

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 General Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, September 18, 2006

6 from 4:00 p.m. to 4:55 p.m.

7 and 5:29 to 5:48 p.m.

8 * * * * *

9 BOARD MEMBERS PRESENT:

10 BOB COX, Chairman

RANDY BRUNSON

11 JOHN "JACK" GORMAN

SUZANNE GREEN

12 * * * * *

13 BOARD MEMBER ABSENT:

14 WAYNE GEORGE, Secretary-Treasurer

15 * * * * *

16 ALSO PRESENT:

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

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

20

BRYAN COOPER, Assistant Airport Director.

21

22

JANET M. BEASON, RPR, RMR, CRR

23

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

2 CHAIRMAN COX: Good afternoon. We'd like to
3 call to order the September 18th meeting, revised
4 meeting agenda for the regular meeting for
5 September 18th.

6 First order of business, please, the Pledge
7 of Allegiance.

8 (Pledge of Allegiance.)

9 CHAIRMAN COX: Thank you.

10 3. - APPROVAL OF MEETING MINUTES

11 CHAIRMAN COX: Approval of minutes for
12 July's -- or, I'm sorry, August meeting. Any
13 exceptions or changes?

14 MR. BRUNSON: So moved.

15 CHAIRMAN COX: Hearing none, they will stand
16 approved.

17 4. - FINANCIAL REPORT

18 CHAIRMAN COX: Financial report for August,
19 our secretary/treasurer is not here today. I did

20 chat with him during the last meeting. We all had
21 a chat, and he had indicated that he would update
22 us on that at the next meeting.

23 5. - APPROVAL OF MEETING AGENDA

24 CHAIRMAN COX: Moving on to the agenda
25 approval, is there any -- actually, there is a

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1 change. You want to discuss that?

2 MR. WUELLNER: Yeah, I've been asked by a
3 number of the commercial tenants to ask that we
4 delay the agenda item pertaining to minimum
5 commercial aviation operations policy until the
6 next meeting.

7 Many of them didn't have a chance to look at
8 it until the last couple of days and are -- are
9 asking for a little more time with Staff to go
10 through those, whatever their concerns are. So,
11 if you don't have objection, we'd ask to pull that
12 off today.

13 CHAIRMAN COX: Any objections?

14 MR. BRUNSON: The only thing I might say, if
15 it's off the agenda, then -- then we'll have to
16 wait until it's back on the agenda to hear any
17 comments from --

18 CHAIRMAN COX: We will table it till next
19 meeting.

20 MR. BRUNSON: Okay. That's fine.

21 CHAIRMAN COX: And you'll have a chance at

22 that point -- I guess there has been some

23 interaction from -- you know, with the director

24 and some of the tenants, and they'd like to take a

25 little more time to look it over so they'll have a

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1 chance to speak to any of the Authority members
2 during that time period.

3 MR. BRUNSON: I was going to make that
4 motion.

5 CHAIRMAN COX: Okay.

6 MR. BURNETT: Mr. Brunson, the only
7 clarification there is folks, I guess during the
8 general public comment session, could --

9 MR. BRUNSON: Yeah.

10 MR. BURNETT: -- speak about it if they want.

11 CHAIRMAN COX: Absolutely. Yeah. But, any
12 other discussion on it? We can just go ahead and
13 table it until the next meeting.

14 MR. WUELLNER: Okay. We'll do that.

15 Other than that, we're -- we're fine with the
16 agenda from Staff.

17 CHAIRMAN COX: Okay. Is everything else on
18 the agenda? No other additions from anybody?

19 MS. GREEN: No.

20 CHAIRMAN COX: Okay. The agenda is approved

21 as revised.

22 Reports? And we'll talk about the reports.

23 6.A. - COUNTY COMMISSION

24 CHAIRMAN COX: Mr. Bryant, please?

25 COMMISSIONER BRYANT: No report, sir.

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1 CHAIRMAN COX: Thank you, sir.

2 6.B. - GALAXY AVIATION

3 CHAIRMAN COX: Mr. Slingluff?

4 MR. SLINGLUFF: No report.

5 CHAIRMAN COX: Thank you.

6 6.C. - GRUMMAN ST. AUGUSTINE

7 CHAIRMAN COX: Mr. Nehring?

8 MR. NEHRING: No report.

9 6.D. - S.A.P.A.

10 CHAIRMAN COX: Thank you. Mr. Roderick?

11 Don't you tell me "no report."

12 MR. RODERICK: I don't dare. You wouldn't

13 give me my money back. I have three items: The

14 new -- for those of you who use the self-fuel,

15 there's a new kiosk out there. It obviously looks

16 better, but it -- it had a safety item to it, too.

17 It's much safer to use.

18 Fuel prices, they're dropping. And the main

19 point about that is, is that news was -- was

20 aggressively put out to everybody in two main
21 manners. One, St. Augustine Airport Pilots
22 Association has a list server that generates
23 e-mail. And the other way is nationally through
24 the internet. I know of at least through AirNav
25 that it appeared. And that was confirmed through

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1 an anecdotal -- an anecdotal encounter with a
2 cross-country pilot who pays close attention to
3 it. So, the word of this is getting out all over
4 the east coast for sure.

5 The 21 August board decisions were extremely
6 well received by the Pilots Club. The seaplane
7 ramp and the south expansion, adding T-hangars and
8 still conserving old-growth trees, that is very
9 near and dear and will continue to be. Thank you.

10 CHAIRMAN COX: Thank you, sir.

11 6.E. - F.A.C.T.

12 CHAIRMAN COX: Mr. Ottesen?

13 MR. OTTESEN: No report.

14 6.F. - AIRPORT ATTORNEY

15 CHAIRMAN COX: Thank you. Mr. Burnett?

16 MR. BURNETT: Nothing in particular to
17 report, other than we've been working on drafting
18 a lease concerning -- or an agreement with Grumman
19 for the airport fire services.

20 CHAIRMAN COX: All right.

21 MR. BURNETT: I -- I should have a draft out

22 to Staff this week for them to review.

23 CHAIRMAN COX: Okay.

24 MR. BURNETT: And presumably that would go on

25 to Grumman as well.

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1 CHAIRMAN COX: Great. Thank you very much.

2 6.G. - ATCT

3 CHAIRMAN COX: Mr. Knight? Not here. And
4 you do have some --

5 MR. WUELLNER: He's not here, but I'm pretty
6 sure I have the world famous table. You can see,
7 2006, at 9,009 operations for the month of August,
8 which is above the 2004-2003 numbers and about 650
9 ops below that of -- of the year 2005. Appears to
10 be consistent with where things are. So...

