

ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

Regular Meeting

held in The Conference Center, Meeting Room A

4730 Casa Cola Way

St. Augustine, Florida

on Monday, July 7, 2014

from 4:00 p.m. to 5:22 p.m.

BOARD MEMBERS PRESENT:

KELLY BARRERA
JOSEPH CIRIELLO
RANDY BRUNSON

BOARD MEMBERS ABSENT:

CARL YOUMAN
ROBERT COX, Chairman

ALSO PRESENT:

DOUGLAS N. BURNETT, Esquire, St. Johns Law Group,
509 Anastasia Boulevard, St. Augustine, FL, 32080,
Attorney for Airport Authority.

EDWARD WUELLNER, A.A.E., Executive Director.

JANET M. BEASON, RPR, RMR, CRR
St. Augustine Court Reporters
1510 N. Ponce de Leon Boulevard
St. Augustine, FL 32084
(904) 825-0570

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1 PROCEEDINGS

2 MS. BARRERA: I'd like to call the meeting of
3 the St. Johns County-St. Augustine Airport
4 Authority in session. If all could rise for the
5 Pledge of Allegiance.

6 (Pledge of Allegiance.)

7 MS. BARRERA: Okay. We'd like to look at the
8 meeting minutes and the financial report. Has
9 everybody had a chance to look at the meeting
10 minutes from the last meeting? Joe?

11 MR. CIRIELLO: Well --

12 MR. WUELLNER: Those would be --

13 MR. CIRIELLO: -- there's a small correction.
14 It said board members present, Carl Youman and he
15 wasn't here. It should have been not present.

16 MS. BARRERA: Okay.

17 MR. CIRIELLO: Very minor thing.

18 MS. HOLLINGSWORTH: Is that you, Ed?

19 MR. WUELLNER: It must be, because you have me
20 so loud.

21 MS. HOLLINGSWORTH: Try it again.

22 MR. WUELLNER: I'll change the cord out
23 because it's the cord.

24 MS. HOLLINGSWORTH: Okay. I can get you a
25 regular mic.

1 MR. WUELLNER: Whatever you'd like. Whatever
2 makes you happy.

3 CHAIRMAN COX: We'll come back to the meeting
4 minutes and the financial report, and first we'll
5 start with welcoming Mr. Brunson to our airport
6 board. We're delighted to have you, Randy, join us
7 again and we'd like to go ahead and commence the
8 oath of office.

9 OATH OF OFFICE

10 MR. BURNETT: Sounds good.

11 MR. BRUNSON: Where do you want me,
12 Mr. Burnett?

13 MR. BURNETT: Up here, sir.

14 MR. BRUNSON: Flag?

15 MR. BURNETT: Might as well. If you would,
16 sir, raise your right hand. I do solemnly swear.

17 MR. BRUNSON: I do solemnly swear.

18 MR. BURNETT: That I will support, protect,
19 and defend.

20 MR. BRUNSON: That I will support, protect,
21 and defend.

22 MR. BURNETT: The Constitution and government.

23 MR. BRUNSON: The Constitution and government.

24 MR. BURNETT: Of the United States.

25 MR. CIRIELLO: Of the United States.

1 MR. BURNETT: And the State of Florida.

2 MR. BRUNSON: And the State of Florida.

3 MR. BURNETT: That I am duly qualified.

4 MR. BRUNSON: That I am duly qualified.

5 MR. BURNETT: To hold office.

6 MR. BRUNSON: To hold office.

7 MR. BURNETT: Under the constitution of the

8 state.

9 MR. BRUNSON: Under the -- to hold office

10 under the constitution of the state.

11 MR. BURNETT: And that I will well and

12 faithfully.

13 MR. BRUNSON: And I will well and faithfully.

14 MR. BURNETT: Perform the duties.

15 MR. BRUNSON: Perform the duties.

16 MR. BURNETT: Of the St. Augustine-St. Johns

17 County Airport Authority.

18 MR. BRUNSON: Of the St. Augustine-St. Johns

19 County Airport Authority.

20 MR. BURNETT: As board member.

21 MR. BRUNSON: As board member.

22 MR. BURNETT: On which I'm about to enter.

23 MR. BRUNSON: On which I'm about to enter.

24 MR. BURNETT: So help me God.

25 MR. BRUNSON: So help me God.

1 MR. BURNETT: Congratulations.

2 MR. BRUNSON: Thank you, Doug.

3 COMMISSIONER SANCHEZ: Now get to work.

4 MR. BRUNSON: Thank you.

5 MR. CIRIELLO: Ask for a paycheck first.

6 MR. WUELLNER: You guys are all helpful. Get
7 the money up front. All right.

8 MR. BURNETT: Okay. Look at that, now we have
9 a quorum.

10 MR. WUELLNER: Officially.

11 MR. BURNETT: Yes.

12 MEETING MINUTES & FINANCIAL REPORT

13 MS. BARRERA: Now that we have officially,
14 Mr. Brunson on board, we'll delve into the meeting
15 minutes. And, Mr. Ciriello, you were speaking
16 about the meeting minutes from our last meeting.

17 MR. CIRIELLO: Yeah, a very small correction.
18 On the front page where it lists board members
19 present, it has Mr. Youman being present and he
20 wasn't present. It should have been non-present.

21 MS. BARRERA: Okay. Any other corrections?

22 MR. CIRIELLO: Not by myself.

23 MS. BARRERA: Okay. Then moving on to the
24 financial report, do we have any other corrections
25 on the financial report that was sent out the end

7

1 of June?

2 (None.)

3 MS. BARRERA: Hearing none, the meeting
4 minutes will stand as corrected and the financial
5 will stand as presented. Our meeting minutes for
6 today, do we have any corrections or changes to our
7 meeting minutes?

8 (None.)

9 MS. BARRERA: Then our meeting minutes will
10 stand as distributed. The director's -- executive
11 director's report, Ed?

12 MR. WUELLNER: Do you want agenda approval or
13 are you good?

14 AGENDA APPROVAL

15 MS. BARRERA: I'm sorry, I meant the meeting
16 agenda. I'm jumping. I'm not used to having this,
17 Cindy.

18 MR. WUELLNER: Too much information.

19 MS. BARRERA: No. It doesn't follow the flow.
20 Do we have any addition -- any changes to the
21 meeting agenda for today?

22 (None.)

23 MS. BARRERA: Okay. Hearing none, the meeting
24 agenda will stand as distributed. Executive
25 director's report, Ed?

2 MR. WUELLNER: Yes, ma'am. A few items to
3 provide some details to you. One, we were notified
4 by FAA that we are going to receive our fire rescue
5 vehicle grant. So that is in process now. We do
6 not have the -- the grant documents yet, but they
7 should be -- be arriving shortly.

8 FAA participation's at approximately \$426,000.
9 That's a nice -- a nice uptick there. That will
10 also include a little bit of equipment to go with
11 that vehicle; firefighting equipment, suits, that
12 kind of thing that would go -- would go normally
13 with the vehicle. We are -- we opened bids
14 yesterday -- I'm sorry, last -- Wednesday? Keep
15 nodding. This Thursday, was it --

16 MS. HOLLINGSWORTH: Wednesday.

17 MR. WUELLNER: Wednesday, I thought it was.
18 Wednesday on Taxiway Alpha rehab. Looks like we
19 had really good bids on that. They're evaluating
20 that bid tabulation now. That will also form the
21 basis for the grant application to FAA.

22 We anticipate that being under grant by August
23 at this point and that from a construction
24 standpoint I would guess would start late
25 September, October probably more realistically by

9

1 the time everything gets accomplished.

2 And that's a -- to refresh your memory, a mill

3 and overlay project for Taxiway Alpha. Includes a
4 little bit of work on the shoulders, and I believe
5 it includes some -- some drainage pipe lining that
6 crosses the airfield there. So there's some
7 miscellaneous items in there, too, but the majority
8 of it's a repaving or rehabilitation of some
9 pavement out there. And that will really complete
10 the big paving projects out here for -- for a
11 little while anyway. Everything else has been
12 accomplished in the last couple of years and is
13 relatively new, so we're in a good -- we're in a
14 good place as far as core infrastructure here.

15 Fuel for the month of June, everything was
16 good and solid. FBO number's about 85,000. Did
17 about 17,5- in self-fuel. And I think the FBO did
18 another almost 83-, 8400 gallons. So good solid
19 fuel numbers.

20 Traffic count for the month 11,023 takeoffs
21 and landings for the month of June. Significantly
22 up over last year in terms of month to month.
23 However, year to date we're -- we're running less
24 than 1 percent difference between last year's total
25 traffic or takeoffs and landings than this year's.

10

1 So we're anticipating ending the year, if the pace
2 continues, somewhere about 140-, 142,000 takeoffs

3 and landings for the years. So good -- good solid
4 enplanement -- or takeoff and landing numbers
5 there.

6 I think I reported last time we met that we
7 had strong May enplanement numbers on -- on
8 Frontier. We enplaned 1620 in the month of May,
9 and in the month of June I'm pleased to report that
10 number was even higher at 1723, which represents a
11 96 percent load factor on the outbounds.

