

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, July 16, 2012

6 from 4:01 p.m. to 5:53 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

- 9 KELLY BARRERA
- 10 CARL YOUMAN, Chairman
- 11 JAMES WERTER, Secretary-Treasurer
- 12 ROBERT COX
- 13 JOSEPH CIRIELLO

14 * * * * *

15 ALSO PRESENT:

- 16 DOUGLAS N. BURNETT, Esquire, St. Johns Law Group, 509
- 17 Anastasia Boulevard, St. Augustine, FL, 32080, Attorney
- 18 for Airport Authority.
- 19 EDWARD WUELLNER, A.A.E., Executive Director.

20 * * * * *

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

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1 PROCEEDINGS

2 CHAIRMAN YOUMAN: This is to call the
3 Northeast Florida Regional Airport of the
4 St. Augustine-St. Johns County Airport Authority to
5 order at 4 p.m. How is everybody today?

6 MR. WUELLNER: Good.

7 CHAIRMAN YOUMAN: Let us start with the Pledge
8 of Allegiance.

9 (Pledge of Allegiance.)

10 MEETING MINUTES & FINANCIAL REPORT

11 CHAIRMAN YOUMAN: Are there any corrections or
12 amendments to the meeting minutes?

13 (None.)

14 CHAIRMAN YOUMAN: If not, I declare the
15 minutes to be approved as distributed. Is there
16 any corrections or amendments to the financial
17 report?

18 MR. WERTER: (Inaudible.)

19 CHAIRMAN YOUMAN: Pardon me?

20 MR. WERTER: (Inaudible.) I thought that
21 usually just goes in front of me.

22 MR. WUELLNER: You do. It does.

23 MR. WERTER: It does go out. Okay.

24 MR. COX: Speak into your microphone. She

25 can't hear you.

4

1 MR. BURNETT: You need to move a little
2 closer.

3 MR. WERTER: I was whispering. I'm sorry. Go
4 ahead.

5 CHAIRMAN YOUMAN: Thank you for the
6 correction. Mr. Werter, financial report?

7 MR. WERTER: It's fine.

8 CHAIRMAN YOUMAN: It's fine.

9 MR. WERTER: Yeah. I mean, it went to
10 everybody, if that's what you're asking. We'll get
11 to the report later.

12 CHAIRMAN YOUMAN: Okay. I'll declare them
13 approved as distributed.

14 AGENDA APPROVAL

15 CHAIRMAN YOUMAN: Agenda approval, everybody
16 approve the agenda, may I have your ayes?

17 MR. COX: Aye.

18 CHAIRMAN YOUMAN: Agenda's approved.

19 EXECUTIVE DIRECTOR'S REPORT

20 CHAIRMAN YOUMAN: Executive Director's report,
21 Mr. Wuellner.

22 MR. WUELLNER: I have several items to
23 mention. Status report on the Taxiway B, it
24 continues to move ahead. They're just about

25 through with the fill effort at this point. Still

5

1 on track to be done and in theory off property by
2 the end of August at this point. We're beginning
3 the structural components of the taxiway itself and
4 the lime rock's starting to arrive. So it's
5 shaping up very quickly. Looking forward to being
6 able to use that.

7 Second project I -- or second grant I just
8 wanted to mention was the -- if you notice on the
9 bottom of the items on my list, we had notification
10 of receipt of a grant from Firehouse Subs. And I
11 thank Kevin for doing the legwork and groundwork on
12 getting that accomplished.

13 But \$21,343 to buy some self-contained
14 breathing apparatus for first responders to
15 aircraft accidents on the airport. So that's good
16 news. No match required. Just simply --

17 MR. COX: Wow.

18 MR. WUELLNER: -- simply a grant. And it's
19 also partly because or we got noticed, the new
20 station, because the owners of Firehouse fly
21 through here periodically and noticed the new
22 station and asked if there was anything they could
23 do to help. So they have a -- a grant program set
24 up through the subs with using some of their

25 profits to give back to fire stations across the

6

1 area. Pretty cool.

2 MR. WERTER: Isn't that organization developed
3 by New York firemen? It was actually founded by --

4 MR. WUELLNER: I really don't know --

5 MR. WERTER: Yeah.

6 MR. WUELLNER: -- but just glad to have it.

7 Back to -- since the last meeting, had the
8 Aerospace Family Fun Day here. Went over --
9 despite some weather concerns, went over very well.
10 Destination Bahamas on the -- on the 2nd of June.
11 We also hosted the Caribbean Calypso Night, which
12 was a fundraiser for the Carrying Hands helping
13 hands charitable organization.

14 We did our FIND grant presentation earlier in
15 June down in Merritt Island -- or Cocoa Beach,
16 technically. It went over very well. I expect
17 that we'll get -- get that fully funded for this
18 coming year also. I believe it's at \$210,000 FIND
19 grant and would be a \$210,000 match by the
20 Airport Authority for additional dredging of the
21 seaplane basin area.

22 And wanted to make you aware of FAC
23 conference, you're probably already aware of that,
24 coming up here the end of this month. And during

25 that conference, my understanding is they're going

7

1 to award Bryan Cooper with the Distinguished
2 Professional of the Year award as part of that
3 procedure -- meeting. So if there's any chance you
4 can get down there and join us for that day, we'd
5 love to have you.

6 Unless you have questions, that would conclude
7 my report.

8 CHAIRMAN YOUMAN: I just think it's fantastic
9 Bryan's getting that award.

10 MR. WUELLNER: Absolutely.

11 CHAIRMAN YOUMAN: Couldn't go to a better --
12 better person.

13 MR. WUELLNER: I have one other item just to
14 make you aware of. I got it this afternoon. I
15 don't think -- is Norm here?

16 MR. GREGORY: Yeah.

17 MR. WUELLNER: You are? Are you going to
18 mention this, JTA meeting or --

19 MR. GREGORY: No. Go ahead. You go ahead.

20 MR. WUELLNER: Well, I just got the details
21 literally printed out as I walked in here, but
22 August 6th, which is a Monday night, at 4 o'clock
23 here, the chamber -- chamber board of directors,
24 the EDC board, county commission, City of

1 Industrial Development Authority are invited to
2 attend a presentation and a question-and-answer
3 session with the Jacksonville regional
4 transportation group down here. They'll be at
5 this -- this location here. I think they're
6 presenting part of their regional transportation
7 study and facilitating any questions you might
8 have. They'd like to get any governmental agencies
9 briefed on that.

10 Following that, apparently there's a
11 Jacksonville Suns game that they were provided
12 tickets to. And so if you're interested in
13 attending that after that meeting, let -- I guess
14 let the Chamber know and they'll hold you a ticket
15 for that.

16 MR. WERTER: We -- what's -- what's the date
17 and time again?

18 MR. WUELLNER: August 6th beginning at 4:00,
19 and it's right here in this room.

20 MR. WERTER: Okay.

21 CHAIRMAN YOUMAN: So there'll be time to
22 depart from here and get back into Jacksonville to
23 go to the Suns game.

24 MR. WUELLNER: I assume so, since they're on

25 top of one another. And I'll -- I'll have Cindy

9

1 form -- forward this e-mail to you all so you can
2 read the entirety of it.

3 CHAIRMAN YOUMAN: Just a reminder for the
4 audience. If anybody wants to make comments,
5 there's comment cards to fill out on the agenda
6 items you wish to make comment on, please.

7 BUSINESS PARTNER UPDATE

8 CHAIRMAN YOUMAN: Business partner updates.
9 Mr. Sanchez? County commissioner.

10 COMMISSIONER SANCHEZ: Thank you, sir. We
11 have a new communications director, which is not
12 only going to -- testing 1, 2 -- not only going to
13 fill in some of the things Karen Pan used to do,
14 but he is going to expand that department quite a
15 bit. So you will be seeing some changes, and the
16 press will be notified almost on everything. He's
17 has some really good ideas. His name is Michael
18 Ryan and he appears to be all set to do an
19 excellent job.

20 So our budget meeting was last week. There'll
21 be no change in millage coming up. We set that
22 tomorrow. We're -- we're moving the millage
23 around, but there's no increase in the millage.
24 We're just taking it from one and putting it into

25 another. But that's not going to increase

10

1 anything. And the devaluation is 2.75 percent. We
2 feel like that will bring people's taxes down.

3 And the -- I just did want to mention here
4 about fire and rescue. I don't know how many of
5 you saw the article, but our rescue -- fire and
6 rescue saved three heart attack victims in one day.
7 Now, there was people there on two occasions that
8 administered CPR, but it was some of the equipment
9 we have added, some of the real sophisticated
10 equipment that --

11 (Microphone interference.)

12 MR. WUELLNER: That's Doug's fault.

13 COMMISSIONER SANCHEZ: Mr. Burnett, he's
14 got -- he's upset with me because I had him
15 contribute some money, so...

16 MR. BURNETT: It's to a good cause.

17 COMMISSIONER SANCHEZ: No, not really. But
18 they did a really good job on all three occasions,
19 and it's the equipment that helped them. And
20 they're well-trained on it and all of it spelled
21 success. They saved three people. So -- and other
22 than that, The Beach Boys concert was on national
23 television --

24 (Microphone interference.)

25 MR. BURNETT: I don't know whose that one is.

11

1 COMMISSIONER SANCHEZ: Should I just try to do
2 it without this one?

3 MS. HOLLINGSWORTH: It's Doug.

4 MR. WUELLNER: It's really hot. Why is that?

5 MR. BURNETT: When in doubt, blame the lawyer.

6 MR. COX: I like that. Can we adopt that as a
7 rule?

8 COMMISSIONER SANCHEZ: But anyway, the PBS
9 broadcast the show and St. Augustine of course was
10 mentioned before they got into the whole thing, it
11 was mentioned slightly in a couple of things, and
12 then it was mentioned again at the end. So it was
13 definitely some pretty good advertisement.

14 The Beach Boys' management sent us a letter
15 commending us on the facility and the way it was
16 run. And the camera crew, who had a lot of
17 hesitation about doing the filming here because of
18 it being an amphitheatre and there was some other
19 problems they didn't like, they wrote back and said
20 that the quality of the people working there was so
21 professional and they were so knowledgeable, that
22 it actually beat out Madison Square Gardens' crew.
23 So that made us feel pretty good.

24 Anyway, that's all good news. And if there's

25 any other questions or anything, I'll be glad to

12

1 try to answer them.

2 CHAIRMAN YOUMAN: Any new businesses with a
3 lot of jobs?

4 COMMISSIONER SANCHEZ: Pardon me?

5 CHAIRMAN YOUMAN: Any new businesses with a
6 lot of jobs?

7 COMMISSIONER SANCHEZ: There's some things in
8 the works, but it's things we can't talk about yet.

9 And -- and I really love that program, because that
10 does tend to scare some businesses away. They
11 don't like their name to get out there.

12 I did go by the -- the generator business that
13 we brought in here and their building is looking
14 really good. They've got it just about fixed up.

15 So I don't look for that to be too long to --
16 before it will be in the works. That's the German
17 company.

18 And seemed like there has been a few problems,
19 and some people wanted to put in vending machines
20 and have that kind of stuff available for the
21 workers. And -- and there was a little bit of
22 communication problem between the guy from Germany
23 and what he was being told, people that -- from
24 here are going to want the vending machines.

25 He had a totally different idea all together.

13

1 So they said, well, we will work with you in every
2 way we can, but if you don't have Mountain Dew in
3 your vending machine, you're going to be in
4 trouble. And so they -- I think they got all that
5 worked out.

6 And he mentioned to us his first day before he
7 came before the commission that -- that before they
8 actually got things organized, they had over a
9 thousand applications already.

10 MR. WERTER: How many job -- how many job
11 spots in that?

12 COMMISSIONER SANCHEZ: They're hiring 130, I
13 think. But we look forward to that getting
14 underway. There will be some more activity coming,
15 I can tell you that, no doubt.

16 Anyway, I guess that's it, unless y'all just
17 want me to talk a little while longer. I -- I'm
18 not running this time, but I have a campaign speech
19 I could --

20 CHAIRMAN YOUMAN: Thank you, Mr. Sanchez.
21 Next up, Mr. Michael Slingluff, Galaxy Aviation.

22 MR. SLINGLUFF: Nothing new to report.

23 CHAIRMAN YOUMAN: Mr. Harry Ruhsam, SAAPA?

24 MR. RUHSAM: Nothing to report. We had no

25 meeting or social in June.

14

1 CHAIRMAN YOUMAN: Dan Nehring?

2 MR. BURNETT: Not here.

3 CHAIRMAN YOUMAN: Norman Gregory, EDC?

4 MR. GREGORY: I'm going to follow up on what

5 Ron had to say. We've tracked jobs that we've

6 created through the partnership with all of the

7 entities within -- in the county. And between last

8 May and this July, we've created a -- or have

9 promises of creation of 1,076 jobs and \$94 million

10 in capital improvements, which is pretty darn good.

