

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, May 27, 2014

from 4:00 p.m. to. 5:07 p.m.

* * * * *

BOARD MEMBERS PRESENT:

ROBERT COX, Chairman
KELLY BARRERA
JOSEPH CIRIELLO

BOARD MEMBERS PRESENT:

CARL YOUMAN

* * * * *

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.

* * * * *

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1 P R O C E E D I N G S

2 CHAIRMAN COX: The Airport Authority meeting
3 is called to order. If we can all stand and say
4 the Pledge of Allegiance.

5 (Pledge of Allegiance.)

6 MEETING MINUTES & FINANCIAL REPORT

7 CHAIRMAN COX: Move right into corrections or
8 amendments to the meeting minutes. Any adjustments
9 or anybody that -- for discussion?

10 (None.)

11 CHAIRMAN COX: Okay. Meeting minutes are
12 approved as distributed. Financial report?

13 MS. BARRERA: I have no corrections to the
14 financial report.

15 CHAIRMAN COX: Okay. Financial report's
16 accepted as reported. All right. And we'll go
17 right into the Executive Director's report.

18 EXECUTIVE-DIRECTOR'S REPORT

19 MR. WUELLNER: Okay. Several -- several items
20 to point out. Of course we began service since our
21 last Airport Authority meeting back in March or
22 April --

23 MS. HOLLINGSWORTH: March.

24 MR. WUELLNER: -- with Frontier Airlines.
25 That service started May 2nd and continues to date

1 three times a week Monday, Wednesday, Friday with
2 those round trips being to Trenton, New Jersey, and
3 I'll brief you on some stats on that in a -- a
4 little bit later.

5 Since that time, Frontier has also come back
6 and announced new service beginning in September to
7 Washington Dulles International Airport on a
8 five-day-a-week basis. Again, a round trip each of
9 those five days. So they will serve daily except
10 Friday and Sunday.

11 The other thing I just want to make you aware
12 of, our upcoming grant projects that are being --
13 two we're being told are still going to happen this
14 current fiscal year. The third is the project
15 that's already in queue for next year based on
16 having airline service and some items that were
17 identified as a part of our FI -- FAR Part 139
18 certificate needs. One is a ARFF vehicle, an Index
19 A vehicle, is in the queue with FAA. We expect
20 that that will pop out of the grant process in July
21 or very early August for acceptance of the grant
22 once that process begins. You're still looking at
23 a six- to eight-month lead time for actual getting
24 the vehicle here. Taxiway A, Taxiway Alpha rehab,
25 which is the partial parallel on the east side of

1 Runway 13/31 is pavement milling and overlay
2 primarily, and there's some miscellaneous
3 improvements associated with that taxiway.

4 And then lastly is the approach lighting for
5 Runway 31. That'll be the next -- early next year
6 project with FAA. And you'll see some -- some
7 supplemental agreements to match some of that
8 project work as a -- as a regular meeting agenda
9 item here.

10 Otherwise, I did want to make you aware of the
11 fact that we will not be hosting -- if we haven't
12 told you this already, we will not be hosting the
13 MS 150 ride this year. That is -- they are moving
14 that event up at least for the year if not longer
15 to coincide with the web.com TPC event in
16 Ponte Vedra, and they will be starting and stopping
17 at that location, I think bowing to their primary
18 partner in that, which has been the PGA Tour for a
19 lot of years predating us even. So we will not at
20 this point be hosting that. It does simplify our
21 operation at that point with -- with air service.

22 Other than that, some other things I'm sure
23 I'll update around the -- the airline service.
24 That's pretty much where we are at this point.

25

1 point toward the incentives -- incentives if they
2 locate in an area where the schools are already
3 filled up, that doesn't put more residents in there
4 where a school is busting at the seams. So it's an
5 attempt to help the school system, but it's also an
6 attempt to possibly get some businesses to move
7 into those areas. Most of that area is the very
8 northern part of the county and a little strip
9 coming down south of Ponte Vedra. So it's not
10 going to affect the whole county.

11 We also have another incentive that we're
12 adding for anyone with a local business that
13 expands and moves. So we're tweaking it. And we
14 knew we'd have to do that like everything, you
15 know. But as far as the teamwork goes, everything
16 is going fantastic.

17 We've got some things I'm sure are going to be
18 happening here soon to announce. So I just think
19 things are going great with the county. Everyone's
20 real happy there. So if you have any questions,
21 I'll be glad to try to answer them. Amphitheatre
22 by the way is going strong, so -- and getting
23 stronger, by the way.

24 CHAIRMAN COX: Good.

25 COMMISSIONER SANCHEZ: No questions?

1 CHAIRMAN COX: Thanks, Ron.

2 COMMISSIONER SANCHEZ: An easy bunch. And I
3 was going to tell you I'd have to leave early
4 today, but my gosh, I got to get up here five
5 minutes after the hour. So I still might pull on
6 out of here shortly, but anyway, thanks.

7 MR. WUELLNER: Thank you.

8 CHAIRMAN COX: We appreciate your input.
9 Thanks, Ron. Appreciate it. Michelle Crownover at
10 Atlantic Aviation. Nothing to report? Vic
11 Martinelli with SAAPA.

12 MR. MARTINELLI: SAAPA is flourishing. We
13 have awarded four scholarships, three of them from
14 SAAPA and one the Wayne George Memorial
15 Scholarship. The recipients of the scholarships
16 were impressive, to say the least. Each one was
17 better than the other. And we are looking forward
18 to great things coming from those -- those
19 recipients.

20 We also had a very auspicious occasion here
21 just recently. Charlie Deck, who is one of SAAPA's
22 members, was awarded the Charles Taylor Master
23 Pilot and Master -- two awards, one Master Pilot
24 Award and one Master Mechanic Award. Charles
25 Taylor was the engine builder for the Wright

1 Brothers and Taylor built the engine that the
2 Wright flier the very first flight used.

3 And this is a very auspicious occasion. There
4 are only about less than 2000 recipients in the
5 whole United States of those awards, and a very
6 very few who receive both of them. The
7 requirements are that you have to be 50 years in
8 the business flying or -- as a mechanic and still
9 active, and Charlie is. So, we had kind of a
10 celebration at our last SAAPA meeting. He -- his
11 whole family almost showed up from all over the
12 country. And there must have been 20 or more --

13 MS. LUDLOW: 25.

14 MR. MARTINELLI: -- 25 that showed up. So it
15 was really a very very great thing. Which reminds
16 me that SAAPA has among its membership a lot of
17 great people who don't say very much and don't sing
18 their praises, but they're there. And it's really
19 a very very historic thing for us. That's what I
20 have to report.

21 Oh, oh. Sorry about that. Clarence had his
22 96th birthday. He also has had a pacemaker put in
23 at age 96. So he's popping along very very well.
24 Anything else, Reba?

25 MS. LUDLOW: That's it.

1 MR. MARTINELLI: Okay. Thank you.

2 CHAIRMAN COX: Please extend our
3 congratulations to Charlie and Clarence --

4 MR. MARTINELLI: Okay.

5 CHAIRMAN COX: -- from the board. Thanks.
6 Dan Nehring? He's not here today. Norm Gregory?

7 MR. GREGORY: Good afternoon. Congratulations
8 again also on -- on Frontier. This is great stuff.

9 I met with a gentleman last week who's a
10 private corporate pilot. He was in town from
11 New Jersey. They are making the New Jersey
12 connection to St. Augustine, which I think we'll
13 see the same thing happening for Washington, too.
14 So we will see an influx of people. So if you hear
15 those Joisey accents, you'll know what's going on.