12 If that were to be extrapolated for the year
13 with similar just those three flights a week,
14 you'll -- you'll come over 11,700 enplanements for
15 the year which will put you into the small or the
16 primary classification of grants which will
17 guarantee you \$1 million in grant funding each year
18 as a result of that. The magic number being 10,000
19 enplanements. So as long as we get above that
20 number -- and there's absolutely no reason we
21 shouldn't when you consider we would be adding
22 flights -- that's the last item I want to point out
23 there.

24 We would be adding flights starting in
25 September, five a week, to Washington Dulles on a
11

1 320 aircraft which will hold 168 seats compared to
2 the 138 going to Trenton at this point on the 319.
3 So we're in a good position in terms of enplanement

4 data. I don't expect any -- any hiccoughs at this
5 point unless something catastrophic happens
6 somewhere along the world.

7 Car rental and parking revenues are all solid.
8 We're very very pleased with that right now. We're
9 looking to be in the vicinity of about \$9.50 per
10 enplanement. So those are good solid revenue
11 numbers.

12 I'm pleased to report T-hangars are full still
13 at 100 percent occupancy and there are currently
14 two vacant corporate hangars. We're -- we're in
15 the process of finding others to lease at least
16 corporate ten, which unfortunately became available
17 as a result of that accident and fatality over in
18 Palatka a few months back. And the other is the
19 old Luhrs hangar. They have elected to give that
20 hangar up and -- and have since moved out. So
21 that's where it stands. The Luhrs hangar is about
22 10,000 square foot and the other's about 72-, 7300
23 square feet.

24 So that concludes my report. And remind you
25 that September 8th is when we begin the service to

12

1 Washington Dulles at five days a week. So starting
2 that week in September, we'll be flying six days a
3 week out of here. So the only day there will be no

4 scheduled service is Sunday currently. So just
5 keep that in your -- in your head while we're --
6 when we begin talking about budget and the like so
7 you understand what -- what the level of service is
8 going forward.

9 MS. BARRERA: Have we had any operational
10 issue complaints?

11 MR. WUELLNER: None that I'm aware of. None
12 that I'm aware of. We've had a few minor delays,
13 it's either weather or some other flow-related
14 issue going back into the northeast. It's not
15 really an issue here. So everything from a -- from
16 a performance standpoint, everybody's meeting their
17 targets here. It's all good.

18 MS. BARRERA: And then what about as far as
19 our community on the outbound flights or inbound
20 flights?

21 MR. WUELLNER: Absolutely hearing nothing
22 negative. Haven't heard -- we haven't had even so
23 much as a call in and complaint, so --

24 MS. BARRERA: Wonderful.

25 MR. WUELLNER: -- that's always a good place

13

1 to be.

2 MS. BARRERA: Mr. Brunson, did you have a
3 question?

4 MR. BRUNSON: No. I'm just -- I'm just so

5 curious about so many things, but they're petty and
6 I can wait till Ed and I get together. Just like
7 do you know how many are on the waiting list now
8 for hangars?

9 MR. WUELLNER: That's a really your question.

10 MS. HOLLINGSWORTH: 125.

11 MR. BRUNSON: Yeah. I thought so.

12 MR. WUELLNER: Very good.

13 MS. BARRERA: Joe, did you have any?

14 MR. CIRIELLO: (Shakes head.)

15 MS. BARRERA: Ed, what is -- have we tried to
16 look at what -- on the schedule on September 8th,
17 what the departure, what the times will be?

18 MR. WUELLNER: I don't have them in front of
19 me, but the -- I want to say they're within about
20 two hours of each other, the two flights, the
21 Dulles and Trenton, so I want to say it's about a
22 2 o'clock-ish, 1 to 2 o'clock-ish departure to --
23 to Washington and still about a 3:30 departure to
24 Trenton to start. I think the -- on the days
25 they're not flying Trenton, I want to say the --

14

1 yeah, that the Dulles flight moves a little earlier
2 in the day. Is that right?

3 MS. HOLLINGSWORTH: Yeah. Tuesdays and
4 Thursday are noon.

5 MR. WUELLNER: Tuesdays and Thursday --

6 MS. HOLLINGSWORTH: Thursdays are noon-ish.

7 MR. WUELLNER: So the none -- the non-Trenton

8 days, the Washington flight moves up to noon. So

9 it's a little -- it's even friendlier in terms of

10 time of day.

11 MS. BARRERA: Well, just because we have those

12 extra meetings in the month of September, I wanted

13 to make sure that we weren't going to be causing

14 duress for the staff there --

15 MR. WUELLNER: I think we're -- I think we're

16 okay.

17 MS. BARRERA: -- with our meeting times.

18 MR. WUELLNER: I think we're all okay. We --

19 of course we don't control when they're late or

20 anything else. We wouldn't know that in advance.

21 MS. BARRERA: Okay. All right. Moving on.

22 For our business partner updates, Mr. Sanchez?

23 BUSINESS PARTNER UPDATES

24 COMMISSIONER SANCHEZ: Testing? I think I've

25 turned it on, how about that?

15

1 Anyway, everything at the county is going real

2 well. We're into our budget process, so you might

3 want to start coming to the commission soon.

4 Everything looked good. Contrary to some of the

5 information you may be hearing, there's nothing

6 wrong with the amphitheatre, it's doing fine.

7 The -- everything else is in good shape.

8 And I don't know if I covered this last time,

9 but fire and rescue for the 2013 had almost 33,000

10 responses. And in a conversation with one of the

11 deputies, he said, well, let me check on something,

12 and he went to his car and he called in and came

13 back and he said the Sheriff's Department, this was

14 probably a month and a half ago, had already had

15 60,000 this year.

16 So it's a perfect indication and we all know

17 this is no longer a small county. I mean, it is

18 very very active. And everything's being taken

19 care. We haven't received any complaints. We

20 received a lot of compliments on the fire and

21 rescue, so we're happy about that. If anyone's got

22 any questions, I'll be glad to try and answer them.

23 MR. BRUNSON: I'll make a comment.

24 COMMISSIONER SANCHEZ: Except for Randy. I

25 can't answer you.

16

1 MR. BRUNSON: Try to get this one right.

2 I stopped by the pier today, just had been in

3 the area and wanted to look at the pier, and I was

4 really pleased with what Chris Lowe is doing inside

5 that building. The tourist -- the office is there

6 and it really looks so much better now.

7 COMMISSIONER SANCHEZ: Thank you. Okay.

8 Thank you, very much.

9 MS. BARRERA: Okay. Moving on to Atlantic
10 Aviation. Like to introduce Ms. Michelle
11 Crownover, and congratulate you on your new
12 promotion as general manager and we welcome you to
13 our board meetings, and we'll look forward to
14 seeing you here in the future.

15 MS. CROWNOVER: If you guys need anything,
16 I'll be there a lot, so just let me know. I may
17 have some hangar prospects for the corporate
18 hangars as well, so I will have them get in touch
19 with you.

20 MR. WUELLNER: Very good.

21 MS. CROWNOVER: And I really just wanted to
22 introduce myself and make sure everybody knew who I
23 was and where you can find me.

24 MS. BARRERA: We're looking forward to a
25 positive working relationship with you and also

17

1 with our -- our pilots here locally as well. Thank
2 you.

3 MS. CROWNOVER: Thank you.

4 MS. BARRERA: Mr. Martinelli?

5 MR. MARTINELLI: SAAPA as you know is moving
6 into larger clubhouse quarters and everyone is very

7 very excited about that move, and we will keep you
8 abreast of how that's moving. Bob Hahnemann is in
9 charge of that committee, and so he'll be the focal
10 point be working with the Airport Authority on that
11 issue. So other than that, there are a lot of
12 things happening, but nothing really that
13 significant it's going to take the time. Thank
14 you.

15 MS. BARRERA: Thank you, Mr. Martinelli.
16 Mr. Nehring could not be here but had nothing to
17 report. He just wanted to let us know.

18 Before we move to Mr. Burnett, I'd like to ask
19 our aerospace interns to stand up and introduce
20 yourselves and welcome you here.

21 MR. JAMES: Hi there. I'm Cameron James. I'm
22 a student at St. Augustine High School in the
23 Embry-Riddle Airspace Academy and...

24 MR. MILES: I'm Ryan Miles. I'm in the same
25 program as him, and we're here interning for the --

18

1 yeah, just for the Airport Authority.

2 MS. BARRERA: Great. How long will your
3 internships last?

4 MR. MILES: They're supposed to be 120 hours
5 maximum, so...

6 MR. JAMES: It's supposed to last over the

7 summer, so as many hours as we can get in.

8 MS. BARRERA: So the -- you're working with
9 some flexible scheduling on that? Great. Welcome.

10 Thank you for coming. Mr. Burnett?

11 MR. BURNETT: Nothing to report, or should I
12 say I'm happy to answer any questions if there's
13 anything that anyone would like to know about
14 what's going on. But otherwise, nothing to report.

15 MS. BARRERA: Okay. Great. Thank you. Move
16 on to our first agenda item which is our property
17 acquisition.

18 PROPERTY ACQUISITION

19 MR. WUELLNER: This -- we were contacted by
20 the owner of this property 4660 U.S. 1 North. You
21 might know it as -- it's been a number of things in
22 the last few years as they have -- this property
23 has struggled to keep a tenant, although they've
24 always -- almost always been food related. Most
25 recently it was a pizza place and I think they've

19

1 got a sign hanging out there right now, it's
2 Chinese food or something coming soon, something to
3 that -- at that line. Anyway, that's the piece of
4 property we're talking about. It sits immediately
5 next to a large parcel that the airport owns and
6 immediately next to the car sales lot there. I
7 think it's Precision or Prestige or something

8 automotive on the corner of North Boulevard.