11 2G-CENERGY, the German company that Ron was

12 talking about, the CEO and president of that

13 company is coming to speak at the chamber

14 breakfast, the EDC breakfast on July 31st. And

15 that will be at the Renaissance Resort and

16 Convention Center out at World Golf Village.

17 We also have Politics in the Park coming up on

18 July 19th. And we have over 300 people already

19 signed up for that program. And you -- we're doing

20 a straw vote. Just about everyone who's running

21 for office has a table at that event, will get

22 three minutes to speak, and then we will have the

23 elections office actually doing a straw poll with

24 real election equipment. And so we should have a

25 straw poll winner at the end of that event for each

15

1 of those races.

2 We are not endorsing anyone for office and
3 want to make that perfectly clear. The chamber
4 doesn't endorse anyone for political office. But
5 we do give everyone the opportunity to speak that
6 wants to.

7 We are currently tracking 24 active projects
8 with total employees of 3,289 and \$447 million in
9 capital improvements. We'll be lucky if we get a
10 third of that, but that's what we're working on.
11 And we have 22 projects on hold, for a total of \$45
12 million. And those projects are projects they
13 either backed off or said we're going to come back
14 later or we're not sure what they're doing, they
15 don't answer the phone anymore. So we put them on
16 hold or drop them.

17 So there is the lot of activity out there. We
18 are doing extremely well with marketing the
19 community due to the quality of our workforce, the
20 quality of our school system, and the quality of
21 our government. Any questions?

22 (No questions.)

23 MR. GREGORY: Thank you.

24 CHAIRMAN YOUMAN: Mr. Jim Zimmerman, IDA?

25 MR. ZIMMERMAN: Nothing to report.

16

1 CHAIRMAN YOUMAN: Mr. Doug Burnett?

2 MR. BURNETT: I do have something to report

3 and I like to update you every so often. I've

4 updated you on the litigation related to Hangars 8,

5 9 and 10. I'd like to update you about that

6 tonight and maybe seek some direction from you.

7 The -- just a very brief overview of what that case

8 involves for the public and I guess that we're all

9 dealing with the same or talking from the same

10 page.

11 The litigation related to Hangars 8, 9, and 10

12 involved a -- originally came to the attention of

13 the airport after the construction of those

14 hangars. A couple of years after they'd been

15 use -- in use, the hangar door on Hangar 10 failed.

16 Of course all three hangars were built very similar

17 in construction, which then gave the airport pause

18 to wonder what was -- what if anything was wrong

19 potentially with Hangars 8 and 9.

20 After a long period of time, it was -- and not

21 a lot of -- some cooperation, but not a lot of

22 cooperation out of the contractor and the door

23 design manufacturer, the Airport Authority

24 commissioned Structures International to do a

25 structural analysis of the building -- the three

17

1 buildings and determine what if anything needed to
2 be done.

3 Of course that re -- revealed that there were
4 some things that needed to be done to correct the
5 deficiencies in the buildings. The airport
6 demanded that the contractor fix and pay for the
7 problem with the hangars at various times and also
8 sent that demand to the building manufacturer and
9 the door manufacturer.

10 The long and short of it is, is we've always
11 felt from the beginning that the door manufacturer
12 was the real primary culpable party in the mix.

13 Although certainly the contractor, being the one
14 who coordinates the work and actually does oversee
15 the work and is the contractor who is contracted to
16 do the work, would have liability in the door -- in
17 the building manufacturer itself, there should be
18 some coordination between the building and the
19 door.

20 To make a long short story, the
21 Airport Authority ultimately filed suit. After a
22 period of time of serving the parties or working on
23 serving the parties, we learned that HydroSwing,
24 the company that manufactured the doors, has filed

25 bankruptcy.

18

1 One of the things that I've got -- given you
2 today, the letter that actually is on my St. Johns
3 Law Group letterhead is a letter that we wrote to
4 Mr. Wuellner back at the end of May talking about
5 the status of the bankruptcy case. Let me find one
6 document here.

7 The bankruptcy filed by HydroSwing is a
8 Chapter 7 bankruptcy. You can see in my letter
9 there's about \$6 1/2 million of debt that
10 HydroSwing has. The amount that the debtor's
11 attorney listed in the bankruptcy, the total amount
12 of net value was \$508,000. And you've got \$242,000
13 which the trustee has on hand to pay 6 1/2 million
14 dollars.

15 Mr. Werter knows this area of the law far
16 better than I do, practicing it. But I think you'd
17 probably confirm that's not the best case for us,
18 being in an unsecured position, the
19 Airport Authority, trying to seek to be paid when
20 there's already \$6 1/2 million of claims out there
21 and \$242,000 in cash.

22 So, the reality is the damages that we would
23 primarily be looking at HydroSwing to recover just
24 aren't going to be able to be recovered because of

25 their bankruptcy.

19

1 My own observation, they sort of seem to have
2 the hot product, so you wonder how even in the bad
3 economy that they'd wind up in this place or that
4 position, but neither here nor there it is what it
5 is.

6 What that means is we can't move forward with
7 the case against HydroSwing unless we get a stay
8 lifted. From a practical standpoint, it's not
9 worth the expense and legal fees. One of the
10 things outlined in my -- in -- in my letter to
11 Mr. Wuellner is we would have to actually hire an
12 attorney in Minnesota to deal with the bankruptcy
13 action there.

14 It's not cost-effective to the authority and
15 certainly -- you know, even when you're looking at
16 cents on the dollar, this is maybe no cents on the
17 dollar to the Airport Authority when we're talking
18 about this kind of money and especially paying
19 legal fees. So pursuing HydroSwing really doesn't
20 look like an option.

21 Which then leads us to the building contractor
22 and Ceco, the building manufacturer. One thing
23 about Ceco, Ceco has said from the beginning and
24 maintained from the beginning that they simply

25 weren't required to design their building to

20

1 withstand the load of the HydroSwing doors. And
2 one of the things that I've included there for --
3 with you is a letter from Ceco.

4 Now, this letter is dated July 16th, 2009,
5 which is after the doors failed and Ceco came out
6 to look -- after the door, singular, after the door
7 failed on Hangar 10, Ceco representatives came out
8 to look at the door.

9 And one of the things that they cited to in
10 this -- in their letter, aside from other issues
11 related to the doors, and its interior flange
12 bracing were not installed that they had called out
13 for to be installed, but they cite to a document
14 that is HydroSwing's specifications related to
15 their product, their door.

16 And one of the things that they cite to in
17 their letter is taken strictly -- is taken straight
18 from the HydroSwing document, and it says "The
19 HydroSwing overhead door comes complete with its
20 own framework. All of the loads placed on the
21 HydroSwing cylinders are transferred to the
22 framework of the door, not your building." And
23 that's a general thing to whatever building they're
24 being installed on. So Ceco's defense is they're

25 not liable.

21

1 Our view from the beginning has been, well,
2 you've got some liability in there because there
3 should have been some coordination. Of course that
4 also goes to the contractor, that there should have
5 been some coordination.

6 Let me talk about the contractor briefly.
7 Bill Pageau, which was Pageau Construction, we have
8 done an exhaustive search of the public records and
9 other search tools that we have available to us to
10 research Mr. Pageau and his company, and we have
11 learned that he is in the Middle East and no
12 longer -- the best information we have is that he
13 is in the Middle East and no longer conducting
14 business here in the States. We've tried serving
15 him at four different locations with sheriffs
16 deputies and a private investigator and have been
17 unsuccessful.

18 So at this stage, we're really at a position
19 where the primary party that we would tell you,
20 hey, let's go sue HydroSwing, we can't sue because
21 of the bankruptcy action. It's not productive.
22 And then the contractor, it may be unlikely that we
23 would -- would be able to recover even if we spent
24 the effort. And Ceco has what they would maintain

25 is a good defense, not to say that we don't have

22

1 some ability to get them to a portion of liability
2 of -- of the total problem and damage suffered by
3 the airport.

4 The added thing I will tell you about Ceco is
5 that Ceco hired Curtis Brown, who is the lawyer
6 that represented Earth Tech. And I bring that to
7 your attention because the airport -- I know the
8 authority members will recall the Earth Tech
9 litigation being very expensive to the authority.

10 Curt Brown was on the other side of that
11 litigation. He is a good construction litigator.
12 It's worth you to -- it's important for me to point
13 that out to you because litigating against Ceco
14 will be expensive. Going forward beyond this with
15 Ceco would be expensive.

16 So my reason for bringing it back to you is to
17 give you the update, one, but then additionally ask
18 for your authorization if you agree with my
19 recommendation, and my recommendation to you is not
20 to pursue this anymore because I don't believe it's
21 cost-effective to the authority.

22 If it was HydroSwing and they were still in
23 the game and they hadn't filed bankruptcy, then I
24 think there's no question we would be going forward

25 with it, because you would have that primary entity

23

1 at the end of the line to seek liability against
2 and there would not be the opportunity for the two
3 other parties to say, oh, well the guy who really
4 did all of this and caused all this mess isn't here
5 at the table, isn't here at trial, which is where
6 we're at now, what we would be faced with now.

7 So my -- my recommendation is to not pursue
8 this litigation, assuming that Ceco would agree for
9 the case to -- as to Ceco be dismissed and no
10 longer be pursued by either party and we waive
11 liability related to this matter.

12 MS. BARRERA: Mr. Chairman?

13 CHAIRMAN YOUMAN: But are -- are they looking
14 at -- to see if these people at Hydro -- Hydro were
15 skimming? I mean, with a difference of \$6 million
16 versus \$238,000 in assets, where'd that money go?

17 MR. WERTER: Well, the trust -- if I may?

18 MR. BURNETT: Yes, please.

19 MR. WERTER: That's the trustee's job, is to
20 look to see if there are hidden assets. They go
21 through a creditor's meeting. The trustee looks at
22 the paperwork he demands from the client, okay, to
23 see if there's any suspicious activity, to see if
24 there's been any illegal transfers or improper

25 transfers. In the state of Florida going -- well,

24

1 were are they, Minnesota?

2 MR. BURNETT: Minnesota.

3 MR. WERTER: I don't know what Minnesota's

4 time frame is. New York is six years -- six years.

5 Here, it's four years. I don't know what Minnesota

6 is. But the trustee looks back a certain number of

7 years to see if it -- for any improper transfers of

8 assets and funds.

9 As far as how they spend their money on

10 whether, you know, it's a travel, meals and

11 entertainment, you know, trustees don't usually get

12 too much into that. But gifts, things of that

13 nature, they do. And you run into this all the

14 time with upside down assets, okay? Assets and

15 liabilities.

16 You know, people started off with millions of

17 dollars, owing hundreds of thousands above what

18 they're worth, you know, and they don't have

19 anything to reclaim. What the trustee -- what it's

20 called is a no-assets case. And that's -- from

21 your numbers, that's what this is, is a no-assets

22 case, you know. So...

23 CHAIRMAN YOUMAN: What is your recommendation

24 as a lawyer on the board?

25 MR. WERTER: Well, the one thing that I would

25

1 question is the contractor has no ties here to the
2 United States, no property, no anything?

3 MR. BURNETT: I've done an asset search
4 related to the contractor. I don't find anything.

5 MR. WERTER: Okay.

6 MR. BURNETT: As to the contractor, if we
7 parse it out and look at in it in three ways, if we
8 look solely at the contractor, Bilco Construction,
9 Bilco hasn't been served because we've been unable
10 to serve him.

11 MR. WERTER: Uh-huh.

12 MR. BURNETT: So with Bilco, we could serve
13 him by publication -- we could serve that company
14 by publication.

15 MR. WERTER: By public -- yeah.

16 MR. BURNETT: And then after the getting the
17 service by publication, assuming there's no answer
18 that's filed in the case, we could then get a
19 judgment.

20 MR. WERTER: Who's the -- who's the registered
21 agent for Bilco?

22 MR. BURNETT: He is, Bill -- Bill Pageau.

23 MR. WERTER: Okay.

24 MR. BURNETT: So then we could get a judgment.

25 And although it would be a paper judgment, it will

26

1 be something that I think was reasonably
2 cost-effective to go obtain. If we were to file an
3 answer and defend the case, then I could come back
4 and report to you that. So...

5 MR. WERTER: If -- if he has or had insurance
6 which would have been effective at the time, which
7 we don't know what kind of liability insurance, I
8 don't think it would be too much more expensive to
9 get even a default judgment on him. If we can drop
10 service him, if he's a registered agent and --
11 where would he be? Where is the contractor from?

