

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Regular Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, August 15, 2011

6 from 4:02 p.m. to 5:22 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

- 9 KELLY BARRERA, Chairman
- CARL YOUMAN
- 10 ROBERT COX, Secretary-Treasurer
- JOSEPH CIRIELLO

11 BOARD MEMBERS ABSENT:

- 12 JAMES WERTER

13 * * * * *

14 ALSO PRESENT:

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

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

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- 21 JANET M. BEASON, RPR, RMR, CRR, FPR
- 22 St. Augustine Court Reporters
- 1510 N. Ponce de Leon Boulevard
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1 PROCEEDINGS

2 CHAIRMAN BARRERA: I would like to call the
3 meeting of the St. Augustine-St. Johns County
4 Airport Authority into session. If we could all
5 rise for the Pledge of Allegiance.

6 (Pledge of Allegiance.)

7 MEETING MINUTES & FINANCIAL REPORT ACCEPTANCE

8 CHAIRMAN BARRERA: Thank you. Did everyone
9 have the opportunity to review the pre -- previous
10 meeting minutes? Do we have any corrections,
11 additions, or deletions?

12 (None.)

13 CHAIRMAN BARRERA: Okay. Hearing none, the
14 meeting minutes will stand as approved. And the
15 financial report acceptance? Do we have any
16 additions, deletions, deferment?

17 MR. COX: None. June and July are both great.

18 CHAIRMAN BARRERA: Okay. Great.

19 CONSENT AGENDA

20 CHAIRMAN BARRERA: Then we'll move on to our
21 consent agenda. Do we have -- has everybody had a
22 chance to look at the consent agenda for today?
23 Joe?

24 MR. CIRIELLO: Yeah, I'd like to talk about

25 that first one, 2011-04. I'd like to have it stand

4

1 on its own.

2 CHAIRMAN BARRERA: Okay. So you --

3 MR. CIRIELLO: I have no problems with the
4 second one.

5 CHAIRMAN BARRERA: Okay. So we will pull the
6 Resolution 2011-04 into a agenda item.

7 MR. CIRIELLO: Yeah.

8 CHAIRMAN BARRERA: Do we have any other --
9 other discussion on the consent agenda?

10 MR. CIRIELLO: No.

11 CHAIRMAN BARRERA: Okay. Then the consent
12 agenda will stand with the removal of Resolution
13 2011 to an agenda item. Do we have a motion?

14 MR. YOUMAN: I make a motion.

15 CHAIRMAN BARRERA: That we accept?

16 MR. YOUMAN: However you want to word it.

17 CHAIRMAN BARRERA: The consent agenda with the
18 removal of the adoption of 2011-04 as the con -- as
19 part of the consent agenda. Do we have a second?

20 MR. COX: Do we -- just -- I'm sorry.

21 MR. WUELLNER: Yes, you need a motion.

22 MR. COX: Do we? I'll second it.

23 MR. CIRIELLO: What was that motion again?

24 MR. WUELLNER: Just to pull your agenda off.

25 MR. YOUMAN: To pull your agenda off.

5

1 MR. CIRIELLO: Oh, okay. I thought that Kelly
2 said that -- to vote for it. Okay. In other
3 words, we'll just be voting on the one.

4 MR. WUELLNER: Correct.

5 MR. CIRIELLO: Right.

6 CHAIRMAN BARRERA: We'll have it as an agenda
7 item. Okay. All in favor, aye?

8 MR. COX: Aye.

9 MR. CIRIELLO: Aye.

10 MR. YOUMAN: Aye.

11 CHAIRMAN BARRERA: Aye. Hearing none opposed,
12 the consent agenda will stand with the removal of
13 the Resolution 2011-04.

14 MR. WUELLNER: You're going to do that --

15 CHAIRMAN BARRERA: At this time, before we
16 move into the executive director's report,
17 Mr. Sanchez would like to make an introduction for
18 us.

19 COMMISSIONER SANCHEZ: Madam Chair, I
20 appreciate that. I -- I'm very happy to introduce
21 to you the County's new director of economic
22 development, Melissa Glasgow. We are very happy to
23 have her with us.

24 She will be our representative at the table

25 and she's already off to a very fast start. She's

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1 getting information together like you would not
2 believe. She wanted to attend today's meeting to
3 get familiar with how you operate. I told her you
4 were a great board and you were only passed on that
5 subject by your outstanding administration. So
6 anyway, I wanted to bring that up.

7 But Melissa's going to sit and learn today,
8 and I'm sure she's going to be getting with all of
9 you. She'll be doing a tour. She's already talked
10 with Ed, so I appreciate that. Thank you.

11 CHAIRMAN BARRERA: Welcome, Melissa. And we
12 look forward to working closely with you here at
13 the Airport Authority and the staff and bringing
14 some economic development and having the airport
15 play a larger role in that with you.

16 MS. GLASGOW: Great. Thank you.

17 EXECUTIVE DIRECTOR'S REPORT

18 CHAIRMAN BARRERA: Move on to the executive
19 director's report. Ed?

20 MR. WUELLNER: Thank you. Two items to go
21 over with you today.

22 One is I just want to make you aware we
23 received tent -- or notice of tentative allocation,
24 for lack of better words, related to the Taxiway B

25 project with FAA. So we are in the final process

7

1 of programming with F -- FAA at this point, and I
2 expect to hear this week definitively that we'll
3 have the funds via the AIP program for Taxiway B
4 South.

5 Total project's approximately \$6.5 million.

6 So all of that will be shared by all three
7 entities, with FAA making up 95 percent of that,
8 FDOT another 2 1/2 percent. So the Airport
9 Authority will in a sense be paying two and a half
10 cents on the dollar to build Taxiway B South. I
11 expect that the grant documents will show up next
12 week. And if all goes well, we'll be off and
13 rolling very quickly after that.

14 Second item I have is fuel farm replacement.
15 I just wanted to make you aware we have finally
16 broken ground on that project and it is moving
17 forward. Clearing and grubbing was accomplished
18 last week and they still are on track to finish
19 this up by the second week of September. They're
20 in -- staying within the limitations of the grant
21 which required that expenditure not later than the
22 end of September. So those things are on track and
23 looking good.

24 CHAIRMAN BARRERA: Carl?

25 MR. YOUMAN: I just want to emphasize if I --

8

1 and correct me if I'm wrong, the federal portion
2 does not come from the general funds of the
3 taxpayers of the United States but comes from fees
4 and assessments by airport users and passengers; is
5 that correct?

6 MR. WUELLNER: That's correct. There are two
7 primary sources within that trust fund. One being
8 ticket taxes, which equate to 11 percent on every
9 ticket, airline ticket sold. The other is
10 receipted to fuel taxes, aviation fuel taxes. So,
11 yes, it's strictly a -- it was set up as a trust
12 fund for the users to pay for the user system and
13 the funds come out of that.

14 MR. YOUMAN: Thank you.

15 BUSINESS PARTNERS UPDATE

16 CHAIRMAN BARRERA: Okay. Move on to our
17 business partner updates. Mr. Sanchez?

18 COMMISSIONER SANCHEZ: Well, as you know, the
19 County's going through its budget process. We have
20 set a tentative millage increase, which we cannot
21 exceed but we can come in lower than that, and I --
22 I'm pretty sure we will come in lower than the .75.
23 I'm guessing at .65 or .60.

24 But part of that millage is for the radio

25 system that we are required by the FCC to do.

9

1 That's .25 of the millage. That will probably be
2 decreased to .20.

3 And then we have a fire millage increase that
4 is vital because we are in the reserves now and if
5 we don't exercise a way to increase our income, we
6 will actually have to be downgrading some fire
7 stations or closing some of them.

8 Most people don't understand the grasp of
9 that, but the problem with it is the insurance
10 companies will double your insurance, household
11 insurance, if you start losing firemen or a
12 firehouse.

13 So if you have any questions about that and
14 you've got any friends that live in Palencia, just
15 call and ask them how much theirs just went down
16 and they'll tell you it's a large sum of money. So
17 if we don't do something, we're going to run out of
18 money January 2013. We don't want to do that. So
19 we're going to protect the people with that choice.

20 And then like I said, the radio system, .25 of
21 it is -- is just simply general fund. It's for the
22 libraries and the parks and recreation and things
23 like that that I think are vital to the quality of
24 our life.

25 And that's a point that new people coming in,

10

1 commercial development, will look at, is is this a
2 commission that's willing to keep up the quality of
3 life or not? So I think it's vital that we do keep
4 that moving, too, at least where it is now. We
5 won't be enlarging any of it at this point, but at
6 least we'll be able to sustain it where it is.

7 And contrary to a lot of things that have been
8 out there in the press, we do listen to people, we
9 have listened, and the people in favor of this,
10 probably almost a 9-to-1 ratio they're in favor of
11 it against people that aren't in favor of it. So,
12 you know, that -- that's something that we do look
13 at.

14 But we've probably gotten 40 or 50 thank you
15 things for setting the tentative millage and asking
16 us to go ahead and finalize it that way. So these
17 are people that understand, you know, the
18 community's about bottomed out as far as cutting
19 the expenses, and now we have to get real serious
20 about maintaining where we are now or we start
21 losing more.