11 CHAIRMAN COX: Is that it?

12 MR. WUELLNER: That's it.

13 CHAIRMAN COX: Okay. We'll move on to member
14 committee reports then. The MPO?

15 7.A. - MPO

16 MR. BRUNSON: The First Coast Metropolitan
17 Planning Organization met September the 14th and
18 with a lot of good things. Mainly, that on
19 October the 13th, we're having a Global Trade and

20 Transportation -- Transportation symposium at the
21 Hyatt Regency, and we're having the heads of the
22 Jacksonville Port Authority, the Jacksonville
23 Airport Aviation.
24 Senator -- Congressman Mica is going to be
25 the keynote speaker. And it's really looking

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1 forward to the future for this airport,
2 Jacksonville, the ports, and the competition we
3 have in the other areas, and a lot of good things
4 will come out of that. So, this is October the
5 13th. If you'd like to attend, get in touch with
6 me. For the elected officials, it's \$25, and it's
7 well worth it; slightly higher for the private
8 business person to go.

9 Another exciting thing is that here in about
10 a month, as most of you know, in South Florida,
11 you can dial 511 in the roadways and hear about
12 traffic problems down the road. Starting in about
13 a month in North Florida, the -- the 511 will be
14 available in this area. Simply call it up. This
15 is not going to happen five years from now. This
16 will happen immediately, that you can call 511,
17 ask questions. Be great in hurricane evacuation.

18 So, the MPO is up and doing well and -- and
19 it's even worth a trip to Jacksonville to sit down

20 with the County Commissioners, the City
21 Commissioners for the four county areas and the
22 people on authorities, and a lot of good things
23 are happening there. That's all the report on
24 that.

25 CHAIRMAN COX: Then we'll move into EDC.

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1 7.B. - EDC

2 MR. BRUNSON: EDC. We met last Monday
3 morning at 7 o'clock at Serenata Beach Club, and
4 the presenter was the -- it's Nocatee. And it's
5 just a fascinating town in itself. The address
6 for Nocatee can be Ponte Vedra. No Beach. Just
7 Ponte Vedra. They'll have their own zip code.

8 And it's amazing how many thousands of acres
9 are greenways, three miles out on the intracoastal
10 that are greenways and -- and town center in the
11 middle, to have their own bike trails and golf
12 carts to interconnect with each other. And condos
13 and residences and commercial buildings and -- and
14 also Nocatee, with a subject that's dear to my
15 heart, they're donating -- and help me with this,
16 Jim; I think they're donating 10 acres every five
17 years for affordable housing. And so, that's a --
18 that's a good thing.

19 So, a lot of positive things are going on

20 and -- with the EDC and with the MPO. That's all

21 I have on these.

22 CHAIRMAN COX: Okay. And our

23 Intergovernmental representative is not here

24 today. Do you know anything about it?

25 MR. WUELLNER: He's here. He is, that

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1 representative.

2 CHAIRMAN COX: I thought -- I thought it was

3 Buzz. Sorry. Go ahead.

4 7.C. - INTERGOVERNMENTAL

5 MR. GORMAN: Yeah, it's -- it's fine. We

6 talked about the -- the status of the expansion

7 and as part of a plan for tax freedom for the

8 public from the airport. And we talked about some

9 of the costs involved, including litigation. We

10 talked about insurance dilemma. Everybody was

11 very interested in the insurance dilemma, and

12 we're going to address that today at length,

13 correct?

14 MR. WUELLNER: Yes.

15 MR. GORMAN: That's part of our agenda item.

16 And the School Board has the same angst as the --

17 you know, the old school system having large

18 buildings has the same angst that we have, and

19 they talk about the consortiums of -- in other

20 words, self-insurance consortiums having
21 acceptance problems because people had different
22 actual exposure, depending on, you know, actually
23 the amount of capital that they had involved in
24 the situation.

25 And then I talked briefly about the -- the

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1 possible tenants that would come on the field,
2 including Customs. It was, you know, fairly well
3 received. I think that they understand we're
4 making, you know, good progress on most fronts.

5 CHAIRMAN COX: Great. Thank you very much.
6 Project updates.

7 8. - PROJECT UPDATES

8 MR. WUELLNER: Yes, sir. Have a number of
9 projects to talk about today, south hangar
10 development; the T-hangar development project;
11 hangars 8, 9, and 10 over on the eastside; first
12 update on the seaplane ramp project; the Airport
13 Master Plan; marketing and public relations; and
14 airport leasing activities will be covered in the
15 updates.

16 First project is Taxiway Foxtrot and the
17 associated apron. Pleased to let you know that we
18 did get notification the day after the last
19 Authority meeting that, indeed, the entire project

20 has been funded by FAA. So, we no longer have to
21 piece that together. A total of about \$4.3
22 million in federal funds will be appropriated and
23 under grant very likely by the end of this week.
24 I understand that we should have it by Wednesday,
25 should have the grant documents.

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1 So, that will move that project forward.

2 We've already had the preconstruction meeting
3 related to this project with the contractor. He's
4 engaged, and likely all the paperwork will be in
5 place for him to start very early October. So,
6 I'm looking forward to that. It's exciting. And
7 I know everyone shares the --

8 CHAIRMAN COX: Good job getting that through.

9 MR. WUELLNER: -- relief in getting all of
10 the funding for this one.

11 MR. BRUNSON: Good news.

12 MR. WUELLNER: Yeah. The hangar project
13 related to this, engineering's underway. Continue
14 to do -- basically have had the last discussions
15 at this point over the layout, and we're moving
16 forward with design of facilities as the funding
17 permits, and we expect right now last quarter of
18 this year, so hopefully by the end of the year,
19 we'll be in a position to get that out on the

20 street and bid the building -- the building effort

21 on this project.

22 As you recall, the taxiway portion of this

23 project will -- will likely be appended to the

24 Taxiway F project contract, and -- and we'll be

25 preparing bids for that and going out on the

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1 street for -- for that. Should save us a few
2 dollars, at least on the front end.

3 Eastside development area hangars 8, 9, and
4 10, it is underway. The slabs, building slabs
5 have been poured. They were poured over the
6 weekend, Friday and Saturday of this week.

7 Building's due on the site within the next ten
8 days. And the FPL transformer that's been the
9 stick-in-the-mud holding this project up for the
10 last month has finally been relocated by FPL. So,
11 it looks like everything's going to proceed at a
12 normal construction pace from this point forward
13 barring some unforeseen circumstances at this
14 point.

15 Seaplane ramp, I feel like I needed to let
16 you know that after we reviewed, after the
17 discussion last month, that my understanding, as I
18 related to you at the last meeting, was not the --
19 the contents of what was being awarded, and as

20 such, more or less made the executive decision we
21 were going to not award the bid as we -- as we
22 mentioned to you in the last meeting.

23 We are in the process of reworking bid
24 documents on that. And I expect that you'll have
25 another bid opening, or, you know, you'll see a

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1 bid award request at your October meeting related
2 to this.

3 We've scaled back the project. It should
4 come in substantially below the number we approved
5 last month. And again, it doesn't affect the
6 completion date. We did indeed get confirmation
7 finally from FDOT that the project time line had
8 been extended to March, the end of March of next
9 year. So, the timing -- time frame's still good.