9 This is a -- we went ahead and had the
10 property appraised. We were curious what it would
11 come out to. It does have an existing lease
12 with -- with the Chinese food folks. We have yet
13 to meet them, but there is a tenant in there. The
14 appraised value was it came in at \$205,000.
15 Estimated taxes on it about \$1700 at this point.
16 It would remain taxable as long as we remained
17 leasing it. So that -- that is a consideration.

18 I would point out that we do have Florida DOT
19 funds available currently for land acquisition, so
20 we could quite quickly get this approved if it's
21 something y'all wanted to do and get 50 percent
22 participation with Florida DOT.

23 I'm -- I, you know, can't say I'm like over
24 the top excited about this piece of property, but I
25 think when you look at it in the bigger picture and
20

1 how it sort of squares off the corner there, it
2 connects to existing property, it may be worth
3 considering right now because, A, it's available,
4 and I believe the price is more than -- more than
5 fair relative to its value right now.

6 So we felt like it was worth asking you guys
7 to see if it's something you -- you want us to

8 pursue further and see if we can't get -- get to a
9 contract and get Florida DOT on board
10 participation-wise. So -- so, with that, I would
11 be happy to try and answer any questions you might
12 have about the property.

13 The current lease, just so you know, it does
14 require the lessee -- it's basically a triple net
15 kind of lease, so they're -- they're responsible
16 for all the upkeep and modifications and the like
17 to the less -- leasehold. And we think long run
18 there's -- there's potential to re-purpose some of
19 that, not only the property, but perhaps the
20 building also.

21 May very well just be able to keep leasing it
22 in the restaurant industry, although they don't
23 seem to survive. I think the last pizza place that
24 was there was pretty much killed off with the
25 Kangaroo Store down there adding the Little Caesars

21

1 franchise right on the corner and they pretty much
2 beat up everybody right there in the neighborhood
3 with that. So my guess it will be just trying to
4 find the right niche kind of vendor, for lack of
5 better words, to fill that if it's something you
6 want to do. So...

7 MR. BRUNSON: Thank you.

8 MS. BARRERA: Okay. Do we have board

9 questions?

10 MR. BRUNSON: Yeah. Is the property the one
11 in red here?

12 MR. WUELLNER: I'm not looking at a color one.
13 It's that real little square in the lower left
14 corner --

15 MR. BRUNSON: Yeah.

16 MR. WUELLNER: -- yes.

17 MR. BURNETT: It's the one in red.

18 MR. WUELLNER: Yes. Thank you.

19 MR. BRUNSON: That's what I thought.

20 MS. BARRERA: Joe?

21 MR. CIRIELLO: I guess everybody knows that in
22 the past I've never been a fan of buying property
23 up just to buy it just because it's available.

24 And I think a few meetings ago when we --
25 probably more than a few, when we mentioned buying

22

1 some of this other property up here, one of the
2 answers somebody from the board said, well --
3 because at the time I was questioning do we have
4 any use for it, any -- any ideas in the future of
5 why we might want it other than just buying it
6 because it's available. And somebody gave me the
7 excuse about the master plan. I see that's down
8 here.

9 So I was just thinking when I saw this, why
10 couldn't the board have some workshops -- not, you
11 know, regular meetings -- but workshops of -- well,
12 first let me ask. When's this master plan going to
13 be viable to where we will be discussing a new one?

14 MR. WUELLNER: I don't think it funds until
15 October of next year. So late next summer we'll
16 get award -- should get notice of award for the
17 grant. It -- we should have it under grant in
18 September, which we'll have to begin that effort in
19 October of next year.

20 MR. CIRIELLO: Okay.

21 MR. WUELLNER: So you're a full 15 months from
22 starting.

23 MR. CIRIELLO: So my idea is if the board
24 could have some workshop meetings between now and
25 then just to throw some ideas out to get some

23

1 future thoughts of how we may use all this land --

2 MR. WUELLNER: Uh-huh.

3 MR. CIRIELLO: -- and then it would make more
4 sense to me, other than just buying it and one day
5 we may have a use for it.

6 As a matter of fact, I mentioned here just a
7 few -- well, maybe a year ago or less and even
8 before when I was on the board back in 2000 at that
9 Gun Club part about putting a motel on, because I

10 think it would benefit us whether we run it or just
11 lease the land to some motel people. And I think I
12 got in a meeting or two asked if you would be
13 allowed to send some feelers out to these motel
14 conglomerates if they would even be interested --

15 MR. WUELLNER: Uh-huh.

16 MR. CIRIELLO: -- in putting an on-site hotel
17 right on airport property. And -- so some of this
18 property we're buying could maybe be used for that.
19 It's not that far away from the airport that they
20 couldn't use a little scooter to run people to it
21 instead of a taxi or getting a rental car for
22 people just staying overnight.

23 But I would like to see some -- some kind of a
24 thought to use it cause I don't think that -- like
25 before when we owned all the property in Araquay

24

1 Park and we put hangars in, I don't think you're
2 going to want a bunch of hangars backed up against
3 U.S. 1. That wouldn't look very good. So you're
4 going to need some kind of a good viable business
5 in there, and I think the motel would fit in there
6 pretty good.

7 But my main thought is having some workshops
8 to throw some ideas out so when the time comes to
9 the master plan, there would already be some

10 thought put into it. So I'm not really in favor of
11 buying up property unless we have some idea of
12 where we're going with it. That's all.

13 MS. BARRERA: Do we have any public comment?
14 Mr. Martinelli?

15 MR. MARTINELLI: No, no comment.

16 MS. BARRERA: Okay. I did not receive any
17 other public comment sheets. This is the only one
18 I have. Okay. We'll open it back up to board
19 discussion. Mr. Brunson?

20 MR. BRUNSON: I -- I -- I can see the future
21 use of this and I would probably support -- if it
22 ever came to moving forward, I would certainly
23 support it.

24 MS. BARRERA: Okay. Mr. Ciriello, to your
25 point about the master plan, when we're ready to do
25

1 the master plan and when it's been identified, do
2 you believe that this will be available, this
3 property will still be available?

4 MR. CIRIELLO: Oh, I don't know. I don't
5 think -- if we had everything on that front right
6 now except that one little piece, I don't think
7 that would stop the airport from advancing somehow
8 to use the property we do have. I don't believe
9 that's a deal killer, that if we don't have that
10 little piece of property, that we wouldn't be able

11 to do anything.

12 But no, I -- I said I'm not in favor of doing
13 it, but I'm not trying to tell you that I'm going
14 to say no if we put this to a motion. I don't feel
15 that strongly about it. It's just that I'd like
16 more direction for future ideas of how we're going
17 to use all this stuff rather than just, well, it's
18 available, so let's buy it. I like -- I just like
19 a little more direction than that, that's it. I'm
20 not dead set against it.

21 MS. BARRERA: Well, it does adjoin two pieces
22 of property that we currently own on two sides.

23 MR. CIRIELLO: We own just about everything
24 from there up to the --

25 MR. WUELLNER: You do, almost everything from
26

1 the blue -- inside the blue area. Not -- not
2 everything, but just about everything in there.
3 Everything on U.S. 1 you own.

4 MR. CIRIELLO: Yeah. So that one little
5 corner wouldn't be a deal killer that we couldn't
6 advance or expand the airport because we didn't
7 have that. But I'm just looking for some future
8 direction for some ideas to have a good reason to
9 say why we're spending all this money. That's --
10 that's all I'm looking for.

11 MS. BARRERA: Okay. Are we ready for a
12 motion? Do we want to have some more discussion?
13 The chair cannot make a motion, I believe.

14 MR. BRUNSON: Is Ed ready for a motion? My
15 only thing is I would make a motion that we move
16 forward to explore the purchase of it and bring
17 it -- to bring it back to where the -- they accept
18 the offer and --

19 MR. WUELLNER: Well, you can structure -- it's
20 up to you now how you want to structure your
21 motion, whether it's -- you -- we basically just
22 get the contract constructed and bring it back to
23 you at the next -- at a next meeting or we can
24 create that as a not-to-exceed kind of number.
25 We'll go and we can -- we can probably have this
27

1 closed by the time of the next meeting if it's
2 something you want to do. Either way.

3 MR. BRUNSON: Ed, when you come up to things
4 like this and the owner says that he's asking
5 \$205,000 and you get an appraisal, do you
6 negotiate? Are you per -- do you personally
7 negotiate that with the owner or --

8 MR. WUELLNER: It depends on the
9 circumstances. In this case it was appraised
10 independently --

11 MR. BRUNSON: Okay.

12 MR. WUELLNER: -- and the value established at
13 205. And the owner had said, well, whatever it
14 appraises for, I mean, he'd like to get out.
15 That's why the numbers are identical this time. In
16 many cases, we can go in and -- you know, we
17 certainly don't pay over -- anything over the
18 appraised value. So there may be some room here to
19 bring the price down a little bit.

