

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
OCTOBER 3, 2023
8:30 A.M.**

PRESENT: Jennifer T. Dane, Chairman
Clyde H. Robertson, Jr., Vice Chairman (appeared telephonically)
Kenneth Bentley, Secretary/Treasurer
Benny Crosby
Tom Green
Chick Gregg, Sr.
Frank S. Ioppolo, Jr.
William R. Miller
Stephen P. Smith
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison

ABSENT: Comm. Jay Zembower, County Liaison

STAFF PRESENT: Nicole Martz, President & CEO
George Speake, Executive VP & COO
Jason Watkins, Executive Vice President & CFO
Tom Fuehrer, SAAPD Chief
Steve Fussell, VP Strategic Initiatives
Tommy Gentry, Director IT
Marc Gilotti, SAAPD Captain
Lori Hunt, Executive Assistant
Gino Martinez, Finance Manager
Jeremy Owens, VP Engineering and Maintenance
Julie Sawyer, Executive Assistant
Roberta Stanton, Procurement Manager
Jennifer Taylor, Director of Program Administration

OTHERS PRESENT: Sonya Brauer, SER
Mike Cargnel, SHB
Wilber Mathurin, Hoyle Tanner
Genean McKinnon
Jeremy Morton, CPH
Paul Partyka, NAI Realvest
Tom Roda, ATKINS
Daniel Rogers, SHB
Doug Saunders, C&S
Tim Shea, AVCON
Greg Smith, Million Air
Craig Sucich, RS&H

Robert Utsey, ZHA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE
2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE JOINT BOARD MEETING HELD ON (AUGUST 28, 2023) AND THE REGULAR BOARD MEETING HELD ON (SEPTEMBER 12, 2023)

Motion by Board Director Smith, seconded by Board Director Bentley, to approve the Minutes of the Joint Board Meeting held on August 28, 2023 and the Regular Board Meeting held on September 12, 2023. Vote was taken, none opposed. Motion passed unanimously.

4. LIAISON REPORTS

- A. City of Sanford

Mayor Woodruff reported yesterday the Commission received the initial report from the Race Equity Equality and Inclusion Commission for the last three Sanford Speaks. Despite news reports special events are moving ahead in October: National Night Out with the Police Department; December: Jingle Jam and the Christmas Parade. Heritage Park project has come up with some unique financing through the City of Gulf Breeze. The City of Gulf Breeze is the conduit for bond financing, which means they will issue bonds through the City to fund projects in other cities. A public hearing will be held in the next week to have the Sanford City Commission approve this. Most of the projects that have been done are charter schools and other educational facilities, Sanford's will be the first private activity bond issuance, there is no risk to the City of Sanford. Continuing to work with DEP regarding water issues, requests for declaratory statements will be sent to DEP for answers on things that they have avoided answering for the past 20 years.

- B. Seminole County

Commissioner Zembower was not in attendance.

5. COMMENTS FROM THE PUBLIC

None

6. PRESIDENT'S REPORT

President Martz referenced her power point presentation, incorporated herein, and requested Executive VP & COO George Speake to present updates on the following topics:

- Wildlife Assessment: Responded to FAA comments last week. Awaiting FAA Approval;
- Stormwater Master Plan Update: Modeling continues. Draft Master Plan – Nov. '23;
- SAA Maintenance Facility Replacement: Roof is completed;
- ARFF Station and Building #37: 2nd Preconstruction meeting on 9/28, Nov '23 Install, Dec. '23 Completion (est.);
- Terminal Ramp Improvements: Plans are complete. Project Manual due 10/31. Bidding Q1/Q2 '24;
- Runway 9L Rehabilitation: 30% Scheduled for October, Geotech Complete, Survey Wrapping Up ; and
- Taxiway A Rehabilitation: Data Collection begins this week.