16 Okay. We've got -- we've got a golf
17 tournament coming up on June 10th and if you'd like
18 to play, please sign up on the Chamber web site;
19 we'd love to have you play. Currently we have 18
20 projects that we're working on through the Chamber
21 and in cooperation with our partners, and that is a
22 total of 4,191 jobs and \$121 million in capital
23 investment should those come forward.

24 A lot of those projects are maturing, starting
25 to mature. And some have matured so much that

1 they're probably going to die of old age. So
2 anyway, thank you for your support and continued
3 support of the Economic Development Council. Any
4 questions?

5 (None.)

6 MR. GREGORY: Thank you.

7 CHAIRMAN COX: Thanks, Norm. Mr. Burnett?

8 MR. BURNETT: Only thing that I have to report
9 is sometimes it's like being a duck in water in
10 this job, there's times when it's busy and
11 sometimes it's not busy and you don't really see
12 much of a difference from when you see me
13 physically.

14 One comment. We had the turnover from Galaxy
15 Aviation to Atlantic Aviation. Lots of work that
16 went on behind the scenes, a fair amount of
17 negotiations, drafting of documents that ultimately
18 ended in a very simple agreement whereby the
19 Authority consents, as it's required to, the
20 assignment.

21 So, the short part is Atlantic Aviation
22 operates now around 70 airport locations for FBOs.

23 MR. WUELLNER: Approximately.

24 MR. BURNETT: Somewhere around that range.

25 And them having acquired Galaxy's various locations

1 now, St. Augustine being one of those. And
2 otherwise, it seems to be a pretty smooth
3 transition. And Ed can tell you more, but I guess
4 it looks like most of the folks over there are
5 still the same.

6 MR. WUELLNER: Uh-huh.

7 MR. BURNETT: So --

8 MS. BARRERA: And would you speak to, Ed, a
9 little bit about some of the confusion?

10 MR. WUELLNER: Oh. Initially when -- as it
11 was explained to me anyway, initially as Atlantic
12 took possession of the leasehold, which was just
13 ahead of TPC week, there was the -- they
14 implemented, or appeared to implement anyway, a
15 ramp access fee that applied to all aircraft
16 entering the leasehold over there.

17 We -- we became aware of it through some
18 fairly pointed e-mails back to us and some -- some
19 things placed out on -- is it AVweb or Avfuel? And
20 anyway, asked and -- and indeed got Atlantic to
21 suspend the fees related to general aviation
22 aircraft.

23 We've since had a long conversation with
24 management of Atlantic. Their regional -- eastern
25 region vice president was down about a week ago.

1 They have a completely abandoned the idea of
2 assessing any kind of access -- ramp access fee as
3 it applies to piston-driven aircraft. That's
4 completely gone, won't -- hopefully won't ever
5 resurrect its head again.

6 They are asking us for consideration of going
7 ahead and assessing that -- going ahead and
8 assessing that fee for turbojet aircraft. That's a
9 fairly common fee throughout the industry, and for
10 the most part, that fee disappears with significant
11 fuel purchases and the like systemwide.
12 Fundamentally I don't have any issue with that as
13 a -- in the context of turbine aircraft only.

14 So I think all of that issue that was out
15 there for really just a matter of hours, that's
16 hopefully dying off out in -- and the rumor mill at
17 this point has been laid to rest and, you know,
18 there are no more access fees associated with the
19 FBO or the airport in general for light general
20 aviation aircraft.

21 MS. BARRERA: Thank you.

22 CHAIRMAN COX: Moving into the agenda,
23 discussion for supplemental agreements.

24 MR. WUELLNER: Sure. I did -- I turned
25 over --

1 CHAIRMAN COX: I'm sorry, Joe. Go ahead.

2 MR. CIRIELLO: Before you get into this, I
3 have a note here I want to get cleared up before
4 you get into this thing about Passero. Are they on
5 a monthly retainer with us and if they are, how
6 much do they get?

7 MR. WUELLNER: Passero?

8 MR. CIRIELLO: Yeah.

9 MR. WUELLNER: Passero's not on monthly
10 retainer. They're on a project-by-project basis --

11 MR. CIRIELLO: Okay.

12 MR. WUELLNER: -- always have been.

13 MR. CIRIELLO: All right. That clears
14 everything up.

15 MR. WUELLNER: I did -- I'm sorry. When you
16 asked me if I was finished on the executive
17 director's report, I ran across a sheet I had
18 buried under here. I'll just throw a couple of
19 things out to you because we wanted to make sure
20 you're updated.

21 But very strong months on avgas related to
22 the airport, the aviation -- the Airport Authority.
23 If I was guessing here, I'd say you're in the
24 17,000 gallons a month kind of a number for -- for
25 avgas for us. Looks like about the high 80s

1 thousand gallons a month for jet at Atlantic and
2 probably somewhere around 9800 a month for avgas
3 out of the FBO. And those numbers would be since
4 the first of the year averaged.

5 So a strong start to the year in general.
6 Especially on the jet fuel and self-serve avgas,
7 those are -- those are very strong numbers at this
8 point. Be anxious to see how the -- how the year
9 progresses with it, but right now no issues.

10 Hangars still a hundred percent occupied with
11 waiting list. And I think that's it for -- for
12 that particular topic, but I'll get into the update
13 on the service here in a minute a -- a couple of
14 agenda items.

15 MS. BARRERA: What about takeoffs and landings
16 for our tower?

17 MR. WUELLNER: Takeoffs and landings,
18 slightly -- and I want to say it was 4 or 5 percent
19 under in terms of raw numbers since the first of
20 the year, but they're -- they're probably
21 annualized sitting at about 135,000, probably
22 136,000 is a pretty good guess. Still doing north
23 of 11-, 12,000 takeoffs and landings a month at
24 this point.

25 MS. BARRERA: Okay.

1 MR. WUELLNER: They're -- they're still very
2 strong numbers. There's some days we were actually
3 in the 6- to 800 takeoffs and landings in a day.
4 Just somewhat weather condition as you might expect
5 for -- a lot of them were GA touch-and-go kinds of
6 operations.

7 Not aware of any -- no one's brought to my
8 attention, at least at this point, any issues in
9 conducting commercial service in and out and around
10 all the activity. I have not heard anybody, at
11 least at this point, even indicating they've been
12 inconvenienced in the slightest as it pertains to
13 adding commercial service at this point. So that's
14 a good thing.

15 MS. BARRERA: Any noise complaints.

16 MR. WUELLNER: Any noise complaints? Nothing
17 brought to my attention, no.

18 CHAIRMAN COX: Supplemental agreements?

19 PASSERO ASSOCIATES - SUPPLEMENTAL AGREEMENTS

20 MR. WUELLNER: Yeah. Move on. Thank you.
21 Make sure I get the first one first here. Yeah.

22 First one, approach lighting. That is
23 Supplemental Agreement 14-44F. This is not for
24 complete design. This is simply modifying existing
25 design, getting a bid package together to bid this

1 as a stand-alone project for FAA.

2 Probably the most significant dollar input
3 into this is really just going through the process
4 again with FAA to reestablish the Finding of No
5 Significant Impact as it relates to that
6 environmental assessment that was done in that
7 general area out there.