20 MR. BRUNSON: Well, that's what I was hoping
21 you would say, and I would make a motion that --
22 giving you the authority to negotiate this and cut
23 a contract contingent on board approving the price
24 that you negotiated for. And of course if it's
25 \$195,000, then the grant is going to be 50 percent
28

1 whatever it is.

2 MR. WUELLNER: Uh-huh.

3 MR. BRUNSON: But if that's enough for a
4 motion for you to proceed, I would make a motion.

5 MR. WUELLNER: So we -- if I understand
6 correctly, we're moving through attempting to
7 negotiate a contract and then bring a contract back
8 to you -- to the board.

9 MR. BRUNSON: Exactly. And like I say, it
10 would be contract contingent on the board approving
11 the contract that you broker.

12 MR. WUELLNER: Okay.

13 MR. CIRIELLO: I'll second.

14 MS. BARRERA: We have a motion and a second.

15 Do we have any further discussion?

16 (None.)

17 MS. BARRERA: All in a few, aye?

18 MR. CIRIELLO: Aye.

19 MR. BRUNSON: Aye.

20 MS. BARRERA: Aye. Motion passes unanimously.

21 BUDGET DEVELOPMENT DISCUSSION

22 MS. BARRERA: Our next agenda item is our
23 preliminary budget. You-all have the paperwork in
24 front of you.

25 MR. WUELLNER: I will make every effort to
29

1 keep from spinning your heads during this whole
2 thing, but there's -- there's a lot to absorb.
3 You -- you're required to take no specific -- why
4 are we so hot here? Can we bring this down?

5 MR. BRUNSON: I can hear you good.

6 MR. WUELLNER: I feel it's reverb here. It's
7 right on the edge.

8 Anyway, the only action you're required to do
9 today is approve or develop, accept some sort of
10 TRIM-related millage rate as it -- as it affects
11 your budget going into fall. The rest is
12 informational.

13 You're welcome to provide input at this point.
14 We're going to schedule some one-on-one time with
15 each of you to go over it in more detail, should
16 you wish, ahead of public hearings as we hit
17 September to adopt some -- some version of this
18 budget as we go.

19 This is our -- this has a lot of moving parts
20 in it. I'll try to point those out as we go.
21 Those numbers of course firm up a lot during the
22 months of July and August. That's -- you've got
23 insurances that renew, you've got all kinds of
24 pieces and parts that solidify during those couple
25 of months. So we've made our best guess as to

30

1 where those numbers will end up and we'll just --
2 we'll just go from there on it.

3 All right. Key items I just want to point out
4 that affect this year's budget development, it
5 primarily has to do with air service and its
6 implications relative to budget. Authority --
7 Authority staffing of above and below wing services
8 will continue to be a challenge not financially
9 necessarily, but just finding the right blend of
10 numbers of people, the right -- the right pay
11 point, if you will, or salary point on this, and
12 the implications relative to benefits related to

13 the Airport Authority.

14 There are some equipment issues that we are
15 attempting to address in this budget. I'll point
16 those out. I am happy to report that it looks like
17 the Northrop Grumman issue is -- will resolve
18 itself. We have received notification of Grumman's
19 intent to execute a five-year renewal on the
20 North 40 complex, and that will solidify that as
21 a -- as a significant revenue source for the next
22 five years. That will likely not execute till
23 September. That would be the normal time line.
24 However, they've already provided written notice of
25 their intent to do that. So at this point, there's

31

1 a high comfort level that that will happen.

2 And then of course the big variable in all
3 this is what future air service level will likely
4 present itself as we move through next year. We
5 know that as we start the fiscal year next year,
6 you know, this fall, that we're at eight flights --
7 eight flights a week. That will drop off slightly
8 in November but, you know, everything I'm hearing
9 indicates we'll pick up at least another city and
10 then they will back-fill that service again as we
11 get through the winter months when things normally
12 pick up.

13 So don't be surprised if there aren't one or

14 two more cities that appear on the route map
15 connected to St. Augustine over the next year or
16 two. I do not know details, so picking my brains
17 on that isn't going to result in a whole lot.

18 MR. BRUNSON: Excuse me. Are you talking
19 about -- talking about Frontier --

20 MR. WUELLNER: Yes.

21 MR. BRUNSON: -- completely, nothing else?

22 MR. WUELLNER: Well, that's out there, too,
23 but way less committal.

24 MR. BRUNSON: Okay.

25 MR. WUELLNER: So there are a lot of things
32

1 that could happen --

2 MR. BRUNSON: And also there's -- I know that
3 you're working on a lot of things, but I know
4 sometimes you have to keep those things
5 confidential.

6 MR. WUELLNER: You do. But the challenge is
7 what's real, you know, and predicting that and its
8 implications to budget. That's -- I'm pointing it
9 out as this really is kind of challenging, and I --
10 I know for a fact we won't get it a hundred percent
11 right. So be prepared to have further
12 conversations during the year next year as we make
13 adjustments and -- and accommodate whatever comes

14 our way.

15 The budget that I'll go over here in a second
16 I will point out requires no ad valorem con --
17 contribution still. I see -- see no reason to do
18 that. It does consist of, you know, thorough
19 review of revenues and expenses at this point. As
20 always, extremely conservative projections.

21 We are estimating a total budget right now
22 somewhere in the vicinity of \$12,487,000. It does
23 have a larger-than-recent couple of years capital
24 program both on equipment and projects, just so
25 you're aware of that. I'll go over a little more

33

1 of that in a second.

2 I am excited just to point out that operating
3 revenues are approaching \$4 million. That's
4 huge -- a huge step for this. These are monies
5 derived on property and at \$3.7 million and change
6 at the 95 percent level. So keep in mind there's
7 still about \$200,000 of potential revenue in that
8 that we can't budget for.

9 There are personnel expenses. Operating
10 expenses have increased as proposed here a little
11 over 20 percent. That will make more sense again
12 in a second. And I think I've already dealt with
13 the FAA projects and made mention of that.

14 So at the end, our recommendation, barring

15 some huge input from you guys at this point, will
16 be to adopt a TRIM millage of zero again, meaning
17 you will -- that will serve as your not-to-exceed
18 number going into ad valorem tax season and
19 advertising and all the things that go with it from
20 a statute point of view. So with that, let me walk
21 through -- walk through this with you. I'm using
22 the little five -- I think it's about five pages
23 long.

24 In summary, walk through -- the yellow
25 highlighted column is what we're really talking
34

1 today. Last -- the left column, the more bluish,
2 it reflects what was budgeted last year.

3 If you want to see how the performance is for
4 this year, our current financials always have the
5 exact same format and have the up-to-date monthly
6 information listed there, too. So you can simply
7 pull that out and take a look at it if you want to
8 see how our performance is. But I think you're
9 going to find it's lining up pretty well.

10 Anyway, fuel at about \$125,000 in revenue.
11 We're looking at leases a little over \$3.2 million.
12 Operating agreements up from \$49,000 to \$593,000.
13 Operating revenues at a hundred percent would total
14 \$3.923 million. Adjusting that downward to 95

15 percent level leaves you that \$3.7 million number.

16 The major impact -- I'm sure the question is
17 coming up: What's the major impact to operating
18 agreements? It's now up \$550,000, and that will be
19 air service-related revenues. The next sheet
20 details that a little bit better. Reserve forward
21 of about \$5 million. Loans, zero. We owe no one
22 any money that we're aware of. Grant funds, about
23 \$3.6 million expected for next year.

24 Moving on to the expense side. Personnel
25 expenditures would be about \$1,077,000, operating
35

1 expenses of about \$1.5 million, leaving a total
2 operating expense budget if you will of \$2.6
3 million. Again, no debt service. Reserves
4 ending -- ending this at about \$5.3 million and the
5 total capital program of about \$4.5 million round
6 numbers. So again a total budget right now of
7 about \$12,487,000 proposed.

8 All right. Detailing and putting a little
9 more meat on the bone of your operating revenues
10 and expenses. Self-serve, expecting about \$35,000
11 in self-service. These -- this is not rev -- these
12 are -- this is call it profit on the self-service.
13 This is not the sales number, just so -- just so
14 you're aware of it.

15 FBO about \$90,000. Leases commercial

16 \$422,000. Corporate hangar leases of about
17 \$419,000. Major lease -- lessees, which include
18 Northrop Grumman and the FBO at this point, about
19 \$1.6 million. Other leases at \$248,000 and rentals
20 of about \$534,000. Rentals covers -- why that
21 number, it doesn't stand out, we look at short-term
22 leases as rentals. So your T-hangar revenues are
23 included in rentals versus corporate or commercial
24 leasing.

25 All right. Agreements. Airline operations,
36

1 this is where you -- we plug in parking and rental
2 cars, and you'll see that number at a projected
3 eight flights per week generates a -- a \$543,000
4 revenue stream on the budget.

5 Other operating agreements, another \$4,000.
6 Those kind of agreements include banner towing,
7 little mom and pop flight schools, little things
8 that might not really be a leasing facility but
9 have an agreement with the Airport Authority to use
10 the property. And then other user fees are about
11 \$45,000. So that brings you to that \$3.9 million
12 gross revenue adjusted downward to 95 percent level
13 leaves you about \$3.7 million.