ATC – Tower Relocation Update:

- The FAA has issued a contract for the environmental study as of August.
- An exact start date for the study has not been determined.
- Once the study is complete, the project will go to planning.
- Planning will put together a business case for CFO approval, which will take about a year.
- From there it will go into the work plan for a subsequent year's funding.

Chairman Dane referenced the cell tower that was to be installed near Lake Jessup and inquired if it was lighted.

George Speake reported Seminole County required a light although he wasn't sure if it was built yet.

OSI Contract

President Martz noted the Board took action a couple of weeks ago to terminate the contract with OSI, Inc. effective February 28, 2024. A meeting was held the following Wednesday with OSI representatives to discuss the transition. SAA staff asked whether or not the transition would be a cooperative one, but OSI has still not provided any feedback. SAA staff shared with OSI a list of items that SAA felt were needed for an orderly transition. The minutes from that meeting were sent to the Board. Staff is working internally on a transition timeline. President Martz stated she has talked with a few of the Board Directors one on one, and has meetings scheduled with the rest of the Board Directors about the transition and our plan to move forward. Not having any feedback from OSI makes it difficult to

understand what the transition is going to look like. OSI continues to come in and run the Terminal every day. We haven't had any hiccups although we're not sure the status of some of the maintenance projects. Mrs. Martz noted that it seems like the work on the smoking deck has stopped, suggesting maybe they are in permitting. SAA staff has a little bit of a challenge getting information. The communication is not flowing as freely as it was before. President Martz informed the Board she will keep them updated. SAA did notify all of the OSI employees that we'd take the operations and maintenance employees. It is important for them to know that the Authority wants them to stay here. There is uncertainty about what is happening with their job so SAA already reached out to them.

Board Director Ioppolo stated they don't seem to be responding, it doesn't seem to be a very complicated question are you going to cooperate in the transition. He inquired if there is anybody from OSI at today's meeting.

Dan Rogers, SHB outside counsel for OSI noted he was present.

Board Director Ioppolo apologized for putting Mr. Rogers on the spot and acknowledged he is outside counsel for OSI and inquired if he could provide any insight to the Board. He felt it's not a complicated question about whether or not OSI is going to cooperate, he'd think they are going to cooperate and would want to cooperate.

Dan Rogers, SHB stated they are definitely evaluating the options, and are going to get back to you. He thought that saying it's an easy issue is simplifying it, he felt it's a very complex issue because there is a lot of different things that are going on, a lot of different contracts and relationships, they are working through all of that and will absolutely discuss that with you once we figure it out.

Board Director Ioppolo explained the concern is that it has an impact on the operation of the airport and the safety of the public so it's time for them to come to the table.

Mr. Rogers stated they are engaging with those things, and thinking about them. OSI has a list of the different things and is going to get back to SAA as soon as it can. OSI was not expecting to have this situation foisted upon it, and they are working as diligently and as reasonably as they can.

Board Director Ioppolo didn't know how Mr. Rogers could say that given the notice. He inquired of Mr. Rogers did he have any information on the smoking deck, for example, that's a safety issue? Are they in permitting, have they filed permits.

Mr. Rogers replied he didn't have that personal knowledge right now, but he was sure that information is available and it's being communicated.

Board Director Ioppolo noted but it hasn't been available and it hasn't been communicated because he wouldn't put Mr. Rogers on the spot if we had the information. He requested Mr. Rogers go back to OSI and get us some information because we seem to not be getting it and that's a safety concern.

Mr. Rogers acknowledged there has always been an issue about the flow of information and it's not always getting to where it needs to go, but if the SAA is telling him that it specifically wants information about the smoking deck, he can talk to his client and see if he can get you information about the status.

Board Director Ioppolo inquired of the Board and staff was there anyone who doesn't want information on the smoking deck? It's safe to say it's not just him looking for the information, it's the entirety of the leadership of the Aviation Authority.

Mr. Rogers didn't think they are purposely withholding any information. He didn't know what more Board Director Ioppolo wanted from him today.