8 You may recall the original environmental
9 assessment included provisions for approach
10 lighting, but as time goes on and you get out in
11 the four- to five-year range, which believe it or
12 not we're rapidly approaching, FAA requires you
13 revisit with those regulation -- regulatory
14 agencies and just confirm that there's nothing new
15 that they have a problem with. It's not -- you're
16 not really going through the full process, but
17 you've just got to touch base with them again
18 and -- and remind them.

19 Approach lighting was really the nonissue in
20 the whole EA originally. I do not expect any
21 issues, but you do have to go through that process
22 again. So this supplemental agreement prepares the
23 project for bid to include a revisit of FAA's
24 required environmental assessment look at this.

25 We already have a FONSI. The FONSI's in

1 place. It's just more of a requirement of FAA at
2 this point because of the length since issuing the
3 FONSI. And that's in the amount of \$63,705.

4 All four of these supplementals -- I'll try to
5 say it each time, but all four of these are
6 reimbursable by FAA and the State of Florida. So
7 the total share the Airport Authority has in these
8 projects amounts to 5 percent of the numbers you're
9 seeing here. So these are the total project costs
10 or the total costs for the agreements. We would
11 have a 5 percent share in that. So in this case
12 you'd have about, what, \$3200 of Airport Authority
13 money in this particular job.

14 CHAIRMAN COX: Over all four.

15 MR. WUELLNER: Well, \$3200 on this job.

16 CHAIRMAN COX: Okay.

17 MR. WUELLNER: But all four jobs have the
18 same -- they're all the same.

19 CHAIRMAN COX: Okay.

20 MR. WUELLNER: Okay. Any questions on the
21 approach lighting supplemental?

22 (None.)

23 MR. WUELLNER: I'll go on to the next. I
24 assume you want to do these as one -- one motion --

25 CHAIRMAN COX: Yeah.

1 construction phase testing. This had to do with
2 the expanded project. If you remember Delta 3
3 included some additional work components which
4 included some mill and overlay in front of the
5 airline terminal.

6 It also had the Runway 2/20 mill and overlay
7 that went from basically Runway 13/31 to the
8 west -- or west/southwest all the way to the
9 physical end of the pavement. And this had -- this
10 was mostly a mill and overlay effort in this case.
11 There were a few areas of small reconstruction, but
12 by and large it was a mill and overlay. This was
13 \$35,000 in total. Again, FAA eligible and FDOT
14 eligible up to 95 percent. Leaving about what --

15 CHAIRMAN COX: 17.

16 MR. WUELLNER: -- \$1700 of F -- of Authority
17 money in the project. Any questions on that
18 particular one?

19 (None.)

20 MR. WUELLNER: Okay. And lastly is the final
21 design and bidding for Taxiway A pavement rehab.

22 Taxiway A, as I mentioned earlier, is the
23 parallel taxiway to Runway 13/31. It is the
24 parallel that's located on the northeast side, if
25 you will, of the runway up toward our corporate

1 hangar areas. It supports Northrop Grumman North
2 40 operations.

3 That piece of pavement up there would have --
4 basically it's a mill and overlay project of that
5 job. That is scheduled to fund here this summer.
6 So we would expect this to fund through FAA
7 sometime in likely August, FAA will announce
8 funding for this. This is in the amount of
9 \$195,000. It is also 95 percent paid for with FAA
10 and FDOT. At this would be about \$8500, \$9000 of
11 FAA -- of, excuse me, Authority contribution. This
12 is also a budgeted item for the current year.

13 CHAIRMAN COX: Got it. Is that it?

14 MR. WUELLNER: And that concludes them. And
15 of course our staff recommendation is that the
16 Authority approve all four of them.

17 CHAIRMAN COX: I'm going to open the floor for
18 board discussion. Joe?

19 MR. CIRIELLO: Yeah. All these fees that you
20 mentioned, are they just for the design and all,
21 and then when they're approved, the actual work
22 would be more? Or is this including the work?

23 MR. WUELLNER: The first -- the middle two,
24 the work was already bid separately and awarded and
25 is basically completed. And you're going to see I

1 think it's the next agenda item is a release of
2 retainage item. Those two supplementals are
3 affiliated with that release of retainage project.

4 Approach lighting, yes, that has not been bid
5 yet. It will be bid some time -- this won't start
6 until at least fall before it's bid. So it's
7 sometime this fall or even into early -- into
8 winter, this will bid, whenever FAA tells us the
9 funding will -- the cycle begins for funding it.

10 The last one is -- let me look at my notes
11 here. I picked it up. It's the last one here.
12 Oh, Taxiway Alpha. Taxiway Alpha, that has not
13 been bid. In fact, the notices of soliciting bids,
14 the public notice to solicit bids will be out here
15 in the next two weeks. And we will be doing bid
16 opening on this job in July 17th, I think it is?

17 MR. HARVEY: 2nd.

18 MR. WUELLNER: I'm sorry?

19 MR. HARVEY: 2nd.

20 MR. WUELLNER: Is the bid opening? I thought
21 it was out -- it is the 2nd. Thank you. So I
22 stand corrected. July 2nd will be bid opening on
23 that job and the Authority would award that
24 probably simultaneous to accepting the FAA grant
25 with it, too.

1 CHAIRMAN COX: Yes, sir.

2 MR. CIRIELLO: -- as one?

3 CHAIRMAN COX: Yes, sir, we can do that.

4 That's how I would --

5 MR. CIRIELLO: I would make a motion that
6 these four items be accepted.

7 CHAIRMAN COX: Okay.

8 MS. BARRERA: I'll second it.

9 CHAIRMAN COX: There's a motion on the floor.
10 It's been seconded. Go to a vote. Any further
11 discussion?

12 (None.)

13 CHAIRMAN COX: Okay. All in favor?

14 MR. CIRIELLO: Aye.

15 MS. BARRERA: Aye.

16 CHAIRMAN COX: Aye. Okay. The motion passes
17 unanimately.

18 CONDITIONAL RELEASE OF RETAINAGE

19 MR. WUELLNER: Okay. Next item I have for you
20 is a conditional release of retainage. This
21 applies to Taxiway D-3 project, which included also
22 the overlay of Runway 2/20 and the work in -- the
23 minor mill and overlay work in front of the Hangar
24 11 pro -- Hangar 11.

25 The total project, this \$144,155 is the

1 release of retainage. That approximates 10 percent
2 of the actual construction. This is required that
3 the Airport Authority release the retainage. We're
4 asking as always that that be conditioned upon
5 receipt of all the closeout documentation required
6 to completely close this out with the FAA and
7 Florida DOT. But when we finally get that
8 documentation, we'd like to be able to go ahead and
9 release the final \$144,155.

10 CHAIRMAN COX: So this number is our 10
11 percent?

12 MR. WUELLNER: Is our 10 percent --

13 CHAIRMAN COX: Okay.

14 MR. WUELLNER: -- of the total job.

15 CHAIRMAN COX: Gotcha.

16 MR. WUELLNER: It's not -- I'll make sure I'm
17 clear on the question.

18 CHAIRMAN COX: Right.

19 MR. WUELLNER: The retainage is a 10 percent
20 setback of the total contract price. It's not the
21 Authority's share of the job --

22 CHAIRMAN COX: Understood.

23 MR. WUELLNER: -- per se.

24 CHAIRMAN COX: It's what we're releasing.

25 MR. WUELLNER: Correct.

1 CHAIRMAN COX: That we --

2 MR. WUELLNER: I just didn't want to blend it
3 with the grant conditions which have 5 percent.

4 CHAIRMAN COX: Got it.

5 MR. WUELLNER: Now that I confused you anyway.

6 CHAIRMAN COX: Any discussion?

7 MS. BARRERA: Are you satisfied?

8 MR. WUELLNER: We are. We're extremely
9 pleased with what's gone on there. It looks
10 beautiful. If you haven't -- I didn't get a chance
11 to include one, but we have the final aerial shots
12 of the work and it's very impressive work. It
13 looks really great from the air, too.