14 I'm going to skip personnel and benefits
15 because we'll pick it up in a sheet a little bit

16 later in more detail. Airline operations, about
17 \$135,000. This is our cost for law enforcement and
18 ARFF services.

19 MR. BRUNSON: Excuse me. May I ask?

20 MS. BARRERA: Uh-huh.

21 MR. BRUNSON: The \$135,000 seems kind of low
22 to run the airline, but what -- what all does that
23 entail?

24 MR. WUELLNER: This is only including law
25 enforcement and airport rescue and firefighting.

37

1 MR. BRUNSON: Okay. So no airport personnel
2 from the port -- Airport Authority.

3 MR. WUELLNER: The personnel costs are built
4 into the line above it, personnel and benefits.

5 MR. BRUNSON: Okay.

6 MR. WUELLNER: So it's in there, it's just not
7 identified under operations.

8 MR. BRUNSON: Okay.

9 MR. WUELLNER: Then you can see we've pretty
10 much flatlined the expenses in the next six
11 categories, five categories, believing that the
12 numbers budgeted last year will remain adequate
13 this year. That includes professional services,
14 travel and per diem, communications, utilities, and
15 leases. Leases in this case are things we lease,
16 not leases we get money for.

17 Insurance liability, you see a significant
18 increase there, about 18 percent. This reflects
19 the uptick in insurance requirements related to air
20 service. It also just so you know brings our
21 liability insurance coverage from a previous level
22 of about \$10 million up to \$100 million.

23 Repairs and maintenance. This -- this ends up
24 a large change here, almost exclusively chewed up
25 in one major category, one major use, and this is

38

1 the lease of airport rescue and firefighting
2 vehicle for the next about nine months.

3 Now, this is -- this is -- we've been doing
4 this since we started air service leasing the
5 vehicle. It will eventually disappear when the new
6 fire truck is delivered that we've got the FAA
7 grant for. And there's -- I have -- I have yet to
8 get this confirmed, but we did apply as a part of
9 that grant with FAA to -- we sought reimbursement
10 for the lease of the vehicle in the first place.

11 So there's a chance that we may get some of
12 that money refunded, for lack of better words, or
13 off our operating budget as a result of this. I --
14 I'll update you when I can get that confirmed. It
15 was in the original application, but I don't --
16 until I see the grant, I don't know.

17 Outside communications, uptick of about
18 \$35,000. This is just airline-related marketing
19 that we feel like as the SCASD grant either
20 disappears, this -- that could go away if we're
21 able to successfully continue with our SCASD
22 grant -- I'm sorry to throw another acronym --
23 Small Community Air Service Development grant we
24 have with the federal government that lets us
25 charge if you will a good chunk of the costs

39

1 related to marketing new airline service in your
2 community against this grant. But the grant is due
3 to expire in late November. It may or may not be
4 renewed.

5 MR. BRUNSON: Is there -- is there a ceiling
6 that they put on this so we don't become small
7 flights out of here, we don't get as many grants if
8 they have more flights in this category?

9 MR. WUELLNER: Actually, when you -- when you
10 go into commercial service category, it's all based
11 on enplanement data.

12 MR. BRUNSON: Okay.

13 MR. WUELLNER: So as we -- as I mentioned
14 earlier, when we come through that magical 10,000
15 enplanements a year, we hit the first level of
16 what's referred to as entitlement funding meaning
17 we get a minimum at that point of \$1 million a

18 year.

19 MR. BRUNSON: Right.

20 MR. WUELLNER: Whereas as a GA airport, we get
21 a -- we get a maximum -- well, we get \$250,000. So
22 it's a big step up of available grant funds that
23 we're guaranteed to get each year from -- from the
24 federal government.

25 MS. BARRERA: And I will just add that we got
40

1 those when Skybus was here.

2 MR. WUELLNER: Yeah, we actually ended up
3 generating -- because of some quirk in the way the
4 law was written, we ended up getting about \$4
5 million in improvements out of it. But it's a good
6 thing any time we can get above 10,000. That's the
7 number. Under 10, we're still considered GA and we
8 don't get a guaranteed anything other than the
9 250 --

10 MR. BRUNSON: That's a big jump, though --

11 MR. WUELLNER: Yes, it is.

12 MR. BRUNSON: -- from last year.

13 MR. WUELLNER: Yes, it is.

14 Government obligations, I'm just pointing out
15 here we have a mandatory contractual upgrade of
16 equipment at U.S. Customs. So that's the \$15,000
17 that's there.

18 All right. Going down to operating expenses,
19 basically the increase here, this is probably a --
20 end up a little high. We're going to keep
21 evaluating this number. But basically it's
22 everything from lighting and supplies and
23 sign-related equipment -- or not equipment, but
24 materials, anything that's consumable on property.
25 And of course consumables go up with air service.

41

1 They're just a lot of everything from paper
2 products to -- to the like that are -- that are
3 sort of a fallout, if you will, of that kind of
4 activity. And then there's a minor increase in
5 publications and memberships as we have more people
6 seeking -- or being involved in professional
7 organizations.

8 We are currently involved -- we added last
9 year, which actually it didn't affect the budget
10 last year but it should have, we renewed our
11 membership in the Contract Tower Association as
12 we've been continuing to fight that battle to make
13 sure that funding is -- continues for -- for
14 contract air traffic control towers. In fact, that
15 eats up about 1800 of the 2500 difference.

16 MR. BRUNSON: Excuse me. You have charges for
17 the EDC, Chamber and --

18 MR. WUELLNER: All those come in that.

19 MR. BRUNSON: -- not the North Florida

20 transportation or is there --

21 MR. WUELLNER: That -- the TPO costs come

22 under outside governmental, so it's a little

23 different heading.

24 MR. BRUNSON: Okay.

25 MR. WUELLNER: But it's included in --

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1 MR. BRUNSON: Is it?

2 MR. WUELLNER: -- the operating budget.

3 MR. BRUNSON: Okay.

4 MR. WUELLNER: Uh-huh. It would be under the

5 cover -- it's covered under the line government

6 obligations a couple of lines up from there.

7 MR. CIRIELLO: Question.

8 MS. BARRERA: Yes, Joe.

9 MR. CIRIELLO: Who all falls under that

10 umbrella of professional services?

11 MR. WUELLNER: The easiest way to describe

12 professional services, it come -- it catches

13 anything -- it would cover legal, it would cover

14 any engineering-related services or planning

15 services that are not otherwise covered by a grant.

16 MR. CIRIELLO: The audit people?

17 MR. WUELLNER: They would. They would come

18 under that.

19 MR. CIRIELLO: Seems to me with all these
20 different professionals that we deal with, just
21 Passero in a year's time, whenever they get so much
22 money for doing this and that, it seems to me
23 that's awful little figure, \$205,000.

24 MR. WUELLNER: It --

25 MR. CIRIELLO: It seems to me it should be
43

1 higher.

2 MR. WUELLNER: Well, the 205-, be careful what
3 you're hearing here, because if it's not a grant,
4 it goes in this heading.

5 MR. CIRIELLO: Oh, okay. All right.

6 MR. WUELLNER: If it's associated with a
7 grant, it's in the grant cost or in the project
8 cost.

9 MR. CIRIELLO: All right. I got you. All
10 right.

11 MR. WUELLNER: That's why it seems low.

12 MR. CIRIELLO: Okay. I got you.

13 MR. WUELLNER: Good observation there.

14 All right. Personnel, this -- the big
15 difference is right there at the top. We go from
16 12 full time and are adding nine part-time
17 employees. We actually did this back in April.
18 But this continues this and it's now budgeted, for
19 lack of better words.

20 You can see the -- the net uptick is about
21 \$126,000 before you get into FICA, you know, the
22 Authority -- the statutory kinds of things as well
23 as we will be required starting in October to put
24 those employees within Florida Retirement. So we
25 will have to pick up that additional cost. So the

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1 total impact's about a hundred -- I think about
2 \$170,000 for nine part-timers, and that's based on
3 a 20-hour workweek at this point.

4 So the major upticks are because we currently
5 don't have -- we do not have them enrolled in
6 Florida Retirement. We have them as seasonal
7 part-time employees, but we can only carry
8 employees up to six months in that classification
9 at which point they become -- they can be regular
10 part-time employees. So the positions can be part
11 time still, they just can no longer sidestep the
12 Florida Retirement system piece of it. You see
13 there are no new positions in a technical sense.

14 You see a slight reduction in adjustments. No
15 material change in travel over time. Auto
16 expenses, those kind of things are the same as they
17 were. Changes in taxes are a direct result of the
18 increase in salaries. So that's how those things
19 are tied directly together. Retirement is

20 likewise.

21 And we have input an increase in the insurance
22 pieces of this not knowing -- this is one of those
23 numbers I mentioned at the beginning we'll get a
24 better handle on as those renewals begin to take
25 place during the month of August. So we'll have --

45

1 we'll have, you know, real numbers, for lack of
2 better words. That will go from estimated to real
3 by the September time line. Are you asking now? I
4 see it on your --

5 MS. BARRERA: I'll wait.

6 MR. WUELLNER: Okay.

7 MR. BRUNSON: We have no legal issues of --
8 back when I was on the board, we sometimes had
9 legal issues of the -- of people suing about
10 certain things. Do we have anything like that?

