

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
MARCH 2, 2021
8:30 A.M.**

PRESENT: Jennifer T. Dane, Vice Chairman
Clyde H. Robertson, Jr., Secretary/Treasurer
Kenneth Bentley
Chick Gregg, Sr.
Frank S. Ioppolo, Jr.
William R. Miller
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison
Commissioner Jay Zembower, County Liaison (arrived 8:37 a.m.)

ABSENT: Tom Green, Chairman

STAFF PRESENT: Tom Nolan, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Don Degraw, Maintenance Director
Tom Fuehrer, SAPD Chief
Tommy Gentry, IT Director
Lori Hunt, Executive Assistant
Lauren Rowe, Communications Director
Jason Shippell, ARFF Chief
Jennifer Taylor, Project Coordinator

STAFF APPEARED TELEPHONICALLY: Marc Gilotti, SAPD Captain
Radhika Jablonski, Finance Manager
Katee Mathis, Staff Accountant
Danette Maybin, Human Resources Director
Angel Nieves, Receptionist
Al Nygren, Property Manager
Julie Sawyer, Executive Assistant
Michelle Telfair, Leasing Manager
Tiffany Vincent, Communications Manager

OTHERS PRESENT: Ken Artin, Bryant Miller Olive, P.A.
Elizabeth Brown, OSI
Mark Galvin, Hilltop Securities
Jonathan Hand, Atkins
Genean McKinnon
Jeremiah Owens, CPH
Sandeep Singh, AVCON
Keith Robinson, OSI

OTHERS APPEARED: Sonya Brauer, South East Ramp
TELEPHONICALLY Jonathan Hand, ATKINS
Tim Shea, AVCON
Gregg Smith, Million Air

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

Vice Chairman Dane called the meeting to order at 8:30 a.m. followed by the Pledge of Allegiance, meeting was conducted via UberConference, and in person with social distancing measures. Vice Chairman Dane took a moment to acknowledge the passing of former Mayor Jeff Triplett followed by a moment of silence. Vice Chairman Dane noted for the public record no public comment regarding today's meeting had been received.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 2, 2021 AND MINUTES OF THE WORKSHOP MEETING HELD ON FEBRUARY 2, 2021

Motion by Board Director Smith, seconded by Board Director Simmons to approve the Minutes of the Regular Meeting held on February 2, 2021 and Minutes of the Workshop Meeting held on February 2, 2021. Elizabeth Brown, OSI President noted corrections to her presentation in the minutes of the regular minutes. Board Director Smith amended his motion, seconded by Board Director Simmons to approve the amended minutes. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

County Liaison Commissioner Zembower updated the Board at next month's meeting a presentation of the Lake Mary Boulevard roadway enhancements will be provided. Looking to partner with the Airport, City of Sanford, and private property owners on maintenance for long term care of the enhancements. Commissioner Zembower presented an updated COVID report distributing 175,000 doses of vaccine. New priority group includes long term care facility residents & staff, persons 65 in age and older, healthcare personnel with direct patient contact, K12 school employees sworn officers and firefighters age 50 and above. Administered 55,862 vaccines. Seminole County leads the state in bringing vaccine to all communities. Reference to Citizens Hotline information number: 407-665-0000 operational 0800-1700 Monday through Friday, also Seminole.org for additional information.

Board Director Simmons noted the Oviedo Center is doing an excellent job. Board Director Bentley thanked Commissioner Zembower for providing services to the Goldsboro and Midway communities the sites were within walking distance to those communities.

B. City of Sanford

Mayor Woodruff thanked the Board acknowledgement of passing of Mayor Triplett, that the new Community Center on Mellonville Avenue will be named after him. The City is forming an Equity Commission. Seminole Boulevard has been re-opened from downtown Sanford to I-4, referenced the proposed Fire Station Lease.

Board Director Robertson inquired the status of the Mayfair Inn project. Mayor Woodruff replied is a delayed project the project became more expensive than envisioned.

5. COMMENTS FROM THE PUBLIC

Vice Chairman Dane determined there were no requests for comments from the public at this time.

6. PRESIDENT'S REPORT

President Nolan referenced the power point presentation shown on the wall screen for everyone in attendance on the following topics.

CBP FIS Facility Renovation: 90% plans are under review by CPB. Scheduling a room by room review with CBP soon. Discussions have continued and progressed recently in the proposed phasing and construction timing.

Taxiway B, C & L Reconstruction Project: phase II continues.

Terminal Expansion Project power point presentation from Board Director Smith, Board liaison, Jeremy Owens, CPH and Jennifer Taylor, SAA Project Coordinator. The financial evolution and status of the project explaining with a breakdown of original contract and change orders and budget to date.

Commissioner Zembower noted County recipient of additional CARES funding and would like to continue discussions with Airport about economic incentives to help attract new airlines.

