

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Workshop Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, June 5, 2006

6 from 2:21 p.m. to 2:36 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

9 WAYNE GEORGE, Acting Chairman
10 JOHN "JACK" GORMAN

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11 BOARD MEMBERS ABSENT:

12 ROBERT COX
13 SUZANNE GREEN
14 RANDY BRUNSON

14 * * * * *

15 ALSO PRESENT:

16 HAZEM BATA, Esquire, Rogers, Towers, Bailey,
17 Jones & Gay, P.A., 170 Malaga Street, St. Augustine,
18 FL, 32084, Attorney for Airport Authority.

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

BRYAN COOPER, Assistant Airport Director.

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JANET M. BEASON, RPR, RMR, CRR

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St. Augustine Court Reporters

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PROCEEDINGS

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CHAIRMAN GEORGE: Let's get started and start

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with the pledge of allegiance. Call the special

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workshop meeting of the next year's budget to

5

order and say the pledge.

6

(Pledge of allegiance.)

7

CHAIRMAN GEORGE: The status of where we

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stand is that the printer is slowly, you know,

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generating this information. Ed had, you know,

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all of the information on overhead and they're

11

looking to see, you know, if we can go over the

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first sections of the -- of the budget while

13 they're preparing -- you know, making copies of
14 the last section's worth. Does anybody not have a
15 copy?

16 MR. CIRIELLO: I just got this thing
17 (indicating).

18 CHAIRMAN GEORGE: Okay.

19 MR. BATA: Can I get a copy, please?

20 CHAIRMAN GEORGE: I guess you can, yeah.

21 Mr. Gorman had something he wanted to bring up, so
22 I'll turn the floor over to him.

23 MR. GORMAN: Okay. Well, I think I'm
24 quite --

25 CHAIRMAN GEORGE: Let me get Mr. Wuellner.

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1 MR. GORMAN: Okay.

2 (Mr. Wuellner enters the room.)

3 CHAIRMAN GEORGE: We called it to order and
4 did the pledge of allegiance and I told them that
5 we, you know, are kind of lagging on the copying,

6 had problems with the machine, but you did have

7 the overheads --

8 MR. WUELLNER: Uh-huh.

9 CHAIRMAN GEORGE: -- and we could start

10 through it and everything.

11 MR. WUELLNER: Okay.

12 CHAIRMAN GEORGE: Do you want that one back

13 so you can -- we need that one back, too.

14 MR. BATA: Okay. No problem.

15 CHAIRMAN GEORGE: Anyway, Mr. Gorman has a

16 comment he'd like to make, because I think it's

17 important.

18 MR. GORMAN: Well, very simply put, when we

19 got elected to this situation, we did so to serve

20 the public, and I don't -- I'm a bit disgusted

21 with the rest of the board members. If that makes

22 them mad, I can't help them. One of them, I

23 understand has had to go to the doctor, but that

24 leaves the rest of them.

25 And I think that to be responsible to the

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1 taxpayers, we need to have a full board par --
2 participation in this particular situation, as we
3 are spending millions of tax dollars. And we have
4 a very -- we have no one here but myself and Wayne
5 George. And so, although I have a few comments to
6 make, I don't see that, without both the positive
7 and negative input of the board, that we can do a
8 very good job of this, myself, my opinion.

9 CHAIRMAN GEORGE: Okay. My response to that
10 is that to go back over the last three years, some
11 of the biggest contention that we've had on the
12 board has obviously been the lack of understanding
13 of what the budget was and what went into those
14 numbers. And I consequently kind of agree with
15 you, Mr. Gorman.

16 Let me ask Mr. Wuellner or Mr. Burnett's
17 replacement. Is it -- is it within our rights to
18 postpone this meeting, reschedule it so we can
19 have more board members that are here?
20 Understanding that I've got a big impact on the

21 people that dropped their schedules to come out
22 here, and I apologize for that, but what's the
23 precedence?