11 MR. WUELLNER: No, the only ongoing
12 litigation, for lack of better words, is with the
13 St. Johns County Tax Collector's Office, and
14 that's -- Doug would be in a better position to
15 brief -- brief you on that, if you --

16 MR. BURNETT: Yeah. The short part of the
17 story is we have a difference of opinion related to
18 when the Airport Authority leases property, who's
19 responsible for paying the ad valorem taxes on the
20 property. You know, if the property is the

21 airport's, the airport doesn't have to pay taxes.
22 The short part of the story is, when the airport
23 turns around and leases property, ad valorem taxes
24 are due, we believe they're due from the tenant to
25 the tax collector.

46

1 There's a rule by the Department of Revenue
2 that interprets this issue and specifically says we
3 believe makes it clear that the Airport Authority
4 doesn't -- isn't responsible for that tax revenue
5 to the tax collector. That being said, the tax
6 collector believes that it can be interpreted a
7 different way, and so we've asked for a legal
8 opinion.

9 The circuit court, Judge Maltz, some may
10 interpret it to say ruled against the
11 Airport Authority. But based on the information
12 that Judge Maltz had, he had to rule one way or the
13 other and his interpretation was that it went in
14 favor of the tax collector to say that the tax
15 revenue should still be paid; whether the tenant's
16 gone or not, the Airport Authority should still be
17 responsible. The opinion by Judge Maltz did not
18 address the rule, and so we've taken it to the
19 Fifth District Court of Appeals for the Fifth
20 District to give an opinion on whether or not the

21 rule is controlling.

22 MR. BRUNSON: Okay.

23 MR. BURNETT: And that's where that matter's
24 at. But that's really the only thing out there at
25 this stage.

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1 MR. WUELLNER: It's a relatively minor number
2 at the end of the day either way.

3 MR. BRUNSON: I apologize. I know y'all have
4 discussed that at length, on and on.

5 MS. BARRERA: All right. Looking back at the
6 budget?

7 MR. WUELLNER: Okay. As you recall from
8 the -- this is an important point, that moving
9 into -- from operations, that you have about a
10 \$1,116,000 surplus in net operations, net from
11 operations. So that's -- that's approaching 30
12 percent of -- of revenue that is revenue over
13 expenses on the operating budget.

14 So when you bring that forward and you
15 recognize we have zero debt and no other meaningful
16 nonoperating expenses or revenues, that number
17 continues, or about \$1,116,000 surplus revenues at
18 that moment or that point in the budget, at which
19 point we begin to work through the capital budget.

20 Now, if you'll turn the page from this
21 nonoperating page to capital, which I believe is a

22 purple kind of header at the top, I'll try to talk
23 you through what the major items are anyway in
24 these -- these projects.

25 Hitting equipment first, security computer and
48

1 servers, all of that has to do with cam --
2 everything from cameras, computer upgrades,
3 server-related work that needs to be done, just
4 upgrading to stay current with -- with needs.
5 That's about a \$20,000 not to exceed kind of number
6 in the budget.

7 Equipment replacements include a copier,
8 portions of the wireless system, phone system
9 upgrades. And it includes also AC replacements for
10 the second floor of this building. So basically
11 the meeting room you're in right now, it has been
12 patched and we're being told will hold till fall,
13 but at some point we need to replace the -- the
14 air-conditioning units for this floor. So
15 that's -- that's included in that \$45,000 number.

16 The last item is just under the heading of
17 equipment, and this includes a number of items to
18 include a couple of gate comptrollers. These are
19 the op -- the gate operators. These are the -- the
20 units that physically open and close and secure
21 perimeter fence locations. It includes a Gator

22 instead of -- replacement of a pickup truck that
23 will be retired. We're looking at another one of
24 those little devices at about a third or a quarter
25 to a third the cost. It includes two additional
49

1 tugs for --

2 MR. BRUNSON: What are we going to do with
3 that pickup? Are we going to plant any trees,
4 orange trees or anything?

5 MR. WUELLNER: In the truck?

6 MR. BRUNSON: No.

7 MR. WUELLNER: It will be surplussed. The --
8 the two tugs are in here, two additional tugs,
9 aircraft servicing. And also we have put in here
10 two switchback units, which are the ramp devices
11 related to moving passengers on and off of the
12 aircraft.

13 Now, I have a lead on perhaps being able to
14 get those at a much reduced price from used out of
15 St. Pete-Clearwater Airport and I'll have some
16 discussions with them over the next few weeks and
17 see if we can't even possibly eliminate that number
18 completely. These are the prices for two new ones.
19 So, there aren't a lot of them sitting around. But
20 that's -- that's the numbers there that equates to
21 about \$124,000. So the equipment side's sitting at
22 about \$189,000, all things.

23 Moving into capital to construction planning,
24 you have that Phase 3 of barge dredging out there
25 basically and some seaplane ramp repairs. We have
50

1 a FIND grant from last year, so we need to -- we
2 need to expend that this year. You have a \$200,000
3 project from FIND. So it's a hundred thousand each
4 Authority and FIND district money to do that work.

5 Taxiway A I mentioned is about to be funded by
6 FAA. That would move into fall -- you know, we
7 could probably start as we begin our new fiscal
8 year at \$3 million. You can see 90 percent of that
9 is funded by FAA, another 5 by FDOT, leaving about
10 \$150,000 for Authority share.

11 The ARFF Index A vehicle, this is the vehicle
12 we got word of grant, so that's that line item. We
13 need to do a restripe of Runway 13/31 at \$110,000.
14 And I'll come back to that project in a second. We
15 need to look at some additional lightning
16 protection in the vicinity -- in a few buildings,
17 but primarily the airline terminal area, as that
18 houses a great deal of equipment that would be in a
19 sense irreplaceable in the short time.

20 The last items is a -- or not last item, but
21 next item of substance is the Index B vehicle, and
22 I'll speak to that in just a second. The last is

23 the SCASD grant, the Small Community Air Service
24 grant that I mentioned earlier.

25 If we were able to continue with that, that
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1 money would still exist. It's in there. It would
2 require an Authority match of about \$50,000 in the
3 event we're able to extend that. We won't know
4 until very near the end of the calendar year as to
5 the status of that.

6 Brings you to about \$4.3 million in total
7 construction and planning capital with an Authority
8 share of about \$648,000. The federal funds would
9 be about \$3.3 million. Another \$300,000 of State
10 money. FIND district would have another \$100,000
11 in this. And we'd have about \$658- in
12 Authority-matched funds in this whole thing.

13 Now, let me do back to those -- those couple
14 of projects. One, we have a meeting scheduled
15 Wednesday with Florida DOT. There's -- they have a
16 grant they're trying to issue us. And I'm going to
17 make an attempt to get the language in that grant
18 broadened for us before we execute it. That might
19 allow us to get some other capital projects
20 accomplished with state participation.

21 So it's going to be a matter of whether DOT
22 will be open to changing the description in that
23 grant. Because there are several things that we

24 might be able to include in there, and to include a
25 shelter for the -- for basically equipment related
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1 to air service off to the side where we do bag --
2 makeup area. Some of this rolling stock like the
3 switchbacks may be able to come under that. We
4 believe we could get the Runway 13/31 striping
5 participated in potentially here. The other might
6 be this Index B vehicle.

7 We are leasing, I mentioned earlier, the -- an
8 ARFF vehicle. The vehicle contract terms allow us
9 to apply everything we've paid on that vehicle.

10 It's a used vehicle. We can -- we can put that
11 directly toward purchase if we execute that option.

12 The Index B vehicle in and of itself is nearly a
13 \$900,000 vehicle, just so you know where the value
14 is.

15 Now, we do not technically need a B vehicle
16 yet, but it would provide the ability -- it can
17 replace the A vehicle should it be down on a
18 mechanical problem. It can be used in place of it.
19 So it provides a nice reliable backup. But maybe
20 longer term thinking is, when we hit an average of
21 five flights per day, we will be mandated to have
22 Index B coverage. So we will be able to get in the
23 queue with FAA to buy a vehicle, but the lead time

24 on vehicles is in excess of nine months to get
25 those vehicles delivered.

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1 So it may be worth considering exercising the
2 option because you will have been paying for this
3 nearly a year at the end of this, even having some
4 FAA money in this, and being able to perhaps
5 consider stroking a check at the end of this and
6 having the vehicle permanently here as both a
7 backup and the additional capacity. That does not
8 eliminate --

9 MR. BRUNSON: Wow.

10 MR. WUELLNER: -- our ability to go get FAA
11 money for a new vehicle, too. So it doesn't close
12 that door, it just provides good stopgap coverage
13 and reliable ARFF vehicle coverage through -- for
14 the foreseeable future. So I knew -- I'm sorry it
15 gets confusing, but that's kind of what's -- kind
16 of what's in play there.

17 Another item we'd like to explore with Florida
18 DOT is something that actually Mr. Ciriello brought
19 up as a weak -- kind of a weak point relative to
20 the air service scenario out on the field. We
21 completely agree with him. His proposal of course
22 was that we can throw some umbrellas or --

23 MR. CIRIELLO: Ponchos.

24 MR. WUELLNER: -- ponchos, thank you, at it,

25 you know, as a stopgap, but we think, you know, a
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1 more permanent kind of solution to this might be
2 better.