22 So anyway, if anyone's got any questions, I'll
23 glad to --

24 CHAIRMAN BARRERA: Carl?

25 COMMISSIONER SANCHEZ: I don't know where the

11

1 bacon is, Carl. I have no idea.

2 MR. YOUMAN: I'm waiting.

3 COMMISSIONER SANCHEZ: Y'all ought to start
4 serving bacon sandwiches up here or something in
5 the afternoon. Go ahead, sir.

6 MR. YOUMAN: Why isn't it published more about
7 the insurance cost versus the tax cost of
8 maintaining the fire stations?

9 COMMISSIONER SANCHEZ: Well, I think it will
10 be.

11 MR. YOUMAN: You never see anything like that
12 in the paper.

13 COMMISSIONER SANCHEZ: I think it will be
14 publicized more, but the problem with it, the
15 people that are on the negative side don't believe
16 it anyway. See, they think it's just another farce
17 created by government trying to cover something up.

18 MR. YOUMAN: No, no, no.

19 COMMISSIONER SANCHEZ: But that -- but they
20 don't realize how true that is.

21 MR. YOUMAN: Yeah, my insurance --

22 COMMISSIONER SANCHEZ: But I guarantee you, if
23 you cut firehouses down, one less fireman per shift
24 or you close a firehouse, they're going to find out

25 right quick the insurance companies get real

12

1 serious.

2 MR. YOUMAN: Yeah, they -- they put a
3 firehouse in about a quarter of a mile from our
4 house and our insurance rates just went like that.

5 COMMISSIONER SANCHEZ: It could fluctuate in a
6 matter of decreasing fire service. That sends a
7 signal, too. The insurance companies, some of them
8 would almost stop insurance -- issuing insurance.

9 But the -- the worst part of it is most of
10 them that have been -- this has been discussed with
11 could be a 30 to 40 percent increase in your
12 homeowners insurance. So, you know, that -- that
13 is far more money than the .25 millage increase to
14 keep the fire department where it is now.

15 And the millage, you've got to understand the
16 Palencia situation, the firehouse we just built on
17 Pine Island Road, we had some money left over from
18 a -- a bond that we were able to save by cutting
19 out some things.

20 We built that firehouse and a lot of people
21 also complained about the federal grant, not
22 understanding that federal money is our tax money.
23 If we don't get it back, it's going to go somewhere
24 else.

25 And anyway, we've got free firemen out there

13

1 for two years. We have to pay them for the third
2 year, but -- I don't know about the rest of you,
3 but I was self-employed for 38 years in business
4 and if I had a chance to get three years' salary
5 for what it cost for one, you better believe I
6 would do it. And that's what we've done.

7 It's a SAFER grant. But that's already
8 manned. They've already answered their first fire
9 call. Probably more than their first by now. But
10 that's a crucial station because of not only the
11 Palencia and the Nocatee and all of the other
12 subdivisions up and down the road, and like
13 accidents on U.S. 1 and everything.

14 That's such a crucial statement -- or station,
15 because other stations that have to come, then they
16 start losing their backup for -- for other areas
17 that are more populated, and that's the problem you
18 run into.

19 That was the next station on the list.
20 Commissioners didn't pick that. Fire service came
21 to us with that situation. They picked that. And
22 that's what we go by. Yeah, Joe?

23 MR. YOUMAN: One last -- one last question.

24 COMMISSIONER SANCHEZ: Okay.

1 effect, from what I've been reading and how I
2 analyze it is that it's a requirement that's going
3 to have to be put into effect no matter what, and
4 in effect the past boards have just left you guys
5 holding the bag.

6 COMMISSIONER SANCHEZ: Well, this was
7 implemented in 2004, and that was at a time when
8 the new money could have bought this entire system.

9 MR. YOUMAN: Yeah.

10 COMMISSIONER SANCHEZ: But that's not how the
11 money was spent. It was spent on other things.
12 And unfortunately it was just let go until it
13 arrived on our table. And we've looked at it and
14 tried to come up with different things and finally
15 it got to a point to where we had no choice.

16 We had to do something, because the FCC under
17 the Homeland Security fixture basically, they want
18 narrowbanding. Now they want it because the
19 government wants to selling the banding that we're
20 on now to someone else, see? That's what it all
21 comes down to.

22 But anyway, it's a requirement. And if we
23 don't take it, we lose our 15 to 16 channels and
24 automatically we're doomed as far as radio system.

25 So there's just no way to ignore it.

15

1 And -- and when I have a deputy sheriff tells
2 me on three occasions throughout the county that --
3 that he was in a hostile situation and called for
4 backup and could not even get through the
5 switchboard because of traffic, that -- that is
6 uncalled for.

7 That person is a law enforcement officer
8 that's supposed to be protecting the people. And
9 if he gets harmed, there's no one there to protect
10 the people. So you've got to protect the
11 protectors, is how I usually put that. You know,
12 you've got to be sure the people out there are
13 given the service. Even fire rescue have the best
14 possible equipment they can have.

15 And to me, that radio system is vital. It's
16 not only rescue, fire, sheriff, it's all of the
17 systems in the county. School board. All of the
18 cities, the maintenance, mosquito control,
19 everybody can go on this. And once that's done, it
20 becomes feasible if you hook up everybody to it.

21 CHAIRMAN BARRERA: Joe?

22 COMMISSIONER SANCHEZ: Yeah. Yeah, Joe.

23 CHAIRMAN BARRERA: Go ahead.

24 MR. CIRIELLO: Yeah, what's the total cost on

25 this communication system that you people have come

16

1 up with?

2 COMMISSIONER SANCHEZ: We don't really know

3 yet. We just sent out RFPs for the towers.

4 Contrary to a lot of information that was out

5 there, the County has to construct 11 towers to

6 implement this 800 megahertz system. So we've just

7 sent the RFPs out. We'll know soon what that's

8 going to cost.

9 But the .25, which will be about \$4 million,

10 is our attempt to show the FCC that we are going to

11 do this, because that would repeat itself again

12 next year.

13 Say we implemented a sales tax, which by the

14 way can't be done because of the length of time

15 involved unless we had a special election, that's a

16 quarter of a million dollars shot for nothing if it

17 doesn't pass. But we can't wait till the general

18 election because then we wouldn't have time to

19 implement anything else. So we had to do it this

20 way.

21 And we've already talked about the sales tax.

22 If that does go on the ballot and the voters pass

23 it, we will scale back these other taxes that --

24 that would be taking its place. So, you know, it

25 will all be in fairness to the taxpayers, but it's

17

1 something we have no choice but to do. I don't
2 know what the cost is, Joe. We figured everything
3 from 15 million to 35 million.

4 MR. CIRIELLO: Well, you know where I got my
5 information, but I've heard that there was maybe
6 a -- the word is unofficial report of somebody
7 checking into things and rather than what it seems
8 like the County's going to do is just wholesale
9 change everything and getting all brand new
10 equipment, that utilizing a lot of the equipment
11 you already have, that this whole project could be
12 done for something like 2 million instead of 25.
13 And of course I don't know if that's true or not,
14 but you know where I got that information.

15 COMMISSIONER SANCHEZ: Well --

16 MR. CIRIELLO: So I can see spending 2 million
17 rather than 25.

18 COMMISSIONER SANCHEZ: Well, Madam Chair, I'd
19 like to if answer that if I can --

20 CHAIRMAN BARRERA: Sure.

21 COMMISSIONER SANCHEZ: -- because that's part
22 of the confusion out there right now. That is
23 totally untrue.

24 Jerry Cameron has researched this thing for

25 three years. There is absolutely nothing you can

18

1 come up with that he doesn't already have the

2 answers to.

3 It's not a matter of using our current

4 equipment, because it all has to be reprogrammed.

5 And the newest equipment that we would be

6 reprogramming is about 10 years old. If it was to

7 malfunction in a year, it can't be fixed and then

8 we would have to buy something new.

9 So the fact that you want to redo the old

10 equipment is really a horrible suggestion. We

11 would rather come up with a good system that can

12 handle all the problems for a good while. Because

13 some of the equipment we have, by the way, is even

14 back 15, 20 years old and it's just -- you know,

15 the companies are not going to work on that

16 equipment anyway. You know, another year or two,

17 you can forget it; you even won't get a company to

18 carry the parts for that. Thank you.

19 CHAIRMAN BARRERA: Thank you. Mr. Slingsluff

20 with Galaxy?

21 MR. SLINGLUFF: Nothing to report.

22 CHAIRMAN BARRERA: Yes, Joe.

23 MR. CIRIELLO: I'd like to ask Mike a

24 question.

25 CHAIRMAN BARRERA: Mr. Slingluff?

19

1 MR. CIRIELLO: Has there been any movement
2 passenger-wise on your Bahama project that you
3 people started, initiated? Has -- has anybody gone
4 between there and here yet?

5 CHAIRMAN BARRERA: Yes.

6 MR. SLINGLUFF: Yeah. Almost everyday we have
7 airplanes going down and back. We do have
8 scheduled 135 operations four times a week now from
9 our facility on AirGate.