14 MS. BARRERA: No further discussion.

15 CHAIRMAN COX: Just for my own, can you run me
16 down that runway sometime when there's no --

17 MR. HARVEY: Sure.

18 CHAIRMAN COX: I'd like to take a look at it
19 just to take a --

20 MR. WUELLNER: Sure.

21 CHAIRMAN COX: -- get out and step on it.

22 MR. HARVEY: Sure.

23 CHAIRMAN COX: Great. Any further board
24 discussion?

25 (None.)

1 CHAIRMAN COX: Public discussion?

2 (None.)

3 CHAIRMAN COX: We're open for a motion. We
4 need one to move forward on this release.

5 MS. BARRERA: I make a motion that we release
6 the retainage for Taxiway D-3 project.

7 MR. CIRIELLO: Second.

8 CHAIRMAN COX: Second? Further discussion?

9 (None.)

10 CHAIRMAN COX: All in favor?

11 MR. CIRIELLO: Aye.

12 MS. BARRERA: Aye.

13 CHAIRMAN COX: Aye. Motion passes
14 unanimously.

15 FRONTIER AIRLINES/AIR SERVICE UPDATE

16 MR. WUELLNER: Thank you. Okay. Promised a
17 bit of an update and I would even be happy to do a
18 little Q and A. A lot of --

19 CHAIRMAN COX: I thought you were going to say
20 dance.

21 MR. WUELLNER: That, too, probably.

22 A lot has occurred since the announcement of
23 air service. So if you have observed something
24 that doesn't make sense to you, please feel free to
25 ask what was going on or whatever; I'll do my best

1 here to try to summarize what's going on, what's
2 happened, what's on -- what's on the horizon and
3 the like.

4 As I mentioned earlier, we began
5 three-day-a-week service to Trenton on May 2nd, so
6 at this point we've done 11 flights to this point
7 in May. I would think a normal month would be 12.
8 We will get 13 in this month just because it's a
9 long month and the way it fits in the calendar.

10 At this point we have observed that inbound
11 flights are averaging at least 95 percent full.
12 Typically there are only two or three seats
13 available inbound. That -- that's really all
14 that's been available since starting.

15 Outbound slightly weaker. By that, I mean 90
16 to 95 percent full. In fact, the last several
17 flights have been basically identical inbound and
18 outbound numbers. So we think the -- the back and
19 forth just to the Trenton market has pretty well
20 stabilized. Last two flights have been 136
21 passengers inbound and outbound, which represents
22 98 1/2 percent full. They only have 138 seats on
23 it. So, they -- they are extremely happy with the
24 load factors.

25 What we will see play out over the next

1 several months, this is starting likely July, they
2 will attempt to increase the -- the profit, if you
3 will, on this and get a little better margin on the
4 seats. Most of the seats sold from May and June
5 were the result of introductory sales and the like.
6 So to the ticket prices were extremely low.

7 So what they want to do now is bring the price
8 of a ticket up slightly, which will certainly
9 influence the passenger loads over time a little
10 bit. But it will make the airline much happier
11 when they -- with those margins. They're less
12 concerned whether the airplane's 99 percent full
13 than they are about whether that 99 percent is
14 generating a profit at the end of the day.

15 So we -- we will see a little of that testing
16 going on over -- over several months, and they will
17 find likely the sweet spots and will stimulate
18 where they find weaknesses in schedule and times of
19 day and times of year and fare sales to make sure
20 the airplanes become full -- or more full.

21 We are seeing typically somewhere between 10
22 to 20 cars in the parking lot nightly. So those
23 represent at least \$8 per vehicle per night, and
24 that has been since -- pretty well since day one.
25 That varies a little bit, but we've seen that

1 number come up slightly over the last few weeks.
2 That indicates more local outbound flying in my
3 opinion.

4 We are -- we are seeing averaging 20 to 30 --
5 we believe 20 to 30 rental car transactions per
6 flight. The Airport Authority receives a
7 commission of 15 percent of the rental contract
8 value on all those contracts. I have no idea what
9 that is in real numbers yet. I -- unfortunately I
10 will not see real data on that until mid month in
11 June. So once that number starts rolling in, we'll
12 be able to get you -- get you whole numbers on
13 that.

14 Through a series -- I think most of you are
15 aware, but the Airport Authority had to go out and
16 essentially hire folks to do above and below ground
17 servicing of the aircraft. Atlantic Aviation is
18 doing the fueling at this point, and based on our
19 meeting last week, I don't see any issues with that
20 going forward. They seem to be content with doing
21 that at the price that was quoted. So I don't see
22 any issues on the fuel side at least short term as
23 it relates to -- to the airline.

24 We hired initially 12 people. I think we're
25 somewhere between 10 and 12 still -- still employed

1 on this. All employees were trained by Frontier
2 Airlines. Their folks came down, spent almost a
3 month honestly on both sides of the door doing
4 airline ticketing and gate agent training. We
5 trained aircraft security people, ground security
6 managers, load masters, gate -- or ramp folks.

7 We are -- after the second flight, actually we
8 have met all our performance numbers on the -- on
9 the airport for handling that aircraft. So we turn
10 that airplane within the 45 minutes allotted by the
11 airline and very pleased with that. Got --
12 everybody involved has stepped up, done a great
13 job.

14 The employees were brought on board as part
15 time. At this point, absolutely no benefits at
16 this time. I expect that as we go through the
17 budget process, we'll need to take a -- take a hard
18 look at how we -- how we do that. It will also be
19 helpful to know what the revenues are from the
20 airlines and all that as we do have that
21 discussion. Today would be very premature to have
22 that conversation.

23 We will at minimum after six months if they
24 remain our employees have to pick up the FRS
25 component of this. We can only keep temporary

1 positions for a maximum of six months, and then we
2 can discuss how and if other benefits are put into
3 the mix at that point. But that's a budget
4 discussion.

5 We did need to -- just so you're aware of it,
6 did need to upgrade security-related equipment in
7 and around the terminal. That included having to
8 basically repopulate the cameras over at that
9 location in order to satisfy the visibility
10 viewpoint requirements of the TSA.

11 We also had to replace parking-related
12 equipment, collection ticketing kind of
13 information -- equipment out there. Without that
14 upgrade, we would get no revenues from parking as
15 there would be no -- simply no method to collect
16 it.

17 I see no issues with being able to collect or
18 return our investment on that in under two years
19 and all that stuff. So it's necessary
20 expenditures, needed to be done quickly in order to
21 meet the time line for -- for startup.

22 I did want to make you -- I made mention of it
23 at the -- at the first flight event, but we had any
24 number of obstacles thrown at us from announcement
25 of service till startup. I'm extremely proud of

1 everybody that works here. It just -- I don't get
2 emotional much, but these guys --

3 CHAIRMAN COX: Did a tremendous job.

4 MR. WUELLNER: Phenomenal.

5 CHAIRMAN COX: Yeah.

6 MR. WUELLNER: Getting this up and running.

7 And I know they're just going to just keep doing
8 that.

9 We had huge obstacles with entities like TSA
10 literally not federalized till two days before the
11 opening and sliding that out at the last minute.
12 And everybody stayed on task and everything --
13 everything work out, thank God. And I mean that
14 literally.