3 There are some -- some movable enclosed
4 walkways that we can just roll out that would
5 provide shelter from the switchbacks all the way
6 back to where bag claim. So we could keep people
7 pretty much out of the weather. We believe that
8 they run -- we did some preliminary looking.

9 It's about a \$200,000 capital item. But we
10 believe, again, Florida DOT can be brought to bear
11 on this and -- and participate in half of it or
12 maybe even more in it at the end of the day. I'll
13 update you as we go forward as to what -- how FDOT,
14 you know, received that information and whether
15 they're open to that kind of thing and we'll just
16 see how it goes from there.

17 But those are a couple of items that are out
18 there we think are -- are worth considering. They
19 certainly are from a customer service and --
20 viewpoint. We've been extremely lucky to keep
21 people reasonably dry at this, but our luck will
22 end.

23 MR. BRUNSON: Ed, on that initial flight, they
24 were deplaning through that gate.

25 MR. WUELLNER: Uh-huh.
55

1 MR. BRUNSON: Has that changed to -- to where
2 they come directly into the building?

3 MR. WUELLNER: No. We -- the building is not
4 sized to have passengers go back into it.

5 MR. BRUNSON: Okay.

6 MR. WUELLNER: So they will -- at this point,
7 until the major changes in service change, they
8 will always go to -- through that gate.

9 What we are looking to do is be able to
10 provide temporary shelter really from the -- from
11 the airplane or base of the airplane to bag claim
12 and then that same structure can be used to move
13 passengers from the boarding door back to the
14 airplane also. So it's -- it doesn't multiply the
15 capital or anything else, just provides a -- you
16 know, some version of shelter out there that can be
17 reused day in and day out as necessary. So...

18 MR. BRUNSON: Got it.

19 MS. BARRERA: Like a movable jet bridge.

20 MR. WUELLNER: Yeah, sort of. Way less
21 structure involved and cost.

22 MS. BARRERA: Ed, tell me about this lightning
23 protection. Is that a fixed system or is that
24 similar to what FPL is offering on a monthly basis?

25 MR. WUELLNER: No, this is -- this is a fixed

1 system. It's actually used as a -- it's not new
2 anymore, it was when I first started my career in
3 aviation, but they use static dissipating type rods
4 at the top of the -- of the infrastructure -- the
5 building itself --

6 MS. BARRERA: Uh-huh.

7 MR. WUELLNER: -- which in a sense busts up
8 the potential for it to be a lightning strike, a
9 lightning rod. And we -- I've seen some extreme
10 results with that. It's -- it really does what
11 it's advertised to do over the years.

12 We had -- not to belabor the point, but we had
13 a rotating beacon on the tower in the middle of the
14 field at Hernando County Airport that was hit
15 probably monthly and it would completely destroy
16 the rotating beacon on it every time. And they
17 introduced these to the top of that, and to my
18 knowledge in the eight and a half years I was
19 there, it never was hit again. So it -- it does
20 provide significant benefit.

21 We've already taken a hit over there that just
22 by dumb luck of where the contract on installing
23 the security system over there was, we had not
24 accepted the equipment yet when it took a lightning
25 strike on that building and took out about \$6,000

1 worth of camera-related equipment. So it kind of
2 lit a fire under us to figure out how we're going
3 to keep that from happening moving forward.

4 MS. BARRERA: No, I've been hearing about a
5 lot of lightning strikes, even people who install
6 copper pipes and --

7 MR. WUELLNER: There's a lot of it going on.
8 So anyway, an ounce of prevention so to speak.

9 MS. BARRERA: No, it's a big issue. It's a
10 big issue --

11 MR. WUELLNER: We could easily plow through --

12 MS. BARRERA: -- in Florida. We're the
13 lightning capital.

14 MR. WUELLNER: -- \$200,000 of equipment in a
15 -- like that.

16 MS. BARRERA: That's why I wanted to know if
17 it was a fixed solution or a --

18 MR. WUELLNER: Yeah, it's not an insurance
19 gimmick or some other thing. It's -- it's hard --
20 hard protection, so to speak.

21 MS. BARRERA: Do we have any other questions?

22 MR. WUELLNER: So you're not required -- we're
23 not asking you to adopt anything or anything else
24 today, it's just simply to get you an order of
25 magnitude some of the stuff that's out there.

1 We're -- we'll continue to detail it. We
2 welcome you to come in and -- and spend some time
3 and get more details or more questions, you know,
4 whatever you -- whatever's on your mind relative to
5 the budget. We'll keep refining those numbers as
6 we get more information. So I guess in closing,
7 the only thing you're really required to do is --
8 is formally declare what your intentions are
9 related to your TRIM.

10 MR. BRUNSON: The millage.

11 MR. WUELLNER: The millage rate. And we'll
12 transmit that to the tax collector's and the
13 appraiser's office as required and, you know, your
14 not-to-exceed number.

15 MR. BRUNSON: Explain this to me. You know,
16 when we did the zero millage, did we have to say
17 something like .000?

18 MR. WUELLNER: No.

19 MR. BRUNSON: Okay.

20 MR. WUELLNER: But we did that one year until
21 the issue got resolved, but there are no more
22 issues --

23 MR. BRUNSON: I remember. We --

24 MR. WUELLNER: It's just zero now.

25 MR. BRUNSON: Okay.

1 MR. BURNETT: We got a favorable Attorney
2 General Opinion on that one.

3 MR. BRUNSON: Okay.

4 MR. BURNETT: Yeah, we would like to get a
5 formal motion on it, though, action, so we've got
6 it clear on the record.

7 MR. BRUNSON: Okay.

8 MS. BARRERA: I'm going to open it up for
9 public comment. Mr. Martinelli?

10 MR. MARTINELLI: Yeah.

11 MR. WUELLNER: I forgot to mention, too,
12 before you get started that at the end of the day,
13 I did want to point out that you were still putting
14 \$279,000 additional into reserves.

15 MR. BRUNSON: Wow.

16 MR. WUELLNER: So, this is -- this is not a
17 zero budget at the end of the day. There's still
18 potentially \$300,000 range going back into
19 reserves.

20 MR. MARTINELLI: Okay.

21 MS. BARRERA: Mr. Martinelli?

22 MR. MARTINELLI: Okay. Going back to day one
23 when this Airport Authority was managed on the back
24 of somebody's hand and budgets and programs were as
25 they were thought of, period, to where you are

1 today -- and I've seen it all and I want to commend
2 every one of you.

3 This is an excellent budget presentation, Ed.
4 And the -- the way it is done comparatively so that
5 you can follow it against financials on a current
6 basis and project that into the budget, easy to
7 understand, very transparent, and that's very very
8 clear. It is very transparent. So I just want to
9 commend you all on a job well done.

10 MS. BARRERA: Thank you, Mr. Martinelli.

11 MR. BRUNSON: Here here.

12 MS. BARRERA: Going to bring it back to the
13 board for further discussion and motion. And we'll
14 be motion -- making a motion for a TRIM
15 recommendation, not for acceptance of the budget.

16 MR. BRUNSON: Second.

17 MR. WUELLNER: You need -- we need --

18 MS. BARRERA: Yeah, I don't think I can make a
19 motion as the chair.

20 MR. WUELLNER: Oh, you can.

21 MR. BURNETT: You can.

22 MR. BRUNSON: I thought you just did.

23 MS. BARRERA: No.

24 MR. BRUNSON: I couldn't hear you.

25 MS. BARRERA: I was bringing it back for that

1 discussion. Is there any more -- any more

2 discussion?

3 (None.)

4 MS. BARRERA: Then -- and I can make a motion?

5 MR. BURNETT: Yes, ma'am.

6 MS. BARRERA: Then I'll make a motion that we
7 set our TRIM at zero percent millage.

8 MR. BRUNSON: And I can second that, since
9 you...

10 MS. BARRERA: Do we have any further board
11 discussion?

12 (None.)

13 MS. BARRERA: All in favor?

14 MR. CIRIELLO: Aye.

15 MR. BRUNSON: Aye.

16 MS. BARRERA: Aye. Motion passes unanimously.

17 PUBLIC COMMENT - GENERAL

18 MS. BARRERA: All right. Do we have any
19 public comment?

20 (None.)

21 MS. BARRERA: Hearing none, we'll move open
22 for our committee reports. Mr. Ciriello?

23 MEMBER COMMENTS & REPORTS

24 MR. CIRIELLO: Oh, the intergovernmental
25 hasn't had a meeting since our last board meeting.

1 Our meeting is going to be Wednesday. So I won't

2 have anything to say until the next board meeting.

3 MS. BARRERA: Okay. Any other comments,

4 Mr. Ciriello, from your --

5 MR. CIRIELLO: When we get into here, I will.

6 MS. BARRERA: Okay.

7 MR. BRUNSON: Talk about your hotel you want

8 here.

9 MR. CIRIELLO: Hmm?

10 MS. BARRERA: Okay. You have no other board

11 comments?

12 MR. CIRIELLO: No.

13 MS. BARRERA: No Brunson?

14 MR. BRUNSON: Very briefly, I would like to

15 echo what Victor just said. I am so impressed with

16 the board and past boards, and the airport and the

17 staff and Ed are just doing unbelievable. And

18 they're kind of getting old now, but I hope they

19 can keep it up. And -- but it really is excellent

20 and thank you, guys, for your hard work. I hope I

21 will add to that.

