

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
JANUARY 7, 2020
8:30 A.M.**

PRESENT: Tom Green, Chairman
Jennifer T. Dane, Vice Chairman
Chick Gregg, Sr., Secretary Treasurer
Kenneth Bentley
Frank S. Ioppolo, Jr.
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Ken Wright, Airport Counsel
Commissioner Brenda Carey, County Liaison

ABSENT: Mayor Jeff Triplett, City 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
Radhika Jablonski, Finance Manager
Al Nygren, Property Manager
Chris Reimer, Staff Accountant
Lauren Rowe, Communications Director
Jennifer Taylor, Project Coordinator

OTHERS PRESENT: Sonya Brauer, South East Ramp
Elizabeth Brown, AWW
Krysty Carr
Kimberly Castro, Amherst Consulting
Mark Galvin, Hilltop Securities
Jabari Mapp, Walbridge
Hilary Maull, Avcon
Genean McKinnon, McKinnon Assoc.
Karen McKinnon, CE Avionics
Yasmin Moreno, CERM
Zach Nelson, McFarland Johnson
Jeremiah Owens, CPH
Bob Turk, City of Sanford Economic Development Dir.

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. PRESENTATION TO TIM SLATTERY

Chairman Green read Resolution 2020-01 in honor of Board Director Tim Slattery who retired from the Board. Chairman Green then presented a challenge coin display case to Board Director Slattery.

4. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON DECEMBER 3, 2019

Motion by Board Director Robertson, seconded by Board Director Smith to approve the Minutes as amended of the Regular Meeting held on December 3, 2019. Vote was taken, none opposed. Motion passed.

5. LIAISON REPORTS

A. City of Sanford

Mayor Triplett was not in attendance.

B. Seminole County

Commissioner Carey wished the Board a Happy New Year. Commissioner Carey updated the Board regarding the passing of Frank Cardinal who was general manager with Turner Construction at the time the Domestic Terminal was built in the late 1990's. Commissioner Carey informed the Board the Small Area Study Kickoff meeting was held, and as was requested by President Crews, she was invited. Commissioner Carey noted she met with President Crews and George Speake yesterday to discuss Red Cleveland Boulevard. Commissioner Carey stated curb cuts and median cuts are checked but I think it is "routine" business, and the only reason this item will be coming before the County Commission is for a joint stormwater pond not the cuts. The curb cuts are approved by Engineering; people make application, then the county engineer reviews

and issues the permit. She noted that there is a meeting on January 21st for further conversation.

Chairman Green also pointed out there is a meeting on January 21st for the stakeholders involved and noted that he will be attending and follow-up with the Board. In the meantime, if there are any questions the Board Directors are to address those to President Crews.

6. COMMENTS FROM THE PUBLIC

None.

7. PRESIDENT'S REPORT

President Crews updated the Board regarding construction projects:

- Terminal expansion: 70% complete, project on schedule.
- Taxiway Bravo, Charlie, Lima Rehabilitation: receipt of FAA grant December 2019, FDOT Grant on January 7 agenda. Construction anticipated to begin February 2020.
- CBP Repair Replacement Project: continues to move forward; conference call scheduled for January 8th with CBP facilities division to review preliminary floor plans.

President Crews noted Paul Partyka is not available today as his mother recently passed away. Oscar Anderson is not available today; the session starts on Tuesday and we will be receiving regular reports throughout that two-month process. Oscar is working hard to secure our \$750,000 request for stormwater improvements.

Don Poore presented the interim financials. Discussion regarding salaries and benefits shortage. This was attributed to needing to properly allocate. Chairman Green inquired of Elizabeth Brown regarding terminal revenues. Elizabeth Brown responded because Thanksgiving fell so late, a lot of the travelers came back through the terminal later in December.

Lauren Rowe presented the marketing report: Holiday events in the terminal included video of local school orchestra and choir performing at the bottom of the escalator, SFB Kiss-cam which included decorative arch with mistletoe at the gates for photo opportunities. Coming soon travel quiz with the Orlando Sentinel featuring our destinations; artwork was shown to the Board and Lauren noted this quiz will be on all social media. Daytona International Speedway advertisement expected to be finalized in the next week. Looking to promote the Olympics with a Telemundo sponsorship.

Lauren Rowe noted Josh Nolette, with AWW, and a professional photographer/videographer on the side, has been instrumental to the marketing team.

