

**MINUTES OF THE REGULAR MEETING OF THE  
SANFORD AIRPORT AUTHORITY  
JUNE 2, 2020  
8:30 A.M.**

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**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

**ABSENT:** Commissioner Brenda Carey, County Liaison  
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  
Danette Maybin, HR Manager  
Angel Nieves, Receptionist  
Al Nygren, Property Manager  
Lauren Rowe, Communications Director  
Julie Sawyer, Executive Assistant  
Rick Shea, Director Airport Operations  
Jason Shippell, ARFF Chief  
Jennifer Taylor, Contract Administrator

**OTHERS PRESENT:** Oscar Anderson, The Southern Group  
John Baer, CPH  
Sonya Brauer, South East Ramp  
Elizabeth Brown, OSI  
Kevin Dillon, Constant Aviation  
Jonathan Hand, Atkins  
Hilary Maul, Avcon  
Genean McKinnon  
Jeremiah Owens, CPH  
Paul Partyka, NAI Realvest  
Keith Robinson, OSI  
Tim Shea, Avcon  
Sandeep Singh, Avcon

**Greg Smith Million Air  
Michelle Tatom, Rhodes Brito  
Bob Turk, City of Sanford Economic Dev. Dir.  
Grice Whitley, Grice Group**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND OVERVIEW OF MEETING FORMAT

The meeting was called to order at 8:32 a.m. followed by the Pledge of Allegiance.

The meeting was conducted through UberConference. Chairman Green presented an Overview of the Meeting Format. Chairman Green noted for the public record no public comment regarding today's meeting had been received by Lori Hunt. Chairman Green stated roll call attendance of the Board and roll call for all motions would be conducted under this format.

Lori Hunt conducted the roll call of Board Directors, all were present.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON MAY 5, 2020 AND MINUTES OF THE SPECIAL CALLED MEETING HELD ON MAY 20, 2020

Board Director Smith made a motion, seconded by Board Director Gregg to approve the Minutes of the Regular Meeting held on May 5, 2020 and Minutes of the Special Called Meeting held on May 20, 2020. Roll call vote taken. None opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

Commissioner Carey was not in attendance.

B. City of Sanford

Mayor Triplett was not in attendance.

5. COMMENTS FROM THE PUBLIC

Chairman Green inquired of Lori were there any comments from the public at this time. Lori responded none.

## 6. PRESIDENT'S REPORT

President Crews referenced the cash relief measures for some of our concessionaires and aviation tenants the Board approved in recent meetings. The idea was to further assess the situation and come back at this meeting if there were additional measures needed because the measures that we took were to abate April and May, and in the case of Allegiant it was the months of March, April and May. After discussions with executive staff, OSI-Elizabeth and Keith, they agreed to wait until July to bring that forward to determine if anything else is needed or make a recommendation. More time is needed to assess this situation, especially given the fact that we are recovering nicely and seeing more flights in the terminal.

President Crews updated the Board regarding construction projects:

- Terminal expansion: 84% complete, project on time and on schedule.
- Taxiway Bravo, Charlie, Lima Rehabilitation: 50% complete, project on schedule, anticipated completion is September 18, 2020.
- CBP Repair/Replacement Project: 15% plans have been completed, sent for comments, received comments back again from CBP facilities, more coordination necessary and changes to be made. CPH believes the 30% package will go out in 60 days due to the level of detail. Current estimate \$13M.

Don Poore presented the interim financials.

Lauren Rowe updated the Board: New signage in the terminal highlighting Safer Faster Better, social distancing and free masks. Today shooting video of new parking system for a news release. The new parking system is safer, no tickets, money exchange or attendant. Lauren is working along with George Speake to obtain historical material for the shelving under the PV-1 and videos to be displayed on the screen, prepping for unveiling in August of the PV-1.