10 MR. CIRIELLO: But they're actually stopping
11 here and picking people up?

12 MR. SLINGLUFF: Yes.

13 MR. CIRIELLO: Okay.

14 CHAIRMAN BARRERA: Carl?

15 MR. YOUMAN: Are they utilizing the Customs?

16 MR. SLINGLUFF: Yes.

17 MR. YOUMAN: And this is scheduled charters,
18 is what -- is what it is?

19 MR. SLINGLUFF: Scheduled 135, yes.

20 MR. YOUMAN: What does that mean?

21 MR. SLINGLUFF: It's not -- it -- it's smaller
22 aircraft. It doesn't -- it can be a seasonal
23 schedule. It can be turned on and turned off
24 according to demand.

25 MR. YOUMAN: Okay. Thank you.

20

1 CHAIRMAN BARRERA: Harry with SAAPA?

2 MR. RUHSAM: Yes. We're -- SAAPA's going
3 through the summer doldrums trying to find places
4 to fly to and dodge thunderstorms.

5 The last two months we've had a couple of
6 interesting speakers. We had Bill Ricks in July, a
7 retired American Airlines pilot, Vietnam pilot that
8 was shot down. I know several of the Airport
9 Authority members were present for that. And then
10 just last Saturday, Melvin Van Gundy, World War II
11 pilot, B-17, B-25 gave a nice talk.

12 Some of the other things going on. In July,
13 we spoke to aircraft or airport security, and we
14 had -- Bob Cox was there. So trying to cover a lot
15 of issues that are good to, you know, keep abreast
16 of current security procedures and things like that
17 for the membership. And I guess that's pretty much
18 it. Thanks.

19 CHAIRMAN BARRERA: Thank you, Harry.

20 Mr. Nehring with Grumman, would you like to --
21 Northrop Grumman, would you like to give us an
22 update, business partner update?

23 MR. NEHRING: Sure. I guess if you read the
24 newspapers, you see the Navy signed a contract with

25 us to build two aircraft 20. We delivered aircraft

21

1 6 today. So that takes us at least through 2015.

2 So that's a pretty good thing for us. It's, I

3 can't remember the exact number, 795 million or 695

4 million. It's a good thing for the site, a good

5 thing for the airport.

6 MR. WUELLNER: Absolutely.

7 CHAIRMAN BARRERA: Very exciting. Thank you,

8 Mr. Nehring. Mr. Gregory with the EDC, would you

9 like to give us a business partner update?

10 MR. GREGORY: Sure. Have you met our new

11 ED -- I got here late. Okay. Thank you.

12 I want to give you a little -- a quick update.

13 We've got about 20 prospects we're working with for

14 potentially moving into the county. You may have

15 seen we recently got the \$31 million investment in

16 the health care facility, which was an assisted

17 living facility, et cetera. That will be on County

18 Road 207 close to where 312 comes into 207.

19 We're having the ground breaking for Doctors

20 Village in the northwest quadrant on Racetrack

21 Road. That will be September 1st. And then

22 September 8th, I believe it is, is HCA is doing a

23 ground breaking on their project at Doctors Village

24 as well.

25 Good activity. We are hoping to bring more

22

1 businesses here. We've lost a couple. One we lost
2 to Atlanta. And the investors in that particular
3 business owned a building in Atlanta and decided
4 that they would just utilize their existing
5 building. So I don't really feel like it was a
6 loss. We just weren't economically feasible. We
7 couldn't give them a building.

8 Other than that, things are moving along.
9 We're -- we're very pro business here in the county
10 thanks to the county commission. They've been very
11 very positive. We're working with the Airport
12 Authority on a couple of things.

13 As a matter of fact, had a fellow from Maine
14 call me about bringing in a tourist attraction here
15 to the airport to do biplanes and things like that
16 and give rides. I directed him to the tourist
17 council to ask them about bed tax and how much
18 activity there is.

19 And I also asked him to contact the fellow
20 that does the helicopters, to get an idea of what
21 the tourist attraction is for that. So we may see
22 another operation here at the airport. Pretty
23 small, but something's better than nothing in many
24 ways.

25 CHAIRMAN BARRERA: Great. Thank you, Mr.

23

1 Gregory.

2 MR. GREGORY: That's it. Thanks.

3 CHAIRMAN BARRERA: Mr. Zimmerman? Did you
4 want to give --

5 MR. ZIMMERMAN: Nothing to report. Thank you.

6 CHAIRMAN BARRERA: All right. And now
7 Mr. Burnett.

8 MR. BURNETT: I have -- excuse me. I have one
9 issue that I'd like to raise during my report,
10 which is we've got I think a reason to ask for
11 another Attorney General Opinion.

12 You'll recall a year ago we had a legal issue
13 regarding the millage and going off the millage and
14 being able to come back on the millage later and we
15 asked for an opinion from Florida's Attorney
16 General. We got a favorable opinion. They agreed
17 with my legal interpretation at that time, which
18 was also shared with Mr. Wuellner. And now we have
19 a new issue, and here's what it relates to. It
20 relates to economic development, something that's
21 obviously a hot issue these days.

22 Florida's legislature in its last session had
23 adopted some legislation to expand the confidential
24 nature of economic development negotiations, and

25 that was going to help the Airport Authority

24

1 related to keeping information confidential. And
2 ultimately the Governor vetoed that legislation.

3 Where we're at now is the Florida Statute does
4 provide for protection, and this really relates to
5 the Public Records Act, and that you can have
6 documentation going back and forth with --
7 concerning economic development and it not be
8 subject to the Public Records Act. It's -- it
9 would be an exemption.

10 That protection under the statute, and it's
11 Section 288.075, clearly protects -- protects
12 counties and municipalities. And it also has a
13 catchall paragraph within the statute, and the
14 catchall paragraph, to me it isn't clear whether or
15 not it covers airport authorities.

16 Quite frankly, as you all well know, airport
17 authorities independent of a county or a
18 municipality are a rarity. So I think that when
19 the legislature passed the statute, they were
20 thinking municipalities and counties covered
21 everything and maybe didn't have their hat on for
22 economic development, thinking about an independent
23 district like the Airport Authority.

24 Because of that, I'd like to request an

1 288.075. And essentially it would be -- the
2 Attorney General Opinion would be -- the question
3 we would pose would be: Is the
4 St. Augustine-St. Johns County Airport Authority a
5 chartered, independent special taxing district of
6 the State of Florida within the definition of an
7 economic development agency as defined within
8 Section 288.075 Florida Statutes if there is no
9 public economic development authority within St.
10 Johns County, Florida? So basically it is, do we
11 have the same protection as the county or a
12 municipality within the State of Florida under the
13 statute.

14 I think that the intent would -- would have
15 been there, but I think that it gives us some added
16 protection to have a formal opinion from the
17 Attorney General. So --

18 CHAIRMAN BARRERA: Bob?

19 MR. COX: I'd like to make a motion that the
20 board authorize legal counsel to seek opinion from
21 the Florida State Attorney General on F.S. 288.075.

22 MR. YOUMAN: I second. Sorry.

23 CHAIRMAN BARRERA: Any further board
24 discussion?

1 CHAIRMAN BARRERA: All in favor, aye?

2 MR. COX: Aye.

3 MR. CIRIELLO: Aye.

4 MR. YOUMAN: Aye.

5 CHAIRMAN BARRERA: Aye. Motion passes
6 unanimously.

7 MR. BURNETT: Thank you.

8 CHAIRMAN BARRERA: All right. Let's move on
9 to our meeting agenda. Joe, did you want that put
10 as the top, the Resolution 2011-04 before we go
11 into the budget as the first item?

12 MR. CIRIELLO: If that suits you people, it's
13 fine with me.

14 CHAIRMAN BARRERA: Okay. Let's go ahead and
15 move that as our first agenda item.

16 RESOLUTION 2011-04

17 MR. WUELLNER: The agenda -- the agenda item
18 that was on the consent -- up for consent and
19 removed has to do with Resolution 20 -- 2011-04,
20 which is the standard FDOT language resolution
21 which would accept a grant from Florida DOT for 50
22 percent, which would be an amount up to \$900,000
23 that the Authority can match for -- to be used for
24 acquisition of property in the future.

25 At this point, we have not identified specific

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1 parcels, but it does provide a match grant for
2 that -- for parcels as they become available.

3 You may recall we had a situation just, you
4 know, over the last year where we had an
5 opportunity to acquire property and didn't have
6 adequate land acquisition, state-matched funds for
7 that, so the Authority paid a disproportionate
8 share of that acquisition in order to make sure it
9 happened, that seven acres a -- along U.S. 1 down
10 there. This would put the money or have money
11 committed with Florida DOT that we can match for
12 that purpose into the future.

13 Adopting the resolution authorizes the
14 Chairman and Secretary-Treasurer to sign the
15 resolution. It further authorizes myself as the
16 executive director to offer -- to sign any
17 grant-related documents to ensure that it's
18 committed with the Florida DOT.

19 CHAIRMAN BARRERA: Carl?

20 MR. YOUMAN: Is this like a sitting savings
21 account within the state monies where we can tap it
22 where we require land acquisition for --

23 MR. WUELLNER: Yes.

24 MR. YOUMAN: -- whatever reason?

25 MR. WUELLNER: It -- like all grants with

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1 Florida DOT and FAA, they're reimbursable
2 agreements, meaning we do not get a check for the
3 amount of money. What we do is get the money back
4 once we've made the expenditure related to it.

5 Of course we approve that expenditure ahead of
6 time with not only this board but with Florida DOT
7 to be sure that everybody's on board with the
8 transaction before spending the money.