George Speake presented an update on Aviation Day: Event is January 25th from 9 a.m.–2 p.m. The Board Directors, City and County Commissioners will be emailed an invitation with VIP pass and parking instructions. The Air Force is bringing a KC-135 and C-17. The Coast Guard is hoping to bring a C-130 and A-60 helicopter. Allegiant will have an aircraft.

President Crews referenced the police and fire reports, plus the calendar/community involvement.

President Crews requested scheduling a tour of the Terminal Expansion Project for the Board Directors at the conclusion of the February 4th Board meeting.

President Crews distributed the aerials.

8. COUNSEL'S REPORT

Brett Renton updated the Board regarding: Gator Dock and Marine, and GOAA trademark dispute.

9. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board: full year results 3,288,298 passengers, up 6% over 2018, noting that the airport achieved 3M passengers in November 2019. Parking over the Christmas period: 3,837 vehicles on December 26th peak overflow lot saw 1,702 vehicles that day.

Industry news: oil price has increased due to political tensions in the Middle East potentially affecting fares and margins airlines operate on. Sun Country is now moving cargo for Amazon; they will be leasing some aircraft and are based out of Minneapolis. Boeing 737 Max: CEO of Boeing has resigned, new CEO looking to repair their relationship with the FAA and get their aircraft flying again. The 737 Max needs a software fix and it needs to be approved by the FAA, they will also have to look at how to train the pilots on the software. Boeing has taken the decision to halt production of the 737 Max. Many airlines are starting to go into contract talks with their pilots, there is a lot of pressure on a pilot shortage in the US putting pilots in a pretty strong position when it comes to talking with airlines regarding their position entering the bargaining contract. Contract talks will include Delta, United, American, Alaska, Southwest, Sun Country and Allegiant will also start looking at their existing contract with pilots in 2021. Allegiant was the number one airline in terms of operating margin.

Air Service Development: very slow month as everyone goes on vacation. Met with TUI regarding operations for this coming year and the following year, talking about increased service coming from UK adding 20,000 passengers this year. Also discussed commencement of TUI's Air-Sea operation where they will homeport a cruise ship at Port Canaveral in 2021; we will be seeing as many as four additional 787's on the ground some days, arriving every 30 minutes and the potential to see seven 787's on the ground at one time. Elizabeth Brown emphasized we have two years to make sure that TUI knows we're the best airport for their operation.

Elizabeth Brown stated they are looking forward to the Board to Board meeting and appreciate the patience of the SAA Board Directors as we have gone through the transition and acquisition by VINCI Airports. She noted that as part of the contract, they will discuss strategies and how their company will support the SAA. Elizabeth Brown noted she and Keith Robinson sit on the VINCI Board with three VINCI members. At Friday's meeting, they will be presenting the Strategic Plan for the next five years. After the Board meeting, there will be a working session with the management team and SAA Chairman.

President Crews reminded everyone the Board to Board meeting will take place in the Boardroom.

10. CHAIRMAN'S REPORT

Chairman Green encouraged the Board Directors to come with questions to the Board to Board meeting. This is a great opportunity to meet the VINCI representatives. Chairman Green updated the Board that Krysty Carr was appointed Chairman of SANAC and explained that this appointment does not require a vote by the Board. Chairman Green thanked Krysty Carr for serving in the role of Chairman.

Chairman Green requested of Board Director Gregg that he present an update regarding the executive search firm.

Board Director Gregg stated he, President Crews and HR Director Danette Maybin had a conference call with Grice to discuss his attending the February 4 Board meeting and the timeline. Board Director Gregg inquired of the Board if they want to have individual interviews with each candidate. Discussion ensued regarding having the interviews in the context of a Board meeting or individually with each Board Director. President Crews informed the Board that Grice doesn't generally attend the final meeting, but he can be present if requested. Discussion regarding Grice's process. Discussion ensued among the Board Directors regarding candidate interviews and the consensus of the Board was to hold individual interviews.

11. CONSENT AGENDA

- A. Consider Sanford Aviation Noise Abatement Committee SANAC appointment.
- B. Consider approval of Addendum B to lease No. 2017-038 with AIRLINE TRAINING AND LEASING CORP., for Building No. 149, located at 1673 Hangar Red. (Commercial).
- C. Consider approval of Addendum Q to Lease No. 2003-01 with DONALD AND LAURA NOLETTE FOR Building No. 299, located at 3114 Rudder Cr., (Residential).
- D. Consider approval of Addendum C to Lease No. 2017-002 with CHRISTOPHER & MARY MURRAY for Building No. 298N, located at 3105 Rudder Cr., Sanford (Residential).
- E. Consider approval of Addendum A to Lease No. 2014-25 with TRINITY TECHNOLOGY GROUP, INC. for Building No. 255-E, located at 1725 Hangar Road, Sanford, FL 32773
- F. Consider approval and authorization to execute FDOT Public Transportation supplemental joint participation agreement for FM#437713-1-94-02 and Resolution Number 2020-02 for the Terminal Expansion Project.
- G. Consider approval and authorization to execute FDOT Public Transportation supplemental joint participation agreement for FM#442489-1-94-01 and Resolution Number 2020-03 for the Rehabilitation of TWY Bravo, Charlie and Lima Phase I.