President Crews referenced the recent OBJ article regarding layoffs of personnel. She noted it was very important to make a distinction between OSI Inc. and the SAA/Orlando Sanford International Airport especially because we have a grant that is tied to maintaining our workforce and we have never considered laying off anyone and still don't plan to even beyond December. Chairman Green clarified for the Board Directors an article in the Orlando Business Journal came out yesterday and it was about OSI. President Crews referenced another OBJ report on Doing Business in Seminole County saying it was a very positive article about the Orlando Sanford International Airport titled "Skies the Limit for Sanford's Air Hub Post Pandemic". Lori will send a copy of the article to the Board. George Speake clarified regarding the OSI Inc. article, that they are the ground handling company which in many cases at an airport, the airline provides the ground handling and they would have dealt with those employee layoffs and furloughs.

President Crews updated the Board that the previously approved facial coverings are being handed out by OSI to our passengers at the gates and ticket counter, and the Airport's intercom announcements encourage this. She noted that we received notification last night from the FAA that FEMA is now going to provide all commercial service airports with reusable facial masks for their passengers.

Paul Partyka updated the Board regarding: Gator Dock and Marine, Synergy Wood and American Building Supply. No terminations of lease. Renewing Florida Clay and Win4Autism.

Oscar Anderson updated the Board regarding: Legislative Update, State of Florida Cares Act Funding, potential DOT monies available, and Special Session for Budget, Business Liability Issue. George Speake inquired about House Bill 915. Oscar briefed the Board on House Bill 915.

George Speake updated the Board regarding: Passenger traffic nationwide update yesterday we were 353,000, down 85% from the previous year.

Lockheed Martin Air Show update: Air Show still scheduled, everyone including Lockheed Martin is still involved and excited about it and ready to get back in to some heavy planning stages. Today, Lockheed's Martin Executive VP, one of seven, is being briefed on the air show to discuss social distancing. Bryan Lilley and George have been talking about how to expand the area the crowd will be able to stand in for social distancing that can be put in place if needed at that time. The Thunderbirds will not be on view right in front of the crowd as we had intended, part of that is because they aren't doing autograph sessions, that opens up that area to accommodate additional patrons. Thursday night's Lockheed Martin company event will have reduced participation. The military hasn't been able to do as many air shows as they would in other years, therefore we're getting extra aircraft: F22, F35 and Thunderbirds. The VIP chalets typically would be 20 x 20 tents instead will be 20 x 30. Totally cashless event put in place for food vendors and anyone else doing vending they will have squares setup for everybody and go through a master concession provider. Producer had to cancel 3 airshows so far this year, New York show still planned it will be only the 2<sup>nd</sup> of the year for them. President Crews stated she discussed with Norton Bonaparte, City Manager Sanford, that coming out of the pandemic, this will really give people something to look forward to, and that things like this are patriotic.

President Crews referenced Police, Fire and Property Report. She referenced the COVID-19 report prepared by Chief Fuehrer which is very informative. President Crews updated the Board FDOT has been in close communication with all Florida airports and they have been a tremendous partner. FDOT Secretary Kevin Thibault will be meeting with President Crews, her Executive Staff and Elizabeth Brown at the Airport on June 12<sup>th</sup>, Chairman Green will be at the meeting as well.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding: GOAA, and Hertz Bankruptcy filing.

8. ORLANDO SANFORD INTERNATIONAL, INC. REPORT

Elizabeth Brown updated the Board May passenger count 58,179, starting to see recovery. Uptick in passengers began the week before Memorial Day. Exceeded conservative forecast for May. Looking forward, June bookings are ahead of forecast, seeing an uptick in bookings for July. Big announcements of re-opening of theme parks in June and July had a marked impact on bookings for Allegiant.

Operations update: installation of new parking equipment license plate readers into all parking lots are installed apart from the garage. This is a touchless system app based, online payments. Marketing department developing a program to promote the system. Update on layoffs April 30<sup>th</sup> ground handling side of business due to lack of airline movement as a private management company they were not eligible for any federal grants coming out of the Care's Act Grant funding. With increased traffic starting to recall 1/3 employees by the end of May and will continue to recall as demand increases moving forward. Stepped up terminal cleaning deep cleaning, extra cleaning and sanitizing overnight, recalled janitorial staff to keep up and ended up adding more janitorial staff to meet demands of new requirements.