9 CHAIRMAN BARRERA: Joe?

10 MR. CIRIELLO: My concern here is for that
11 word expansion. I'd like specifics on what that
12 means. I guess Ed and maybe Mr. Cox will know
13 where I'm going.

14 The last time I was on the board, the
15 Authority owned a lot of property in Araquay Park
16 and they needed X number of properties to get this
17 parcel of land to expand to build hangars and such.
18 And I can't say yes or no.

19 All I know is things that I heard even at the
20 board meetings, that some people accused the staff
21 more or less -- not the Authority, the staff -- of
22 bullying them trying to get them to sell their
23 property and it ended up, what, two or three people
24 at the Authority really did go to eminent domain to

25 get the property so they could build those hangars.

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1 And I was the only board member at the time that
2 was against it.

3 And if any of this money is going to be used
4 to get more property to build more hangars and
5 maybe go eminent domain like you did before, I'm
6 not going to vote yes for it. If you're going to
7 use the expansion for something else, then okay.

8 That's why I -- I want this -- wanted this pulled.
9 I wanted some specifics.

10 Because when you use that word expansion, it
11 doesn't mean to me that every time somebody comes
12 up that says they need a hangar, that the Airport's
13 got to go out and break their neck trying to figure
14 out how to put a hangar up for that individual.

15 And we always talk about -- I mean, not the
16 specific board now, but boards down through the
17 years have always talked about trying to be good
18 stewards with the citizens of St. Johns County,
19 cooperating to keep this airport viable and in good
20 steed. And when you do what we did this last time
21 to provide some hangars and chase people out of
22 their homes, that's not being a good steward and
23 good neighbors.

24 And so if any of this money is going to be

25 used to buy homes like that or if there's any ideas

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1 that somebody wants to chase people out to put in
2 more hangars, I'm not going to be for it and that's
3 what I want to know. That's specific what I want
4 to know.

5 CHAIRMAN BARRERA: Well, you realize that we
6 don't have in our master plan or in any of our
7 business planning or any of that any -- any action
8 at all or plans to chase anybody out of their
9 homes.

10 That the last several times that we've
11 acquired property have had -- we've acquired it
12 because the seller has come to us and asked us to
13 acquire it and then we still waited on it to make
14 any of those acquisitions.

15 We have not been out proactively searching for
16 any type of land acquisitions. But should an
17 opportunity present itself to acquire land, we
18 would want to have the finances to be able to do
19 it. And this only gives us that opportunity to
20 have the finances.

21 And any decision like that would come back to
22 this board and we would probably, as we have in the
23 past, have several meetings to discuss whether or
24 not we wanted to take someone up on their offer to

25 purchase their property.

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1 MR. CIRIELLO: Now, I realize saying yes to
2 that doesn't automatically mean that --

3 CHAIRMAN BARRERA: Doesn't even start to mean
4 it.

5 MR. CIRIELLO: -- you're going to do that. I
6 understand that. But if anybody just has it in
7 their mind that this -- down the road a few years
8 that this kind of expansion needs to go on is what
9 I'm concerned with.

10 But as far as -- as far as I'm concerned, you
11 know, and I -- even though I've been flying since
12 1950 and knowing aircraft and everything, I don't
13 bend over and say yes to every request that anybody
14 that owns an airplane wants even though I'm --
15 aviation is my number one love.

16 And physically this airport is big enough as
17 far as expansion. I mean, getting new businesses
18 in here and making money and everything like that,
19 I can understand. But going outside their actual
20 boundaries and buying more property and putting
21 more houses or hangars, I don't think it's needed.
22 And if somebody can't keep their airplane outside
23 and they want to go somewhere else, go ahead and do
24 it.

1 nobody here on this board represents any one
2 segment of the county, that everybody here is
3 representing the county in their entirety. And no
4 one here is a proponent of wanting any one facet of
5 that.

6 And also you do realize that the board did
7 sign a resolution not to do eminent domain. So
8 that there has been a concerted effort. And if you
9 don't, Ed does have that on file and he can
10 certainly share that with you.

11 This board is not looking in that direction at
12 all, and any property that we've purchased since
13 I've been on the board has been at the request of
14 the property owner and because we could see a
15 strategic opportunity by having that land. Bob?

16 MR. COX: Very well said, but I just want to
17 make one distinction. And I'm not being critical.
18 But the term is acquisition. It's not necessarily
19 expansion, you know. And while it may be
20 expansion, it's not -- acquisition is not
21 necessarily expansion. And I don't think that's
22 the intent.

23 But just for the public record since we were
24 talking about that, expansion sometimes has a

25 negative connotation when we're talking about

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1 airports and all of the other issues we were
2 describing. So I just wanted to throw that in.
3 Kelly put that very succinctly about the eminent
4 domain issues, so...

5 CHAIRMAN BARRERA: Carl?

6 MR. YOUMAN: And just to clarify, each and
7 every acquisition situation has to be vetted by --
8 through the board and the board has to approve that
9 acquisition no matter what kind of acquisition it
10 is.

11 So if it's -- anybody has a wild idea about
12 eminent -- eminent domain and the board is --
13 doesn't want eminent domain, just vote no and that
14 eliminates the issue.

15 CHAIRMAN BARRERA: Certainly. Certainly.

16 MR. CIRIELLO: I'll have to admit that when
17 this idea of mine popped in my head, I completely
18 forgot what Carl and Bob's talking about.

19 Even this last property we bought over here,
20 that the board had to approve it and everything
21 like that, that -- so even if you did get this
22 money and even if somebody down the road did say,
23 well, we need a couple of properties so we can
24 build ten more hangars, that it would have to go

25 through us, that it's not an automatic deal. And

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1 so I'll pull my horns in a little bit on that and

2 go along with the board.

3 CHAIRMAN BARRERA: Okay. Well then, on that

4 note, Joe, did you want to go ahead and make a

5 motion to approve Resolution 2011-04?

6 MR. CIRIELLO: All right. I'll do that.

7 MR. COX: Second.

8 CHAIRMAN BARRERA: All in favor, aye?

9 MR. COX: Aye.

10 MR. CIRIELLO: Aye.

11 MR. YOUMAN: Aye.

12 CHAIRMAN BARRERA: Aye. Motion passes

13 unanimously. Get my words out. Motion passes

14 unanimously. Thank you. And we'll move on to the

15 next agenda item. Preliminary budget.

16 PRELIMINARY BUDGET

17 MR. WUELLNER: Yes. We've had several

18 iterations out to you, the last of which probably

19 showed up about 3 o'clock this afternoon to you.

20 So if you printed it early, there's still a couple

21 of little changes. But they're all good.

22 MR. COX: Is this the 3 o'clock edition?

23 MR. WUELLNER: I couldn't -- I think the

24 printed version that you were provided today is the

25 very latest. My apologies for that. But as we

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1 continue to review it for accuracy and the like,
2 occasionally something comes up, and we want to
3 make sure it's as accurate as possible at this
4 point.

5 MR. YOUMAN: Do we have -- do we have any
6 copies of the 3 o'clock edition?

7 MR. WUELLNER: I believe --

8 MR. COX: That's it.

9 MR. YOUMAN: No, this is not. No, this is --
10 I ran this a few weeks ago. Oh, it's under here
11 somewhere?

12 MR. WUELLNER: There you are. And just like
13 that, it's been accomplished. How do like that?

14 MR. YOUMAN: Oh, my goodness.

15 MR. WUELLNER: She does that to me all the
16 time.

17 All right. The -- the highlights of the
18 budget, as -- as you probably already surmised,
19 there's no ad valorem taxes required. So we
20 continue into another year of no ad valorem taxes
21 proposed or required relative to our budget.

22 We have over the last couple of weeks and
23 really over a couple of months now begun to in a
24 detailed way tie our budgeting process directly to

25 our accounting system so that we -- we are now

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1 beginning to generate highly accurate details
2 relative to budget as well as in the future we'll
3 be able to forecast way out into the -- way out as
4 to budget performance and budget expectation. But
5 suffice it to say a lot of detail has -- has been
6 added to the bone here, for lack of better words.

7 It continues to represent extremely
8 conservative projections on the revenue side,
9 and -- and as it represents our absolute best guess
10 relative to our -- our expectations for expenditure
11 both in capital and operating.

12 It features basically a total budget at this
13 point of \$12,988,907. It does feature a smaller
14 capital program than we've had in the last few
15 years. And part of the features of that also
16 includes a much higher percentage of FAA
17 participation in the capital program that is
18 proposed.

19 So at the end of the day, the Airport
20 Authority's share of the capital program this year
21 would equate to about 3.75 percent. So to put that
22 in another way, we would be spending 3.75 cents for
23 every dollar of capital improvement made on the
24 airport proposed for next year.

1 at \$2,467,272, and that represents the 95 percent
2 level of revenue. So in addition to being
3 conservative in how we develop the numbers, there's
4 also a statute-mandated reduction of 5 percent for
5 purposes of building the budget to add an
6 additional margin of safety in the -- on the
7 revenue side.