24 MR. WUELLNER: Yeah, in principle, you can.
25 You can handle it one of two ways. You could

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1 just -- you've called the meeting to order. You
2 could close it and say you've done what you
3 intended to do today and then reschedule another
4 meeting. Alternatively, you could table the
5 discussion to a date that you, you know, set up
6 and agree to at the next regular meeting. Net
7 effect is exactly the same thing.

8 CHAIRMAN GEORGE: Okay.

9 MR. WUELLNER: Wouldn't you agree?

10 MR. BATA: Off -- off the top of my head, I'm
11 not sure.

12 MR. WUELLNER: I don't think either one --
13 you've got no statutory issue. It's a workshop.

14 It's not a public hearing or, you know, like an
15 advertisement, have-to-do-it-this-day kind of
16 thing. So I think you've got whatever flexibility
17 you believe, whatever you want.

18 CHAIRMAN GEORGE: I'd like to ask any public
19 comment that -- you know, anybody that would have
20 a major detrimental, you know, problem with us
21 postponing this meeting. Mr. Hickox?

22 MR. HICKOX: Oh, I have no dis -- Wayne
23 Hickox, 881 Queen Road.

24 I have no problem with you taking that step.
25 I think it's a wise one. I might point out to the

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1 sitting members that probably the biggest single
2 complaint about the present board has been
3 attendance on the part of some of the -- some of
4 the members. Though I understand you've got
5 livings to make. That's not -- not meant that
6 way. But in a situation like this, I'm afraid

7 Mr. Gorman is right, y'all need to be here to work
8 on it. Thank you.

9 CHAIRMAN GEORGE: Okay. Mr. Ciriello?

10 MR. CIRIELLO: Joe Ciriello, 5318 Shore
11 Drive, St. Augustine.

12 Ed, what all you people are saying is
13 correct. But this is a workshop. You can't take
14 any legal action or do anything. So, not that I'm
15 a busy person, but I did take time to come out
16 here.

17 Let just Ed quickly run over the figures,
18 just so that we see what they are. I don't think
19 it would hurt. I would just assume sit here and
20 let him go through these figures and then you can
21 reschedule your meeting when -- actually make it
22 not a workshop so your people can put some input
23 in. But right now, it's just an information thing
24 and I don't see any harm in us sitting here
25 listening.

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1 CHAIRMAN GEORGE: The biggest harm I have,
2 Mr. Ciriello, is that taking the time of
3 Mr. Gorman's and mine that we are going to be able
4 to vote on this at a later time, to have a nice
5 discussion and we come up with a nice set of
6 minutes that nobody's going to read the minutes --
7 excuse me, I suspect that some of the other board
8 members won't read the minutes and they will lose
9 the benefit that we will achieve for one whole
10 year by going through the detail with us in here.

11 Can you -- to satisfy Mr. Ciriello, can you
12 give us just a quick overview of how you were
13 planning on running this meeting, because I know
14 that this is the first time that we've gone
15 through, you know, in a lot more detail the
16 definition of everything.

17 MR. WUELLNER: Sure. The -- as we've put the
18 meeting together, we intended to address a number
19 of things. In -- in a -- in addition, we're going
20 to provide you with a book with a lot of detail

21 that we won't necessarily cover in the meeting or
22 won't necessarily -- I'm not going to go by page
23 by page and go through that.

24 But if there are questions about how
25 particular line items are developed in the budget

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1 or even how we've got or -- the previous year's
2 information, where we stand this year, you know,
3 any of that detail, financial detail, you may want
4 to look at or consider all of that will be in that
5 book and we'll be able to refer to it and come
6 back to it as a particular line item or a
7 discussion comes up. Otherwise, we're following
8 kind of the same format.