Hertz bankruptcy protection filed is only in the US. This involves Hertz, Dollar and Thrifty, they all continue to operate and serve our customers, and this could take up to two years to come out of bankruptcy filing. SSP has continued to operate food services in the terminal building. Hudson opened their retail location whenever there is enough demand. Expect going forward some commercial partners will continue to struggle they cut capital investment funds for this year and going into 2021. Clear channel has expressed that to us already that will also impede our ability to apply on any RFP's being put up on the market. Most airports are reconsidering any RFP opportunities they have in the short term, you want to really have your airport in a strong position for foot traffic when you're putting any opportunity out in the market. Terminal commercial redevelopment recasting and working with SAA management team to take a look at what that timing will be for those opportunities identified when we presented the strategic plan to the Board earlier this year and recasting some of those timelines to make sure the airport is in the strongest and best position.

Industry update: bankruptcies of some well-known airlines Avianca and LATAM. Avianca will probably completely disappear, LATAM will reorganize. Camay, another South American Airline, is being fully liquidated. Thai Airways, Virgin Australia, South African Airlines airways have all disappeared and gone bankrupt. TUI continues to perform and do well, they were able to get some funding from the German government. They are already doing bookings for 2021 looking forward to their return, we aren't expecting them to return this

year unless something changes with the limitations on international travel. In the U.S., the top nine airlines suffered over \$3B of losses combined which is a -9% operating margin in the first quarter. Update regarding layoffs from major airlines. Airlines coming back expected to be smaller, decline in demand. Allegiant is a leisure carrier that flies point to point to a lot of secondary markets where they are a unique airline in those markets, they also fly to many origin cities that did not have hot spots for the COVID-19 virus so we feel they will recover more quickly from those areas. We think leisure travel will recover more quickly, most companies have completely cut their business travel budget between now and the end of the year.

President Crews noted she and Elizabeth discussed yesterday, load factors on average are up to about 50%. Elizabeth replied that is correct, certainly on Thursday, Friday, Sunday, and Monday continue to be strong days. Allegiant isn't really flying on Tuesday and hardly at all on Wednesday; load factors increase next month.

President Crews noted the other thing they discussed is there is a potential change in the future of Starbucks here and she asked Elizabeth to brief the Board. Elizabeth stated Starbucks is held thru HMS Host and they are changing their relationship with Starbucks, they will no longer have exclusivity to offer Starbucks services. There are other airport food and beverage partners that now have an arrangement with Starbucks to offer their services. HMS did close it's Starbucks in concert with the crisis and they have indicated difficulty in possibly re-opening. We are working together with HMS Host. They do have 5-6 years left on the contract and we are trying to understand if they want to re-open under a different brand or if this is something they might try to sell their contract to another operator that is likely to operate Starbucks. An update will be provided in July. Also looking at ways for them to open at least a post security location because it's a very important offer for our passengers.

Discussion regarding airlines filing bankruptcy and stopping service going forward will that help with the shortage of planes for the airlines that may want to expand or startup. Discussion there will be more aircraft available in the market that will be more reasonably priced and helpful for new startups and airlines looking to outbid or increase their fleet. Discussion retirement of MD80's, 747 and A380's. Discussion 737Max problematic to the airlines who have them on order, are committed to them and they still aren't flying. Discussion shuffle of fleets, shrink total capacity, need for lower airfares to stimulate travel in the short time.

## 9. CHAIRMAN'S REPORT

Chairman Green noted Budget Work Session immediately following the Board meeting. He referenced the high-level budget packet the Board should have received. Chairman Green updated the Board regarding President's Search, and thanked Danette, Grice and Diane.

Six outstanding qualified candidates, Board received comprehensive packet and summary from Grice. If there are any questions, reach out to Grice. Chairman Green discussed the process for the upcoming interviews June 4<sup>th</sup> & 5<sup>th</sup> at the Altamonte Hilton. Board members will have a one-page summary and sample questions, the questions are a guide to stimulate questions as you go through the process. At the end of the interviews we would like each Board member to rate the candidates from 1-6 with 1 being the best candidate in your opinion and 2 being second best all the way to the 6<sup>th</sup> being the least best. The rating summary is to be provided to Brett and Ken from Shutts. Brett and Ken will summarize this information and send an email out later Friday or early Saturday. We want to be sensitive informing the candidates that didn't make the cut before they hear it so we've got sensitivities with Grice and the process with the 3 finalists. Brett and Ken, who are not part of the Airport Staff, are not part of the Board, they are our counsel, again this is to maintain the integrity of the process. They are going to review those and come up with the three finalists; in the event the 3<sup>rd</sup> is tied with the 4<sup>th</sup>, there will be 4 finalists. Those 3 finalists will become public at some point, not right away. The Board members have from the time the top 3 finalist list comes out and the 16<sup>th</sup> to evaluate the 3 finalists prior to the special meeting. If there is any more information needed, the Board Directors can converse with Grice to get additional information.