15 So anyway, that's kind of where -- where we
16 are today. We've got a great team mentality going
17 on over at the airline terminal. Everybody's
18 working fabulously together. It's slowly becoming
19 completely hands-off from our normal routine,
20 meaning they're stepping up and -- and requiring
21 very little direct supervision that we have to
22 stand over them and make sure stuff's getting done
23 there. They're just maturing into this
24 beautifully.

25 And as I said, not a word of any real

1 inconveniences that have gone on anywhere on the
2 property. So, so far it's been nothing but a
3 win-win I'm sure for both the airline and our
4 community as it relates to service, and I think we
5 can look forward to a lot of very positive things
6 coming from -- from this air area carrier, and I
7 know there are a number of carriers waking up to
8 some potential.

9 CHAIRMAN COX: I think we're just scraping the
10 tip of the iceberg. We've created a tremendous
11 economic impact in just the 11 flights that we've
12 got. Especially with just -- just the rental car
13 issues and parking we've got created 12 jobs in the
14 county. No telling where that will go, you know,
15 when we get into the five flights per week in
16 September, just, you know, once again --

17 MR. WUELLNER: And I would tell you, too, even
18 at this point, we are -- even if the D.C. flights
19 never happen, just holding the Trenton flights
20 alone through the end of the calendar year brings
21 us north of the 10,000 enplanement requirement
22 which will automatically guarantee us a minimum of
23 \$1 million of federal AIP money coming back to this
24 facility for every year we can say above 10,000.

25 CHAIRMAN COX: Assuming AIP's still --

1 MR. WUELLNER: Considering we've been out of
2 Skybus for almost six years. Five -- I think it
3 was about six years. We actually managed to get
4 almost \$5 million of AIP money directly because we
5 had service for eight months.

6 CHAIRMAN COX: Right.

7 MR. WUELLNER: Just -- some of that was just
8 dumb luck, by the way there wrote some -- some
9 laws, but when we got a lot done nonetheless from a
10 capital side as a result of air carrier here. So
11 it's all good. Happy to try and --

12 CHAIRMAN COX: Well, I think I speak for the
13 board. Congratulations to the staff and everybody
14 that's -- that's worked on the airline, all the
15 element of the airline and the success that we've
16 had from that. But have comment from Norm.

17 MR. GREGORY: If I could ask a question.
18 Originally we didn't think we were going --

19 MR. BURNETT: Norm, can you -- sir, can you go
20 up?

21 MR. GREGORY: Oh, sorry.

22 MR. BURNETT: Thank you.

23 MR. GREGORY: I'm sorry. Originally we
24 thought we were going to create no jobs with
25 Frontier. Now we have 12, which is pretty

1 impressive. And we never reported that. So that's
2 a story all unto itself as economic impact.

3 MR. WUELLNER: Yes, sir.

4 MS. BARRERA: And, Norm, I would also suggest
5 that when you talk about economic impact, you talk
6 about that getting back to the hotel and the
7 tourist industry, which is of course one of our
8 major industries here in the county.

9 MR. MARTINELLI: Can I comment?

10 CHAIRMAN COX: Sure. Absolutely.

11 MR. MARTINELLI: We are all very very
12 impressed and very pleased with what's happening
13 with Frontier and the commercial side of the
14 airport.

15 I would just like to remind everyone that the
16 beneficiaries of this service are not just in the
17 county and in the town and the City of
18 St. Augustine, but also general aviation on the
19 airport. We are benefiting and will benefit a lot
20 in the future with the subsidies that will come
21 from the AIP million dollar deal, from car rentals.
22 All the income that comes to the Airport Authority
23 helps defray the general expenses of the airport,
24 which of course we're all a part of contributing
25 to.

1 So if we have a big contributor, our part
2 necessarily will reduce or diminish. And I think
3 we should all remember that and not -- not look at
4 commercial service as being a blight on the
5 airport, but rather a very very good thing to have.
6 So I'd just like to state that.

7 CHAIRMAN COX: Thank you, Vic.

8 MR. WUELLNER: A couple of other items to hit
9 there. One I did not cover, I forgot to cover.

10 The airport rescue and firefighting, I made
11 mention at the dedication that St. Johns County had
12 stepped up and helped us and I wanted to give them
13 some -- certainly some credit relative to this
14 story, because at a point Northrop Grumman elected
15 not to provide contractual airport rescue and
16 firefighting services other than for themselves.

17 So as a result, we were left scrambling --
18 once we finally forced them in a corner to get an
19 actual decision out of them, we were forced to do a
20 couple of things. One was lease an acceptable fire
21 rescue vehicle, which we have. And then
22 secondarily, that has to be staffed by qualified
23 firefighters during those air carrier operations.

24 We do a -- a simple per diem -- what am I
25 trying to say -- per hour basically arrangement

1 with a number of St. Johns County firefighters who
2 come in, fill that obligation for us for a couple
3 of hours at a time during those -- those events
4 where it's required, and we're able to just pay
5 them for a couple of hours of work and come in and
6 cover that for us.

7 So ARFF is another big item that will be on
8 the table long term for us to solve, whether that's
9 getting into some sort of mutual aid contract
10 agreement with St. Johns County itself to cover
11 fire services over time as we get enough mass under
12 us.

13 I think the idea of doing this much like we do
14 our law enforcement officers, our off-duty sheriffs
15 deputies is a good way to approach this until
16 there's enough air service and generation thereof
17 that, you know, allows us to put it under a
18 contract that better serves us and probably is
19 financially better for us long term.

20 But it's good -- it's a good deal. I'm very
21 appreciative to those firefighters of
22 St. Johns County stepping up and agreeing to do
23 that for us. That's a little out of their original
24 comfort area. They've had to do a little bit of
25 training, a live burn training to finish

1 certifications for fire rescue on aircraft.

2 They have without complaining, in fact
3 actually enthusiastically embraced that challenge
4 and just absolutely loved being plugged in out here
5 and have to do some stuff that's out of structural
6 fire and automobile accidents at this point. So
7 we're grateful for them to do that. And of course
8 the Board of County Commissioners and
9 administration for allowing them to do that for us.

10 That's -- it was a -- it really emphasizes the
11 partnership that's developed over the last five
12 years or so with all of St. Johns County entities,
13 and it's amazing where the roots of original
14 economic development seed planting have found their
15 way now, you know, strong partners with our EDC
16 players at the Chamber and the tourist development
17 groups. And everybody comes to the table when
18 there's something to get solved relative to air
19 service and access to community in the context of
20 tourism and economic development.

21 I think Norm mentioned this morning in a
22 meeting that they're starting to see -- I'm sure
23 the County's the same way because you guys do
24 essentially the same thing in areas, but the
25 economic development are actually starting to see

1 some inquiries from the Trenton general area into
2 economic development interest in St. Johns County.

3 So we're -- you know, you're already seeing
4 some seeds planted that hopefully will grow into
5 some significant economic development projects over
6 time, not just tourism. So that means a long-term
7 stable job growth environment in our community. So
8 all good.

9 A couple of items to point out. We did do --
10 well, I think we're through equipment pieces. We
11 did have to purchase two small pieces of equipment
12 to support our handling of aircraft. They're two
13 tugs to handle bag towing. That's -- we purchased
14 two of those refurbished. They're -- seem to be
15 doing a great job for us so far. Moving into
16 the -- into the future, these are more leading into
17 budget kind of things to be starting to think
18 about, capital items and movement.