9 I've developed a -- a single-year draft
10 budget, for lack of better terms. It takes what
11 we believe to be the -- what is the budgeted
12 line-by-line items, compared to where we are
13 year-to-date based on, this would be the end of

14 April as the -- as kind of the mark point, if you
15 will, in the year for seven months of the fiscal
16 year; our forecast of where we see the balance of
17 the current fiscal year ending up, which is the
18 blue column up there, if you're just kind of
19 reading it across with me. Then the other, the
20 last column on the right or column H, if you're
21 looking at the top, is the -- what we see as the
22 proposed budget needs moving into next year. So,
23 that -- that would represent next year's numbers.

24 Now, we've also developed -- I -- I kind of
25 expanded the sheet a little bit of -- it's off the

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1 page here, but we can slide it over as discussion
2 warrants later, but we compare the '05 and '06
3 budgets and get some idea of how those general
4 topics compare. And we've got that for all the
5 backup sheets, also, that you're looking at the
6 summary sheet currently.

7 Then we also have the ability to slide it
8 over here a little bit further and get some
9 additional data versus budget in current year
10 versus actual for -- based on the per -- the
11 per -- proposed, I should say the end-of-year
12 forecast number, budget number.

13 So it gives you some idea of how that -- how
14 we see the current year playing out, where we are
15 to date, what that implies for next year's
16 budgeting or things we may want to consider in
17 building next year's budget, or adjusting what
18 we've already put together. And it gives you some
19 basis for comparing this year versus last year
20 forecast versus existing this year also. And
21 that's available for every -- every one of the
22 backup sheets for personnel, for operating, for
23 capital, all of those kind of things.

24 The operating budget sheet also -- just to
25 give you a little more of a preview, also provides

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1 an additional column out here on the right-hand
2 side that tries to identify just major anomalies,
3 where something has strayed dramatically in the --
4 especially in the operating budget, why. Just
5 give you a couple of -- you know, of quick little
6 statements --

7 CHAIRMAN GEORGE: Yeah.

8 MR. WUELLNER: -- of why something might be
9 and trigger some discussion of what -- whether it
10 was an anomaly or, you know, something that we can
11 expect to continue.

12 The next phase as I saw it was we took this
13 data, based on the forecast end of the year and
14 the proposed numbers that I've -- we've built in
15 at this point and we move into the forecast
16 document, which gives you an idea of how we see,
17 from a staff, that playing out in the -- toward
18 the goal of being off ad valorem tax rolls,
19 looking out again another ten years, seeing how
20 those -- how we -- how those numbers begin to
21 stack up and, you know, is that still a reality.

22 You know, preview it to the point where it still
23 looks very good.

24 CHAIRMAN GEORGE: Yeah.

25 MR. WUELLNER: And again, you have the backup

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1 sheets for that. For each of those general --
2 general items you see toward the bottom,
3 they're -- includes the nonoperating revenues,
4 capital, those kind of things. Those are all
5 available with ten-year -- with forecast data,
6 also. So we'll have that ability, too.

7 The balance of the document we have prepared
8 for you includes -- one of the areas I think you
9 guys really have indicated you wanted to weigh in
10 a little more in is in the development of the
11 capital budget, which includes all -- everything
12 from equipment to cap -- individual construction
13 kind of projects, capital development projects.

14 We have some backup information where staff

15 individuals have -- based on their
16 responsibilities, have made requests in the
17 capital budget, and we have information as to how
18 that relates to a document that y'all may have
19 forgotten because some of you aren't or haven't
20 been on the board as long as the document's
21 existed and it's not something we talk about
22 frequently, was a previously adopted strategic
23 plan which kind of identified some goals and
24 objectives back in 2001.

25 It's a document that probably needs some --

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1 some revision over time here, especially since it
2 was developed, you know, six months prior to 9/11.
3 So, there are likely to be some additional
4 strategic goals that the organization may want to
5 write in there.