Board Director Ioppolo reiterated he wants him to carry back a message, that he believes that they are deliberately withholding the information.

Mr. Rogers stated he thought everyone needed to take a step back and understand that maybe everyone doesn't have the same information that everybody else has.

Board Director Ioppolo referenced the smoking deck is an example and it is a public safety issue, he expects and believes everybody in the room expects that information would flow freely, and there is no reason in the world why it shouldn't be here already.

Mr. Rogers stated it's his belief that the SAA staff has the information.

Board Director Ioppolo noted staff is right here and they are telling me they don't have it.

Mr. Rogers said that if there is something that Board Director Ioppolo wants, if he wants to talk to him with his lawyer there and see what other information they need and he can take it back. But he thought they heard the President say that she thinks the issue is in permitting right now, that's as far as he knows it was.

President Martz stated she was giving Mr. Rogers the benefit of the doubt when she suggested that it's in permitting. She emphasized maybe to

simplify things Mr. Rogers could tell the staff at OSI, Jennifer Taylor is the contract administrator if she could just be given information when she asks for it, SAA can worry about everybody else getting the information. But Ms. Taylor should be the conduit. That will make it easier so there's no confusion about who the information should get to. It would also be helpful if the information was put in the CMMS system.

Mr. Rogers replied he understood. He acknowledged that has always been a dispute. OSI thinks it is putting it in CMMS and SAA says it is not putting it in there. OSI thinks it is giving SAA information and SAA says it is not giving the information. If there's specific things that SAA needs, he is happy to convey it.

Board Director Ioppolo stated he's conveying it as loudly as he can.

Mr. Rogers replied he always hears Mr. Ioppolo as he's never quiet.

Board Director Ioppolo noted as the public at large, if VINCI obviously wants to expand their operations, then the last thing in the world he thought they would want is people to look in and see that they don't conduct themselves professionally, that's what he's saying.

Mr. Rogers replied he thought they've always conducted themselves professionally.

Board Director Ioppolo disagreed and so would this Board so carry the message back.

Mr. Rogers understood SAA & OSI have a disagreement about that and he understands SAA has its opinions about it, his client obviously has its opinions about that and the two will obviously get reconciled at some point.

Board Director Ioppolo apologized to Mr. Rogers for putting him on the spot he knows it's not him as he is the outside counsel but he needs to get his message delivered.

Mr. Rogers understood that Board Director needs to say what he needs to say, and hopefully he understood from OSI's perspective they are committed to making this situation work for the best interests of the airport.

Board Director Ioppolo stated he'd believe it from Mr. Rogers' perspective although he doesn't believe OSI.

Board Director Miller stated as a fellow board member going through it, Board Director Ioppolo has spoken numerous times over the months and years about this, his name is known as a very strong advocate of getting

things done, getting it done right and he wanted to share his comment in backing him up with what he said. And if any other Board members just wants to say yes, I support what Frank said so he isn't going down this road alone.

Board Director Miller noted as he got out of his vehicle this morning, he heard noises coming out of the garage. He inquired of President Martz what's going on in the garage is it still partially closed, or fully open and functioning.

President Martz explained the garage is partially closed; OSI is doing the second phase of work. Her understanding is it's supposed to be completed in mid-November. We had been told that there would be an average of 160 spaces out of commission on a daily basis. If you go in the garage there are spaces on floors 3 & 4 that are not available for use, she thought the 5th floor has mostly been finished. It appears there are still some drainage issues on the 5th floor.

Board Director Ioppolo inquired if the garage would be out of commission for the holidays because that's a big revenue opportunity.

President Martz replied we've been told they'll be done before the Thanksgiving week, mid-November the 17th or 18th.

Jennifer Taylor noted if they aren't done, they're going to stop construction and open it for the holiday's and then they'll come back.

Board Director Miller asked if some of the spaces will be lost through that period.