12 MR. BURNETT: Here. In --

13 MR. WERTER: In Florida. Okay.

14 MR. BURNETT: Yeah. It's New Smyrna Beach as
15 I recall.

16 MR. WERTER: Well, is -- is Bilco defunct now?
17 Is the registered -- is the state, you know, the
18 Department of State --

19 MR. BURNETT: They haven't been
20 administratively dissolved yet, but they haven't
21 filed the annual report this year.

22 MR. WERTER: Okay. But they haven't been
23 dissolved yet.

24 MR. BURNETT: Right.

25 MR. WERTER: So even if you can't get personal

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1 service, you can do a publication --

2 MR. BURNETT: Uh-huh.

3 MR. WERTER: -- right?

4 MR. BURNETT: Yes, sir.

5 MR. WERTER: And he's got -- you've got in

6 personam or at least on the corporation. So if --

7 if it doesn't cost too much to get a default

8 judgment, then when he comes back, if he's got

9 insurance, you know, you file a claim -- let him

10 file a claim.

11 MR. BURNETT: Yeah.

12 MR. WERTER: Unless his policy says if not

13 filed -- you know, claim filed within a certain

14 period of time, you know, like car insurance kind

15 of stuff.

16 MR. BURNETT: And --

17 MR. WERTER: So that would be the most

18 economic way to do it, I would think. How do you

19 feel about that?

20 MR. BURNETT: Yeah. And I -- I think that's

21 economical for the authority without winding up

22 with a big legal bill --

23 MR. WERTER: Yeah. As far as --

24 MR. BURNETT: -- fighting over something

25 that's not worth pursuing. Yeah, I -- I think

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1 that's completely reasonable.

2 MR. WERTER: The other two parties, you're
3 right. I mean, the nexus on -- on the -- on the
4 building manufacturer is tenuous at best and the
5 other one's bankrupt, so...

6 MR. BURNETT: Yeah.

7 CHAIRMAN YOUMAN: Ms. Barrera?

8 MS. BARRERA: I was going to ask Jim for his
9 feedback, being that he's -- his expertise is in
10 bankruptcy law and so he could state --

11 MR. WERTER: That's a dangerous word to use
12 with me, but go ahead.

13 MS. BARRERA: And then also I was going to
14 remark that this is something as far as the length
15 of legal pursuit that I remember Mr. Ciriello
16 bringing up when we decided to enter in pursuing
17 this, is that we didn't want it to extend out and
18 already we've had it extend out a year. And I'm --
19 I'm in favor of avoiding any more legal fees in
20 that regard with maybe the exception of filing --

21 MR. WERTER: On the contractor --

22 MS. BARRERA: -- against the insurance.

23 MR. WERTER: -- you know, it's a minimum --
24 it's a minimum -- it would be a minimum investment,

25 really. If he's not here to defend and we do a

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1 publication, you know, that's what, five hours, ten
2 hours at max?

3 MR. BURNETT: Yeah. We're not talking about a
4 lot of money.

5 MR. WERTER: Yeah. And the fact of the matter
6 that he's recommending this brings the oxymoron on
7 his attorney, because he could be saying we need to
8 pursue the building manufacturer and looking at a
9 hundred thousand dollar bill, but he's saying let's
10 not do that. So I would go with his
11 recommendation.

12 CHAIRMAN YOUMAN: Mr. Ciriello?

13 MR. CIRIELLO: I've got a few comments with a
14 question more or less at the end of it. My
15 comments, I want Mr. Wuellner and Mr. Burnett not
16 to take personal. It's nothing personal.

17 But as Kelly mentioned, as you guys know, back
18 in the beginning -- and not just this particular
19 question, way back 12, 15 years ago when I started
20 getting involved with this authority, I was never
21 satisfied with the way things were done as far as
22 trying to fix problems.

23 I mentioned earlier that I wanted to see
24 contracts made out with a statement in there that

25 after up to 60 days, if you want to make it 90,

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1 after a project has been done and things aren't
2 satisfied, that we would go right to court.

3 In other words, I'm not a fan of turning this
4 problem or any problem similar to this to the
5 director and the lawyer and let them dicker back
6 and forth for a year, a year and a half, because
7 that's what lawyers do, is they try to delay things
8 as long as they can, and now this -- because of
9 this time limit and the bankruptcy and we're out
10 of -- out of luck.

11 So my question, with this dissatisfaction of
12 what's going on, if we would have had something in
13 our contract with that 60-day thing, in other
14 words, you're putting the -- I want to put the onus
15 back on the board. I don't want the board to throw
16 problems at these gentleman and let them handle it
17 and take the guff at the end of it if it doesn't
18 come out right. I think it's the board's
19 responsibility.

20 So at the end of the 60 days, we would have
21 got a report that these people were not working
22 right with us and we would have said right then and
23 there, go to court. So if we had went to court way
24 back when, just 60 days when this all started

25 instead of a year later, would we have gotten any

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1 money out of them? I -- that's the thought I want
2 know. By going to court early instead of dragging
3 it out, would we benefit more than what we're
4 doing?

5 MR. BURNETT: Two things related to that to
6 answer your question. I think your idea is a good
7 one. I think that a lot of the times, your idea
8 would apply and work for the airport. But I think
9 there's other times where you can't plan for
10 everything.

11 And in this particular case, the construction
12 was complete. Everything looked great. The
13 certificate of occupancy was there. Everyone was
14 using the hangar. No one had any clue that the
15 building was going to fail and that the door --
16 that the door would fail and, you know, damage the
17 building when it failed.

18 MR. CIRIELLO: Well, how long did it take to
19 fail after the building was finished?

20 MR. BURNETT: Two years.

21 MR. CIRIELLO: You mean that hangar was being
22 used for two years and we was making \$30,000 a
23 month -- a year out of it before?

24 MR. BURNETT: Yes, sir.

25 MR. CIRIELLO: Gee whiz, the way this problem

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1 was originally made, I thought we were just losing
2 30,000 grand a year just right of the top without
3 getting any benefit from it at all.

4 MR. BURNETT: Yeah. And the sort of
5 interesting thing about that is we were pushing the
6 issue, pushing the issue, and pushing the issue,
7 and trying to get HydroSwing and Ceco and Bill
8 Pageau to fix it and deal with it.

9 I don't think we got much help from
10 HydroSwing, but we did get -- we had a couple of
11 meetings here where Bill Pageau was here, who is
12 the contractor, and two, three, four
13 representatives of Ceco would come from their
14 different areas. You'd have like a project manager
15 and a couple of engineers. And the ultimate thing
16 from that is we couldn't get a detailed report. So
17 the Airport Authority hired Structures
18 International.

19 The Structures International report wasn't
20 complete until May 25th, 2011. It wasn't until
21 then that we knew, okay, here's what needs to be
22 done to Hangars 8, 9, and 10. It's relatively
23 minor and then that's -- everything's fine. It
24 wasn't until May of 2011 that we got that report.

25 HydroSwing filed bankruptcy March of 2011. So two

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1 months before we got the report is when HydroSwing
2 actually filed the bankruptcy.

3 So to answer your question, there wasn't the
4 opportunity to try and beat them to the punch and
5 get money before other folks.

6 MR. CIRIELLO: Well, what would have hurt to
7 have that kind of language whether you're going to
8 use it or not in the contract? Would it be
9 something maybe to fall back on? Like you said,
10 sometimes it might work and sometimes not. But
11 just putting it down on paper, what's the big deal
12 about having it there just in case?

13 MR. BURNETT: Well, in this case, I -- I
14 wasn't sure who we would sue until I got the report
15 from Structures International because they may
16 have -- they might have pointed the finger at one
17 party or the other. Instead, their -- their report
18 was less specific as to who was culpable --
19 culpable other than clearly the door manufacturer
20 was.

21 MR. CIRIELLO: Well, you say that it took you
22 a long time to get that -- get that report that you
23 needed and everything. But let's -- let's just say
24 for argument that if we went ahead right away quick

25 and start suing them, would they not come up with

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1 this report a lot sooner than they did because they
2 were being sued?

3 MR. BURNETT: We hired --

4 MR. CIRIELLO: I mean, going into court you
5 have to show proof.

6 MR. WUELLNER: Different --

7 MR. BURNETT: They didn't -- we hired the
8 report to be done. They wouldn't do it.

9 CHAIRMAN YOUMAN: Can -- can I --

10 MR. BURNETT: So --

11 CHAIRMAN YOUMAN: -- interject and make a
12 comment?

13 MR. BURNETT: Yes, sir.

14 CHAIRMAN YOUMAN: As the board, we could put
15 that 60-day clause in there as part of our policy.

16 MR. WERTER: 60 days from what, though? What
17 are we talking about?

18 CHAIRMAN YOUMAN: Well, just -- I don't know.

19 Just any 60 days. I'm just making a hypothetical
20 right now. Just let me finish the line of thought.

21 And as our -- and it's in the contract, 60
22 days after whatever that we're going to sue
23 automatically. But as a board, we can vote to drop
24 that out of the contract, can't we, before we sue?

25 Before -- when we come up to that point in time,

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1 even though it's a policy, we can change the policy
2 at that moment in time and say, no, we want to hold
3 off and not sue in this case because of whatever
4 reason.

5 MR. WERTER: We can say -- we can -- without
6 that clause, we could say 60 days, we could say two
7 weeks. We could -- you know, he brings it to our
8 attention, we say, okay, let's go ahead with the
9 suit tomorrow, right? I mean, that's our decision
10 as a board.

11 MR. BURNETT: I mean, you could set policy --

12 CHAIRMAN YOUMAN: It's still the same.

13 MR. BURNETT: Well, the concern is if you put
14 it in the contract, it may be that -- you'd have to
15 be careful about how you word it in the contract
16 because you couldn't just put 60 days in there or
17 we'll file suit because then if you don't file
18 suit, then it could be waived and now you can't
19 file suit.

20 So we'd have to be careful on how we word it.

21 But, I mean, if you give us the policy direction
22 that you want suits filed within 60 days of
23 whenever there's a disagreement between the
24 Airport Authority staff and contractors --

25 MR. WERTER: That's more -- that's more a

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1 condition that you might want to put in the airport
2 policy, not in a con -- individual contract.

3 MR. WUELLNER: I agree.

4 MR. BURNETT: Yeah.

5 CHAIRMAN YOUMAN: Mr. Cox?

6 MR. COX: Yes, sir. Thanks. I was just going
7 to say I -- I'm not sure we want to mention
8 anything about lawsuits in a contract because we
9 wouldn't be able to get anybody to build anything
10 on the airport for one thing, but --

11 CHAIRMAN YOUMAN: Right.

12 MR. COX: -- switching gears slightly. Just a
13 couple of things.

14 This comes right into the board's purview of
15 due diligence, this exact situation and overseeing
16 the situation and -- and where we need to go with
17 it. I'm curious, though, about after the fact
18 because you and I spoke earlier about this issue
19 with the -- with the -- the door.

20 Do we have the communiques between Ceco and
21 Bilco where Ceco told them they had to put these
22 flanges on these other bracketing? This May
23 29th -- but this is -- this is July.

24 MS. BARRERA: Over here. That's the only one.

25 MR. COX: No. Do we have the -- do we have

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1 the letter from Ceco saying "You guys need to
2 install these brackets on this door?" You know
3 what I'm saying, Doug?

4 MR. BURNETT: It's in the -- it's with -- it
5 would be within their plans. It wouldn't even be
6 internal memoranda. It would be within the plans
7 and specifications for the building. They've got
8 plans and specifications for the building. They
9 deliver the building materials and the plans and
10 specifications. It's an erector set and here's the
11 plans.

12 MR. COX: Right.

13 MR. BURNETT: And when you leave some parts
14 off when you have --

15 MR. COX: There's a disconnect, because the
16 door says that all the stuff's transferred and it
17 doesn't put any loads on the building and then Ceco
18 sees this and says, Oh, by the way, you've got to
19 install after there -- after the fact, they come
20 out and inspect it and they said you need to
21 install these flanges and we see that they're not
22 there. Where is that communicate that says -- told
23 them to do that? You know -- you understand what
24 I'm saying?

25 MR. BURNETT: Yes, sir.

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1 MR. COX: You see where I'm going? Do we have
2 that?

3 I mean, I don't disagree with you that we need
4 to probably drop this with Ceco. But I -- I'm
5 still trying to figure out, you know, did Bilco get
6 communique from Ceco saying they need to reinforce
7 this -- the sides of the hangar door to make this
8 thing work? And if they didn't do that, what are
9 we holding Bilco responsible for and how much money
10 would that be?