8 Reserves that we're proposing to -- for
9 this -- you know, being held at the end of the year
10 as well as in the next year reflect only one
11 adjustment from last year's approved budget, and
12 that's effectively the land acquisition we did up
13 on U.S. 1 earlier in the year. So other than that
14 reduction to reserves, the reserves remain intact.
15 And in fact you'll see that a small contribution is
16 additionally being proposed for this year back to
17 reserves.

18 We do note that operating expenditures have
19 increased about 6 percent as proposed. But within
20 that is also an effort to focus on development of
21 additional revenue opportunity. So it's
22 essentially marketing kinds of money and activities
23 designed to enhance the overall business position
24 of the airport.

1 budget, really only the lion's share of that is
2 associated with replacement of some very aging
3 server-related equipment that houses everything
4 from Airport Authority records to the airport
5 security system also on the airport. So all -- all
6 gates, all of those kinds of things are all linked
7 through that server system, and this would
8 facilitate replacing that server setup this year.

9 It's now about eight years old and has a
10 number of failures already occurring there and not
11 the least of which another one or two could prove
12 to cripple the system and make it unusable right
13 now. So it would at that point become quite vital
14 we move on it. We're trying to stay ahead of that,
15 even within the confines of the budget. With that,
16 I'll be happy to walk through the budget real quick
17 with you.

18 Beginning on the first page, we have
19 consolidated our revenue items into I believe it's
20 eight different classifications now. Those include
21 homes, T-hangars, conventional hangars, commercial
22 leases, other lease revenues, operating agreements,
23 fuel service, and airline operations and fees. And
24 it may be more than eight. Actually I think it's

25 nine or ten.

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1 The total revenues as I mentioned earlier
2 would equate to \$2,467,272 at 95 percent. We're
3 projecting moving forward \$3,459,135 in reserves.
4 That's an uptick from previous versions.

5 And a part of that reason is we had simply
6 failed to include in earlier versions the fact that
7 we have largely been cash-flowing the FAA grant
8 that I mentioned earlier related to Taxiway B to
9 the tune of about a half a million dollars. So as
10 soon as that grant is executed, we can go in and
11 make the draw and replenish the reserves with the
12 previous expenditure over the last year. So that
13 brings that money back into reserves.

14 Interest income. You can see state and
15 federal grants are probably the next big focal
16 items there. State grants expected about \$313,500
17 next year, against federal revenues of \$6,745,000.

18 Both of those numbers, state and federal, are
19 all capital-related reimbursable agreements. So as
20 the money's expended, those monies come in to
21 replace the cash -- or assist in the cash flow.
22 Meaning the total -- total budget now projected for
23 next year on the -- on the revenue side is
24 \$12,988,907.

25 On the expense side of the equation, personnel

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1 services would equate to \$823,765. That's a
2 reduction of just under 5 percent for the over --
3 last year over this year -- or I should say current
4 year over next year's projections.

5 Slight increase, about a little over 6 percent
6 on operating expenditures. I'll detail that in a
7 second for you. You can see reserves are carried
8 forward at \$3,527,000 again. And of course
9 equipment and construction make up the capital side
10 of the budget. Again, balancing the budget at this
11 point at \$12,988,907.

12 Both going -- flipping the page to revenues,
13 just for a slight more detail, most revenue sources
14 reflect the CPI adjustment. You'll notice that
15 T -- T-hangars have what appears to be a slightly
16 higher CPI adjustment. That is indeed not the
17 case.

18 But what is going on is that our T-hangar
19 leases you may recall adjust October 1st. So you
20 can have a whole year's worth of benefit in the CPI
21 adjustment, which is approximately 2 percent right
22 now.

23 Other types of leases we have the CPI
24 adjustment is applied at the anniversary date of

25 each specific lease. So the net is those -- some

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1 of those leases occur in the fall, those renewals.
2 Some occur in the spring and even in the summer of
3 next year. So the net is that the total increase
4 will net something less than 2 percent because we'd
5 have less than a full year's worth of benefit from
6 the CPI adjustment. We have nominally applied that
7 at 1.5 percent at this point. So you'd see the 1.5
8 percent carried in most of the revenue items.

9 Two items I want to pull out and call your
10 attention to is conventional hangars. The 12.9
11 percent increase in revenues there, other than the
12 CPI, is attributable to being able to lease
13 currently vacant buildings that we have such as
14 Hangar 10.

15 There's a hangar we're getting back from
16 Ring Power that will be available. We also have
17 those three, four, five 50 x 50, 50 x 60 size
18 hangars that are in the mix. We looked at that and
19 believe there's about \$60,000 in round numbers
20 available in new revenue on the conventional hangar
21 side by simply being able to lease what we have.
22 And part of what the marketing assistance we're
23 talking about would be targeted to some degree
24 toward attracting those customers as tenants.

25 The other I want to point out is fuel service

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1 income. Our forecast in consultation with the FBO,
2 we believe that overall fuel sales revenues can be
3 increased at least the 9 percent as indicated in
4 the budget. So we believe that still remains
5 somewhat conservative based on looking into the
6 next year and how fuel sales are expected to occur.
7 Of course there are a lot of variables in the fuel
8 sales over the years, but the increase equates to
9 about \$14,000.

10 Moving on to personnel, you see the overall
11 personnel salaries are adjusted downward. I
12 apologize, but apparently we had staffing set at
13 13 1/2 last year, which was not the case. It never
14 was more than 12 1/2.

15 We as you recall last year temporarily
16 increased that to 12 1/2 to accommodate the
17 transition in our fiscal assistant position, and we
18 are now back down to the 11 1/2 positions and have
19 correspondingly reduced the salary to reflect that.

20 Reserves for adjustments, what we are trying
21 to do is re -- or adjust salaries upward 3 percent
22 to in a sense make the employees whole relative to
23 their contribution to Florida retirement. So it's
24 a one-time adjustment of 3 percent.

25 No other raises or adjustments are proposed

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1 for the year. As you recall when you adopted
2 personnel policy, the -- the requirement that was
3 in there to do CPI adjustments and the like
4 disappeared. So you have no other mandatory types
5 of increases that are required.

6 Class C travel and overtime remains the same,
7 and we've been able to manage it within the \$5,000
8 number each year. FICA is a percentage of total
9 salaries. So it's -- you apply the federal
10 percentage there. So it's reduced because overall
11 salary's reduced. Likewise with retirement, it's a
12 fixed percentage based on total salary. So that
13 reduces downward also.

14 Workers' comp is required statutorily, as you
15 know, and is reflective of the -- it's a salary
16 survey that's occurred each year relative to the
17 insurance side of it. And otherwise, insurances
18 remain sort of flatlined here. So, a net reduction
19 in salaries or personnel expenditures of about
20 \$38-, almost \$39,000.

21 Operating accounts, the next page, you can see
22 some line item adjustments as you go down. I'll
23 call out a few of them. If you have other
24 questions, feel free to chime in.

1 contracts relative to cleaning services and a few
2 other minor items as we bring the ARFF building on
3 line later this year.

4 Insurance, the -- the adjustment to insurances
5 is simply a reflection of increased valuation of
6 property. We brought online this building and the
7 hangar complex immediately next to us. Added
8 approximately \$4.7 million in new value. The
9 insurance rate simply reflects that adjustment.

10 Otherwise, it -- you have a rate that's locked for
11 another full year after -- from a starting point of
12 October of this year.

13 Governmental charges and obligations, the
14 version I have, I think that went down to \$160,000
15 total. Unfortunately I'm reading off the wrong one
16 here. But that should be \$160,000, if you happen
17 to be using the same one I am. And that reflects a
18 downward adjustment of about \$40,000.

19 That \$40,000, you may recall from last year's
20 budget discussions was -- reflects the -- the --
21 the -- no requirement moving forward to pay a
22 proportionate share to the St. Johns County
23 Property Appraiser's Office in support of ad
24 valorem taxation.

25 If you recall that was a year -- runs a year

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1 in arrear -- in arrears from the last assessment.

2 So as of October or end of September this year, we

3 no longer have to pay our prorated share into

4 the -- that office of the county -- of county

5 government.

6 Moving downward, small adjustments relative to

7 communications. Two line items affected by

8 bringing the ARFF station on. One, there'll be

9 some additional equipment required in the ARFF

10 building. That is covered under communications.

11 Also, some additional equipment relative to

12 the maintenance line item, which is the last one,

13 some of which is related to ARFF, some of which

14 is -- on the maintenance line item is directly

15 affiliated to a -- is it every three years, Cindy,

16 that we do that -- have to do the fire?

17 But we have an every-three-year requirement,

18 which happens this coming year, to do a major

19 maintenance on fire extinguishers on the property

20 to the tune of about 20 some dollars a unit. There

21 are several hundred of these units on the airport

22 property. This -- this budget adjustment for the

23 year accommodates that cost of doing that

24 maintenance and recertifying those fire

1 Other items. Promotional expenditures is --
2 is projected upward in order to strengthen our
3 overall marketing position. And contractual --
4 excuse me, professional services adjusted upward,
5 too, to reflect the services related to
6 marketing-related efforts. And we can -- we can
7 detail that further at future.

8 Utilities. This represents a correction of an
9 error in last year's budgeting. Last year, we
10 failed for whatever reason, we didn't pick up on
11 the feeding item in the budget to -- to cover
12 water, believe it or not, the water utility side.
13 This \$50,000 adjustment picks up all the water
14 consumption on the airport property for all
15 buildings and T-hangars and everything else that's
16 on the utility system. That's where the -- the
17 adjustment is there.