19 We will need to look at an additional
20 switchback unit at some point. I'm hopeful I'll be
21 able to get some substantive discussions with
22 St. Pete-Clearwater Airport. I understand they
23 have a couple of those switchback units that we use
24 that they may be able to make available to us to
25 either purchase or even donate to us for getting

1 them over here. But in the event they're not,
2 that's certainly an item we'd have to deal with in
3 our budget.

4 MR. CIRIELLO: What's a switchback unit?

5 MR. WUELLNER: Switchback is that big ramp
6 unit that goes up to the aircraft, that I -- unit
7 they roll up to the airplane.

8 MR. CIRIELLO: You mean that blue thing we
9 have out there?

10 MR. WUELLNER: Yeah, yeah. Has a blue roof on
11 it. And the other is tugs. We might need another
12 tug, maybe two --

13 MR. CIRIELLO: When you guys -- when you're
14 talking tug, what are you talking about?

15 MR. WUELLNER: The bag cart tugs.

16 MR. CIRIELLO: I have a dumb idea in my head.
17 Not from a big airport, but this -- Bob could
18 probably answer this question.

19 I don't know how much fuel a jet would suck up
20 from the time it starts up to taxi out to take off,
21 but if we had a tug like we used to haul B-29s out
22 with and they loaded up -- you hook up this tug to
23 the plane and pull him out to the -- where he's
24 going to take off, let him start up and take off,
25 you'd save I don't know how many gallons of fuel

1 with fuel cost. But that fuel dollars they'd save
2 might be worth it.

3 MR. WUELLNER: If -- obviously, I can tell you
4 if that made economic sense, they'd already be
5 doing it. I don't mean just here. I mean airlines
6 across the world.

7 MR. CIRIELLO: Well, you couldn't have 15 or
8 20 airlines waiting for a chance to take off with
9 15 or 20 tugs --

10 MR. WUELLNER: Just getting out of the way,
11 yeah.

12 The other consideration long term would be
13 acquisition probably of a refurbished air start as
14 a backup or as a unit -- as a backup piece of
15 equipment. A couple of these are really pricey
16 pieces of equipment if they were to just be
17 purchased new especially.

18 CHAIRMAN COX: They're maintenance nightmares.

19 MR. WUELLNER: And they're maintenance
20 nightmares. The air starter is, anyway.

21 CHAIRMAN COX: Yeah.

22 MR. WUELLNER: Right now we have a -- I'll
23 have it a wink-wink kind of agreement with Northrop
24 Grumman, that if we are desperate to need an actual
25 air start, that they have a unit over there that

1 they could bring over and get it accomplished.

2 But so far between the onboard APU and the GPU
3 on the ground, it's not -- it's not an issue. And
4 honestly I don't really expect it ever to be. It's
5 an extremely rare condition you need a full-blown
6 air start.

7 The other issue that's kind of waiting out
8 there that we probably need to start planning
9 meaningfully is how to deal with long-term
10 inclement weather kinds of access out to and from
11 the aircraft. I know as an airline they don't
12 really care, but when you -- when you look at the
13 kind of weather events that Florida can have,
14 especially the amount of water that can come out of
15 the sky in short order and the timing of flights
16 into afternoon and late afternoon as we go forward,
17 our prime get-wet times, there are -- you know,
18 there are some physical solutions out there that
19 we'll bring forward to look at for sort of a
20 permanent facility.

21 Mr. Ciriello brought to my attention, I think
22 it was a great idea, is perhaps the purchase of
23 some giveaway ponchos or something else as a -- as
24 kind of an -- at least an interim position, you
25 know, that we could hand folks as they get off the

1 airplane, at least keep them dry to bag claim and
2 maybe their car. We could even toy with the idea
3 of maybe just having a supply of umbrellas that
4 they can carry, you know, from one place to the
5 other and drop them off.

6 All of those solutions work great on an
7 interim. But there -- we believe we can get some
8 Florida DOT grant money to match a more long-term
9 structure solution. I'm not talking building a jet
10 bridge or anything like -- nothing of that kind of
11 magnitude anyway.

12 CHAIRMAN COX: Thank you.

13 MR. WUELLNER: This is -- this is ground level
14 rollable canopy, for lack of better words, that
15 could work very well. We've done some looking.
16 There's some nice little products out there that I
17 think would adapt very well to us.

18 Need some more exploring, but just throwing
19 them out there as things that as we get into budget
20 full stride, and I mentioned these even in the
21 budget item here, those are the kind of things that
22 we'll have more detail and we can maybe vet further
23 and see how they play into grants, too.

24 CHAIRMAN COX: Is the air stairway they're
25 using now covered?

1 MR. WUELLNER: It's -- it's got a canopy over
2 it, but it is not shielded on the sides. And
3 there's a -- there's actually a section of it at
4 the top where it meets the aircraft where it --
5 there's a gap there.

6 CHAIRMAN COX: Yeah, right.

7 MR. WUELLNER: They make an adapted unit that
8 you can put on there that will kind of lean over a
9 little bit to protect you getting onto -- onto the
10 unit. So far, you know, our luck will run out one
11 day here, but up to this point we have not had that
12 as an issue of water.

13 CHAIRMAN COX: So if we got a collapsible
14 frame awning that would extent out, then we could
15 anchor that in because of wind --

16 MR. WUELLNER: That --

17 CHAIRMAN COX: -- and then have a covered
18 jet -- air stair down to that point.

19 MR. WUELLNER: Would keep them mostly dry all
20 the way to bag claim.

21 CHAIRMAN COX: Right.

22 MR. WUELLNER: And after bag claim, they're
23 going to get wet anyway no matter what they do.

24 CHAIRMAN COX: And that's on their -- that's
25 going to have to be --

1 MR. WUELLNER: We've done our part at that
2 point.

3 CHAIRMAN COX: No different than any other
4 airport at that point.

5 COMMISSIONER SANCHEZ: Mr. Chairman, can I
6 make one short statement?

7 CHAIRMAN COX: Sure. Absolutely.

8 COMMISSIONER SANCHEZ: In speaking about the
9 economic development, I did want to mention that
10 I'm sure most of you've seen the impact study on
11 the amphitheatre.

12 The economic impact to St. Johns County caused
13 by the amphitheatre is almost \$17 million a year.
14 That more than offsets anything that's being paid
15 out, which in reality the amphitheatre although on
16 our books has shown some losses, it has been made
17 up in other areas with taxes and things like that.
18 So it hasn't lost any money at all. It's doing
19 fine. So I just wanted to pass that on, thanks.

20 CHAIRMAN COX: Thanks, Ron.

21 MR. WUELLNER: So anyway, that's -- that's
22 kind of the nutshell of -- of our Frontier
23 experience to date.

24 CHAIRMAN COX: Good job.

25 MR. WUELLNER: Any other -- be happy to try to

1 answer any other questions, but...

2 CHAIRMAN COX: Budget development?

3 MS. BARRERA: I have a couple of questions.

4 CHAIRMAN COX: Go ahead.

5 MS. BARRERA: Ed, what about -- I know that
6 there's a waiting period for PFCs. What are we
7 looking for for that?

8 MR. WUELLNER: We've not made application for
9 that obviously. At this point, I would suggest we
10 hold off.

11 They're -- they're seriously considering some
12 of the reauthorizations changing the -- the
13 structure of PFCs to include how much and how
14 it's -- how you enter the program, how you can
15 commit funds related to PFCs.