22 MR. WUELLNER: Add to the work?

23 MR. BRUNSON: Just don't ask me to go meet any

24 flights at 2:00 in the morning like Cindy did the

25 other day.

1 MS. BARRERA: Is that true?

2 MS. HOLLINGSWORTH: (Shakes head.)

3 MR. BRUNSON: July the -- July the 4th, where
4 were you?

5 MS. HOLLINGSWORTH: No comment.

6 MR. WUELLNER: No home. They were working a
7 flight. I know where she was. She was working.

8 MS. BARRERA: For the EDC, the -- we've had
9 some changes in the EDC, and Ed has been working
10 closely and we've met the executive committee about
11 some of the developments that are going on here at
12 the airport, and we're looking forward to good
13 things to come. There's a future EDC breakfast on
14 July the 30th, and we'll have an update from the
15 web.com people, will be presenting on that for the
16 larger chamber membership.

17 Aerospace Academy, we welcome our interns
18 here. We hope that you-all gain quite a bit of
19 knowledge and excitement for the aviation industry
20 that we all have and we look forward to seeing
21 great results.

22 Our next meeting is proposed for September the
23 8th, which should be our first public budget
24 meeting at 5:00. On September 15th, we should have
25 our regularly scheduled board meeting at 4:00, and

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1 on September the 15th, we should have our final
2 public budget meeting. Mr. Ciriello?

3 MR. CIRIELLO: I'd like to be put down on the
4 record that I am again complaining about canceling
5 any meetings. I -- I'm never in favor of canceling
6 any meetings like you're bypassing August going
7 into September. And what with budget being pretty
8 important and everything, I don't think we should
9 be bypassing August. I just want it on record
10 that -- my dissatisfaction of canceling a meeting.

11 MS. BARRERA: Well, what do you have -- what
12 the staff has done is proposed individual meetings
13 to go over the budget with each of the individual
14 board members and --

15 MR. CIRIELLO: I'm talking in general about
16 canceling. We've been canceling meetings for the
17 last year every other month and for years and
18 years, this board's never done that.

19 And so, I'm -- I'm just against canceling
20 meetings of anything. But this particular August
21 we're going to have these meetings in September
22 with the budget, I think August is a time to really
23 go over it with a fine-tooth comb because the
24 meetings in September are almost a done deal. So I
25 don't think canceling August is a good idea, but I

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1 just --

2 MS. BARRERA: I certainly --

3 MR. CIRIELLO: -- just want it on record to

4 say that.

5 MS. BARRERA: I certainly would be open to
6 having an August board workshop on the budget after
7 individual meetings are held with -- on the budget
8 with the individual board meetings -- board members
9 should that be the will of the board. I would be
10 open to that at that point in time.

11 But just to have a meeting in order to have a
12 meeting and say we had a meeting, I want to be able
13 to be sure there's a reason that calls for a
14 meeting. But I would be open to, after your
15 individual meetings with the staff, opening that
16 back up and I would support that as one of the
17 board members. Any other comments?

18 MR. BRUNSON: I have a question, if this is
19 proper. With Ms. Barrera filing for school
20 board --

21 MR. WUELLNER: Uh-huh.

22 MR. BRUNSON: -- when is her last meeting that
23 she can participate?

24 MR. WUELLNER: It is the -- her duties end the
25 week after the general election in November.

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1 MR. BRUNSON: The general?

2 MR. WUELLNER: After the general election.

3 MR. BRUNSON: Okay. So you have --

4 MR. WUELLNER: November 15th-ish, something
5 like that.

6 MR. BRUNSON: Okay. And the other question
7 is, with me taking over Mr. Mercer's spot, when do
8 we decide who is backup or who's -- goes to
9 intergovernmental or to EDC or to the chamber, to
10 the transport -- to the MPO as I call it?

11 MR. WUELLNER: Let me get with you afterwards,
12 after the meeting and go over that, but for the
13 most part, y'all work through that issue in
14 November and early December --

15 MR. BRUNSON: Okay.

16 MR. WUELLNER: -- to begin in January.

17 MR. BRUNSON: I got you.

18 MR. CIRIELLO: Randy brought up a question
19 that made me think, and that's hard to do.

20 I -- somewhere along the line, I'm under the
21 impression that when it comes to running for
22 offices, if somebody holds a particular job and
23 they want to run for a political office, they have
24 to resign; they can't hold one office and run for
25 another one. I think that's more or less what you

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1 was trying to get at, wasn't you?

2 MR. BRUNSON: Well, I didn't know --

3 MR. WUELLNER: Yeah.

4 MR. BRUNSON: -- exactly what the rule because

5 I've been through that.

6 MR. WUELLNER: The process is described in
7 Florida Statutes. In effect, she met the
8 conditions required by providing notice in the
9 proper time to the supervisor of election wherein
10 she provides a date of resignation, which is at the
11 second week of November. She is allowed to
12 continue in that office until she assumes her new
13 duties or that date. So it -- all of that is
14 perfectly aligned with Florida Statutes in this
15 case. She technically has resigned effective
16 November.

17 MR. CIRIELLO: I think the Florida Statutes
18 should be changed a little bit. But it -- it's not
19 right. If you have a job, then you've got to
20 resign before you can run for another job. But I
21 can remember some people having jobs wanting to run
22 for county commissioner and they have to do it.

23 So I understand what you're saying, but here
24 she -- she's done that, but now she can go ahead
25 and politically campaign from now till the election

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1 for this new job while she's holding this job. I
2 mean, I'm not saying anything about her or
3 criticizing her, that's not what my point is. My
4 point is you have to give up a job to run for

5 another one, you shouldn't be allowed to be able to
6 do any campaigning or anything and wait until after
7 the election to find -- well, supposing she got --
8 well, okay.

9 MR. BURNETT: The main thing that the law --
10 if I might interject. The main thing the law is
11 preventing is dual office-holding. It's not
12 preventing running from one office while you're in
13 another office. The law is designed to prevent
14 dual office-holding, not holding two offices at the
15 same time.

16 MR. WUELLNER: You can't be elected to two
17 jobs.

18 MR. CIRIELLO: I'm trying to go way way back
19 and I can't, but there's a lady I knew personally
20 that wanted to run for county commissioner -- I
21 know her name, it's on the tip of my tongue, and I
22 can't think of it.

23 But at the time, she didn't -- I'm not
24 remembering if she was on the school board at the
25 time or if she was on the Olympic committee, going
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1 to run for the Olympics or something, you know,
2 with that flag through the county. Somewhere back
3 in there, she had -- she wasn't allowed to run for
4 the commissioner because of this other thing that
5 she had going. And I don't remember if it was

6 because she was on the school board --

7 MR. BRUNSON: That was a completely different
8 thing, I think, Joe. But that was the wife of the
9 county attorney?

10 MR. MARTINELLI: Yeah.

11 MR. CIRIELLO: No, I'm not talking about
12 Bosanko. No, no. This was before that. I know
13 the lady's name and can't think of it. I --
14 somehow I think she had something to do with the
15 Olympics at the time and she had an office here
16 somehow and that she couldn't run for the county
17 commissioner because of that. And she may have
18 been on the school board at the time. And --

19 MR. WUELLNER: No idea.

20 MS. BARRERA: To speak to Mr. Brunson's point,
21 the -- Mr. Mercer did not elect to join any of the
22 different committees, and the Aerospace Academy
23 committee is something that was available for
24 someone to take. I chose the economic development
25 committee, but certainly would welcome for you to

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1 jump into the Aerospace Academy because that is
2 something I've been doing, but it certainly was not
3 something I elected --

4 MR. BRUNSON: And I would like to do that, but
5 I also would like to mention that I would like to

6 be -- and I know you might have a backup already
7 for the EDC --

8 MS. BARRERA: Uh-huh.

9 MR. BRUNSON: -- but that's really where my
10 passion is eventually and to help the airport and
11 the EDC.

12 MR. WUELLNER: Well, nothing -- nothing
13 prevents you from attending any of that. None of
14 that -- nothing's different there. But hold the
15 liaison position, it will change officially over
16 the first of the year --

17 MR. BRUNSON: Okay.

18 MR. WUELLNER: -- and you'll decide amongst
19 yourselves who does that in November or December.

20 MR. BRUNSON: That's a good point.

21 MS. BARRERA: But certainly in the meantime,
22 if you'd like to jump into the Aerospace Academy,
23 they would love to have you.

24 MR. WUELLNER: There's just a couple of these
25 a year.

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1 MR. BRUNSON: I would have to deal with these
2 two?

3 MR. WUELLNER: Not directly.

4 MS. BARRERA: Meeting adjourned.

5 (Meeting adjourned at 5:22 p.m.)

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1 **REPORTER'S CERTIFICATE**

2

3 **STATE OF FLORIDA)**

4 **COUNTY OF ST. JOHNS)**

5

6 **I, JANET M. BEASON, RPR, RMR, CRR, certify that I**

7 was authorized to and did stenographically report the
8 foregoing proceedings and that the transcript is a true
9 record of my stenographic notes.

10 Dated this 23rd day of July, 2014.

11

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JANET M. BEASON, RPR-CP, RMR, CRR

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