18 Overall, the adjustment on the operating
19 expenses is about, get it right here, just about 2
20 percent in total. It reflects about \$40,000 in
21 total dollars.

22 Next page, nonoperating expenses. You can see
23 we continue to have zero debt service; therefore,
24 no principal or interest to repay anyone at this

25 point. General reserves would be held at

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1 \$3,459,135.

2 We believe an additional contribution from
3 operations after the capital program would be
4 appropriate. We can add approximately \$68,000
5 additional to the reserves if all goes well this
6 time next year. No PFC revenues expected at this
7 point. Construction and planning, I'll detail that
8 on the next sheet if you will, but it just is a
9 carry-forward from the next sheet.

10 Last sheet is capital expenditures. You can
11 see under the equipment line item that's the --
12 mentioned earlier about server replacement. That's
13 what that -- the lion's share of that number is.

14 Construction and planning. You have an FAA
15 project for Taxiway B South. I mentioned the grant
16 is essentially imminent at this point.

17 Approximately \$6.5 million project. Again, the
18 Authority's share is 2.5 percent of that.

19 ARFF station construction, the carry forward
20 on construction at this point by the end of the
21 calendar year looks to be -- excuse me, fiscal year
22 appears to be about \$600,000 to finish the job
23 between now and about the first of the calendar
24 year. That is, again, a 95 and 2 1/2 percent

1 We do identify one property at this point.
2 It's a single industrial park lot we've been
3 approached to purchase. Appraised value is right
4 at \$10,000. With closing costs, it would run about
5 \$12,000. You can see FDOT share of about 6 into
6 that should you wish. Again, the actual approval
7 would be subject to the board.

8 And then the last or next one is barge
9 seaplane basin. This is the construction piece of
10 the FIND grant. So this is literally the dredging
11 of the sea plane throat to provide a little deeper
12 access into the sea plane basin itself for -- to
13 support barge-related activity along the multimodal
14 lines.

15 The next and last line there just reflects a
16 reimbursement of the FD -- excuse me, the FIND
17 grant for the design and permitting phase that was
18 accomplished this year. A condition of the
19 grant -- which was a part of last year's budget, a
20 condition of the grant is that you cannot seek
21 reimbursement from FIND until which time as you
22 move the project to construction.

23 So as the project would move into construction
24 this fall, we can get the match grant money from

25 FIND reimbursed to us. So the \$40,000 is shown not

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1 as an expenditure, because the money's been
2 expended, but simply a revenue item to reimburse
3 the 50 percent of that originally.

4 Total capital equipment and infrastructure is
5 \$7,367,000. And you can see FAA funding is a
6 little high this year. That's a good thing. But
7 it represents 92 1/2 percent of all the capital
8 budget. The state would be in it about 4.3 percent
9 of the total capital budget and the Airport
10 Authority's share at 3.75 percent of the capital
11 budget.

12 And with that, I'd be happy to answer any
13 questions or detail further. There's no action --
14 just as a reminder, there's no action required
15 today. It's simply we're looking for input,
16 questions, comments, concerns, anything you'd like
17 us to take a look at between now and your first
18 public hearing on September the 12th.

19 CHAIRMAN BARRERA: Carl?

20 MR. YOUMAN: The difference between revenues
21 and operating expenses would come to \$372,907.
22 Does that money go into the reserves, that -- that
23 difference? Because that's our operating profits.

24 MR. WUELLNER: Actually, we do -- we do two

25 things. One is you fund your capital program out

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1 of the difference. You also then whatever is left
2 goes into reserves.

3 MR. YOUMAN: Or you could throw it all in
4 reserves and fund all of your capital improvements
5 out of reserves.

6 MR. WUELLNER: Out of the reserves. That's --

7 MR. YOUMAN: Either way.

8 MR. WUELLNER: -- equally -- it would be the
9 same thing, yes.

10 MR. YOUMAN: Okay. So if -- hypothetically,
11 if we get commercial service and our revenues keep
12 increasing, increasing and we hold the line on
13 operating costs, our operating rev -- revenues will
14 keep increasing. That will go into the --

15 MR. WUELLNER: Reserves.

16 MR. YOUMAN: -- the reserves. Our reserves
17 technically would keep growing. Where do we get to
18 a point where our reserves become just so much
19 money that maybe we could declare a dividend and
20 pay the county?

21 MR. WUELLNER: I -- I don't think there's
22 any --

23 COMMISSIONER SANCHEZ: Yay.

24 MR. YOUMAN: Just hypothetically, you know.

25 MR. WUELLNER: Doug can correct me if I'm

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1 wrong, but I don't think there's any statutory

2 provision to declare a dividend so to speak --

3 MR. YOUMAN: What happens if -- what happens

4 if we get to \$7, \$8, \$10 million in reserves? I

5 mean, there's going to be an outcry from somebody.

6 MR. WUELLNER: I -- I suspect --

7 CHAIRMAN BARRERA: Carl?

8 MR. WUELLNER: -- you're going to want to find

9 a way to spend it.

10 CHAIRMAN BARRERA: I spoke to -- when we were

11 at ACI, I spoke to an airport manager there, and

12 they have a very strong reserves and their reserves

13 far outstretched ours. And that -- that enabled

14 them to be able to back their own bonds that they

15 issued.

16 MR. YOUMAN: To themselves.

17 MR. WUELLNER: Well, they -- no, they don't

18 issue the bonds to themselves. But as you were to

19 deal with larger scale products -- projects, that

20 money can be set aside as pledge against the --

21 MR. COX: Guaranty.

22 MR. WUELLNER: -- bond.

23 CHAIRMAN BARRERA: Right.

24 MR. YOUMAN: So -- so then hypothetically we

25 get commercial service and we want to look like an

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1 ultra fancy terminal, which will cost multimillion
2 dollars, we could issue a bond issue and guarantee
3 our own bond issue if we had that big a reserve.

4 MR. WUELLNER: Correct. Or you could simply
5 spend cash.

6 MR. YOUMAN: Okay.

7 MR. WUELLNER: It's always an alternative.

8 MR. YOUMAN: That's a pretty neat position to
9 be in. I love it.

10 MR. WUELLNER: Yes, it would.

11 MR. YOUMAN: The marketing group, the increase
12 in marketing cost --

13 MR. WUELLNER: Uh-huh.

14 MR. YOUMAN: -- do we see a multiple return on
15 that investment?

16 MR. WUELLNER: Absolutely. They're going to
17 be able -- looks -- we're still evaluating that,
18 but we believe that they're going to be able to
19 plug in and be of huge assistance and --

20 MR. YOUMAN: Will they be able to assist in
21 securing commercial services? Do they have
22 different ideas about how to do it at that --

23 MR. WUELLNER: They would support that, but
24 they are probably not going to be the lead on that.

25 MR. YOUMAN: You are.

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1 MR. WUELLNER: Well, I am ultimately, yes.

2 MR. YOUMAN: Yeah.

3 CHAIRMAN BARRERA: Any further board
4 questions?

5 MR. YOUMAN: Oh, yeah. What happened to
6 Ring Power? Why did they give up a hangar?

7 MR. WUELLNER: They sold an airplane. Had --
8 didn't have a need for it. They still have
9 airplanes here. They had two hangars. One that
10 sits about 18,000 square foot and this one's about
11 5,000 square foot. So they're giving up the 5,000.

12 MR. YOUMAN: Workmen's compensation, didn't
13 the government have a holiday on that for a period
14 of time, that the employee's portion is not -- does
15 not have to be paid for -- to stimulate the
16 economy?

17 MR. WUELLNER: Well, this only represent's the
18 Authority's share, so I don't -- I'm unaware of any
19 holiday to the individual employee at this point.

20 MR. YOUMAN: Because I -- I have a small
21 business and I --

22 MR. WUELLNER: I can ask.

23 MR. YOUMAN: -- I don't have to pay workmen's
24 comp, my portion from the business side, but the

25 employee's side I still do.

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1 MR. WUELLNER: I don't know. That's the
2 insurance -- or the -- the quote rate for the year.
3 So I don't know. We just got it. So if there's a
4 holiday in there, it's not represented in money.

5 MR. YOUMAN: I may be wrong. That's happened
6 before.

7 MR. WUELLNER: To all of us.

8 MR. YOUMAN: Maybe you answered this or I
9 missed it. Capital improvement projects for next
10 year?

11 MR. WUELLNER: Uh-huh.

12 MR. YOUMAN: Other than what we have right
13 now, any -- are there any new ones on the horizon?

14 I asked SAAPA in one of the meetings to --
15 since they're pilots, if they had any ideas how to
16 improve the airport, to come to you and I don't
17 know if anybody's come up with any new ideas from
18 the pilots themselves or not.

19 MR. WUELLNER: I've heard from no one relative
20 to trying to introduce new projects. Gonna run out
21 of time.

22 MR. YOUMAN: What do we have in the pipeline?

23 MR. WUELLNER: This is it currently.

24 MR. YOUMAN: Just what we have. Okay. That

25 keeps us up to date with the world on airports.

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1 MR. WUELLNER: In theory.