11 MR. BURNETT: I gotcha. The -- in part, let
12 me say this. The airport undertook to do an
13 emergency fix --

14 MR. COX: Okay.

15 MR. BURNETT: -- which the structural
16 engineer --

17 MR. COX: Right. Okay. Yeah.

18 MR. BURNETT: -- later said that emergency fix
19 is fine.

20 MR. COX: Yeah.

21 MR. BURNETT: And so that part is what it is,
22 so to speak. As far as the -- the one part of
23 their letter that they're referencing, they also
24 notice that internal -- internal flange bracing

25 angles of these columns are missing.

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1 MR. COX: Right. Well, they obviously

2 inspected it to say that --

3 MR. BURNETT: Uh-huh.

4 MR. COX: -- right?

5 MR. BURNETT: Yeah. That --

6 MR. COX: So when did they tell them that they

7 needed to install that?

8 MR. BURNETT: That -- that was an item that

9 was part of it -- it's like you and I as kids, when

10 we get an erector set and we're going to build the

11 crane --

12 MR. COX: So --

13 MR. BURNETT: -- and we wind up with a few

14 extra pieces.

15 MR. COX: So Ceco is saying that part of

16 Bilco's materials were missing to begin with and

17 they didn't install it correctly. Is that -- that

18 part of it?

19 MR. BURNETT: Ceco's saying that they

20 delivered you a building system with the plans and

21 specifications and you didn't put part -- parts of

22 it in there.

23 MR. COX: Okay. Gotcha.

24 MR. BURNETT: Now, whether -- we don't know

25 whether Ceco failed to deliver those parts.

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1 MR. COX: Okay. That's where I'm -- yeah.

2 MR. BURNETT: Yeah, we don't know that issue.

3 MR. COX: So these --

4 MR. BURNETT: It --

5 MR. COX: So we don't have access to the
6 internal communication between those two companies
7 or, you know, nothing communicated to us.

8 MR. BURNETT: We have some of it, but not --
9 not all of it.

10 MR. COX: One other point. If -- if Bilco is
11 in the mid east right now doing construction
12 projects, they're making a ton of money.

13 MR. BURNETT: Could be.

14 MR. COX: Well, I'll just about guarantee. So
15 when they come back, I -- I would -- I would agree
16 with Jim on the fact that we should probably
17 purs -- you know, at a -- at the least amount of
18 expense to pursue whatever we can go forward with
19 on -- with --

20 MR. BURNETT: Well, let me do service by
21 publication, and assuming we get a default against
22 them, then we'll default and get the judgment and
23 record the judgment and come back and report back
24 to you. If they file an answer, we'll come back

25 and report that to you as well.

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1 MR. COX: Thank you, sir.

2 CHAIRMAN YOUMAN: Does the board in general
3 agree with the action?

4 MS. BARRERA: I agree.

5 MR. COX: I agree.

6 MR. WERTER: Just one other side now for Joe's
7 edification as far as -- and I know what you were
8 driving at, that if we chased them sooner, could we
9 have beaten the bankruptcy and find some money?

10 Most of the times this is long in coming, the
11 failure of consumer or business companies,
12 especially something that size is long in coming,
13 and they -- we could have gotten a judgment against
14 them. We would have probably added fuel to the
15 fire for them to file bankruptcy. And what a
16 bankruptcy does is it takes a judgment, an unpaid
17 judgment, and does away with that also. So, you
18 know, whether we -- whenever we lock the barn door,
19 the horse is gone.

20 MR. CIRIELLO: Let me ask you a question.

21 MR. BURNETT: Yes, sir.

22 MR. CIRIELLO: When these contractors build
23 something for us and everything, is there not a
24 guarantee that at the end whenever the thing is all

25 done and you accept it, there's a guarantee like a

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1 year or two years of no defects?

2 Just like when you go to buy a water heater
3 from somebody or a washer, there's a year warranty
4 on it? Do -- did we get any kind of a warranty
5 from these people? And if so, why -- why couldn't
6 we fall back on that warranty instead of dickering
7 back and forth for a year and a half and getting
8 nowhere?

9 MR. BURNETT: We were outside of the one-year
10 warranty period.

11 MR. CIRIELLO: It was -- it was a one-year
12 warranty. Okay. All right.

13 CHAIRMAN YOUMAN: Mr. Cox?

14 MR. COX: One more quick question pretty much
15 directed to Ed. Just switching gears slightly.
16 What are we doing to protect ourselves now
17 construction-wise in any of the other hangar doors?
18 Have we made our own fixes on this to prevent this?
19 Anybody?

20 MR. BURNETT: Let -- two -- two -- if I could.
21 Let me -- I want to answer your question.

22 Mr. Ciriello, the other part about that is
23 even regardless of a warranty, being outside of the
24 warranty, if it's a hidden or latent defect, you

25 still could sue, which is what we did. But

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1 unfortunately they filed bankruptcy. So whether
2 it's a warranty or suit, they don't have the money
3 to fix it.

4 Back to your question, Mr. Cox, I don't think
5 the HydroSwing products on the market -- I assume
6 that whatever door is going back into the building
7 systems is different in some way, and I know -- I
8 have to assume we're still using the same
9 engineering firm as our --

10 MR. COX: Yeah.

11 MR. BURNETT: -- continuing consultant --

12 MR. COX: They can discuss it later.

13 MR. BURNETT: -- that's well aware of the
14 issue to oversee it. But --

15 MR. WUELLNER: I would say perhaps suffice it
16 to say we've built nearly 50 hangars since that
17 time with the same kind of door system and haven't
18 had those issues now.

19 MR. COX: Yeah. Obviously they have less load
20 on them because they're much smaller so --

21 MR. WUELLNER: Some are.

22 MR. COX: Yeah.

23 MR. WUELLNER: I have several of similar size,
24 but yes.

25 CHAIRMAN YOUMAN: All right. Have we

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1 discussed this enough?

2 MS. BARRERA: Certainly.

3 MR. WERTER: Yeah.

4 CIVIL AIR PATROL LEASE

5 CHAIRMAN YOUMAN: Okay. Can move on to the
6 next item, business items? The Civil Air Patrol
7 lease. Mr. Wuellner?

8 MR. WUELLNER: Yes, sir. We -- we have a
9 proposed lease agreement between the
10 Airport Authority and the St. Augustine squadron of
11 the Civil Air Patrol wing. This is for office
12 property arguably along U.S. 1. This is in the
13 seven-acre parcel the Authority acquired
14 approximately 18 months ago out of a previous -- or
15 from a bank related to a foreclosure.

16 It's specifically for the building the most --
17 I'll use this description because you'll best
18 understand it. It's the building that looks like a
19 former railroad building. It is not a railroad
20 building, it was actually a feed store, but it is a
21 similar kind of look. That building exclusively,
22 that's -- that's the building we're talking about.
23 It's approximately 2,400 square feet. It's a
24 one-year lease agreement with automatic renewals

25 for a maximum of a five-year lease agreement.

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1 The agreement, as Kelly had asked me in an
2 e-mail earlier, has a 60-day bailout clause. We
3 have been very open with the Civil Air Patrol as to
4 the -- the inability to clearly say that that
5 building can be used for long periods of time
6 because we have yet internally and with the board
7 come to a highest and best use kind of an
8 understanding for that property. So it's a way of
9 solving their need for meeting space and gathering
10 space.

11 It's an in-kind lease, which is facilitated by
12 your policy, meaning they will trade value added to
13 the building as well as volunteer hours in lieu of
14 us receiving a check for the equivalent value. So
15 they will be contributing volunteer hours to the
16 airport.

17 They will also -- any improvements they make
18 to that building, we will give them credit for as
19 rent paid in this case. That will be evaluated
20 pretty much on an annual basis, or as the lease is
21 renewed, we'll come to some understanding of what
22 that -- what the total hours provided to the
23 airport will be or has been and then also what
24 investment's there.

25 We do get an approval so to speak over the

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1 improvements made so that we have an agreement up
2 front on what the valuation of those improvements
3 are so that there's no misunderstandings as to
4 how -- how much is applied ultimately to the rent
5 equation. It's -- they're a tax exempt agency
6 also. I would not expect to have tax-related
7 issues as it surrounds the lease.

8 As I said, they -- it has an automatic renewal
9 provision, so once a year you'll have the ability
10 to just not renew the lease. As well as at any
11 other time during the term, either party can
12 provide 60 days' notice and the agreement would
13 come to an end. And it would be our recommendation
14 to approve that.

15 CHAIRMAN YOUMAN: And they fully understand
16 that if they make it into a Taj Mahal and Hilton
17 comes along and wants to put a big hotel up there
18 and we make a ton of money for the airport, that
19 they're gone?

20 MR. WUELLNER: They do. Now, whether they
21 understand that from a practical standpoint --

22 CHAIRMAN YOUMAN: I'm being -- I'm being very
23 blunt.

24 MR. WUELLNER: I have done my best to make

25 sure that there's complete understanding. And

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1 they're here. So if they have --

2 CHAIRMAN YOUMAN: Because I don't want ill
3 feelings, you know --

4 MR. WUELLNER: And they're here. If they have
5 a --

6 CHAIRMAN YOUMAN: -- when that happens.

7 MR. WUELLNER: -- different understanding,
8 they're -- they're perfectly welcome to stand up
9 and do that.

10 CHAIRMAN YOUMAN: Mr. Ciriello?

11 MR. CIRIELLO: Boy, do I have a bunch of
12 questions. Is this building vacant right now?

13 MR. WUELLNER: Yes, it is.

14 MR. CIRIELLO: What kind of condition's it in?

15 MR. WUELLNER: Not good.

16 MR. CIRIELLO: Hmm?

17 MR. WUELLNER: Has -- basically has no
18 electrical service. The air-conditioning was
19 vandalized before we took possession. It need --
20 it needs a lot of work.

21 MR. CIRIELLO: Okay. Now --

22 MR. BURNETT: Having been in the structure
23 five years ago, four -- three, four, five years
24 ago -- three, four, five years ago, it was a pretty

25 rundown modular building.

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1 MR. CIRIELLO: Well, gee whiz, is it feasibly
2 financially viable to do this? I didn't know about
3 this ten -- volunteer part at the airport. You're
4 saying if one of those CAP guys comes out here and
5 volunteers to sweep a ramp off for an hour, they
6 get a \$10 adjustment to their rent.

7 MR. WUELLNER: Correct.

8 MR. CIRIELLO: Has nothing to do with that
9 building. But anyhow, let's say for some reason or
10 other that at the end of the year, when I guess
11 they'll document everything they do for you --

12 MR. WUELLNER: Right.

13 MR. CIRIELLO: -- that it comes up that
14 it's -- they put in, say, \$20,000 into renovating
15 the building and, you know, volunteer work and
16 everything, like that, do they then have to come up
17 with the extra 4 -- the other \$4,000 to make it a
18 \$24,000 deal or --

19 MR. WUELLNER: Or we can apply that they have
20 much more the following year. We'll negotiate that
21 part of it. But the effect is they would have
22 \$24,000 worth of in-kind services for a year.

23 MR. CIRIELLO: Doesn't seem to me like this
24 building is even worth doing this. It ought to

25 better to just tear it down and forget it, but --

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1 MR. WUELLNER: They -- they need the space
2 more than we need the improvements, if that makes
3 sense.

4 MR. CIRIELLO: The way you're talking about
5 condition of this thing, it's almost going to be
6 built from the ground back up again in the bad
7 condition it's in. It doesn't make any sense.

8 CHAIRMAN YOUMAN: Mr. Werter?

9 MR. CIRIELLO: I don't --

10 MR. WERTER: Joe, you're -- in this situation,
11 I think you're missing the forest for the trees.

12 What we're endeavoring to do is work with a --
13 a charitable civilian volunteer organization to
14 have them a home, a place they can call home, a
15 headquarter, and not only provide additional sea
16 and air rescue service, but a place for where they
17 develop junior aviators as well. Kids who are
18 interested in aviation, want to go into the future.
19 That's the overall objective. It is not a dime out
20 of our pocket. This whole setup --

21 MR. CIRIELLO: Well, you bought the building
22 to start with.

23 MR. WERTER: Wait a minute. But the whole --
24 the whole idea is to legally set up this program so

25 we have this -- this organization is a volunteer

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1 organization providing a service to
2 St. Johns County. Not just St. Johns County, but
3 the region. So what you've got to do is back up
4 and look at the overall picture.

5 Yeah, we have property that we acquired on a
6 very good deal and eventually, you know, it could
7 be, you know, what the overall picture is that
8 maybe a few years down the line, that becomes our
9 rent a car center. I think that's what we had in
10 mind in the future.