16 When you consider the amount of money we can
17 currently collect off PFCs and that that money has
18 to be dedicated to commercial service
19 infrastructure projects, that's one of the only
20 fundings sources where we cannot directly
21 cross-utilize to general aviation. So it has to --
22 has to go into air service capital.

23 MS. BARRERA: Uh-huh.

24 MR. WUELLNER: When you consider that if we --
25 if you annualize Trenton outbound flights, which is

1 where that money would be collected --

2 MS. BARRERA: Uh-huh.

3 MR. WUELLNER: -- you're only looking at about
4 a 90,000 a year collection -- actually that would
5 be whole numbers. By the time you take the airline
6 collection out of it, it would probably be
7 somewhere in the 80-, 85,000 range. And that
8 80,000, I know this sounds horrible, but is kind of
9 useless in kind of capitalizing projects.

10 We do not have -- the other thing is -- my
11 suggestion is we just kind of hold off on it. And
12 the secondary reason is when we first considered
13 PFCs, we had a lot of large scale capital projects
14 that had not been accomplished yet.

15 But the kind of nice part is that the period
16 between Skybus and startup of Frontier, a great --
17 almost all those needs got met under the normal FAA
18 grant programs to include completely rehabbing the
19 runways, main taxiway system upgrade of lights,
20 adding centerline lights. Many of the projects
21 that were in our original PFC application got
22 accomplished without benefit of PFC in our case.

23 We are going to be in a very unique -- not
24 unique, but a very -- there's a set-aside of AIP
25 money for nonprimary airports. So our size airport

1 where we sit today has a dedicated source of AIP
2 funds that there really are almost no other
3 airports in Florida. So we're going to have the
4 opportunity to get into that -- that money annually
5 until we outgrow it.

6 So, I -- I just -- I think it's one to keep on
7 the table, but I'm not sure the short term hassle
8 of \$80,000 in collections and how it's -- the funds
9 have to be used right now and all of the things
10 that are out there being bantered around on the
11 federal side via Congress and FAA on the PFC
12 program right now is making it -- you know, I would
13 tell you if we were walking in with several hundred
14 thousand enplanements, I'd have absolutely no
15 qualms with entering the PFC program.

16 MS. BARRERA: And how would that change on
17 September the 8th?

18 MR. WUELLNER: Well, you're adding two and a
19 half, but you're still only less than 160,000
20 collections probably annualized. That's assuming
21 you can get all of the money out of it. I don't
22 know. It's worth -- as I said, worth keeping it on
23 the table. I just --

24 MS. BARRERA: And the application process
25 takes how long?

1 MR. WUELLNER: Typically 90 days for our size.
2 Ours is a pretty straightforward.

3 The problem I've got right now with a very
4 mature Airport Master Plan on the -- really does
5 not currently list any strong commercial service
6 capital projects in the AIP program to which you
7 would have to apply the PFC monies toward. So
8 we've got to come up with in the master plan
9 process that new laundry list, if you will, of
10 capital needs that we can then take the PFC program
11 and apply towards at least a portion of those
12 needs.

13 MS. BARRERA: But don't those funds go towards
14 terminal projects?

15 MR. WUELLNER: It can. But it's got to be --
16 you've got to identify at the front. You're not --
17 the way the program works is you have to identify
18 the projects on the front end --

19 MS. BARRERA: Uh-huh.

20 MR. WUELLNER: -- and then you're allowed to
21 collect money for those projects. We don't have a
22 list of projects to start with. I'm not saying
23 there aren't some, we just haven't developed that
24 list of projects.

25 The master plan would normally kind of light

1 the way to those projects. And then you can
2 identify, well, that needs \$10 million in funding
3 or whatever the number is. You know, PFCs would
4 generate a hundred, 200 a year, whatever the number
5 is. Then you'd be looking at FAA to fund or other
6 sources to fund balances.

7 There are as you know significant limitations
8 on where that can be funded. So you can't just
9 generically fund terminal. That's got to be highly
10 vetted by FAA, too. It's got to be basically
11 categories -- categorized as a common area in order
12 to get funding.

13 I think it's a great program, I'm just not
14 sure there's enough energy in there right now and
15 enough -- we don't have enough to kind of make it
16 work yet. But it's certainly -- we have the
17 ability to enter that program at some point.

18 MS. BARRERA: And the security aspect of it?

19 MR. WUELLNER: Typically not a --

20 MS. BARRERA: In the PFC?

21 MR. WUELLNER: -- PFC program. It's -- I
22 don't -- the only place -- yeah, actually -- no, I
23 don't see it as a PFC project, security per se.

24 Now I see us being able to go to yet another
25 funding source, just set that table, too. But I

1 see us being able to go to TSA now for capital
2 grants related to --

3 CHAIRMAN COX: Security.

4 MR. WUELLNER: -- to security because they
5 have dedicated funds for some of that, too. And
6 we're going to need to make application. That's
7 another -- I think it's in -- may be in the -- I
8 don't know if I included it or not. Yeah, I
9 didn't -- I didn't put it specifically yet.

10 But one of the items we have to solve is
11 coming up with some security procedure related to
12 the southeast part of the airport as it intersects
13 the marsh, the nonfenced portion of the airport.
14 So we've got -- and TSA could very well be a
15 financial partner in solving that, because frankly
16 fence is not a good option.

17 MS. BARRERA: And the airline collects those
18 PFC charges on the front end.

19 MR. WUELLNER: They collect those, yes, and
20 take a big chunk of it as a fee, yes.

21 MS. BARRERA: So what are we losing?

22 MR. WUELLNER: What I'm losing right now is I
23 have no ability to collect because I don't have
24 projects that I -- at this point that are
25 identifiable for FAA to -- that money has to go to

1 those projects.

2 MS. BARRERA: I understand.

3 MR. WUELLNER: So until I identify the
4 projects. Now, if we want to do that during
5 budget, I just -- I'm just saying let's slow down,
6 let's come up with projects. Because until we have
7 the projects, I can't even go to them to collect it
8 and begin the application.

9 MS. BARRERA: I think normal wear and tear on
10 the terminal would be projects.

11 MR. WUELLNER: It may very well be, but --

12 MS. BARRERA: When you have 138 people in and
13 out a day.

14 CHAIRMAN COX: We haven't identified it.

15 MR. WUELLNER: Let's spend a little bit of
16 time here and come up with the projects and I'm --
17 you know, I'm not opposed to collecting it. I'm
18 just saying right now that's a lot of new stuff to
19 throw in the mix for us.

20 MS. BARRERA: And then how are some of our
21 tenants like the Fly-By Cafe, how are -- how is the
22 airline -- how is that working out for them? Are
23 they getting the residual spinoff?

24 MR. WUELLNER: Personally, I haven't heard. I
25 really don't know.

1 CHAIRMAN COX: I actually spoke with John last
2 week. He said they're doing pretty good with that.

3 MS. BARRERA: Okay.

4 CHAIRMAN COX: It's working well for them, and
5 he's looking forward obviously to the September --

6 MR. WUELLNER: Sure.

7 CHAIRMAN COX: -- scenario, so....

8 MS. BARRERA: Good. And then maintenance on
9 the field for -- for the Frontier Airlines
10 airplanes, do we have the --

11 MR. WUELLNER: Who is doing it?

12 MS. BARRERA: Yeah. Do we have that
13 designated?

14 MR. WUELLNER: Roberts Aviation is their
15 designated maintenance.

16 MS. BARRERA: Okay.

17 MR. WUELLNER: That's independent from us, but
18 they are the -- they are identified.

19 CHAIRMAN COX: That's if they have a
20 maintenance event.

21 MR. WUELLNER: Correct. That requires an
22 actual mechanic sign off.

23 MS. BARRERA: Okay.

24 CHAIRMAN COX: Budget development?
25

1 BUDGET DEVELOPMENT DISCUSSION

2 MR. WUELLNER: Yeah. I jumped to the
3 assumptions first. I would assume that I'm still
4 correct that no one has any intention of assessing
5 ad valorem as we look into the beginning of the
6 budgets? I mean, I didn't expect that was changed.