At the Special Meeting on June 16<sup>th</sup> he is pushing to do that meeting in person. It's too important for the Board, it's our biggest job to select a President & CEO, to not do it in person. Staff is working together to figure out the Covid distancing in coordination with our Sunshine requirements. Understanding there are special circumstances, if there is anyone who doesn't want to get into that environment, we can set them up to call in. At the meeting when we are together, he suggested we review each of the three finalists one by one. He will call on each Board member and give them the opportunity to comment or not on each of the three candidates. At the conclusion of the candidate individual comments reviews, he will ask that the Board move into discussion and then we can proceed into selecting our next President.

Discussion regarding the sample questions from Grice. The questions are meant to stimulate the Board members when they get in their interviews.

Chairman Green requested counsel review the June 16<sup>th</sup> meeting format because of social distancing.

Brett Renton discussed social distancing protocol, the Governors Executive Order as it relates to Public meetings, procedure to make public comments to the Board. President Crews noted Board members, herself and if the Mayor or Commissioner Carey attend, they would be seated at the tables; staff would attend virtually which would increase the number of seats available for the public.

## 10. CONSENT AGENDA

- A. Consider approval of Lease No. 2009-12 with FLORIDA CLAY ART, CO. for Building & Land No. 256, located at 1645 Hangar Road. (Commercial Bldg. & Land).
- B. Consider approval of Lease No. 2019-017 with AVIONICS TECHNICIAN ASSOCIATION OF ORLANDO for Building No. 132, located at 2805 Carrier Ave. (Aviation Bldg.)
- C. Consider approval of Lease No. 2019-014 with AVOCET CAPITAL, LLC for Building No. 515-2, located at 2842 S. Mellonville Ave. (Aviation Bldg.).
- D. Consider approval of Lease No. 2015-014 with AVOCET PART TRADING, LLC for Building No. 2015-014 with AVOCET PART TRADING, LLC for Building No. 415, located at 3015 Carrier Ave. (Aviation Bldg.)
- E. Consider approval of Addendum F to Lease No. 2001-05 with HAZARD SERVICES INTERNATIONAL, INC. for 1250 sf of bunker 60 & 43,560 sf of adjacent land (Airfield).
- F. Consider and authorize the disposal of vehicles and equipment that have economically exceeded their useful life.
- G. Consider approval of Lease No. 2020-015 with CANDACE ROZZO for Building No. 303, located at 2850 Aileron Circle (Residential).

Board Director Smith made a motion, seconded by Board Director Gregg to approve Consent Agenda Items A-G. Roll call vote taken. None opposed. Motion passed.

## 11. DISCUSSION AGENDA

- A. Approval and authorization to execute FDOT PTGA FM#437713-2-94-01 Amendment for the Design and Construction of the FIS Improvements Resolution No. 2020-04.

President Crews noted on the President's Report she referenced the FIS that is operated by CBP at the Airport that this first discussion item is related to that. This is an amendment to an existing grant for design and construction of the repair and replacement project that we are being mandated to conduct of the FIS area. President Crews presented the history of this item and timeline. Today the amendment is to the \$499,000 FDOT grant increasing it to \$2,652,327; the amended amount is \$2,153,327 and this would be a matching 50/50 grant from the FDOT for the FIS Repair and Replacement project. The Airport would have to match that with another \$2,153,327. We are in discussions with OSI and we have been in discussion with them about their responsibility in this situation. This needs to go to their Board; Elizabeth is in the process of setting up a meeting to discuss this as well as the next item on the discussion agenda. We do not want to lose this opportunity, accepting this grant, signing the resolution, and sending this all to the FDOT signed and sealed will not commit us to exercising the grant. There is a potential we could turn the money back in to the FDOT, although we don't like to turn grant money back in to the State or Federal agencies. This will get our project started, it's a mandated project, it has to be done.