11 At this point in time, we're making use of it
12 for a community service, okay? So at a point in
13 time when it becomes available or there is a real
14 use to the airport, then we have that option to go
15 in there and use it for its design purpose. But
16 right now, we're providing a service to the region.

17 MR. CIRIELLO: How are they surviving right
18 now if they don't have that building? What kind of
19 dire straits is the Civil Air Patrol in because
20 they don't have that building?

21 MR. WERTER: Hey, they're just looking for a
22 place to meet like every other place --

23 MR. CIRIELLO: They meet here for free.

24 MR. WERTER: But they're working to improve

25 this building out of their own pocket, so how does

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1 that hurt us? How does that hurt us?

2 MR. CIRIELLO: I understand you claim they're
3 a volunteer group, and I understand. It's not like
4 Council on Aging. They're a branch of the mil --
5 of the military government, aren't they? Is it
6 military? Are they not a branch of the military --

7 MR. WERTER: They are not -- no, they are not
8 part of DOD. They are not part of DOD. They're
9 not -- they're a volunteer civilian organization.

10 MR. CIRIELLO: They don't get any money from
11 the Air Force for any -- anything at all?

12 MR. WERTER: I don't know if they get
13 charitable contributions or anything like that.
14 But they don't get a pay stipend. They don't get
15 a -- a -- an operational budget.

16 They are like -- when I was a kid growing up,
17 I was in the Boy Scouts. I actually wanted to be
18 in the CAP, except in Flushing, New York we didn't
19 have a CAP, okay? But this is one of those kinds
20 of organizations. Boy Scouts, Girl Scouts, Boys
21 Clubs, Girl Club, YMCA, something like that.
22 That's what this organization is.

23 MR. CIRIELLO: Don't they own some of their
24 own airplanes? I don't mean the individuals, I

25 mean the government or the CAP, the Civil Air

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1 Patrol organization. Aren't some of the

2 airplanes --

3 MR. WERTER: The YMCA -- the YMCA owns their
4 own buildings. What's your point?

5 MR. CIRIELLO: Well, you don't go there for
6 free. You've got to pay for everything. They
7 don't give you anything for free.

8 MR. WERTER: Well, I don't know if there's a
9 membership fee, but I know they run charity
10 organizations --

11 MR. CIRIELLO: Well, I went to the YMCA as a
12 kid and yes, sir, you paid.

13 CHAIRMAN YOUMAN: Mr -- Ms -- Mrs. Barrera?

14 MS. BARRERA: I just see this as a win-win for
15 the community. It takes a load off of our back as
16 far as maintenance and upkeep and provides
17 opportunities for us to expand on some of the
18 projects we have here. And in addition, it
19 provides them a place that they can have a home and
20 store their own equipment. So I'm very much in
21 favor of it and look forward to making a motion
22 when it's time.

23 CHAIRMAN YOUMAN: Is there a member of the CAP
24 here?

25 MR. WUELLNER: Two.

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1 MR. WERTER: Two of them.

2 CHAIRMAN YOUMAN: Could you speak to what I
3 said? If -- I just want -- I just want to hear it
4 from you-all.

5 MR. HENDERSON: What is it you want me to ask?

6 CHAIRMAN YOUMAN: That you fully -- that you
7 fully understand that if Hilton comes along and
8 you've made a ton of improvements to the building
9 and it's Taj Mahal, it's beautiful, Hilton comes
10 along and says we would like to buy that property
11 to put up a brand new hotel and it's going to serve
12 the community with so many jobs, et cetera,
13 et cetera, and we come to you and say, you've got
14 to be out of here in 60 days and that's it, are
15 there any going to be any ramifications
16 publicity-wise to the airport from that from the
17 CAP?

18 MR. HENDERSON: Well -- well, first -- first
19 off --

20 MS. BARRERA: You have to go to the
21 microphone.

22 MR. HENDERSON: Okay. Okay. I'm Wayne
23 Henderson. And, you know, first off, you know,
24 this is the first time I've seen provisions of what

25 we put as the in-kind lease agreement. And the

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1 first thing I can't do is -- you know, Gene Melton
2 is here with me tonight. He's another CAP member.
3 But neither one of us have the authority to sign
4 something.

5 But I can sure tell you that we have -- you
6 know, we have a certain amount of concerns as some
7 of the senior members were working with the -- with
8 the youth and we're trying to, you know, grow and
9 increase this thing.

10 And of course what we were -- you know, some
11 of us were worried about is, well, if we go out --
12 and I think we've already taken a chance and bought
13 like an air conditioner compressor we got -- we
14 ended up having a good deal on. Some people put
15 some money together and bought that.

16 And I think we were all concerned that we come
17 in and we put in -- put in this -- put in this work
18 and so forth and it all goes away, and my position
19 is and I think the position is with the senior
20 members is there's a certain amount of -- there's a
21 certain amount of good faith risk that we all have
22 here.

23 And I think that we are -- you know, we're
24 certainly very much attuned to the fact that if we

25 go put money and improvements, increasing the

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1 building and making it better, we can only do that
2 to the extent that we can, you know, get donations
3 and we do our own fundraising and things of that
4 nature. And we're willing to, you know, do that on
5 good faith.

6 And we understand that hopefully you'll end up
7 with a bargain that you say, well, we like what
8 you're doing and we're going to -- we're going to
9 turn this into a rental car, you know, place but by
10 golly we'll find you another place to go to.

11 So I think that we're going to be building
12 good will as we go. So we understand that the
13 benefits we -- the hours we put in and painting and
14 doing improvements, that's certainly going to go to
15 the building.

16 And my feeling is, when I was trying to sell
17 this idea is why is it a good deal for the county?
18 It's because if we put that building into good
19 shape and we make it look good and it shines, it's
20 going to be more valuable to you, and it will be
21 more rentable or something of that nature and we
22 have something -- we've given something back and I
23 think that we'll get rewarded in the end.

24 The typical thing -- I have not seen the other

25 leases that go, but to give you an example, you

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1 know, some of the leases that we hear about in
2 Jacksonville and places like that, is they work
3 out -- they work out certain things and they have
4 just a -- you know, a token lease is what it really
5 amounts to.

6 But these are going to be large part a lot of
7 the, you know, youth that are going to be putting
8 forth a lot of good will and growing in the area.
9 We work hand in hand with the -- with the aerospace
10 program and are increasing things of that nature.
11 I could go on for a long time and give you a good
12 presentation and maybe we can do that -- do that
13 another day if you've got time. But does that
14 answer your question close enough?

15 CHAIRMAN YOUMAN: Answers mine.

16 MR. WERTER: May I?

17 CHAIRMAN YOUMAN: Yes, Mr. Werter.

18 MR. WERTER: Could you go on and explain
19 exactly what the CAP is for the general public and
20 Mr. Ciriello?

21 I mean, all of us on the board knows and the
22 pilots in there know what the CAP's about, but
23 there's some people who are nonaviator types here.
24 Can you tell us, give us an overview of what CAP is

25 and how it contributes to the region?

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1 MR. HENDERSON: I'll try to do that. And
2 first off, I wasn't prepared to do that
3 presentation.

4 But the CAP started I think it was what, 1941
5 or something like that, Gene? And it was started
6 in 1941 as a volunteer effort of civilians that a
7 lot of them flying small airplanes and doing things
8 up around the coast and things of that nature.
9 It's been in operation ever since.

10 The CAP is a -- it is a government -- it is a
11 government corporation. It's under the U.S.
12 Air Force, it's under the Air Force Auxiliary, but
13 we are not -- we're not part and parcel of the
14 Air Force. We get some benefit from the Air Force.
15 We don't get operational expenses. They may
16 provide us something in Congress.

17 Some people -- we get some airplanes that we
18 put into public use and some of these aircraft used
19 to be surplus military aircraft. We have a -- we
20 have a fleet of Cessnas. I think in -- in Florida
21 we have maybe 40 aircraft all together. And a lot
22 of these airplanes are based in different places.
23 And we don't have one here. We're hoping if we
24 increase our viability here, we'll eventually win

25 an airplane to come to this place.

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1 But they -- they -- they do a lot of -- they
2 do a lot of missions and public service missions.
3 They spent many many hours flying on the deep water
4 horizon effort over -- over in the gulf and doing
5 that -- were very instrumental in doing that.

6 But we don't -- we don't -- we don't have a
7 source of income. And so what happens is that if
8 you have a squadron, the squadron's either going
9 to -- you know, some places might meet at a church.
10 Some people -- Jacksonville, I think the
11 airport authority up there provides them a
12 building, you know, that they can use up there and
13 they are at Craig Field. And I think that they do
14 the same thing in Fernandina. We have one in -- is
15 it Ormond Beach is not far. But those are the
16 types of things.

17 We have -- right now, we have I think a little
18 over 2,000 cadets in the state of Florida. We have
19 a total of about 4,000 members here in Florida
20 and -- all together including cadets and --

21 MR. WERTER: And what is a cadet?

22 MR. HENDERSON: A cadet is going to be someone
23 from 12 years old, and you can stay until you're --
24 21, Gene?

25 MR. MELTON: (Nods head.)

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1 MR. HENDERSON: You're allowed to do that.

2 Most of them will tend to, you know, rotate out.

3 Right now, Gene has gone over to Murray Middle

4 School. We had a meeting over at Murray Middle

5 School I think last year.

6 We were trying -- we were trying to put in a

7 youth after -- after school enrichment program to

8 provide aerospace education, you know, an

9 enrichment program to some of the children in

10 the -- in the middle school and try to increase,

11 you know, participation of young people especially

12 in like Murray Middle School to give them the leg

13 up on trying to encourage some of their kids to go

14 in the Aer -- into the Aerospace Academy. That's

15 just generally what -- some of the things we do.

16 CHAIRMAN YOUMAN: Thank you, very much.

17 MR. WERTER: Thank you. Well done.

18 CHAIRMAN YOUMAN: Mr. Cox?

19 MR. HENDERSON: Thanks.

20 MR. COX: Another thing they do, they provide

21 very active search and rescue duties and -- and

22 they do that phenomenally. They teach these young

23 men and women to go out and be able to do the

24 search and rescue techniques. But also provides a

25 very good avenue to the U.S. Air Force Academy or

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1 whatever other military academy they might choose.

2 And there are a number of retired and active
3 duty Air Force generals right now that have been --
4 that were CAP cadets. So I don't understand
5 what -- why is it that we're even arguing about
6 this deal. Let's give -- let's give the CA -- the
7 building to the CAP. They mitigate their rent
8 through services to us, period. So...

9 CHAIRMAN YOUMAN: Mr. Ciriello?

10 MR. CIRIELLO: I don't want any of you people
11 seem to think that I'm anti Civil Air Patrol, that
12 I don't like them or anything --

13 MR. COX: Well, you sure sound like it.

14 MR. CIRIELLO: Baloney.

15 CHAIRMAN YOUMAN: Gentlemen.

16 MR. CIRIELLO: My main concern is the
17 building.

18 Now, if this building was sitting empty for a
19 long time, is in as bad shape as you -- I wonder if
20 there has been any -- if there is or has to be
21 or -- an inspection. Someone from the county go in
22 and look at that and say, oh, this building is
23 uninhabitable, it doesn't make sense to fix it,
24 it's condemned.

25 In other words, you heard the old saying

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1 putting good money after bad. That's what my --
2 this whole argument of mine is about. This
3 building and the -- and the \$24,000 going in to
4 repair it and fixing it and everything, if it's
5 really worth it. It's not the idea just it's the
6 Civil Air Patrol --

7 MR. COX: We're not spending \$24,000, Joe.
8 We're not spending any money on it.

9 MR. WERTER: We're not spending a dime.

10 MS. BARRERA: Do we have any public comment?

11 CHAIRMAN YOUMAN: May I --

12 MR. CIRIELLO: Somebody is.

13 MR. COX: Yeah. Go ahead, Carl.

14 MR. WUELLNER: It's not us.

15 CHAIRMAN YOUMAN: I -- I think we're at the
16 point that we should have a motion.

17 MS. BARRERA: I'd like to make a motion that
18 we accept the in-kind lease agreement with the
19 Civil Air Patrol for the building.

20 MR. WERTER: Second.

21 CHAIRMAN YOUMAN: Excuse me. I didn't ask for
22 public comment, but I -- I'm going to ask for it,
23 but there is none because there's no -- I don't
24 have any comment statements. I asked for the

25 motion, I've got the motion. Do I have a second?

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1 MR. WERTER: Second, yeah.

2 CHAIRMAN YOUMAN: Any further discussion?

3 (None.)

4 CHAIRMAN YOUMAN: Ayes?

5 MR. CIRIELLO: Aye.

6 MR. COX: Aye.

7 MR. WERTER: Aye.

8 MS. BARRERA: Aye.

9 CHAIRMAN YOUMAN: Aye.

10 MR. BURNETT: Any opposed?

11 CHAIRMAN YOUMAN: Any opposed?

12 (None.)