President Martz explained there may be some spaces still out of commission if they stop the work for the holiday but they can make more of the spaces available if they aren't done by then. It's not an ideal situation, that's for sure. The last couple of weeks, SAA has had to institute overflow parking in the grass lots. That is a drain on our resources, and that's been a bit of a challenge. We had to work the overflow over the summer, and a number of times thru and into September. OSI is not paying the license fee on the lots, so we've been having to do that and that's been using our resources.

Board Director Smith stated he supports Board Director Ioppolo 100%.

Board Director Green stated he supports Board Director Ioppolo and questioned the structural integrity of the garage.

President Martz explained the garage is being used now, and based on the information that we've gotten from more than one engineer, the garage is

structurally fine now however, it does need repairs. Staff is concerned about the scope of work OSI is doing now, as it doesn't encompass everything that was identified in the Desmon report or the follow up report that OSI did when it did an assessment as a follow-up, so we are concerned that this scope doesn't fully address the issues.

Board Director Smith inquired there are no structural effects as far as we know.

President Martz replied we would have closed the garage if we had any concerns.

Development

Paul Partyka, NAI Realvest updated the Board that he and Robert Utsey, ZHA are going to present an update to the Board on the results from the luncheon meeting with Central Florida Commercial Association of Realtors. He reported 100% capacity, there will be a couple of openings with World Duty Free as part of the change over, but we're putting that out on the streets and expect that to be fully leased out fairly quickly. He and President Martz have meetings on Thursday at 11 a.m. to finalize several negotiations with contracts of major tenants including ABS.

Paul Partyka, NAI Realvest & Robert Utsey, ZHA presented the Draft Real Estate Marketing Plan and referenced the power point presentation, incorporated herein:

- Website enhancements/core messaging
- Prospecting plan
- Prospect/industry sector targets
- Regional outreach/briefing platform
- Conference/tradeshows plan
- Economic Development/partner integration
- Incentives program
- Grant targeting plan

Orlando Sanford International, Inc.

President Martz inquired if there was an OSI Report, seeing none in the Board's Agenda Packets and inquired of OSI outside Counsel Dan Rogers if he was presenting on behalf of OSI.

Mr. Rogers believed the information was provided and there would be no oral report. Lori Hunt, Executive Asst. replied a written report had not been provided to her as requested.

Mr. Rogers noted he believed the information usually given in the presentation was emailed last night or this morning but it was not provided last Friday.

Chairman Dane inquired of Mr. Rogers did he have a copy of the report.

Mr. Rogers replied unfortunately he did not.

Board Director Ioppolo requested someone from staff check their email and answer the question right now.

President Martz responded the email should have been sent to Lori Hunt.

Board Director Ioppolo inquired if Lori Hunt had the report to which she replied no sir. Board Director Ioppolo noted for the record the report was not emailed.

Dan Rogers stated he was informed that it was sent to the President but if not as soon as he goes back, he'll inquire.

Chairman Dane noted that's a different email.

President Martz checked her email and noted there was something sent at 8:12 a.m. this morning.

Chairman Dane requested the email be forwarded & printed so everyone can look at it and we'll come back to OSI.

Chief Financial Officer Report

EVP & CFO Jason Watkins shared the following items:

- September 2023 Dashboard
- Cash & Investment Balances
- Procurement Dashboard: Ground Transportation – Taxicab Concessions, RFP due October 26, 2023.
- Finance and Administration Updates: Operating Budget Amendment – approved by City Commission September 25th; OSI Financial Audit ongoing, will complete end of next month; Staff coordinating Procurement Policy amendment requests, targeting November Board meeting for consideration.

Jason Watkins updated the Board of a planned amendment to the Procurement Policy, in light of the Board's action two weeks ago, staff would like to propose some modifications to the Procurement Policy that raises some of the thresholds and gets us in compliance with what the state allows us to do. There was an amendment through the Florida Legislature that increased procurement levels for Airports at the last session. We would like to marry our policy to the new Legislation. This modification to the Procurement Policy will

free up staff as quite a bit of new work will be coming into the organization to existing staff.