10 It's a very short-burn project once it's awarded.

11 We feel very good about the repackaging of this.

12 So --

13 CHAIRMAN COX: Good.

14 MR. WUELLNER: -- I just wanted to bring you
15 up to speed on that, even though there's no real
16 construction activity yet. But you'll see this
17 again in October.

18 Airport Master Plan, I am pleased to announce
19 that they have finally approved the -- the Master

20 Plan at FAA. They are in the process of signing
21 the ALP copies that are required as a part of that
22 approval. I fully expect to have those copies in
23 my hand not later than the end of the week. But
24 that's merely a formality now in the -- on the
25 approval process. So, we will begin working with

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1 the Board of County Commissioners to get that in
2 their cycle to get the amendments necessary to
3 accommodate the Airport Master Plan in the
4 County's Comprehensive Plan.

5 And we have a few transmittals we need to
6 make once that's approved. So, we'll -- we'll get
7 those accomplished. And hopefully we'll be in --
8 we'll be able to move forward with the public
9 notification process that we have planned with --
10 with the Master Plan, and we should have more of
11 that for you by the October meeting again.

12 And marketing and public relations, most of
13 you are aware that the MS 150 Bike Tour began and
14 ended here at St. Augustine Airport over the
15 weekend. A couple of photographs from the -- from
16 the event, courtesy of -- of Andres over here at
17 Old City Helicopter Tours. Some -- some great
18 photos.

19 By all contents or all measurements, it

20 appears a highly successful event. They were
21 thrilled with the venue. Allowed them room to
22 expand and -- and do what they do. And I -- I
23 think they got up -- got over 1500 riders this
24 year to do that -- that bike trip down to -- to
25 Daytona Beach and back this year.

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1 See how -- give you a feel of how it was laid
2 out a little bit there, but they kind of
3 incorporated the runway 6 into the departure
4 point, enclosed kind of the eastern half -- excuse
5 me, western half of some of the facilities over
6 here and allowed them to take over and sprawl out.
7 But a great time.

8 Everything went, I think for a first-year
9 event, went very, very well. We were very
10 pleased. A few minor hiccups here and there,
11 nothing that couldn't be handled on-site during
12 the time. I'm sure we'll be doing a debrief with
13 them over the next few weeks. And at this point,
14 I don't see any reason why we wouldn't be
15 recommending that you entertain a -- the concept
16 of hosting this on a longer term basis. So, we'll
17 talk about that over the next few weeks. There's
18 no urgency in those kind of decisions anyway.
19 And airport leasing activities, nothing new

20 to report right now. So...

21 CHAIRMAN COX: Very good. Thanks for those

22 reports. And move into agenda items.

23 9.A. - INSURANCE DISCUSSION - RALPH KLEIN

24 CHAIRMAN COX: The first one up is the

25 insurance discussion. We have Mr. Klein that's --

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1 MR. WUELLNER: I think we do. Yeah.

2 Didn't -- didn't actually spot him before the
3 meeting. Looks like it's on. Yeah.

4 CHAIRMAN COX: Introduction there, Ed?

5 MR. WUELLNER: Sure will.

6 Mr. Ralph Klein is an agent with Herbie Wiles
7 Insurance in town, and -- and he's been involved
8 with -- I don't know how long he's been involved
9 with the airport, but I can tell you he's been
10 here at least as long as I have. He's one of the
11 first people I met when I got into town and has,
12 in my opinion, done an excellent job for us over
13 the years in trying to address the needs of the
14 Airport Authority relative to insurance.

15 I wanted to just kind of -- do you want to
16 walk through kind of where -- where our existing
17 policy is --

18 MR. KLEIN: Sure.

19 MR. WUELLNER: -- as it wraps up?

20 MR. KLEIN: When we started this discussion
21 actually a few months ago, we -- we approached
22 markets to find out where we were going to be able
23 to obtain quotes. We started that actually back
24 in June. And -- which is not out of the ordinary
25 for us to do, but given circumstances in the

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1 property market that we've been in, most of the
2 companies are -- are not really willing to even
3 entertain a quote.

4 You, as probably -- even as homeowners,
5 anybody here in -- in the business market knows,
6 it's very difficult to obtain property insurance
7 right now.

8 On top of that, with the few companies that
9 are willing to offer a quote on insurance, they
10 have been inundated with applications. And with
11 our policy here at the airport coming up at the
12 end of this month, they're either un -- not
13 willing to entertain a quote or they're just not
14 able to get to it at this point because of the
15 amount of work that they have to do.

16 Currently, current policy coverage, we have a
17 little bit over \$2 million -- or \$20 million in
18 property values. And we have -- basically that's
19 broken down by -- in three deductible categories.

20 One is just a \$10,000 all other peril deductible,
21 which would be fire, lightning, things of that
22 nature; a 5 percent deductible for named
23 hurricanes, named storms; and a \$50,000 deductible
24 for all other windstorm coverage.
25 What we are trying to do is -- from our

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1 companies, is we have requested to try and obtain
2 quotes in a number of manners. First one,
3 obviously, is trying to continue with -- with just
4 what we have.

5 We have requested the companies to actually
6 offer us deductible alternatives, the first one
7 being a quote that actually is a two and a half
8 million dollar deductible. That -- that was one
9 of the first ones that we requested. And that
10 would be a flat deductible for all occurrences,
11 windstorm, fire, lightning, anything. And that --
12 we have a company that -- GenStar, who is on the
13 policy right now, is on -- is on the airport,
14 they're -- they're looking at that, entertaining
15 that.

16 Just as a note there, we had a company,
17 Lexington, who actually has been -- in years past,
18 has been a player in -- in offering coverage for
19 the airport. In Florida right now, their premium

20 for all Florida property is \$100,000 per million

21 dollars of coverage.

22 So, what we are -- we are looking at is, if

23 we were to maintain current coverage the way that

24 we have it, trying to come up with -- we're

25 guessing premium could be anywhere around \$500,000

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1 from the current premium of \$238- for -- for the
2 main property coverage.

3 The second area that we were looking at was
4 to try and eliminate coverage for named storms,
5 for hurricanes only, and just to see what we could
6 do, what the companies will do from that
7 standpoint. And if we were to try and do that,
8 they would continue on the other fire and wind
9 coverage. But in doing that, we also were looking
10 at obtaining coverage for loss of revenues.

11 The airport's currently, from -- from
12 rentals, is getting approximately a million
13 dollars annually from revenues, and we want to --
14 if a major occurrence were to happen here, we
15 would like to try and continue that revenue stream
16 for the airport.

17 So, we are looking at trying to obtain
18 possibly something separately just for the
19 loss-of-rents coverage. Because in an insurance

20 policy, if we eliminate the named storm coverage,
21 the coverage for the loss of rents would also be
22 due to a covered cause of lost, and if we
23 eliminate that named storage coverage, we would
24 also eliminate that as a cause of loss for the
25 loss of rents.