Vice Chairman Dane requested a tour of the terminal be scheduled for the Board after next month's meeting.

Elizabeth Brown, President OSI Inc. introduced new Air Service Marketing Analyst to be focused on analysis. Elizabeth referenced power point slides on the wall screen and provided a report to the Board regarding:

- Performance – Passengers: February 124,100 down 50%
- Performance – ATMs: down 24% from last February

- Performance – rolling 12 months
- Vaccination calendar within VINCI Airports Network
- Worldwide recovery expected 2nd half of 2023
- ACI Airports Health Accreditation Program Certificate granted
- Social Media/Marketing: Allegiant announced limited-service flight from SFB to Rapid City Regional Airport for the 2021 Sturgis Bike Rally August 5-15, social media highlight of Black History Month.

Discussion regarding rebound of traffic below estimates, attributed to consumer confidence travel. Elizabeth noted Allegiant is doing well, continuing to grow, announced five new bases, acquiring more aircraft, schedule known between now and the end of the year, load factors remain soft.

Discussion regarding retail and restaurants in terminal. Elizabeth stated they have been suffering due to soft loads, difficult for them to predict how and where they need to be open and when. Gate assignments provided and moved to easier to open gates where they have staffing. Spending levels okay, not great, no international flights now and duty free is closed.

Discussion anticipated date re-opening Europe. Elizabeth updated the Board, TUI provided a tentative schedule to start in May, concerned that may not happen until June, they are expected to push forward because UK is aggressive with their vaccinations. Requiring passengers to put in a negative test 48-72 hours in advance of flying both inbound and outbound. The processes may need to be in place to be able to make sure the passengers have access to testing while they are here. Elizabeth discussed COVID passport, IATA the International Transportation Association new app.

CFO Don Poore presented the January Interim Financials commenting on receipt of second CARES Act funding \$5.1M which has tighter restrictions, original had a window of four years, new funding obligations must be in place before September 30, 2021. Discussion using second CARES Act funding for FIS.

President Nolan noted \$350,000 of second CARES funding must go to concessions relief.

Mr. Poore explained how the second CARES Act funding is only allocated to operational costs not maintenance. Referenced handouts distributed to the Board FY21 Net Income Vs. Budget Report, Average Daily Expenditures per Fiscal Year and Daily Expenditures to January 31 of FY 19, 20, 21.

President Nolan provided Tenant Lease Update with Paul Partyka from NAI Realvest.

Marketing Director, Lauren Rowe updated the Board regarding Triennial Exercise showing media clip of the exercise which is conducted in conjunction with Seminole County Emergency Management and our neighboring cities. COO George Speake noted this takes six months to plan, involves our staff, county, cities police and fire departments. Seminole County plans the exercises this is a great collaborative event.

ARFF Chief, Jason Shippell updated the Board regarding 2 new personnel and hiring process for 3 more.

President Nolan stated new CFO search continues and introduced Don DeGraw new Maintenance Director. President Nolan referenced land exchange discussions with Seminole County, car rental agreements, Hertz group is coming out of bankruptcy Thrifty is no longer part of this group.

Board comment regarding Welcome Center/Car Rental building optional tenant use. Discussion legacy Dollar contract, concession RFP.

President Nolan explained how Master Plan is still under development and he discussed consolidated rental car facility. MillionAir FBO interested in expanding. HR Personnel Policies and Procedures Manual update underway with HR Director, Danette Maybin. Procurement Policy development working with Finance Manager, Radhika Jablonski.

COO George Speake referenced slide showing fuel tank owned and being donated to Airport by Jerry Roth, Hill Dermaceuticals. Airport will convert this tank to auto gas, we have two 1,000-gallon auto gas tanks, it costs quite a bit to have delivery because we can only take 600 gallons at a time. This tank is 10,000 gallons and will lower our fuel costs. Board Director Robertson requested this be a priority to have as much fuel here as possible during the hurricanes. Board Director Miller inquired the ratio of diesel fuel versus auto gas fuel. George responded we have one 1,000-gallon diesel fuel tank and get a delivery every week, we use approximately 400 gallons. Board Director Smith inquired of George if one of the two present gas tanks for regular gas could be converted to diesel. George responded we could convert one or both.

President Nolan replied to a question that we have a state lobbyist. Discussion regarding piggyback with Seminole County on federal lobbyist. Commissioner Zembower offered to forward report from DC lobbyist.

8. COUNSEL'S REPORT

Brett Renton updated the Board regarding: GOAA dispute, PFAS, Interlocal Agreement with City of Sanford and Seminole County Part 333.

9. CHAIRMAN'S REPORT

Vice Chairman Dane updated the Board Chairman Green is out of town due to the unexpected loss of his mother in-law.