2 MR. YOUMAN: Thank you.

3 CHAIRMAN BARRERA: Any further board
4 discussion? We don't have this as a voting item,
5 and I don't have any public discussion forms that
6 have been turned in, but do we have any public
7 comments?

8 (None.)

9 CHAIRMAN BARRERA: All right. This isn't a
10 voting item, so we can move on to opening the
11 meeting up for public comment in general.

12 PUBLIC COMMENT - GENERAL

13 (None.)

14 AUTHORITY MEMBER COMMENTS & REPORTS

15 CHAIRMAN BARRERA: Seeing none, we'll move it
16 on to the Airport Authority members. Mr. Ciriello,
17 can you report on the intergovernmental? And this
18 is also your public comment time.

19 MR. CIRIELLO: Pardon?

20 CHAIRMAN BARRERA: This is your public comment
21 time --

22 MR. CIRIELLO: Oh.

23 CHAIRMAN BARRERA: -- and intergovernmental
24 both.

25 MR. CIRIELLO: Well, okay. There wasn't too

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1 much that goes on at these meetings. They're not
2 very well attended.

3 But the Supervisor of Elections representative
4 was making mention at that particular time that the
5 Senator King (sic) was maybe going to step down and
6 his seat would be up, and they weren't sure if
7 they'd have to have a special election or if the
8 Governor appoint somebody, but they were being
9 prepared at the elections office if they had to
10 have a special election for this District 1, they
11 would be able to do that.

12 I don't have anything for St. Johns River
13 Water Management or the Department of
14 Transportation, but the county commissioner
15 representative touched like Mr. Sanchez did on the
16 budget and problems -- or not problems, but working
17 on the firemen's contract.

18 And the city beach commission, along with
19 everybody else, he touched on their budget --
20 working on the budget. But he also said that this
21 year they had a record number of turtle nests. And
22 I guess over in that area turtle nesting is a big
23 deal --

24 CHAIRMAN BARRERA: It is for the entire

1 MR. CIRIELLO: -- and this was a record year
2 for that. And to tell you the truth, I don't
3 remember if Mr. Zimmerman gave a report. I don't
4 have any -- anything written down. But that's all
5 I had for that particular meeting.

6 CHAIRMAN BARRERA: Okay. Did you have any
7 other board comments that you'd like to share at
8 the end of the meeting?

9 MR. CIRIELLO: No, no.

10 CHAIRMAN BARRERA: Mr. Cox?

11 MR. COX: I have no personal comments, but on
12 the business planning and development committee,
13 we've met a number of times since our last board
14 meeting, and we've -- we've discussed a number of
15 elements concerning the business plan for the
16 airport.

17 A lot of it, what we discussed, went into what
18 we just went over here today and it all pretty much
19 dovetails into our -- you know, the business plan
20 dovetails into the budget and vice versa. It's
21 synonymous elements back and forth.

22 So we've really make a lot of headway on it, I
23 think, and we've got a lot of great ideas. And I
24 just -- actually, I told Ed I think the last

25 meeting, it's an exciting kind of -- actually it's

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1 very dry sometimes, but it's exciting because it
2 puts the airport out on kind of like the leading
3 edge of thinking outside the box.

4 Because I don't know any other airports that
5 are -- and I've been to a couple, but I don't know
6 any other airports that are -- and there probably
7 is, but we're just kind of leading the way.

8 CHAIRMAN BARRERA: Great news.

9 MR. COX: That's it.

10 CHAIRMAN BARRERA: Okay. Mr. Youman?

11 MR. YOUMAN: Save the best for last?

12 CHAIRMAN BARRERA: No, I'm the last.

13 MR. YOUMAN: I'm just a member. You're the
14 head.

15 TPO, they have all sorts of different acronyms
16 for their funding sources and I have no idea what
17 half of them mean. It's utterly amazing how many
18 different sources there are for transportation
19 funds from different agencies. It -- and I would
20 think that person -- this just personally, if you'd
21 centralize all the money in one place and disburse
22 it, you'd save a heck of a lot of money and a lot
23 of people and personnel and paperwork.

24 But be that as it may, go through the

25 labyrinth. We had project recommendations for CMAQ

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1 and ITS funding. We approved it, which was pretty
2 neat. And what it amounted to were a number of
3 reallocation funds. And St. Johns County is
4 represented pretty -- pretty well with some ITS
5 control configurations, which is traffic counting
6 and traffic control processes, which is pretty neat
7 stuff. High tech.

8 They had a Unified Planning Work Program
9 change, which had to do with funding some more
10 studies for the rail project. FDOT requests
11 amending some program changes and funding changes,
12 and this is under TIP. We approved that also, and
13 some projects on USA (sic) 17, State Route 15.

14 There's a big proposal out here -- Secretary
15 Prasad announces major transportation plan.
16 Florida transportation vision for the 21st century
17 advances projects and creates private sector jobs.
18 And it's Governor Scott and his group with
19 public/private participation in a number of
20 different type projects.

21 Good old State Route 313 project's still on
22 the books just sitting there. Eventually maybe
23 when I hit 120, it will be a project going on down
24 there. I'm not sure.

25 Oh, and I gave my illustrious speech about how

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1 we do at the airport that's provided by Ed. And
2 it's a lot of fun because it's very detailed and
3 I'm sitting there giving my version of what's
4 happening here, and at the end, you know, I just
5 say, "We're small but we're very dynamic." But do
6 I get to keep talking?

7 CHAIRMAN BARRERA: You get to make your own
8 remarks.

9 MR. YOUMAN: Oh, thank you. I'm curious. The
10 sustainability management plan, I haven't heard
11 anything as to what's happening with it, where it
12 stands, how we're progressing with it. Are we
13 using the book, are we using the plan, or is it on
14 a shelf?

15 MR. WUELLNER: Actually at this point we have
16 a JU intern working directly with Bryan developing
17 the metrics and report card format to be used
18 moving forward. So there is work going on right
19 now with it.

20 MR. YOUMAN: And does that have to dovetail
21 within the budget at all in the business plan?

22 MR. WUELLNER: If -- if there are initiatives
23 that are money in -- related, yes. So far, I'm not
24 aware of any real money expenditures related to it.

25 MR. YOUMAN: Okay.

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1 MR. WUELLNER: Beyond normal operation.

2 MR. YOUMAN: Facebook. I went in and took a
3 look at Facebook again and it's great we're putting
4 that update, monthly update in Facebook. But do
5 you see any way or is the marketing group going to
6 take a look at how we can generate more activity or
7 more interest or ease of getting to that page to
8 publicize our efforts on the airport?

9 MR. WUELLNER: It is a specific item within
10 the marketing discussion we're having right now.
11 So if we're able to do this within the context of
12 the budget, we'll have a lot more dynamic things
13 happening than Face -- with Facebook and Twitter.

14 MR. YOUMAN: Great. And I -- and I was
15 broached about a -- to ask the administration to
16 take a look at this to see if we could go to
17 invoiceless or eliminate paper invoices for hangar
18 billing and things like that so that the
19 owner/operators would have an opportunity to pay
20 direct via the internet or banking processes like
21 you do with a credit card.

22 It was also brought up Phillips Petroleum has
23 a process or program where hangar leases can be
24 charged to the card without any cost to the airport

25 and direct these funds to just automatically come

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1 to the airport, you know, to those users. And that
2 Keystone airport has this process and they're
3 totally paperless. And we might want to contact
4 and just ask them how their process is. It may pay
5 off for the airport in reduced costs and increased
6 efficiencies.

7 MR. WUELLNER: I was going to say we have --
8 we have -- you know, with the refreshing change in
9 the fiscal side right now, we will be -- those are
10 items that are on the front burner with us already
11 as being able to generate that directly out of the
12 accounting system.

13 And we're also exploring the poss -- the
14 ability to do, I'll call it credit card-related
15 transactions related to tenants and leases and the
16 like. We just had -- Cindy and C.W. had a meeting
17 with Wells Fargo last -- I think it was last week
18 to begin that process of looking at product.

19 We're even looking at abilities to pay bills
20 and the like online, like you can normally do, you
21 know, on a personal side. But there are products
22 finally out there on the banking side for
23 commercial and business customers to be able to do
24 some of that stuff. So we're -- we're heading that

25 direction in general.

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1 MR. YOUMAN: Good. Great.

2 MR. BURNETT: The -- Mr. Youman, if I might
3 speak to that.

4 The issue comes up of people charging the --
5 typically the retailer or the person who's
6 accepting the credit card charges gives up a
7 percentage of that charge. And so if you take
8 the -- some of the rental units on the airport, if
9 the tenants were to pay with a credit card, it's
10 going to reduce the amount of revenue to the
11 airport.

12 MR. YOUMAN: Not with Phillips.

13 MR. BURNETT: Okay. And that's the --

14 MR. YOUMAN: That's a specific.

15 MR. BURNETT: Yeah, and that's --

16 MR. YOUMAN: Phillips is our fuel provider and
17 Phillips issues the credit cards for the airport
18 operators who use the fuel facility.

19 MR. BURNETT: Okay.

20 MR. YOUMAN: And you can tie it in through
21 their card for the lease with no charge to the
22 airport.

23 MR. WUELLNER: Well, on the development side,
24 you -- you're absolutely right the way Phillips

25 works. You know, branded cards or brand -- and

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1 transactions through Phillips are -- have a zero

2 fee base for us, which is all great.