6 But basically all our capital projects and
7 capital equipment needs tie back to that strategic

8 plan, that strategic goal. If it's not something
9 that we've identified as of interest to the
10 Authority; i.e., not making a strategic plan goal,
11 then it's probably not made any consideration
12 within the budget and is not something that is
13 actively playing in the numbers.

14 But those individual projects are there. You
15 can select and delete and -- from that list, those
16 sheets, and it provides a little bit of backup
17 detail as to what we expect that item to cost,
18 what the operating costs might be associated with
19 it. Is there grant funds available? Those kind
20 of things are all summarized by -- by item.

21 CHAIRMAN GEORGE: Well, it sounds like that's
22 exactly what we had asked for, was to get into the
23 detail and make that detail available. It's a
24 shame that some of the three members are not here.
25 One's at the doctor in an emergency. One's at --

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1 the courts have kept her tied up with some things
2 that she's involved in. And --

3 MR. WUELLNER: And the third had a pilot drop
4 off their flying roster today --

5 CHAIRMAN GEORGE: So he had to --

6 MR. WUELLNER: -- and he had to take the
7 charter. So he is the same problem.

8 CHAIRMAN GEORGE: One last comment and then
9 I'm going to adjourn the meeting.

10 MR. GORMAN: That's fine. Let me -- let me
11 modify disgusted to disappointed. And when can we
12 request breakouts, breakouts of specific line
13 items?

14 MR. WUELLNER: You will have that --

15 MR. GORMAN: I don't have to do that in front
16 of the other board members.

17 MR. WUELLNER: Even within the half hour, we
18 should have you --

19 CHAIRMAN GEORGE: Ed, can we get that --

20 MR. WUELLNER: -- the entire documentation
21 that you could look at now if you want.

22 CHAIRMAN GEORGE: Can we get that, the copies
23 to the other board members --
24 MR. WUELLNER: Oh, absolutely.
25 CHAIRMAN GEORGE: -- before the next meeting?

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1 MR. WUELLNER: Sure. Sure.
2 CHAIRMAN GEORGE: Okay. All right. Sounds
3 good.
4 MR. WUELLNER: Some printer hookups here,
5 also.
6 CHAIRMAN GEORGE: What would be a good time
7 you? You know, we've got a meeting for the next
8 two Mondays here that has a full slate, you know,
9 already, and I'm going to be gone the 17th to the
10 24th. I don't know what your schedule is like.
11 MR. GORMAN: Without my schedule in front of
12 me, I don't know the 17th to the 24th.
13 MR. WUELLNER: We could substitute, if
14 it's -- if it's your desire, I think in terms of

15 priority, this is probably a bigger priority than
16 the workshop you have advertised for next week.
17 You could substitute that minimum operating
18 standards lease policy item --

19 CHAIRMAN GEORGE: Yeah. Well, we've already
20 done --

21 MR. WUELLNER: -- and back that out into
22 June.

23 MR. GORMAN: What date would that be, though?

24 MR. WUELLNER: It's a Mon- -- next Monday.

25 CHAIRMAN GEORGE: Next Monday. Well, we've

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1 already done advertising for that, so how much
2 does that impact on what we have to do to --

3 MR. WUELLNER: It's just a matter of getting
4 it readvertised, which could be done.

5 CHAIRMAN GEORGE: What's the possibility of
6 doing both of them at the same time?

7 MR. WUELLNER: You could do that, too. It's

8 still the same advertising requirement. It

9 doesn't change that.

10 CHAIRMAN GEORGE: Yeah, I know, but I just

11 hate somebody that read it once and has got their

12 idea that they're going to come to -- you know,

13 because they want to open a business here and they

14 want to hear the discussion on it, that they don't

15 read the -- you know, the advertisement.

16 MR. WUELLNER: You certainly could do as many

17 as you want. I mean, you could pile as many

18 agenda items on as you want; you've just got to

19 get them advertised.

20 CHAIRMAN GEORGE: Yeah. What time is the

21 meeting for next Monday for that lease thing?