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1 The third option that we have is to actually
2 reduce values and to have the companies insure the
3 property for what we would call an actual cash
4 value, which would be the replacement cost minus
5 depreciation. In doing that, we would come up
6 with some sort of a schedule that we could reduce
7 the -- from the initial year that the property was
8 built, reduce the values over possibly a 20-year
9 period of time so at the end of 20 years, the
10 property would -- would have no insurable value.

11 That would reduce the overall amount of insurance
12 by possibly up to a third, and that would allow
13 the airport to -- to reduce premiums that way.

14 And last but not least is coming up with an
15 option that -- that may be a combination of
16 eliminating coverage for storms and -- and coming
17 up with a reduced value through the actual cash
18 value with depreciation.

19 CHAIRMAN COX: Very good. I'll open the

20 floor up to discussion. I take it you'd like to

21 discuss --

22 MR. GORMAN: Might as well, just --

23 CHAIRMAN COX: Might as well stay there.

24 MR. KLEIN: Okay.

25 CHAIRMAN COX: If you don't mind.

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1 MR. GORMAN: It -- it's patently obvious that
2 the insurance companies don't really want to
3 provide coastal coverage anymore. And with a
4 premium of \$500,000, we would actually be running
5 this airport with a tremendous amount of the
6 revenues directed towards just insuring for
7 property.

8 Catastrophic coverage just seems no longer --
9 for direct catastrophic loss of all the buildings,
10 seems no longer plausible. Again, we'd just be
11 working for the insurance fees. We're going to
12 have to not insure for catastrophic loss, because
13 in my way of thinking, if you have a full
14 catastrophic loss like this, FEMA is going to step
15 in. Now, it's not going to step in rapidly --
16 this is just my own thoughts. They're not going
17 to step in rapidly, but they are going to step in.

18 And it was Ed's idea to insure for loss of
19 revenue, which I thought was a very good idea.

20 And I think you're going to have to run the
21 property value insurance down to either ACV on the
22 old buildings or almost nil and eliminate the
23 catastrophic loss from named peril storms and then
24 take the rest of the coverage; otherwise, you
25 haven't got any money left at the end of the day.

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1 You're just not going to be able to do it.

2 CHAIRMAN COX: Let me ask a question tailed
3 on to what you were saying.

4 MR. GORMAN: Sure.

5 CHAIRMAN COX: Mr. Klein, what do you -- your
6 position on his statement about FEMA stepping in,
7 I'm -- I'm a little bit curious there, what --
8 what you think being in the --

9 MR. KLEIN: Well, we've seen it happen
10 elsewhere.

11 CHAIRMAN COX: Right. I understand. I mean,
12 is that plausible, Ed?

13 MR. WUELLNER: Yeah. To a degree. It's --

14 CHAIRMAN COX: Right.

15 MR. WUELLNER: It's an unknown quantity --

16 CHAIRMAN COX: Right.

17 MR. WUELLNER: -- at the end of the day.

18 We've also seen within the airport business
19 additional grant funds being made available by

20 both Florida DOT and FAA, so the overall loss risk
21 to the Airport Authority is minimized to some
22 degree with -- with almost any plan.
23 The reality is, your -- your insurance
24 carrier is the last guy to pay, based on what the
25 actual loss is after being able to recover from --

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1 recover funds or --

2 CHAIRMAN COX: All right. Mr. Gorman, go
3 ahead. I wanted to interrupt you --

4 MR. GORMAN: No, that's --

5 CHAIRMAN COX: -- for having the floor.

6 MR. GORMAN: No, that was well said by Ed.

7 That's -- that's it. And they want -- and they,

8 of course, want to be the last to pay. It's not

9 doable anymore only because of the tremendous

10 losses of actually taking the insurance company,

11 and their actuarial statistics no longer work.

12 They no longer are valid in coastal areas. Either

13 a number 3 or a hybrid idea. But I can see that

14 you're not going to be able to afford to

15 completely insure for replacement value for all of

16 these buildings and do business the way we do now.

17 CHAIRMAN COX: Further discussion from the
18 board?

19 MS. GREEN: That was my question when I was

20 speaking with Mr. Burnett, was other grants coming

21 from other, you know, aviation areas.

22 MR. WUELLNER: Yeah, obviously they're not

23 something you program. You're -- you're somewhat

24 at the mercy of -- of the size of impact that the

25 State experiences with that same storm and as --

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1 and to how much funding would be ultimately made
2 available for -- for us to recover, speaking
3 solely from the airport.

4 But historically, they've done fairly well
5 when you consider the size of the loss that was
6 out there.

7 MS. GREEN: What happened with --

8 MR. WUELLNER: But it's slow.

9 MS. GREEN: Who was it on the west coast that
10 was hit by a hurricane a couple of years ago?

11 MR. WUELLNER: Charlotte County?

12 MR. GORMAN: Charlotte.

13 MS. GREEN: How did that --

14 MR. WUELLNER: They're -- they're just now
15 beginning construction on many of the --

16 MS. GREEN: I mean, what are their -- was it
17 fully insured? Did they have to have grant money?

18 MR. WUELLNER: No. They -- they ended up
19 having augmented grant funds from Florida DOT, got

20 some additional FAA money, as most airports that
21 were impacted did. You know, I don't know to --
22 to the level of what the actual final dollar
23 impacts were, but they were significant to the
24 local community, also.

25 One of the things we were -- we were kicking

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1 around, too, was -- I believe it's one of the --
2 remember exact -- reduced value exposure. In
3 thinking through that and -- and just throwing a
4 few ideas out on the table, one was to look at
5 taking the -- the value of the property, the
6 replacement value of the property to a point -- or
7 even the actual cash value of the property, you
8 know, out to a fixed term, for instance, ten
9 years, and then beginning a -- almost -- almost a
10 straight-line depreciation, you know, of about 10
11 percent a year for the next ten years, and then
12 pulling that particular building off the insured
13 building list in any capacity after a 20-year
14 period. So, once a building's been here for about
15 20 years, it would no longer be insured for any
16 portion of a value.

17 There -- there's certainly some merit into
18 that. You know, usually when -- while they have
19 longer lifespans, you can do things to make a

20 building last longer than 20 years in almost every
21 case. At that point, you're starting to incur
22 significant maintenance obligations in a building,
23 too. And it probably stops making sense to,
24 unless you're going to, you know, make those
25 improvements to buildings, to -- to extend the

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1 lifespan to, you know, seriously start watching
2 what the bottom line is on buildings that are 20
3 years old.

4 CHAIRMAN COX: Mr. Brunson, you had some
5 comments?

6 MR. BRUNSON: One thing I'm curious about --
7 do you know the answer to this? When -- when they
8 name one of these little storms out -- out there,
9 and it's a named storm, and we get the back end of
10 it, and if it -- if it knocks down one of our
11 hangars, is that considered a hurricane?

12 MR. KLEIN: That's -- it's a named storm.

13 MR. BRUNSON: It's a named storm. And so
14 we're at the mercy of the --

15 CHAIRMAN COX: NOAA.

16 MR. BRUNSON: NOAA. Federal -- okay. You --
17 you mentioned loss of income. Wouldn't this
18 premium kind of parallel property premiums?