7 MS. BARRERA: I do not.

8 MR. WUELLNER: Just want to confirm it. I
9 would also bring to your attention projects,
10 anything that -- especially capital. Anything that
11 we need to be -- that you have observed or been
12 made aware of that we need to be exploring, feel
13 free to get in touch with me or bring it up in a
14 meeting or whatever and we'll try to figure out how
15 we can appropriately fund that either as an
16 entire -- depending on what it is, entirely
17 Airport Authority or go out and outreach to Florida
18 DOT and/or to FAA depending on how it -- what kind
19 of project it is. Those things are out there. I
20 mentioned some items we need to just be aware of as
21 we start building a budget. One is Authority
22 staffing, those equipment mentions within air
23 service.

24 I do want to point out that we've received
25 notification -- although it's verbal at this point,

1 I have no reason to believe it's -- that it's not
2 going to happen, but Northrop has indicated they
3 would like to renew that east, what do you call it,
4 North 40 complex lease with us for an additional
5 five years starting in October. That's -- that's a
6 nice stable -- nice budget number for us.

7 Also, you know where is future air service
8 with us going in terms of level of service?
9 Because that has impacts throughout the budget as
10 we go forward. We will do our best over the summer
11 to try and qualify what that is. It will -- we'll
12 continue to have conversations with air carriers
13 and see what they're thinking. Even if it's not
14 firm, sometimes they can share high level thoughts
15 of what they're doing so we know if we need to make
16 budget adjustments or a combination within budget
17 next year.

18 Right now we kind of know what we've got
19 coming at us. By the time we get to October 1,
20 we're at least doing eight flights a week and maybe
21 by then more is announced. Who knows? But we at
22 least know what we've got on the table at this
23 point going into October.

24 CHAIRMAN COX: Well, any discussion from the
25 board at that point? Because I'm going to open up

1 to public comment right now.

2 MS. BARRERA: On the Frontier?

3 CHAIRMAN COX: Anything.

4 MS. BARRERA: Where are we -- when we -- do we
5 have some -- some funds set aside for development
6 of the park in the budget?

7 MR. WUELLNER: This park?

8 MS. BARRERA: Uh-huh.

9 MR. WUELLNER: You mean like public park?

10 MS. BARRERA: Uh-huh.

11 MR. WUELLNER: I do not know. I think that we
12 intended to accommodate -- I didn't -- I wasn't
13 aware of any capital items, so I probably just
14 accommodated it in our normal repair and
15 maintenance budget items. So if there's something
16 specific you're trying to get accomplished --

17 MS. BARRERA: We had talked about the
18 observation deck.

19 MR. WUELLNER: That would probably be a
20 capital based on the dollars involved.

21 MS. BARRERA: Uh-huh.

22 MR. WUELLNER: There's nothing currently
23 capitalized. There's no reason it can't be
24 included.

25 MS. BARRERA: And then on our multimodal --

1 MR. WUELLNER: I have no idea.

2 MS. BARRERA: If we could look at that --

3 MR. WUELLNER: Yeah.

4 MS. BARRERA: -- while we're going through the
5 budget process.

6 MR. WUELLNER: Absolutely.

7 PUBLIC COMMENT - GENERAL

8 CHAIRMAN COX: Any public comment on any of
9 the agenda items? No discussion?

10 MR. MARTINELLI: Go get them.

11 CHAIRMAN COX: Got it.

12 MR. WUELLNER: Thanks.

13 CHAIRMAN COX: All right. Open board reports.

14 MEMBER COMMENTS & REPORTS

15 CHAIRMAN COX: Mr. Ciriello,
16 intergovernmental.

17 MR. CIRIELLO: Well, I wasn't able to attend
18 the meeting, but I got a report back from my
19 substitute that the main business of the meeting
20 was a discussion of changing the meeting dates from
21 bimonthly to quarterly because of I guess poor
22 attendance. And I -- that probably will come up in
23 the future for a vote, but that's the main thing
24 that happened at that meeting.

25 CHAIRMAN COX: Okay. Ms. Barrera, EDC?

1 MS. BARRERA: I've attended a couple of EDC
2 events. I attended the EDC breakfast and I thought
3 it was excellent how Frontier was highlighted at
4 the breakfast. Bill Curtis did a great job
5 encouraging people to check out the Trenton,
6 New Jersey airport and really promoting us, so we
7 were very appreciative for that.

8 The Players the EDC reception that was --
9 happened there, I thought that was fabulous, having
10 our Frontier vice president of customer service
11 speak and get people excited about that. And that
12 came right before the announcement of Washington,
13 D.C., so I thought that was very well-received.

14 In addition, Ed and I have been meeting with
15 the EDC people at the Chamber and trying to work on
16 a couple of things there and really min -- maximize
17 the airport's benefit to the community. So that
18 would be the EDC.

19 On the Aerospace Academy, we also -- I
20 attended the Aerospace Academy meeting. They had a
21 very successful fly-in event. And so much needs to
22 be commended to both Ed and Reba and to SAAPA for
23 their work with that. And they were very well
24 pleased.

25 I came at the very tail end of that and heard

1 that the tables were full and that the people were
2 very very excited, even though it was changed up a
3 little this year. And they just recently had their
4 Aerospace Academy awards and are working on their
5 board master plan going forward for the Aerospace
6 Academy as well as the other academies.

7 In addition, we also had the kickoff flight
8 here at Frontier. And I have to echo Ed's
9 comments. I think that staff did a fabulous job.
10 Not only before the event, and Elizabeth as well,
11 but at the event. And I think it was
12 well-received.

13 I love to see the different members of the
14 community speak on behalf of what Frontier Airlines
15 brings to the community and I thought that was a
16 wonderful, and I think all the people going in and
17 out very much appreciated the five star service
18 they were given. And that would be it.

19 CHAIRMAN COX: Thanks, Kelly. I'd just like
20 to add a pat -- a giant pat on the back to Ed and
21 staff and also for your work in the background, all
22 the legal issues we faced and overcame with what
23 was going on behind the scenes. Appreciate that
24 hard work. That's why our confidence is in you
25 guys.

1 So with that, proposed next meeting date July
2 7th, does that work for everybody?

3 MS. BARRERA: Yes.

4 CHAIRMAN COX: It's good for me. So July 7th.
5 Joe, you're good with it?

6 MR. CIRIELLO: Yeah, I'm good with it.

7 CHAIRMAN COX: Okay.

8 MR. CIRIELLO: I just don't know why we're
9 skipping meetings. We're getting as bad as the
10 economical people cutting meetings out. I don't
11 have any objection.

12 CHAIRMAN COX: All right. So if we all agree,
13 July 7th next meeting. Meeting adjourned.

14 (Meeting adjourned at 5:07 p.m.)

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REPORTER'S CERTIFICATE

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 19th day of June, 2014.

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