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

12. DISCUSSION AGENDA

- A. Consider approval of a \$995,798 addition to the Terminal Expansion Project extending the terminal canopy to include the Federal Inspection Services (FIS) area.

President Crews stated this item is to consider adding a canopy in the area of inspection services in front of the terminal. This area is the only area that doesn't have the addition of the canopy in the terminal expansion plans. This was talked about earlier on during the planning. President Crews noted a cost estimate from the contractor was distributed to the Board. This cost estimate is a not to exceed amount and that is explained in the memo from CPH that was distributed today. Jeremiah Owens is present today and can address it more specifically. She noted that now we are into the project looking at how the terminal is going to be used in the future and how it's being used now, the idea of having the additional cover all the way along the front of the terminal is something we consider to be highly desirable from an Airport perspective for our passengers. Board Director Smith has been in on these conversations as

well. She stated her memo did not explain the not to exceed amount and asked Jeremiah to explain to the Board.

Jeremiah Owens, CPH explained that if the Board agrees to move forward with this aspect of the job, the contractor will do exploratory demolition; some of the challenges they've had when tying into the old building is none of the old drawings match, and the only way you can find out what's in the wall is to tear the wall out. He noted that exploratory demo will aid with the plans being produced. Once the plans are produced with that information, CPH will give to Walbridge who will obtain updated pricing.

If the pricing comes back with a number they don't agree with, they still have a set of plans that have been generated based off the best information for future consideration. Or if the pricing number looks good the recommendation will be made to move forward. The number in his memo is based on a general square foot number of 6,000 sq. ft. of canopy. Their number is roughly \$166 per sq. ft. which seems high, and he believes they've included a lot of contingency. Their subs have had some challenges when they start tearing into this building.

President Crews stated this is 100% eligible under the PFC application and we do not have to go back and seek an amendment because we haven't reached that threshold amount.

Board Director Smith noted we discuss this at our construction meetings every week, and Walbridge and CPH have done a fantastic job on change orders for this project. He explained that you would have about a \$5M contingency and we're at half a million dollars on the job right now. Everybody has done a fantastic job and is very cost conscious.

Discussion regarding this being something contemplated prior and yet held back because of the overall cost of the terminal expansion. Discussion this was not part of the original design. Discussion cost of the drawings. Discussion PFC's are reimbursable.

Board Director Robertson made a motion, seconded by Board Director Dane to approve the \$995,798 addition to the Terminal Expansion Project extending the terminal canopy to include the Federal Inspection Services (FIS) area. Vote taken. None opposed. Motion passed.

13. COMMENTS FROM THE PUBLIC

Tim Slattery noted the Airport is doing fantastic right now, the economy is doing fantastic right now and you're sitting on some debt that you need to turn into a permanent loan. He stated the banks and the banking environment is highly competitive right now and he encouraged the Board to secure a permanent loan this year before things change for either the economy or this Airport. It's a

great time to go out there to the market and find the permanent financing that you still need for this huge expansion. He spoke with Mark Galvin and felt sure that Don and Mark are on top of this. There are multiple ways for you to serve our financial future right now rather than waste it.

14. OTHER BUSINESS

None.

15. REMINDER OF REGULAR BOARD MEETING ON (FEBRUARY 4, 2020)

16. ADJOURN FOR EXECUTIVE SESSION – SAA vs 3M COMPANY Etal

The regular meeting was adjourned at 9:32 a.m. for the Executive Session.

17. RECONVENE SAA REGULAR BOARD MEETING

The regular meeting reconvened at 10:45 a.m.

Board Director Robertson requested an update on the City of Sanford's requirement that Board Directors attend an ethics session each year in person.

Brett Renton updated the Board regarding the City's ethics requirement and stated he and Ken Wright will meet with Lonnie Groot the City Attorney to further discuss the matter.

18. ADJOURN SAA REGULAR BOARD MEETING

There being no further business, the regular meeting was adjourned at 10:48 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO

/lh