19 MR. KLEIN: Well, actually, I mean, you're

20 really talking about a lot less. If you're
21 talking about the value of the hangars themselves,
22 and you reduce that, you take -- you eliminate
23 those values, insuring those, and adding a million
24 dollars per year with -- with a possibility of a
25 three-year payout, \$3 million total. That lessens

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1 the -- the exposure to the insurance company.

2 MR. BRUNSON: Okay. Then the -- the other
3 thing of becoming more self-insured, the reserves
4 that we keep talking about in our -- our millage
5 rate and our budget would -- would play a role.

6 (Whereupon, Mr. Wuellner leaves the room.)

7 MR. BRUNSON: But I mainly wanted that
8 reserve for rising cost of construction, but also
9 was in mind of rising cost of insurance. But
10 there's no way that option two, that we can spend
11 half a million dollars on premiums. We've got to
12 figure out another way. So, you and Doug and
13 Herbie go ahead and figure all that out.

14 MR. KLEIN: We're trying to come up with as
15 many --

16 MR. BRUNSON: Okay.

17 MR. KLEIN: -- options as possible. We will
18 start seeing the companies -- we'll probably start
19 seeing the quotes come in --

20 MR. BRUNSON: Good.

21 MR. KLEIN: -- a week from today.

22 CHAIRMAN COX: All right. Mr. Gorman?

23 MR. GORMAN: I wanted to make one thing clear

24 to the board. When do -- when does our option

25 expire on that? In other words, our insurance is

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1 up what date?

2 CHAIRMAN COX: Okay.

3 MR. KLEIN: Premium's -- I mean, September
4 30th --

5 MR. GORMAN: September 30th.

6 MR. KLEIN: -- is -- you know, we've got two
7 weeks. And we -- and we won't -- as I said, we
8 probably won't see majority of the quotes come in
9 until the first part of next week.

10 MR. BRUNSON: Well, we need to think about an
11 emergency --

12 MS. GREEN: Yeah.

13 MR. BRUNSON: -- board meeting to make a
14 decision.

15 MR. GORMAN: As long as you get your
16 liability. We've got to have a liability cover.
17 That's got to be a separate issue. I'm just
18 bringing that up.

19 MR. BRUNSON: We need to address it.

20 CHAIRMAN COX: Where is our -- any further
21 board discussion? I'm going to open it up to
22 public comment here.

23 MR. BRUNSON: Please.

24 CHAIRMAN COX: All right. Public comment on
25 this particular agenda item? Any --

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1 Mr. Slingluff?

2 MR. SLINGLUFF: The problem is statewide.

3 And I think it will sooner or later -- it should
4 become addressed in Tallahassee.

5 (Whereupon, Mr. Wuellner enters the room.)

6 MR. SLINGLUFF: I know I represent the
7 Florida Aviation Trades Association. We're --
8 we're --

9 MR. BURNETT: Thanks, Michael.

10 MR. SLINGLUFF: Through the Florida Aviation
11 Trades Association, we're looking at alternatives
12 on this. I mean, it -- it is a statewide program.
13 And it's really not just a coastal issue. The
14 National Hangar Insurance Program was canceled for
15 the entire State of Florida. They've just taken
16 us right out of the marketplace.

17 Mr. Burnett, a question for you, as a -- as a
18 tenant here on the airport, what are the legal
19 ramifications for the airport if it does not have

20 property insurance? Is there a mandate under the
21 grants that we're given or a fiduciary
22 responsibility for the public facilities?
23 MR. BURNETT: I -- under the grants, I don't
24 think you run into a problem. If there was some
25 sort of debt service out there for the

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1 construction of a building, that may be an issue.

2 But we're not currently in that position.

3 The only thing, though, that goes along those

4 lines is the -- or I guess not really goes along

5 those lines, but that would be available to the

6 airport -- and I don't know if this answers your

7 question. Probably goes beyond your question.

8 But they -- the airport has the line of credit and

9 has had a line of credit from time to time, and I

10 guess it could increase that line of credit amount

11 in order to construct buildings in case -- in the

12 event there was some sort of storm-type

13 catastrophe.

14 A lot of -- I think all of the leases would

15 provide -- even if they don't provide on their

16 face, most of the agreements the airport would

17 have, have what's routinely called force majeure,

18 acts of war, acts of God, nature, those kinds of

19 things. Most of the time, we validate contracts

20 and sort of reset the playing field, although

21 there's times when that's not the case. But

22 generally that's -- that's the situation.

23 I probably gave you more than what your

24 question was, but anyways --

25 MR. SLINGLUFF: Well, my -- my concern is

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1 whether our grants that Ed is so good at getting
2 become in jeopardy if we're not currently insuring
3 property values. Because you're taking public
4 money and building buildings and they're then at
5 risk.

6 MR. BURNETT: It -- but it's -- the only
7 difference there for the most part is that it's
8 not a payback. It's not something where you're
9 paying the government back for them. They're --
10 they're grants. So, they're -- they're gifts, if
11 you will, for the most part.

12 MR. SLINGLUFF: But they're gifts to the
13 public.

14 MR. BURNETT: Sure.

15 MR. BRUNSON: May I, Mr. Chairman? Having
16 said that, Ed, are there any leases we have on
17 property that are triple net? Does Galaxy, in
18 their lease, does it say that they should provide
19 insurance?

20 MR. WUELLNER: They -- they provide certain
21 coverages within their lease. And likewise, we
22 pre -- provide certain coverages based on our
23 owned facilities. Facilities -- for the -- for
24 the majority of property owned by the Airport
25 Authority, we provide whatever coverage is out

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1 there on the building structure itself, as we are
2 the owner of the property.

3 There are -- there are many different types
4 of insurance product that we require, for
5 instance, Michael and them to cover, most of which
6 are related to liability, not the -- the physical
7 property there.

8 CHAIRMAN COX: Hold on. We're still in
9 public comment, and we're not in board discussion
10 here. Are you -- is that it?

11 MR. WUELLNER: Yes.

12 CHAIRMAN COX: Any further public comment on
13 this agenda item? Yes, sir.

14 MR. HICKOX: Excuse me. Wayne Hickox, 881
15 Queen Road. I'll sign a slip in a moment. I
16 didn't intend to speak. But I think you'll
17 find -- and, Doug, you can correct me if I'm
18 wrong, that the only thing that you're required to
19 insure, if you're building with public money, is

20 those things that are bonded. To my knowledge,
21 most of everything you have built, you have built
22 with your own resources through grants. So, I
23 think that -- that clears you there.

24 CHAIRMAN COX: That's a very good point.

25 MR. HICKOX: And also, you might find, too,

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1 that everybody's going to the same -- same nest
2 for their money these days, FEMA and the federal
3 government, and I think there's an indication out
4 there that there's not as much as we think there
5 is there. Thank you.