13 2012-13 TRIM & PRELIMINARY BUDGET DISCUSSION

14 CHAIRMAN YOUMAN: Moving on to --

15 (Mr. Cox leaves the room.)

16 CHAIRMAN YOUMAN: -- the next item, the

17 2012-13 TRIM and preliminary budget discussion.

18 Mr. Wuellner?

19 MR. WUELLNER: Yes, sir. In order to get to
20 the TRIM discussion and ultimately some action on
21 that, which is the only action required today, is
22 to set the level of TRIM. It has to be done during
23 the month of July. This is your only meeting in
24 July, there -- therein some action is required.

25 I'll present a first draft, for lack of better

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1 words, or the first time you will see the proposed
2 budget for next year. There is no action on the
3 budget per se. Again, the last order of business
4 related to the budget today would be to adopt some
5 level for TRIM.

6 The budget as it's been developed internally
7 again requires no ad valorem taxes at this point.
8 We have improved the accuracy of the budget, at
9 least the estimated actual kinds of numbers, by
10 successfully tying the budget papers you have in
11 front of you of the budget to our financial
12 statements in the QuickBooks software that we use
13 to produce financials. That will improve the
14 reliability, allows for updated information as we
15 go through the budget period and allows updated
16 estimated actual data.

17 Again, we build a budget as we always have on
18 a very conservative basis, meaning we tend to
19 underestimate our revenues or try to and still
20 overestimate our expenditures to the extent
21 reasonable.

22 This year's budget proposed right now is at
23 \$6,443,809. Those of you that follow the annual
24 bouncing ball of budget around here, you'll notice

25 that is approximately 50 percent of last year's

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1 budget. So in a big picture, if you only look at
2 total budgets, this is half as much as last year's
3 budget. I'll help explain why that is in a minute,
4 but it -- it really has nothing to do with the
5 stability side of the budget, which is in the
6 operating side.

7 And this is largely due to a smaller capital
8 development program. That's not being driven
9 internally, that is, by airport. It really is
10 reflective of a couple of things. One, it reduced
11 capital programs from both Florida DOT and to some
12 extent FAA, Federal Aviation Administration. Also
13 just how grants were programmed, this happens to be
14 a year where the airport is not particularly in the
15 hunt for this year's funding for those -- from
16 those sources for grants.

17 If you recall, we had huge years last year and
18 the year before. And in fact, to the tune of
19 almost \$20 million of capital development money
20 that flowed through the airport for projects such
21 as Taxiway B North, the runway rehab, the
22 mitigation --

23 (Mr. Cox reenters the room.)

24 MR. WUELLNER: -- for the Taxiway B project,

25 Taxiway B South. We built a fire station. We

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1 built a conference center. We built 48 T-hangars.

2 You've have a couple of extremely over the top

3 successful years of grants. This is just one of

4 those years where we're -- we're not getting the

5 lion's share of capital funds.

6 We are getting money. We have deferred -- we

7 were identified as part of the last round that

8 Congress did for Airport Improvement Program

9 funding that went through. This spring, we will

10 get an additional believe it or not \$1 million this

11 year identified and next year for having had

12 commercial service in 2007 and 2008. We will get

13 an additional \$1 million for each of those years.

14 For those of you following that as a

15 primary -- or as an entitlement, commercial service

16 entitlement, that effectively doubles the amount of

17 entitlements that the airport was successful in

18 getting. Since we didn't get that information

19 until very late, we have deferred it. But they

20 will be combined. We don't lose it. We just defer

21 it one year. So we'll have a \$2 million project

22 available to us next year.

23 We do have GA entitlements coming to us anyway

24 this year to -- up to a level of about \$150,000 of

25 FAA project. That will allow the design work to

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1 begin to support the projects that would be funded
2 in the following year. So we can get the
3 engineering component accomplished in this slower
4 year and be ready to go when we hit the following
5 budget year. What else was I going to tell you
6 about that? That's probably about it.

7 You -- many of you are aware that we are in
8 the process of creating a value related to -- to
9 our grant -- to our, one of our tenants, Northrop
10 Grumman. There's a lease that becomes -- goes into
11 a renewal cycle this fall. We are attempting to
12 establish that value.

13 We did not include that anticipated revenue,
14 and we expect that any revenue derived from that
15 lease would go directly into reserves. So it's
16 really not fundamental to the discussion today
17 since the dollars would pass right through from --
18 from revenue to reserves.

19 So, as that number gets better into focus, and
20 it will be in focus by the time we hit budget
21 hearings in September, we'll be able to identify
22 the number. It will be included in the budget and
23 we'll see the course -- the corresponding revenue
24 increase as well as the -- the tagged along

25 increase in reserves being held. So, we'll be

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1 sharing that with you as the number gets into
2 focus.

3 To hit the highlights of the budget,
4 essentially revenues include everything we have
5 effectively at full occupancy as it has been for a
6 while. It reflects an approximate 2 percent CPI
7 adjustment over the coming year.

8 The only item that we flatlined for the year,
9 for lack of better words, is fuel revenues,
10 fuel-related revenues, which includes flowage fees
11 that pass through Galaxy as well as fuel flowage
12 fees or fuel profits that are generated off our
13 self-fuel operation.

14 With fuel prices frankly being all over the
15 place for the last couple of years, this keep in
16 mind only represents the fuel flowage fee
17 component, not the fuel total sales or anything
18 similar. This is simply the authority's 8 cents a
19 gallon from Galaxy as well as the Airport
20 Authority's what I'll call after-cost profits on
21 the self-fuel operation.

22 So that -- and the vast majority of this
23 \$170,000 number is fuel flowage fee that passes
24 through Galaxy. Probably \$140,000 of which at the

25 end of the day or very close to that number. Yes,

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1 sir -- yes, ma'am.

2 MS. BARRERA: And with that flatlining the
3 fuel sales, has -- has it been stable --

4 MR. WUELLNER: Yes, it's a good reliable
5 number --

6 MS. BARRERA: -- as far as Galaxy and on the
7 self-serve?

8 MR. WUELLNER: Yeah. We -- we're seeing
9 strong but not generally growing numbers on
10 self-fuel.

11 MS. BARRERA: Uh-huh.

12 MR. WUELLNER: And I -- we've seen improvement
13 on the Galaxy side. It's nowhere near where they
14 want to be and it's nowhere where it was a couple
15 of years back. But I think we can -- we can
16 hold -- I think holding it is about as optimistic
17 as I'm prepared to be for the next year. If we do
18 better, we do better. That's great.

19 MS. BARRERA: Certainly.

20 MR. WUELLNER: So a -- you see we still
21 didn't -- still haven't budgeted anything directly
22 for airline operations or airline revenues. If
23 something comes up, and we're very hopeful it does,
24 then that -- we'll plug a number in there and that

25 will serve to just increase the -- the revenue

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1 side, and you'll see we haven't budgeted expenses
2 against it either, so we'll have to have that
3 discussion when something does happen to include
4 it. Overall net increase of about 1.83 percent of
5 revenues projected over next year. Which takes us
6 to the expenditure side.

7 I'll touch -- basically the only -- let me
8 just real quick. The only nonoperating revenues
9 that the airport enjoys of course is -- is our
10 reserves. They're not technically revenues,
11 they're just being held over from previous years.

12 We do have miscellaneous revenues that equate
13 to about \$11,000, which is related to interest on
14 monies the airport holds. And the only other
15 nonoperating revenues are grant revenues that we
16 would -- that we project out of capital and then
17 make it onto the -- the revenue side of the
18 equation to offset the expenditure of capital.

19 I remind everybody related to the capital
20 program if it's got a grant project associated with
21 it, unless we have the grant executed, there are no
22 expenditures against it. So it's a no-risk
23 scenario. We don't spend the money and then hope
24 somebody comes up with a grant. It doesn't work

25 that way. If we get the grant, then we'll start

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1 spending the money. So, just to remind you of
2 that.

3 All right. To the general expenditure side or
4 what we call the operating side. Personnel, we've
5 made a few changes that I need to just kind of walk
6 you through, help you explain what we did, because
7 they on the surface may not make a tremendous
8 amount of sense.

9 On personnel on salaries, existing positions,
10 you'll see that it's about 71 and a thousand
11 dollars reduced. That reflects the removal of the
12 salary-related items to Bryan from a full-time
13 position.

14 We do -- we are not at this point replacing
15 at -- anyone at that level as a new position within
16 the organization right now. However, we are
17 looking to -- we are exploring some contractual
18 service options with outside agencies. So it's not
19 a net wash, but it comes out of personnel at this
20 point. And it -- should we execute a contract
21 with -- with an agency to help us do some economic
22 development, industrial park development kinds of
23 things, it will come under contractual services or
24 professional services on the operating expenditures

25 page, which is the next page and I'll touch that in

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1 a second.

2 The only new positions, we are -- we are
3 exploring putting two new positions in place. Both
4 of them would be in the area of janitorial. They
5 would replace what has been a contractual service
6 in the past. The idea here is we would be better
7 able to control the volume of the output of the --
8 and the quality over all of work being accomplished
9 with having that staff under airport direct
10 supervision.

11 When we do those kinds of services
12 contractually, you get a finite number of hours and
13 a finite amount of effort put in each week. We're
14 continually for the most part always adding space
15 that's covered by that contract, therefore it's
16 expanding the cost.

17 We believe we've reached finally the -- the
18 critical point in here. We're bringing it inside,
19 anticipating perhaps air service in the future,
20 which would bring a high level of additional
21 janitorial required and would have to come out
22 of -- be covered by the operating cost of air
23 service.

24 This takes some of the pressure off of

25 constructing air service agreements because you're

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1 already covering those costs under general
2 operating.

3 But if you recall when -- as an example, when
4 Skybus was here and particularly when we got to the
5 point where we were doing four flights daily, we
6 literally had janitorial services required just to
7 keep up at almost two times a day. And that's
8 every day of the week. So it really had a net
9 effect of hitting that budget line item very very
10 hard.

11 Fortunately it was offset by revenues at the
12 time generated by -- in this case it was car
13 rentals, parking, things of that nature. It was --
14 it was at the end of the day certainly profitable
15 for us. So it would more than offset the cost.

16 But at the end of the day, it -- this is -- takes
17 some pressure off of the revenue side of air
18 service later on. So it's -- it should be a
19 win-win for us completely.

20 Now, a couple of other things to point out.
21 Under the last really couple of years, we --
22 because of the requirements of employees who reach
23 Medicare age, historically they are moved off of
24 private insurance or insurance the authority has

25 historically provided for employees and are covered

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1 by Medicare. The Authority has picked up the cost
2 of the additional Medicare premium, which was
3 extremely low compared to private insurance,
4 especially for someone well in their 60s in terms
5 of buying a full -- full blown medical coverage.

6 Well, with those Medicare eligible employees
7 no longer on staff, any new employees of course are
8 brought in with the full medical cost. So there's
9 an uptick by adding full-time employees to the mix.
10 So that's -- that's where the difference will be in
11 particular under insurances. That's where that --
12 that uptick comes from.

13 Retirement contributions are pretty much a
14 function of salary. They are -- they're a fixed
15 percentage by statute. We don't really get any
16 governance in what that rate is. And workers' comp
17 of course as well as our Authority share of
18 unemployment insurance, FICA, and -- what's the
19 other one -- Medicaid, are -- are fixed by statute
20 and they're just simply a multiplication of
21 expected salary. So that's where the number
22 derives.

23 Over all under personnel, it's a 7 percent at
24 the end of the day uptick from the previous year's

25 budget at the end of the day. Now, keep in mind

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1 there will be of course some offset of some of
2 those costs on the other side under expenditures.

3 So with that, moving to operating accounts,
4 which is the next page, our -- I think about 15
5 major categories. Again, estimated actuals being
6 fed from our financial statements, so they are
7 relatively reflective of what our expected costs
8 are through the end of the year.

9 You can see professional services -- I'm going
10 to leave off another sheet as I go to it because we
11 have some notes for -- for my benefit on that.
12 Professional services essentially is reduced about
13 \$8,400. Let me see if I can find out.

14 Reduced -- part of it was reduction of the
15 airport -- or the airport's emergency plan, which
16 was required under FAR Part 139, was completed this
17 year. It does not require the level of revision
18 each year. So that has been pulled out of
19 professional services or at least what we expect
20 this year.

21 We -- with hopefully settling the issue of
22 litigation, our expectation is we'll be on a -- at
23 least at this point we expect to be on a flat
24 retainer for the -- for the upcoming 12 months.

