

14. REMINDER OF REGULAR BOARD MEETING ON (NOVEMBER 5, 2019)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO

/lh