6 CHAIRMAN COX: Just a quick comment.

7 MR. GORMAN: Quick comment. I'd like to know
8 our liability issue, one of our buildings fall on
9 one -- on one of the jets that Mr. Slingsluff
10 services. I've got to know that. That is part of
11 our liability, and we've really got to know
12 whether the building and, you know, that whole
13 issue is going to be addressed.

14 CHAIRMAN COX: Would you say, Michael,
15 anywhere from \$4 million to \$25-?

16 MR. SLINGLUFF: (Nods head.)

17 CHAIRMAN COX: About right?

18 MR. SLINGLUFF: Yeah.

19 CHAIRMAN COX: That would be about it.

20 MR. SLINGLUFF: But liability-wise, if you

21 want to answer that...

22 CHAIRMAN COX: That's what they cost, anyway,

23 so...

24 MR. WUELLNER: That's not a --

25 MR. KLEIN: That really, again, that's --

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1 you're talking about nature. In most cases, he's
2 going to carry the coverage on those planes, and
3 that's going to -- that's going to be first
4 coverage.

5 MR. BURNETT: Yeah. And -- and they're
6 required -- all of your tenants, to some degree or
7 another, are required to have property damage
8 insurance as part of their leases.

9 MR. GORMAN: So, you would -- so,
10 Mr. Burnett, you would feel our exposure, even if
11 we did not insure for property or if we had a
12 greatly abridged property value, insurance would
13 not directly --

14 CHAIRMAN COX: Our exposure would be minimal?

15 MR. GORMAN: Our exposure would not be, would
16 be what I'm asking.

17 CHAIRMAN COX: Would be minimal?

18 MR. BURNETT: I guess that's one analysis we
19 could go through, is look at the insurance

20 policies that are there, the leases that are
21 there, and the insurance requirements to verify
22 one, to verify -- and I know your Staff's doing
23 this, but to verify those policies are there and
24 to see the extent that overall they provide
25 coverage, and whether they do cover for

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1 catastrophes, because you could have property
2 damage that doesn't necessarily provide for
3 catastrophic storm-type damage.

4 CHAIRMAN COX: Ed, you're not -- are you
5 looking for action from the --

6 MR. WUELLNER: Well, I need -- we need
7 some --

8 CHAIRMAN COX: Yeah.

9 MR. WUELLNER: -- general direction from
10 you --

11 CHAIRMAN COX: Right.

12 MR. WUELLNER: -- because the nature of this
13 kind of coverage --

14 CHAIRMAN COX: Time frame it --

15 MR. WUELLNER: -- we run out of -- our
16 insurance expires at the end of this month. So,
17 we've got a -- you know, a two-week -- two-week
18 envelope here to get the carriers to commit and us
19 to -- to get in a situation where we can bind

20 coverage.

21 MS. GREEN: I just think monetarily, we need

22 to look at option three, whatever, or not doubling

23 our premium. I mean, that's --

24 MR. WUELLNER: Agreed.

25 CHAIRMAN COX: And I -- it seems to be --

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1 MR. BRUNSON: I agree with that.

2 CHAIRMAN COX: -- we're in agreement on that
3 option three, either the hybrid -- or the hybrid
4 option three looks to be like the one we'd like to
5 explore, so...

6 MR. WUELLNER: Okay. So -- you -- you have a
7 budget number, if my memory's correct, proposed at
8 about \$310,000 for -- now, that includes some
9 liability insurance and some other coverages that
10 aren't property. But my guess is you're probably
11 in the \$275,000 range, is what your -- your -- the
12 amount that would normally go toward property
13 coverage this year. That's probably the number
14 we're working with.

15 You know, what -- I guess more importantly to
16 me is, what are you -- is that a number you want
17 to treat as a not to exceed and we come up with
18 the best possible package for that number and kind
19 of go from there? Are there things you've -- you

20 know, you definitely want to see in there? Do you
21 want to look at reducing coverage on older
22 buildings or even eliminating in some cases?
23 For existence (sic), what -- for example,
24 we -- you know, we carry coverage on some
25 buildings that may -- probably don't make sense to

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1 cover. The port-a-port rows. There's some older
2 T-hangar units that, you know, are -- are 20-plus
3 years old. May or may not be worth carrying
4 coverage on.

5 CHAIRMAN COX: Go ahead, Mr. Gorman.

6 MR. GORMAN: Can I just make a summary that
7 we probably should run down our coverage on
8 buildings to an actual cash value for -- do --
9 one, run our coverage on old buildings down to
10 their actual cash value, or not cover them; and
11 two, not exceed -- at least to not exceed what we
12 spent last year. I thought what we spent last
13 year was too much. So, we can't possibly exceed
14 that, because there's -- there's no way to
15 escalate this and ever get off the tax rolls, if
16 you want a bottom line to it.

17 MR. WUELLNER: Okay. Okay. So, you're
18 looking at \$238- as a -- as a cap on the property
19 side? That's approximately what this year's

20 number is.

21 MR. BRUNSON: I think that would be

22 unrealistic.

23 MS. GREEN: That's --

24 MR. BRUNSON: That -- based on the people not

25 even wanting to write this insurance. So, based

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1 on that, I think the \$275- from \$238- would not
2 be -- if we can get a quote for that, I think
3 you'd be lucky.

4 But I guess we're kind of behind the curve on
5 this to analyze our property to see how we can
6 lower the -- so, I'm going to suggest that we do
7 that immediately and -- and analyze what we can
8 take off the insurance rolls to lower this, \$275-,
9 but not to exceed that.

10 MR. WUELLNER: Do you have any -- any age of
11 property guidance you want to apply to it or want
12 us to apply to it?

13 CHAIRMAN COX: Any what type?

14 MR. WUELLNER: Age of property.

15 CHAIRMAN COX: Oh, okay.

16 MR. WUELLNER: Is 20 years a number you want
17 to use? Is 10, you want to start reducing the
18 value, or you want to go out a longer period of
19 time?

20 CHAIRMAN COX: Twenty works for me. I don't
21 know.

22 MS. GREEN: What number of buildings do we
23 have that are approximately 20 years old? I mean,
24 what percentage are we talking about?

25 MR. WUELLNER: I did just a quick thing after

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1 our meeting this morning on -- on this same kind
2 of topic and, you know, if you took the 10-year --
3 the 10-year full value, or I should say value of
4 the constructed improvement, and then beginning in
5 year 10, reduced it by 10 percent over the next 10
6 years to a no value after 20 years, that it
7 actually works out to right at 20 percent less
8 insured value as we stand today. And that would
9 reduce -- continue to reduce over, you know, a
10 little bit next year.

11 But keep in mind you're adding property next
12 year. You're potentially here adding 3 or 4 or 5
13 more million dollars worth of property to the
14 insured risk side.