10. CONSENT AGENDA

- A. Consider approval of Addendum J to Lease No. 2011-08 with REAL DEAL STEEL, LLC for Building NO. 410, located at 1220-30th Street.
- B. Consider approval of finalizing Termination Agreement and Bill of Sale for Orlando Sanford International, Inc.'s arrangement with HMS Host (Starbucks).
- C. Consider approval of Professional Services Task Order No. 2021-01 with AVCON, Inc. for Runway 9L Pavement Repair project.

- D. Consider approval of new Lease No. 2020-42 with VERTICAL AVIATION TECHNOLOGIES, INC. for Hangar No. 332, located at 1609 Hangar Rd.
- E. Consider approval of new Lease No. 2021-007 with VERTICAL AVIATION TECHNOLOGIES, INC. for Hangar No. 424, located at 1600 Hangar Rd.
- F. Consider approval of new Lease No. 2021-05 with ALARIS AEROSPACE SYSTEMS LLC for the following located at 2955 S. Mellonville Ave. (Bldg. 9), 1173 E 29th Street (Bldg. 401A), 1174 30th Street (Bldg. 9A) & 1169 29th Street (Bldg. 9B).

Board Director Smith made a motion, seconded by Board Director Simmons to approve Consent Agenda items A-F. Vote was taken, none opposed. Motion passed.

11. DISCUSSION AGENDA

- A. Consider approval of Amended and Restated Airport Facilities Revenue Note, Series 2018 in the amount of \$60,500,000 as authorized in Resolution 2021-01, and Resolution No. 2021-01 for Amended and Restated Taxable Airport Facilities Revenue Note, Series 2018.

Board Director Smith made a motion, seconded by Board Director Gregg to approve Discussion Agenda item A.

President Nolan gave summary how a line of credit with one of four banks that was negotiated from an RFP several years ago. That line of credit as discussed at the last Board meeting, is to extend that line of credit up to 28 months. President Nolan requested Mark Galvin, Hilltop Securities financial advisor to address the Board to answer questions as needed.

Hilltop Securities, Mark Galvin explained how at the last Board meeting a term sheet was presented to the Board and it was approved subject to final negotiation of the document and further negotiation with lowering interest rate. The term sheet before was same Fifth Third Bank document extending it from April 1, 2021 to July 1, 2023 providing time to complete the terminal project be in a better position PFC's and revenue. The original term sheet included a pricing, the pricing was 30-day LIBOR plus 200 basis points. LIBOR has a floor of 35 basis points. After negotiations with the Bank, they agreed to lower that 200 basis points to 180 a 20-basis point drop in interest rates. Today the current rate is 250, this is a floating rate and subject to LIBOR, hopefully interest rates stay relatively low associated with this, the final maturity will be July 1, 2023. Ken Artin, Bryant Miller Olive P.A. has been working with bank Counsel to finalize the resolution, today is the approval of the resolution on the loan agreement and the note. Once that is done closing planned for March 4, 2021.

Board Director Smith inquired if there is a cap on annual increase on that interest? Mark Galvin explained no, the variable rate is sloped. He reported how after conversations with President Nolan and Chairman Green it was determined no need to proceed.

President Nolan confirmed there is an option to move into long term financing? Mark Galvin agreed that the PFC the Bank is going to want to fulfill obligation debt service and principal

payments. He noted the importance of keeping CARES money aside to pay down the Authority's portion of that debt, your portion of the debt has to be paid by the Authority not by PFC's.

President Nolan noted the first round of CARES stipulated we have up to four years for up to \$22M and we portion some of that towards the obligation of debt service.

Board Director Smith made a motion, seconded by Board Director Gregg to approve Discussion Agenda item A. Vote was taken, none opposed. Motion passed.

12. COMMENTS FROM THE PUBLIC

Vice Chairman Dane determined there were no requests for comments from the public at this time.

13. OTHER BUSINESS

Board Director Robertson commented about the close frequency of some Allegiant flights, he wanted it noted we speak of safety as our priority he noted 4 planes arriving within three minutes and he didn't see the congestion as good practice during Covid. He recognized we don't want to jeopardize our relationship with Allegiant and requested these concerns be expressed to Allegiant.

Elizabeth Brown felt this is an ATC issue. President Nolan appreciated what Board Director Robertson is saying and agreed that air traffic is a key influence and how airlines operate their system network he felt it is appropriate we can convey suggesting if there is any latitude to spread out flights this small hub airport is blessed large special remodeled ticketing hall and new massive bag claim area, there's lots of room for passengers to spread out.

Commissioner Zembower added his observation how airlines leverage their labor pool in most efficient way.

Board Director Dane requested a terminal tour be conducted after the next Board meeting.

14. NEXT BOARD MEETING (APRIL 6, 2021)

15. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 10:04 a.m.

Submitted by:



Thomas Nolan, A.A.E.
President & CEO
/lh