Discussion regarding the original estimate \$20M range. Discussed scope of work reduced, estimate \$13M. George Speake noted anytime your doing a project like this when you're in design and you're doing an estimate off 15% plans, there are additional savings coming. We just can't quantify them yet, but we expect that number to go down. President Crews replied she hasn't looked at the scope breakdown of that \$13M which she should be receiving, and she will be sitting down with Elizabeth whose concerns are more over the scope of the project. President Crews also noted none of the money includes furnishings, although the CBP has come back and said that furnishings are our responsibilities as well.

Discussion regarding potential for 100% funding from the State. TUI not coming back is a real issue, everyone is dealing with these types of issues around the country, we are not the only FIS experiencing little to no activity right now.

Board Director Smith made a motion, seconded by Board Director Simmons to approve, and authorize to execute FDOT PTGA FM#437713-2-94-01 amendment for the Design and Construction of the FIS Improvements and Resolution No. 2020-04. Roll call vote taken. None opposed. Motion passed.

- B. Approval and authorization to execute FDOT Public Transportation Joint Participation Agreement for FM#437713-3 for Terminal Renovations and Resolution No. 2020-05.

President Crews noted this is another FDOT grant, new not an amendment, for \$200,000, a 50/50 grant and we supply the matching \$200,000 for new tile flooring in bag claim 1 & 2 areas. This was not included in the terminal expansion, as well as some pavers that would be outside on the west side of the terminal building. The tile flooring came to light months ago when we had to remove some existing rubber flooring to do some exploratory work due to water seeping below the surface. We were able to find what we believe was the issue, at that time we addressed the flooring because the blue flooring down there has never presented well, didn't hold up the way the manufacturer said it would. From a maintenance standpoint it is very high maintenance and we see the beautiful tile that we installed that's lower maintenance and will hold up for years to come. She talked to OSI about them paying for that as part of their obligation to do capital improvements and this was long before the pandemic occurred. Elizabeth at that time did get approval from her Board to proceed with the tile then the pandemic occurred. Additionally, across the central walkway from bag claims 1 & 2 there is old fake wood parquet flooring, it's a seating area and was the same wood that was used over in the Welcome Center. Elizabeth was going to seek approval for that inclusion and then the pandemic occurred. OSI's expenditures got placed on hold like everybody else's did, she needs to go back to her Board.

The \$400,000 expenditure of which \$200,000 is covered by an FDOT grant is something of a swag. The tile itself was just under \$200,000 it's coming from Italy, there is an increased cost, so we added a 20% contingency. The pavers are probably more like \$12,000. This is well cushioned, but we wanted to make sure we had enough funding. Elizabeth will be meeting with her Board to address whether they will cover this expense but again we need to go ahead and decide about doing this or not. It is her recommendation that we move forward with that.

Board Director Robertson made a motion, seconded by Board Director Dane to approve and authorization to execute FDOT Public Transportation Joint Participation Agreement for FM# 437713-3 for Terminal Renovations and Resolution No. 2020-05. Roll call vote taken. None opposed. Board Director Smith in abstention. Motion passed.

12. COMMENTS FROM THE PUBLIC

Chairman Green inquired of Lori were there any comments from the public at this time. Lori responded none.

13. OTHER BUSINESS

Board Director Robertson inquired what the City of Sanford is doing to prepare for the rioting. President Crews updated the Board our Police Chief has been in regular communication with other law enforcement agencies in Seminole County including the City of Sanford, we are on top of this. President Crews suggested this is a discussion that should be held with individual Board Directors.

14. REMINDER OF THE NEXT SPECIAL CALLED MEETING ON (JUNE 16, 2020) AND THE REGULAR BOARD MEETING ON (JULY 7, 2020)

15. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 10:09 a.m.

Respectfully submitted,

*Diane H. Crews*

Diane H. Crews, President & CEO

/lh