15 CHAIRMAN COX: Right.

16 MR. WUELLNER: One of the things I really
17 think where you could -- could -- we could make
18 some improvements is in reducing or eliminating
19 the, quote, unquote, named storm coverage. My --

20 while everybody perceives that as the biggest
21 risk, it's also where the most help is available.
22 Well, we -- we can't expect grant help or
23 FEMA help or -- or -- or even additional local
24 assistance for the normal insured risks of the
25 buildings, such as a fire to a hangar or -- or --

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1 or who knows what else can crop up.

2 So, I'm wondering if continuing normal
3 coverage, which should be competitive with
4 anywhere else in the country, if you eliminate the
5 hurricane or the wind component of coverage, it
6 should be fairly similar to what the -- the
7 experiences are anywhere else in the country.
8 Those risks are virtually the same anywhere, I
9 would think.

10 So, I would like to see us continue with the
11 normal coverages of the building, look seriously
12 at perhaps reducing or eliminating completely
13 the -- the high wind component and -- and kind of
14 just take our chances with the assistance out
15 there on the -- on the public.

16 The Authority has the ability to bond. I'd
17 really like to protect the revenue stream, so if
18 there is a way to protect the revenue stream which
19 allows us to bond, which allows us to be

20 responsive to whatever happens -- I'm not sure
21 there's a lot of bang in the buck for the
22 catastrophic event side, the named storm side of
23 this. I think there's -- there's a lot of help
24 out there, arguably to some level. I don't know
25 what that is, but you're going to come back slowly

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1 no matter what.

2 CHAIRMAN COX: Yes, sir.

3 MR. BRUNSON: Ed, or Doug, in your opinion,
4 if we do that, and we're trying to get stronger
5 financially by having a line of credit, do you
6 think because we have this line of credit and
7 we're trying to get more sound financially, that
8 that would hinder us on receiving FEMA and help?

9 MR. BURNETT: The only issue there, and I
10 think all local governments are able to -- barring
11 extraordinary circumstances, are able to bond, and
12 typically they're all able -- they're all on equal
13 footing as far as their ability, and lenders like
14 them, obviously, because they're government
15 entities and they can tax, unlike average
16 citizens.

17 MR. BRUNSON: Would be like --

18 MR. BURNETT: So, yeah, they're -- typically
19 the government entities are able to borrow funds.

20 (Whereupon, Chairman Cox leaves the room.)

21 MR. BURNETT: The one thing that I like about
22 what Ed said is having the income stream, if you
23 protect the income, it shows that you're going to
24 have the ability beyond just tax income to be able
25 to pay any kind of debt service that came about.

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1 So, that is one thing that I hear that I think
2 makes good sense from a -- from a practical
3 standpoint.

4 MR. BRUNSON: Well, when the Chairman gets
5 back, I'd like to make a recommendation of what
6 we -- do you think he's coming back?

7 (Whereupon, Chairman Cox enters the room.)

8 MR. BRUNSON: Mr. Chairman?

9 CHAIRMAN COX: Sir.

10 MR. BRUNSON: What I'd like to recommend, and
11 I think we have the guidance of -- but I would
12 like for Ed to meet with Herbie Wiles and
13 Associates and -- and look at the different
14 options of the -- the income insurance, and also
15 taking these hangars and deducting the prices, and
16 e-mail us. And if we have any comments, we'll get
17 back with you immediately and -- on a consensus.

18 But I think the direction is that we would
19 like to keep it to the \$238-, but I think we've

20 pretty well authorized the \$275- --

21 MR. WUELLNER: Okay.

22 MR. BRUNSON: -- in my -- in my opinion.

23 CHAIRMAN COX: Works as a cap for me. I

24 don't know. What do you -- everyone --

25 MS. GREEN: Yeah.

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1 MR. BRUNSON: In my opinion.

2 CHAIRMAN COX: -- in concert with that?

3 MS. GREEN: Yes.

4 CHAIRMAN COX: Does that work for you, Ed?

5 MR. WUELLNER: That's fine. I just -- you

6 know, this is one of those points where you

7 need -- we need some guidance some way --

8 CHAIRMAN COX: So, you've got some direction

9 from the board.

10 MR. WUELLNER: Okay.

11 CHAIRMAN COX: Mr. Burnett?

12 MR. BURNETT: I know this is not the intent

13 of Mr. Brunson's comment. I just have to be a

14 stickler for one minute and be the attorney. And

15 I know this is not the intent of it. But we can't

16 take a consensus through e-mail. What -- what

17 Mr. Wuellner can do is e-mail y'all and get you

18 the information. If you've got questions, you can

19 follow up with Mr. Wuellner. But I just wanted to

20 make sure --

21 MR. BRUNSON: Yeah, I wasn't going --

22 MR. BURNETT: -- the message -- you know,

23 sometimes folks hear one thing and -- and

24 interpret it another. So, I want to make sure

25 that no one in the public thinks that --

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1 MR. BRUNSON: No, I won't --

2 MR. BURNETT: -- anybody will be taking a
3 vote through the e-mail system. You know those
4 things happen.

5 MR. BRUNSON: Right. I won't reply back to
6 them. I'll reply to Ed.

7 MR. WUELLNER: Absolutely.

8 CHAIRMAN COX: Okay. If that's the direction
9 you need, we're going to recess this portion of
10 the meeting right now. Meeting will be in recess
11 for -- until 5:01. If anybody needs to take a
12 break.

13 MR. WUELLNER: He's stopping for the public
14 meeting.

15 (Whereupon, the meeting was suspended at 4:55 and
16 resumed at 5:29 p.m. as follows:)

17 CHAIRMAN COX: We'd like to readjournal (sic)
18 the general public meeting, please. And we're
19 going to move into the next agenda item, which is

20 the ARFF vehicle station.

21 9.C. - ARFF VEHICLE

22 MR. WUELLNER: Yeah. The next item is the --

23 where Staff -- I did it again.

24 CHAIRMAN COX: I don't think your gizmo is

25 on.

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1 MR. WUELLNER: Try that again. Next item I
2 have for you is the staff request to go ahead and
3 do a sole -- sole source purchase of the ARFF
4 vehicle that's been carried in the budget actually
5 for three separate years.

6 This is a matching grant with Florida DOT, a
7 50/50 grant. We have spent collectively between
8 us and Grumman, have spent a great deal of time
9 discussing the -- the right sizing, if you will,
10 of a vehicle to meet the needs on the airport
11 moving forward.

12 What -- we were looking at a vehicle that
13 complements the response capability that Grumman
14 has at this point. This vehicle is on the low
15 end, believe it or not, of what's out there on the
16 market at all for airport rescue and firefighting
17 vehicles. In fact, it -- it also represents the
18 latest in the agent technologies that are out
19 there. It meets the current FAA advisory

20 circulars related to fire vehicles for airports.
21 And as such, really because of its kind of
22 state-of-the-art capability on the vehicle, makes
23 it a sole source purchase because no other
24 manufacturer of vehicles yet has come up to speed
25 with the FAA revision in the specifications.