Chairman Dane requested an updated organizational chart and inquired of staff if it is their intention to need additional procurement staff.

President Martz replied we have the possibility of needing an additional procurement person, we have Roberta and just brought somebody on new to do Payroll & Procurement, there may be a shift on those resources. Right now, we don't know the OSI contracts we've asked for them to understand what that level is of how much management they will need to be on procurement. To Jason's point about the procurement levels, the legislation raised the requirement for competitive bid to \$325,000 and she wasn't sure the Board would want to set it to that level, right now we're at \$65,000.

Chairman Dane requested the procurement dashboard with current and upcoming projects be provided to the Board.

Jason Watkins informed the Board there is an ongoing financial audit for OSI. They will complete their field work at the end of October and will defer to the Board if they want them to come in and make a presentation in December.

Chairman Dane noted she couldn't imagine the Board not wanting to hear what the audit says.

Board Director Smith inquired if OSI has been cooperating with the audit.

Mr. Watkins replied yes, they have been cooperating.

Stephen Fussell, VP Strategic Initiatives informed the Board that President Martz has been named by Orlando Magazine as one of the 2023 Fifty Most Powerful People in Orlando. Mr. Fussell spoke on behalf of staff and thanked President Martz for her leadership, guidance and public service. He referenced the True Health Be Healthy 5k kids run presented by Advent Health event was held at the Airport September 23rd. It was great event 622 runners. Special thanks to staff many who arrived at 4:30 a.m. setting up.

President Martz noted Mayor Woodruff and Asst. City Manager Craig Radzak ran. Mr. Fussell stated a good time was had by all, but the most important thing is money for True Health who provides healthcare services for the under served and economically challenged neighbors.

President Martz stated this was a great event for True Health and the Airport, kudos to True Health it was family friendly and it was great exposure for the Airport a lot of people hadn't been to see the airport.

Jason Watkins stated he has done many of these events at airports and this was one of the better events he has done.

Orlando Sanford International, Inc.

Board Director Ioppolo referenced the OSI report and made an observation and had a question for staff, 2nd paragraph page 1 the year over year increase in September track is primarily related to Allegiant flights and slightly higher load factors. This is a consistent theme with the reports to the extent that there is growth and it's really Allegiant's growth whether there are more flights or a higher load factor. That continues to be a part of the concern for air traffic development, that there hasn't been any and Allegiant is the catalyst. He referenced Air Service & Commercial Development and the 2nd bullet point which talks about OSI attended a conference in Ft. Worth/Tx., September 11 - 14 and coming up October 13-17 in Istanbul, Turkey is the Routes World Networking event which is for international carriers. We know how important international traffic is for us and the value of an international traveler to us is higher than domestic travel. Given the current situation he inquired should we be sending our staff to this conference and not rely on OSI since we haven't heard from them, we have no choice but to be diligent in how we are treating air service development.

President Martz explained that she spoke with Todd Payne, OSI yesterday and he's traveling to Turkey. One of the big concerns she has is the news article by Viva Aerobus regarding five new routes now that Mexico has opened up to new routes. One of those routes was Orlando but they are flying into MCO, which obviously is a disappointment to us. It has been explained to her that when the joint venture is resolved between Allegiant and Viva Aerobus there will be flights coming in partnership with Allegiant through our airport. She talked to Todd about that.

President Martz expressed her concern to the Board that OSI has declined to participate in the air show this year, and that was a big marketing event. She reached out to John Green and Todd Payne to make sure that we were still doing Air Service Development through the end of the contract. They have said that we are and she talked to Todd again yesterday and he has a plan for Routes.

President Martz noted that SAA staff has talked to a couple of air service development consultants. As part of the transition plan, she intends to bring one on sooner than later. The plan is to bring somebody on to coordinate with Todd during the transition to have consistent coverage.