22 MR. WUELLNER: I believe it's 3 o'clock.

23 CHAIRMAN GEORGE: 3 o'clock? Do you have

24 a -- you're going to be here or not?

25 MR. GORMAN: That was a -- that was not a

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1 good day for me, anyway.

2 CHAIRMAN GEORGE: But you were planning on
3 being here? The next one wasn't a good day for me
4 because I have to fly back from Charleston --

5 MR. GORMAN: Let me tell you, this day cost
6 me money. I'm just being honest.

7 CHAIRMAN GEORGE: Okay.

8 MR. GORMAN: They all do.

9 MR. WUELLNER: You can do evenings, too. You
10 can do these in the evening if those help with
11 schedules. You know, it doesn't have to be at
12 2:00 in the afternoon.

13 CHAIRMAN GEORGE: Yeah, well, his
14 particular --

15 MR. WUELLNER: Yeah, I --

16 CHAIRMAN GEORGE: -- costing him money. He's
17 gone for, you know, days at a time and his wife
18 likes it that way.

19 MR. WUELLNER: I'm reminding you you can --

20 CHAIRMAN GEORGE: Then let's -- let's do the
21 meeting -- let's move next week's meeting from 3
22 o'clock to start at 2 o'clock.

23 MR. WUELLNER: All right.

24 CHAIRMAN GEORGE: So the lease thing will

25 start at 2:00 and then to be followed immediately

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1 after that with this workshop.

2 MR. WUELLNER: Okay.

3 CHAIRMAN GEORGE: Again, I apologize to

4 everybody that came.

5 MR. GORMAN: Yeah.

6 CHAIRMAN GEORGE: If you guys would like to

7 get copies of -- of the handouts beforehand --

8 there's basically three people. Is that possible

9 that they can get copies of it, Ed?

10 MR. WUELLNER: Of the handout?

11 CHAIRMAN GEORGE: Of, yeah, the big book that

12 you're going to give the board members.

13 MR. WUELLNER: I -- what is it you want?

14 CHAIRMAN GEORGE: I said, is it possible that

15 the three gentlemen that are here --

16 MR. WUELLNER: I don't -- won't have them

17 today, but we can get them for them, sure.

18 CHAIRMAN GEORGE: Okay. Well --

19 MR. HICKOX: We'll get them.

20 CHAIRMAN GEORGE: No. Joe, do you want one?

21 MR. CIRIELLO: Oh, yeah. But not today.

22 MR. HICKOX: We'll get them.

23 CHAIRMAN GEORGE: Okay. Well, if you

24 wouldn't mind calling out. If you want it

25 beforehand or just come here, whatever. It will

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1 be available for you.

2 MR. CIRIELLO: Next Monday. I can pick it up

3 next Monday. That'd be fine.

4 CHAIRMAN GEORGE: Okay. Sounds good.

5 Mr. Cameron, is that fine with you?

6 MR. CAMERON: Yeah. I'd like to have it

7 before the meeting.

8 CHAIRMAN GEORGE: Okay. Well, just get --

9 they should have it by late this afternoon. Okay.

10 Then I will adjourn this meeting and we will

11 reconvene next Monday at 3 o'clock. And again,

12 accept my apologies.

13 MR. WUELLNER: 2 o'clock.

14 MR. GORMAN: 2 o'clock.

15 CHAIRMAN GEORGE: Oh. 2 o'clock.

16 (Thereupon, the workshop adjourned at 2:36 p.m.)

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STATE OF FLORIDA)

COUNTY OF ST. JOHNS)

I, JANET M. BEASON, RPR-CP, RMR, CRR, certify
that I was authorized to and did stenographically
report the foregoing proceedings and that the
transcript is a true record of my stenographic
notes.

Dated this 7th day of June, 2006.

JANET M. BEASON, RPR-CP, RMR, CRR
Notary Public - State of Florida
My Commission No.: DD531390
Expires: April 30, 2010

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