25 That doesn't preclude somebody coming out of the

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1 woodwork with similar other litigation, but at
2 least at this point we expect that to be limited
3 within the confines of normal retainer.

4 Then -- those -- those were mostly reductions.
5 Then you can see under professional services, there
6 is an uptick. We did create a \$50,000 placeholder,
7 that's why you don't see the number reduced as much
8 as I just said, to hold the place related to our
9 economic development efforts, industrial park
10 development efforts. We do have a placeholder
11 there to do that as a contractual service instead
12 of under salaries with a full-time position.

13 Contractual services. Let's see what else
14 we've got here. That's pretty much, what did we
15 reduce here? Let's see.

16 MS. BARRERA: The waste.

17 MR. WUELLNER: Yeah, we have -- oh, part of --
18 I'm sorry. The -- the wholesale, the \$50,000
19 related to salaries adjustment is made on
20 contractual services. And what we had not done is
21 include -- under other contractual services, we had
22 a miss I guess you'd call it -- it was on the wrong
23 line item in previous budgets related to
24 navigational aid maintenance has now been brought

25 down to contractual services out of professional

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1 services.

2 And the other is reduction of the \$50,000 that
3 we currently do janitorial services contract has
4 been pulled out of that line item completely. So
5 that's why you see -- those combination of items is
6 why you see would be a reduction of 50. Then we at
7 23,000 back in there for the navigational aid
8 maintenance under that line item. So the net is
9 about \$32,000 reduction on the line item over last
10 year to this year.

11 Travel and per diem's fairly flat, but does
12 reflect stepped-up efforts in recruitment of
13 airline -- air service as well as covering what our
14 anticipated travel is for the next year. You can
15 see we haven't hit that number this year and
16 don't -- probably won't next year, either.

17 Communications -- change my page here --
18 includes a reclassification of -- of about I think
19 it was 19,000 -- about \$19,000 that was currently
20 covered in this year's budget under communications.

21 It really should have been under contractual
22 services, also. And it has to do with network
23 maintenance related agreements with Cisco. So
24 we've made that correction, too.

1 this tied in the financial statements, is we -- we
2 really do get to see where the -- where the
3 expenditures are really supposed to be made out of
4 versus the line item they may have been carried
5 into the budget.

6 Utility services, again this reflects what
7 looks like we'll be paying plus a little bit of an
8 uptick cause the utility rates typically do climb
9 every year.

10 Leases, same deal. You can see we reduced
11 that by about \$7,400. These are leases that we
12 enter into. These are things we rent. Could be
13 equipment. Could be other things. But that's the
14 kind of thing. I don't have any particular notes
15 on that one.

16 Repair and maintenance, this is just general
17 upkeep on the facility. Includes grounds,
18 equipment, buildings, any -- anything the Authority
19 owns and has to do routine maintenance on.

20 Public relations, you see an uptick there.
21 We're hoping to -- a couple of things, one wanted
22 to solidify within the budget line item our
23 participation in TPC so that it's apparent on the
24 appropriate line item for it, which it would be in

25 this case. It includes \$20,000 for promotional, 35

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1 in airline marketing, events sponsorship TPC at 15,
2 branding and PR and general PR at 15,000. That
3 equates to the 85,000.

4 Government obligations, these are really a
5 combination of things. Taxes we -- we pay are
6 obligated on behalf of our tenants. This includes
7 cost of Customs, any other thing we pay. There's
8 on that goes to -- several that go to the state for
9 various licensing and service fees.

10 What's the community services -- community --
11 is it community development, the state agency?
12 Community Affairs. I never get that department
13 right. But that -- that's the kind -- that's
14 consolidated -- places we pay other governmental
15 agencies. There's always this belief that
16 government doesn't charge government for things,
17 but it's completely the opposite.

18 Slight increase in office supplies from 13,8
19 to 15. Slight increase on office equipment line
20 items. Operating expenses themselves, these are
21 consumable items within the budget. Basically
22 flat.

23 Publications and memberships, these are ACIs,
24 FACs, Contract Tower Association, any agencies like

25 that. Basically a \$12,000 up from 11,3-. And

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1 professional development, these are
2 conference-related fees, things like that. Any
3 kind of training for staff that -- anything along
4 that -- that vein. And that's essentially the same
5 number as last year. It's about \$300 less.

6 You can see the overall operations budget is
7 reduced by about -- estimated about \$3,000 when you
8 net it all back out. So it is a slight decrease
9 expected next year over this year. And any
10 questions on the operating as it sits anyway right
11 now? Okay.

12 (None.)

13 MR. WUELLNER: Okay. Op -- nonoperating
14 expenses. This is where we under -- you see we
15 still are maintaining no debt and don't expect debt
16 at least in this next fiscal year.

17 Reserves, you can see we hold the reserve line
18 item and at this point anticipate adding about
19 \$20,000 to the -- of additional reserves at the
20 conclusion of next year, by the end of next year.
21 No PSC-related activity. Capital construction
22 planning, I'll go over that in a second, but these
23 are carry-forwards from the next sheet, which I'll
24 go over in a little more detail with you.

25 Capital equipment, security software servers,

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1 approximately \$25,000 is expected under capital.

2 Equipment replacements at 15 and general capital

3 equipment at about \$10,000 estimated next year for

4 a total of 50,000.

5 Your projects proposed for next year include

6 the barge seaplane basin, Phase -- it's Phase 2 in

7 terms of construction, Phase 3 in terms of grants,

8 estimated at \$420,000. It's a 50/50 project with

9 the FIND district. So the Authority's obligations

10 would be 210-.

11 We have a to be determined \$150,000 50/50

12 project with Florida DOT. We have made the request

13 but have not gotten any confirmation back yet. But

14 we -- we're looking at maybe using that to -- to do

15 the industrial park planning under that line item.

16 You have \$50,000 in there for land

17 acquisition. It's a 50/50 grant. We have

18 substantially more money in that with DOT. So

19 should the need arise, we can match much more than

20 that with DOT. But it didn't make much sense to

21 budget it and not have something identified to

22 actually expend it.

23 Typically we get a couple of industrial park

24 lots offered to us across U.S. 1 on the north end

25 of the approach area, and that number more than

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1 adequately would cover those kinds of acquisitions
2 should they become available again this year.

3 We see the \$150,000 there for Taxiway Alpha
4 and Taxiway Delta design. That's the FAA project I
5 mentioned a little bit earlier. It's the GA
6 entitlement funds. It's a 95 percent FAA-funded
7 project. The Authority's share would be the
8 balance, which is \$15,000.

9 We have some significant repair items that
10 come under capital this year we're recommending.
11 These are not matched by grants. So these are
12 wholly -- would be wholly funded by the
13 Airport Authority. Include repairs to Corporate
14 Hangars 2 and 3. These are the Southeast Area
15 hangars in the east side corporate hangar area, if
16 you know where those two hangars are.

17 The building insulation on the roof and all
18 that is coming down. It is de -- degenerated in
19 the ultraviolet light. This provides a recommended
20 solution to fix that permanently so we won't have
21 this problem on an ongoing basis.

22 Hang -- corporate Hangar 11, this is for --
23 you may have seen we have some canopy railing
24 damage over the years and just wear and tear on the

25 exterior of Corporate Hangar 11.

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1 Also includes some money to match the
2 manufacturer who provided roof-related repairs on
3 the bulk hangar at the Galaxy leasehold that the
4 Airport Authority owns. We own that building.
5 There's some warranty work to be done. They've
6 offered to recoat the roof over there by splitting
7 the cost and gaining additional years of service
8 out of that.

9 Grant grand total of all capital is \$890,000.
10 FAA portion of that is about \$135,000. State funds
11 at \$310,000. Leaving the authority with \$395,000
12 or approximately 47 percent of the total capital
13 expenditures. All of which carries forward to the
14 front page.

15 CHAIRMAN YOUMAN: One quick question.

16 MR. WUELLNER: Sure.

17 CHAIRMAN YOUMAN: Where does the \$395,000 come
18 from?

19 (Mr. Cox leaves the room.)

20 MR. WUELLNER: \$395,000 is -- is the lion's
21 share of the operating profit of our revenues over
22 our expected expenditures with the balance feeding
23 reserves.

24 CHAIRMAN YOUMAN: Excellent.

25 MR. WUELLNER: So -- so we are not in any way

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1 getting into reserves to cover the capital programs
2 for this year.

3 CHAIRMAN YOUMAN: Excellent.

4 MR. WUELLNER: All right. All of which is
5 kind of summarized on this front page. You can see
6 all the lease revenues carrying forward,
7 nonoperating revenues carried forward including the
8 grants. We are under the yellow highlighted
9 column.

10 On the expense side, personnel carries into
11 this. Operating expenses are summarized and
12 carried forward. You can see this is exactly
13 the -- where we can summarize that maybe better for
14 you, Mr. Youman, is that operating revenues total
15 \$2,524,000 expected. Operating expenses at
16 \$2,020,000. So there's approximately \$500,000 --

17 THE COURT: Uh-huh.

18 MR. WUELLNER: -- that feeds the capital
19 development program and feeds any additional into
20 reserves.

21 CHAIRMAN YOUMAN: Love it.

22 MR. WUELLNER: Nonoperating, you can see
23 reserves are approximately 3.5 million. And then
24 you see the capital expenditures from that very

25 last page. When you combine operating and capital

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1 and grants and all that related, we have a proposed
2 budget of \$6,443,809 at this point.

3 It will move slightly, as the numbers are
4 finalized and we get into September, we'll have
5 not -- at least the Grumman information will change
6 these numbers even if it affects those two items.

7 We will also have the opportunity -- over the
8 next 45 days or so as more and more current year
9 financial data is in there, if we see something
10 else or some other anomaly, we'll have that
11 opportunity to make that pitch to you as we present
12 the first budget that would require some level of
13 approval when we hit the public hearing cycle in
14 September.

15 And right now, we propose that public
16 hearing -- the -- yeah, thank you -- at 5:01 on
17 September 5th, which is a Wednesday, will be the
18 preliminary first public hearing as it relates to
19 budget. The -- and then the second public hearing
20 is tentatively held on, what is it, the 20 -- is it
21 the 17th?

22 MS. HOLLINGSWORTH: 17th.

23 MR. WUELLNER: 17th of September. That will
24 be, as we have more often than not included that in

25 our regular Airport Authority meetings, and we'll

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1 pause, convene the public hearing portion and then
2 when that's concluded, if necessary we'll reconvene
3 the meeting. Hopefully it won't be necessary by
4 that point. That's our goal anyway.

5 Which all of which that I've been saying for
6 however long I've been talking brings us back to
7 our recommendation to you. We're always pleased to
8 make the recommendation that a zero millage
9 requirement for the upcoming fiscal year would
10 again be appropriate. As such, we would recommend
11 that to you for formal action time.

12 CHAIRMAN YOUMAN: I think Mr. Cox is locked
13 out. We'll wait for a moment.

14 MR. WUELLNER: I did hear a click, so he
15 probably --

16 MS. BARRERA: Does this need a motion?

17 MR. WUELLNER: The budget, nothing does. The
18 only thing that needs an action by the board is the
19 TRIM, is the only action, or whatever level you
20 choose.

21 CHAIRMAN YOUMAN: Is this the time to discuss
22 the budget or the next meeting?

23 (Mr. Cox enters the room.)

24 MR. WUELLNER: You are welcome to kick around

25 details. You're welcome to meet with me at another

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1 time and go over details. Ultimately no formal
2 action is required on the budget today. I'll be
3 happy to try and address questions, but September
4 5th at 5:01 is the -- the formal public hearing
5 related to the budget.

6 CHAIRMAN YOUMAN: Does anyone on the board
7 want to discuss the budget -- any budget item at
8 this time or hold off?

9 MS. BARRERA: It's your recommendation that
10 this budget as proposed can be done with a zero --
11 with a TRIM set at zero millage?

12 MR. WUELLNER: Yes, ma'am.

13 CHAIRMAN YOUMAN: Any board discussion on the
14 TRIM millage of zero?

15 (None.)

16 CHAIRMAN YOUMAN: Open for public comment, but
17 no public comment slips, so there's no public
18 comment.

19 MR. WUELLNER: Require a motion and --

20 MS. BARRERA: I make a motion that we adopt
21 the -- the zero millage for TRIM.

22 MR. WERTER: Second.

23 CHAIRMAN YOUMAN: May I have ayes?

24 MR. CIRIELLO: Aye.

25 MR. COX: Aye.

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1 MR. WERTER: Aye.

2 MS. BARRERA: Aye.

3 CHAIRMAN YOUMAN: Aye. Any nays?

4 (None.)

5 CHAIRMAN YOUMAN: No nays. Motion carried

6 unanimously. Zero millage again for the third year

7 in a row, I believe.