Board Director Ioppolo stated his concern is historically OSI has not succeeded and he's not saying that they didn't try. He's just saying they haven't succeeded in bringing air service development. We haven't seen new

international carriers so can we rely on them at this moment in time given the structured relationship and the inability where we don't know if they are cooperating or not. Do we need to engage our air service development person and do we need to put people on an airplane to attend Routes so we know we're well represented.

President Martz explained she would talk with the air service consultant and she thought that was a good idea. She felt we could quickly bring someone on, although she didn't know if we can get them to Turkey in a week, but we'll try. She believed that Todd Payne is going to market to the extent that he's always marketed, although she was unsure that the marketing approach is effective, as the Airport hasn't seen results.

Board Director Ioppolo stated he would feel better about it, because just opening an email and finding out that Allegiant is increasing service and therefore, we're getting more passengers isn't air service development.

President Martz noted that the Airport loves Allegiant's growth & is happy to see Allegiant.

Discussion ensued regarding resumption of Canadian flights.

President Martz noted Flair starts service back mid-October, although they've scaled back some of the flights. The Canadian market is pretty saturated.

Miscellaneous

President Martz discussed T-hangar rates and briefed the Board that we are going to be making a change January 1st. We've done a study and are way below market and have been for a while. The market is all over the place price wise but also sort of character of the hangars, those are older so we have to keep that in mind. There are 107 T-hangars and 5 tie down slots, 75 small hangars and 32 large T-hangars. The current prices are \$275.00 for the small and we're proposing to go to \$346.50. The large T-hangars are \$315 and go to \$396, the tie downs are \$50 and we would go to \$87. This still keeps us in the middle of the pack, we're not high but we're not the lowest game in town. There are 130 people on the waiting list right now, if we lose some folks, she felt we'll be able to still be fully occupied. We could have gone higher based on what we saw in the market but want to be a somewhat affordable option, we want the community to have access to the airport.

Board Director Green inquired if there is a notice requirement.

President Martz replied there is not a notice requirement although we're going to send out notification this week and the rate increase would take effect January 1.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding: FDEP two environmental issues; OSI Lawsuit regarding Public Records, OSI filed a motion to dismiss; and GOAA.

8. CHAIRMAN'S REPORT

Chairman Dane reminded the Board Directors of the upcoming Air Show and noted that she and President Martz have a review to do, and that will be sent to the Board Directors prior to the November Board meeting.

President Martz updated the Board regarding the Air Show the prior VIP list was sent to the Board members and staff received feedback from some of the Board Directors. The list will be finalized this week. OSI is not splitting the cost with SAA this year so there will not be a third tent. She asked the Board Directors to be judicious with their suggestions. We hope to see all of you and your significant others and your partners at the Air Show.

9. DISCUSSION AGENDA

- A. Approval and authorization to amend the 2022-2023 Fiscal Year Operating Budget.

Motion by Board Director Robertson, seconded by Board Director Miller to approve an amendment to the Fiscal Year 2022-2023 Operating budget as detailed in Table 1 with a net increase of \$270,000 (1.8%). Vote taken, none opposed. Motion passed unanimously.

10. OTHER BUSINESS

Board Director Robertson noted the VIP Guest list for the airshow included GOAA officials and inquired if this was something we should do if we have pending litigation with them.

President Martz replied the list that we're working from now we have one person from GOAA we've invited Kevin Thibault. They have invited us to a couple of events at MCO including the new terminal opening.

Board Director Smith inquired who was invited from Metro Plan.

President Martz replied Gary Hutman was invited from Metro Plan.

Board Director Green inquired who was invited from DOT.

President Martz replied 5 people including Jared Perdue.

11. NEXT MEETING REGULAR MEETING (NOVEMBER 7, 2023)

12. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:41 a.m.

Respectfully submitted,


Nicole Martz, Esq., AICP
President & CEO
/lh