3 However, you've got to understand, too,

4 there's a change coming at us relative to Phillips

5 that we're still waiting to hear about, but

6 Phillips has left the aviation fuel business

7 completely. So I suspect that we probably over the

8 next six months will be in the unfortunate position

9 to actually find a new provider.

10 MR. YOUMAN: Okay.

11 MR. WUELLNER: But I --

12 MR. YOUMAN: We're looking. All I care about

13 is we're looking at it.

14 MR. WUELLNER: We asked about using Phillips

15 to process those things originally, this goes back

16 a year or two, and they said they couldn't do it at

17 that time. Now they may have introduced -- because

18 of inquiries, maybe they now have a program. We

19 certainly wouldn't have any problem with doing it

20 if it can be done.

21 MR. YOUMAN: No, I'm --

22 MR. WUELLNER: Yeah. Because it's a great way

23 to do it.

24 MR. YOUMAN: -- not saying anything specific

25 as -- you know, you're the --

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1 MR. WUELLNER: No, we do -- we do get requests
2 to do that.

3 MR. YOUMAN: And you-all are -- you're
4 investigating it already, and that's -- that's the
5 key thing.

6 MR. WUELLNER: Yeah.

7 MR. YOUMAN: Thank you. Was there anything
8 else? There was one other thing, but I can't
9 remember what it was. Hmm.

10 MR. WUELLNER: Well, you -- you were out --

11 MR. YOUMAN: Oh, I know what it is.

12 Multimodal, I'm still -- every chance I get, I
13 still push it in different venues. Sometimes it's
14 not very popular, but we are not going to get off
15 center stage on being the multimodal facility for
16 St. Johns County in the Northeast Florida area.
17 Thank you.

18 CHAIRMAN BARRERA: Thank you, Carl. Joe, did
19 you have another comment that you would like to
20 add?

21 MR. CIRIELLO: Yeah. I apologize to the board
22 for being slow thinking. I think it's this hot
23 weather frying my brain, if I have one. But I've
24 got a positive comment to make.

1 board meetings that sometimes I feel that the board
2 doesn't get enough information about things that
3 are going on until they come to the actual meeting
4 and hear something.

5 Well, I got an e-mail that the staff arranged
6 not only for me but any board member that wanted to
7 go out to see this little island project. So
8 Friday I came out and Mr. Cooper took me over
9 there. And the Passero representative showed us
10 the area and everything. And I was surprised that
11 at the vegetation these people were planting
12 individually one by one. I mean, I can't imagine
13 how they could do that.

14 But they explained the project. It looked
15 good. It makes the airport, you know, look like
16 they're trying to be environmentally concerned.
17 And Passero put on a very good thing. After the
18 actual trip to the island, we come back to the
19 office and they had a big presentation on the
20 screen with the computer and everything.

21 And so I want to give the staff, Cindy and
22 whoever had it in mind to let us board members go
23 over there so I could be -- for me, be advised of
24 what's going on and the great presentation Passero

25 put on explaining everything. So I think those two

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1 units need a pat on the back instead of negative.

2 MR. WUELLNER: Thank you.

3 CHAIRMAN BARRERA: Kudos to both of groups.

4 MR. YOUMAN: Can I make an additional comment?

5 CHAIRMAN BARRERA: I think that was a

6 wonderful opportunity that was given to the board

7 members. I think that there's been a lot of

8 interest in that project. And knowing that we have

9 been able to reuse every aspect of that in one way

10 or another, I think really is commendable for both

11 the staff and for Passero. Carl?

12 MR. YOUMAN: Are they still going to open up

13 the channel today after -- are they doing it now or

14 is it open or is Mike coming up here?

15 MR. HOLESKO: Matt is downstairs waiting if

16 anybody else is interested.

17 MR. YOUMAN: Yeah, I'm going. That's what I'm

18 talking about, yeah.

19 MR. HOLESKO: Yeah, Matt will escort anybody

20 else after this meeting that was interested.

21 MR. YOUMAN: It is open or is it being opened?

22 MR. HOLESKO: It's partially opened.

23 MR. YOUMAN: Partially open.

24 MR. HOLESKO: I believe.

25 MR. YOUMAN: When is it going to be -- I

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1 want -- I keep trying to get to the day --

2 MR. HOLESKO: It's full of water now, Carl.

3 MR. YOUMAN: Pardon me?

4 MR. HOLESKO: There is water in the channel

5 now.

6 MR. YOUMAN: Well, what I'm trying to get to

7 is the day when the last cut is made and it all

8 flows together and it's all one piece. That's --

9 that's the day I want to be there. Along with the

10 other days I've been there. Okay?

11 MR. HOLESKO: It's fish -- there's fish in the

12 channel.

13 MR. YOUMAN: I want to see the fishes going.

14 The other question is, how can we publicize

15 this? Just like Joe is saying, this -- this --

16 this is a fantastic mitigation project. But I keep

17 looking in the newspapers, I keep looking

18 everywhere. It's the most silent project I've ever

19 seen for publicity purposes. I don't know what

20 else to say. I -- unless anybody else has seen

21 anything in the papers or --

22 CHAIRMAN BARRERA: I think that --

23 MR. YOUMAN: -- published any media type

24 things. I haven't seen anything.

25 CHAIRMAN BARRERA: I think that if we wanted

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1 to do a press release on it, we could. I am a
2 little opposed to doing an ad in the paper because
3 I don't want to use our money in that way.

4 MR. YOUMAN: No, no. I didn't say ad.

5 CHAIRMAN BARRERA: We could certainly do a --

6 MR. YOUMAN: I said PR.

7 CHAIRMAN BARRERA: We could certainly do a
8 press release on it.

9 MR. WUELLNER: We're only --

10 MR. COX: You didn't see it on FOX news the
11 other night?

12 MR. YOUMAN: That's what I'm shooting for.

13 MR. WUELLNER: We're only a couple of weeks
14 away from completion of that whole job, and it
15 would be appropriate to do a media release that
16 ties it all back together, explains the product --
17 project.

18 MR. YOUMAN: Like Joe was saying, there are
19 over 100,000 individual plantings. I mean, that --
20 that's mind-boggling in itself, to think about
21 people sitting there digging by hand, which they
22 did, too, by hand 100,000 of those things.

23 Okay. You can have the floor now. The last
24 for the best to our chair.

1 Bob was ready to start talking again.

2 I'm going to report on the Florida Airports
3 Council conference. The conference was as always
4 very informative. We -- we really were able to
5 hear some great speakers.

6 We had someone from Washington that works
7 underneath Randy Babbitt with the FAA come and give
8 us a state of the FAA and a state of government
9 during that particular crisis time, as -- as
10 everything was trying to get done for the August
11 4th deadline, I believe. And it was very
12 insightful. We also were able to hear from our
13 transportation secretary here at the state, the
14 DOT, which gave us an update.

15 Really the -- the theme with both -- both of
16 those presentations was not to expect very much
17 money and not to expect it to be soon and make sure
18 that the airports are on, that their grants have
19 been submitted, that their requests have been
20 completed, which I was happy to find out that we
21 have been on that and had all of our ducks in a row
22 there.

23 It was very interesting because there was a
24 presentation made about ports and airports working

25 together, the opportunity to go and see the cruise

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1 terminal there in the Fort Lauderdale area was --
2 was given. And the presentation on how the port
3 and the airport came together to work on that
4 process, it was very insightful. And how more and
5 more airports are looking at -- with proximity to
6 sea ports. So that was very educational.

7 Again, a lot of emphasis on sustainability. A
8 lot of emphasis on not only initiatives, but how to
9 incorporate the -- those initiatives into
10 accountability.

11 We were also very fortunate to hear from both
12 the president of JetBlue and of Spirit Airlines.
13 And they did two separate presentations on the
14 state of the industry from an airline perspective
15 and also on opportunity and partnerships that
16 are -- that are being developed. So as always very
17 informative, very worthwhile, and very educational.

18 And with that, I think that our meeting is
19 about to be closed.

20 MR. YOUMAN: Can I just say one thing?

21 CHAIRMAN BARRERA: Until Carl talks.

22 MR. YOUMAN: I want to -- I just want to heap
23 a little praise on the -- on the board -- the
24 Airport's administration. Everything that I

25 propose or bring up, there -- they seem to be one

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1 step ahead of me, along with the business plan
2 folks. And I absolutely love it. Stay way ahead
3 of me and you guys are doing a great job. Thank
4 you.

5 MR. WUELLNER: Thank you.

6 CHAIRMAN BARRERA: The last thing that I would
7 mention is that the executive director's appraisal
8 is due in September. So be expecting an e-mail
9 forwarding that blank form. And we'll be looking
10 for you-all to complete it and get it back to me to
11 compile in order to administer it. So that will be
12 coming.

13 Our next meeting will be on September 12th at
14 5:01. And that will be in regards to the budget.
15 And our regular meeting will be on September 19th.
16 And our final public hearing will be on September
17 the 19th at 5:01. With that, the meeting is
18 adjourned.

19 (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-CP, RMR, CRR, FPR, certify

7 that I was authorized to and did stenographically report

8 the foregoing proceedings and that the transcript is a

9 true record of my stenographic notes.

10

11 Dated this 22nd day of August, 2011.

12

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

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