8 MR. WUELLNER: Yes, sir.

9 PUBLIC COMMENT - GENERAL

10 CHAIRMAN YOUMAN: All right. Any public

11 comment in general?

12 (No public comment.)

13 CHAIRMAN YOUMAN: Authority Members' comments

14 and reports. Mr. Ciriello, intergovernmental

15 meeting?

16 MR. CIRIELLO: Yes. Mr. Rippe of the waterway

17 authority people was -- made a report that they're

18 working on their budget like everybody else in the

19 county, and he made mention that their discussions

20 and actions going on with dredging Salt Run and

21 Sebastian River.

22 A Mr. Sample -- I didn't put down here who he

23 represented, but something about land assessment

24 project. But their 3 -- .3133 millage in their

25 budget. And I didn't put down whether it was an

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1 increase or a decrease.

2 Cyndi Stevenson from the county said that
3 their budget's going to show a 2 and a half percent
4 reduced value. They have an 8 percent decrease in
5 the number of employees. Property tax will show a
6 20 percent decrease. And the population in the
7 county is nearing 200,000.

8 Now, Vicky Oakes from the elections said in
9 the general election, there will be 11 amendments
10 on the ballot to vote on. August 14th is the
11 primary election day. August 4th starts the early
12 votes for the -- the primary. And they're at the
13 time now training 365 poll workers for the upcoming
14 election.

15 Mr. Brinville (phonetic) said that the San
16 Sebastian Bridge project is 413 days into their
17 contract. And I guess by the end of February 2013
18 it should be finished. Carla Wright from the
19 school board said they're working on the budget,
20 there's no proposed tax increase, and that school
21 will start in the end of August. That's it.

22 CHAIRMAN YOUMAN: Good report. Thank you,
23 Mr. Ciriello. Mr. Cox, you have no -- nothing to
24 report on the marketing?

25 MR. COX: No reports. Just comments.

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1 I want to say that the -- the airport and I
2 think the entire board is 110 percent behind the
3 Civil Air Patrol and its activities on this field
4 and they will have a home at this field for the
5 foreseeable future and we'll find them one if they
6 can't find one. That's all I have to say.

7 CHAIRMAN YOUMAN: Excellent comments, Mr. Cox.

8 Mr. Werter, EDC?

9 MR. WERTER: On the A -- EDC, that's coming up
10 as -- as Norm said July 31st, so no comments there.
11 But a side comment on the treasury report. I got a
12 little flustered between comments, but there are no
13 abnormalities.

14 But something I'd like to talk about just real
15 briefly, a commentary as to something Mr. Ciriello
16 brought up a few months ago as to unapproved
17 projects on the airport that don't require votes,
18 things of that nature, like the office
19 administration improvements.

20 One of the things that I look for when I look
21 over the treasury report is any unusual amounts
22 that I don't understand. And this report goes out
23 to everybody and anybody on this board -- it
24 doesn't go out to everybody? That's the confusion

25 I had at the beginning of the meeting. I thought

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1 this report goes out to everybody; it's just me to
2 make commentary on.

3 But there were no abnormalities. But that's
4 what I look for. If there's any unusual spikes in
5 any certain areas, I turn around and I talk to
6 Cindy or I talk to Ed what it is. But anybody in
7 the -- on this board and given that it's probably
8 public information, can question the -- the monthly
9 treasury report and if they see something they have
10 a question for, they can come to me or come to Ed,
11 you know, come to any member of the board who will
12 go to Ed. Ed is inundated, so maybe they should
13 come to one of us and say, hey, I saw something on
14 the budget that seems unusual. Can you explain it
15 to me? And we'll clarify it.

16 So, even though there may be an un -- a
17 project that's not subject to board approval like,
18 you know, improving the administrative office, ask
19 questions. If you see something abnormal, ask
20 questions. But so far, I don't think we have any
21 problems with Mr. Wuellner's judgment. But we keep
22 an eye out. That's our job.

23 So, I just want to bring that attention. In
24 one way he's right, you know, as far as we keep an

25 eye out on our budget. The unapproved -- the

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1 projects that are not subject to board approval,
2 you know, and -- but there is a watchdog on it.
3 You know, it starts with me. But everybody's
4 involved, be it the board or the general public.

5 So you are right in a way. It's just not that
6 every little minor project should be run through.
7 So, yes and no, I do understand it and I actually
8 agree with you on that thing you brought up a few
9 months ago. So I just wanted to bring that to the
10 board's attention and the general public's
11 attention.

12 Other than that, I'm looking forward to the
13 EDC breakfast. It's a nice view and they have a
14 lot of good speakers. So that's coming up. And
15 that's all I have to say. And also as far as
16 Mr. Cox's last comments, hooray.

17 CHAIRMAN YOUMAN: Thank you, Mr. Werter.

18 MR. WERTER: Carry on.

19 CHAIRMAN YOUMAN: Ms. Barrera?

20 MS. BARRERA: Jim, as far as your last
21 comments, we do trust you to be the watchdog on the
22 finances and on the financial reports. And I think
23 that if there is a question, I just want to clarify
24 that we want to go to Ed regarding that question

25 and not to you as a fellow board member to --

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1 MR. WERTER: Oh, no, no, no. The Sunshine
2 Law, yeah. No, that would be more the general
3 public. Yeah.

4 MS. BARRERA: I just wanted to clarify that
5 because I knew that that's what you meant, but it
6 didn't come out that way.

7 MR. WERTER: I hear that from a judge every
8 now and then, but go ahead.

9 MS. BARRERA: As far as the TPO meeting that I
10 attended, a lot of good information came out about
11 that. They talked about the Argyle campaign that's
12 being done with CareMore, and they rolled out that
13 advertising and how they came about for that
14 project and what went into that.

15 And they're looking at doing some further
16 campaigns regarding pedestrian and cycle traffic in
17 both St. Augustine and in Jacksonville Beach. So I
18 thought that was very interesting and probably much
19 needed.

20 The other thing that came out is when I answer
21 announced to them that we were having our Bahamas
22 air day, it was interesting because a lot of people
23 didn't realize that they could fly out of
24 St. Augustine, Northeast Florida Regional Airport

25 to go to the Bahamas.

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1 So I think that whatever we can do with our
2 publications to -- to increase that would be money
3 and time well spent. One gentleman who already had
4 a flight booked just two weeks later was heading
5 out of Orlando -- Daytona. So, I just encourage us
6 to move a little bit further with that.

7 In regards to the Bahamas air day, I thought
8 it was very well done again. And I know I saw
9 several people out there, and I think that it was
10 beneficial in trying to keep a raising -- raising
11 the awareness regarding it.

12 As far as the Aerospace Academy is concerned,
13 they are currently looking for -- they do have a
14 position open. They are currently looking to have
15 it filled. If anyone is interested in that
16 position, I would suggest that they contact Gail
17 Cullum who is the director of the aviation
18 Aerospace Academy at St. Augustine High School.

19 I would like to further say that both the
20 Civil Air Patrol and SAAPA have both been huge in
21 the Aerospace Academy and -- and the Family Fun Day
22 that was -- that occurred and in providing a lot of
23 resources to the Aerospace Academy. So I want to
24 commend them.

1 Firehouse Subs. Those grants these days are very
2 competitive. And I want to thank you for doing the
3 legwork for that, because that was -- they can be
4 very cumbersome, I know.

5 And I also wanted to suggest that in
6 recognition of Bryan Cooper, many of the
7 Airport Authority members weren't able to attend
8 his retirement. And it may be something that we
9 might want to do as a board, is to invite him here
10 and recognize him in a special way for his
11 contributions here to the airport.

12 We've got his recognition being done by the
13 Florida Airports Council. And certainly I think
14 from a board standpoint, we could -- we could come
15 up with something to recognize him as well for his
16 time and efforts.

17 And the last thing is I just wanted to remark
18 on the passing, that we've had two losses at the
19 airport community here. One indirectly through the
20 student who passed and also with Bill Bullock. And
21 just keep those families in your thoughts and
22 prayers. And that's it.

23 CHAIRMAN YOUMAN: Thank you. My turn.

24 From the TPO meeting, there was a number of

25 items. We have been funded for the multimodal

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1 station study for the area for the benefit of

2 St. Johns County and St. Augustine.

3 And it will be very very neutral. They will
4 not hold any meetings at this airport. Everything
5 will be done off-site to make sure the neutrality
6 is maintained so that we come up with a good plan
7 whether or not multimodal should be here or not or
8 just a separation station for AMTRAK down the way
9 somewhere.

10 HNTB (sic) is performing a traffic study with
11 St. Augustine and the TPO is having both
12 organizations do some melding between each other
13 where it's applicable to make this board -- HNTB.
14 I needed another little circle, didn't I?

15 Another item. This was in the paper, the
16 St. Augustine paper, managed lanes. This is a
17 phenomenal concept. For some reason, The Record,
18 they were sort of neutral but sort of negative
19 about it because it said tolls. And there's
20 supposed to be some guarantee out there that -- in
21 Duval County that there would be no more toll lanes
22 when they raised the taxes to cover the
23 expenditures of maintaining the highways.

24 But what this is is not developing new

25 highways that are toll lanes only. It's adding

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1 lanes to existing highways and charging a toll to
2 use those new lanes. And what they've found around
3 the country where this has been put into effect,
4 the users of the other lanes have great benefits
5 but because it just picks up these people and puts
6 them in the lanes where they want to do a hundred
7 miles an hour and they're in a hurry to get there
8 two minutes earlier than everybody else. They're
9 willing to pay that extra money to do it. And it
10 takes the pressure off the other lanes.

11 And because we are in trouble as a country
12 finding funding sources for maintaining our
13 highways, our user fees are not being covered even
14 closely with the tax -- the gas tax because of
15 what's happening with the higher mileage vehicles,
16 electric cars, et cetera, all the conservation. So
17 there has to be dealings with reality, I guess
18 you'd call it, and this is one of them.

19 The increase in the PR budget. With
20 everything that's going to be going on, like
21 combining with the committee reports and the
22 marketing plan, I would think that hopefully our PR
23 would increase for the airport to cover what
24 Ms. Barrera was stating with the Bahamas and the

25 many, many, many other things, and finally after a

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1 long period of time, start extolling the
2 positiveness and the resources we have here to the
3 general public in a massive way, not just a little
4 tiny way. That's my view and I hope the board
5 agrees with me.

6 And Mrs -- Ms. Barrera's comments about Bryan,
7 I fully support them and I believe we should put
8 something together for Bryan.

9 And on the CAP, I think the CAP understands my
10 position with my discussions with them on -- about
11 the possibilities of coming to the airport here.
12 It's just my comments were to make sure that they
13 just fully understand the ramifications of what
14 could happen and that was it.

15 And I fully support the CAP, I'm glad you're
16 here, and I'm sure that we're going to be able to
17 make any adjustments as an Airport Authority and
18 administration to make sure you have a long, long,
19 long, long stay here at the airport.

20 And I just want to lastly say I've come into
21 about -- this is my fourth year and it's been quite
22 a trip. And I've been fortunate enough I'm going
23 to be here for four more years and I don't have to
24 work for it. Why nobody ran against me is beyond

25 my comprehension, but thank you.

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1 And I just want to say to the board that this
2 has been a very exciting board to be with. You're
3 a positive board to work with. You're looking at
4 continuously improving this airport. You're
5 looking towards securing service for the people of
6 St. Johns County, some commercial service within
7 our limits, as we can only do so much in that area.
8 But as long as we have something for the St. Johns
9 representatives people.

10 And if we go out in the county and I'm sure
11 when you-all were out there running, that most of
12 the citizens of St. Johns County wanted commercial
13 service. And I'm dedicated to working with
14 Mr. Wuellner in any way I can to support that
15 position.

16 And I just want to congratulate all the boards
17 behind us that put together these programs
18 business-wise that made it possible for us in the
19 last three years to vote for zero millage, because
20 without their plans previous to us, this never
21 would have occurred. Never.

22 And there's been some really dedicated people
23 working for this authority. It's been a pleasure
24 working with each and every one of you and I'm

25 looking forward to continuing to do so. Thank you,

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1 so much. Any other things before I hit this gavel

2 in the meeting? Mr. Ciriello?

3 MR. CIRIELLO: When's our next meeting? I

4 don't see it down here.

5 MR. WUELLNER: It's September --

6 MR. CIRIELLO: In other words, you're going to

7 bypass August?

8 MR. WUELLNER: At this point, yes, sir.

9 CHAIRMAN YOUMAN: That's correct. Meeting

10 adjourned.

11 (Meeting concluded at 5:53 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 27th day of July, 2012.

12

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

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