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1 It has an eight-week delivery time. It would
2 augment Grumman's equipment. We are -- we have
3 certifications from both our engineer, as well as
4 the manufacturer, as to the sole source nature of
5 the vehicle. And it would be our
6 recommendation -- it includes the vehicle delivery
7 and about a threefold supply of the actual
8 extinguishing agent and includes training on the
9 vehicle.

10 And it would be a total sole source purchase
11 of \$305,948.20, of which \$150,000, or
12 approximately 50 percent, is reimbursable from
13 Florida DOT.

14 And it would be our recommendation that the
15 Authority approve the sole source purchase, and
16 we'll --

17 CHAIRMAN COX: So, you're looking for action
18 from the Authority --

19 MR. WUELLNER: Yes.

20 CHAIRMAN COX: For action from the Authority?

21 MR. WUELLNER: To approve the sole source

22 purchase.

23 CHAIRMAN COX: And this -- this vehicle,

24 Ed's, going to be over at Grumman or are we

25 housing it?

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1 MR. WUELLNER: Initially it would be here,
2 but as the station's built in the next six to nine
3 months, it would be housed at that location.

4 CHAIRMAN COX: Be here? Where, over at the
5 maintenance facility?

6 MR. WUELLNER: We'll probably store it in --
7 indoors at our maintenance shop facility.

8 CHAIRMAN COX: All right.

9 MR. WUELLNER: Unless Grumman has room for it
10 inside, but considering most of their vehicles are
11 outside at this point, I --

12 CHAIRMAN COX: Right.

13 MR. WUELLNER: -- we would do it inside.

14 CHAIRMAN COX: Authority discussion? Yes,
15 sir.

16 MR. GORMAN: Yeah. Can I ask? I went to the
17 Florida Aviation Convention and got a good
18 briefing from the people there about the ARFF and
19 about the ability. But that vehicle looks -- I

20 wish that we had discussed this before. I have to
21 do it at a board meeting. It looks radically
22 different from the ones I have seen. And the
23 personnel protection looks radically different.
24 The ones I have seen are much wider, they
25 have a much taller stance, much larger tires, and

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1 the personnel protection is from a front area that
2 is bevelled and with very thick window glass.

3 Why is it so much different?

4 MR. WUELLNER: Keeping in mind the type of
5 vehicle. It has to do with the index of response
6 the vehicle's designed to handle. This is what's
7 called an Index A vehicle, which is basic level
8 response, a first response kind of vehicle.

9 We have capability through Northrop Grumman
10 for the Index B size vehicle. As the aircraft
11 size increases and/or the number of operations
12 increases, the -- the number -- the letter
13 associated with the index goes higher. So a B
14 vehicle, obviously, has more capability than an A.

15 A combination of A and B vehicle on here
16 effectively gives the airport a net of a C -- C
17 index, assuming both vehicles are operational at
18 the time of an aircraft operation, which provides
19 into the larger air carrier aircraft capabilities

20 on the airport.

21 The beauty of this vehicle is that it would

22 allow really just this vehicle to be the

23 responding unit all the way up through Index A,

24 which the airport right now believes it would be

25 its initial entry level fire requirement for --

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1 for ARFF.

2 MR. GORMAN: And not to labor or waste our
3 time, a quick question, too. Does this have one
4 of those -- the hull piercing components?

5 MR. WUELLNER: I don't believe this one does.

6 MR. GORMAN: Doesn't. Doesn't look like a
7 design that would be capable.

8 MR. WUELLNER: Does not. Primarily because
9 the -- as you correctly observed, the height of
10 the vehicle --

11 MR. GORMAN: Right.

12 MR. WUELLNER: -- wouldn't lend itself, other
13 than small aircraft, to -- to that technology.

14 The Index B vehicles, like you're -- you're kind
15 of alluding to in size, the other Grumman vehicle,
16 that's the kind of vehicle normally that, what's
17 called a snozzel, odd name, would normally be a
18 part of that kind of a vehicle.

19 MR. GORMAN: Can I -- can I ask Mr. Cox, what

20 is your experience with those? Your experience
21 should be pretty good with these. Would you -- do
22 you --
23 CHAIRMAN COX: Nothing with the smaller
24 vehicle. Actually, I trained on the bigger fire
25 and rescue vehicle.

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1 MR. GORMAN: You think this would be an
2 effective one?

3 CHAIRMAN COX: Absolutely.

4 MR. GORMAN: Because I know, costwise, I've
5 seen about that amount of money --

6 CHAIRMAN COX: Well, I just --

7 MR. GORMAN: -- used in the large.

8 CHAIRMAN COX: I don't think we have the
9 incidence of arrivals of large aircraft that's
10 going to require the bigger vehicle.

11 I mean, certainly we have a 75 or a 73 BBJ
12 come in here very infrequently, and so I think,
13 you know, this is absolutely --

14 MR. WUELLNER: This --

15 CHAIRMAN COX: -- pertinent for our
16 operation.

17 MR. WUELLNER: Almost everything, the Index B
18 and above vehicles are all in excess of \$500,000.

19 CHAIRMAN COX: Yeah.

20 MR. WUELLNER: This is -- in terms of value,
21 for what it is, this is -- this is probably as
22 good as it gets.

23 And the beauty is with -- complying with the
24 new advisory circular allows a different
25 technology to be applied to some of the older

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1 agents that are out there, such as Purple-K. This
2 allows that -- that Purple-K to be put on a fire
3 at a much greater distance than earlier
4 generations, which allows it to comply with the
5 new standards.

6 It's -- it's kind of an amazing vehicle. The
7 technology is -- is way out there, compared to
8 what, just a few years ago, was available. In
9 fact, less than a year ago.

10 CHAIRMAN COX: Mr. Burnett?

11 MR. BURNETT: Just -- just one thing, very
12 briefly. I want to note for the record,
13 consistent with your purchasing policy, that we do
14 have a verification from the vendor that this is a
15 new technology. And that was also confirmed by
16 Passero & Associates in their letter of August
17 31st, 2006, that it's a new technology.

18 CHAIRMAN COX: We are in receipt of that
19 letter.

20 MR. BURNETT: And that therefore, it's a sole
21 source exception to your regular purchasing
22 policy.

23 CHAIRMAN COX: Okay. Thank you very much.

24 Any other discussion? Mr. Brunson?

25 MR. BRUNSON: Yeah. Just for the record, why

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1 do we need this?

2 MR. WUELLNER: Number one, you have -- you
3 have grant funds you've been moving forward.

4 You're about to lose these funds. Second of
5 all --

6 MR. BRUNSON: Okay. That was my second
7 question.

8 MR. WUELLNER: Yeah. Well, that's -- that's
9 the -- the funding side of it.

10 The second is, in the event we were to
11 experience any kind of commercial-related
12 services, even charter, we are required to meet a
13 minimum Index A requirement, depending on the
14 frequency and size of aircraft that would --
15 would -- would be accommodated at the airport.

16 We're increasing a frequent -- a more
17 frequent number of those aircraft even now, as --
18 as you're aware of. In another month, we'll have
19 Delta Airlines in here again with charters. We

20 need to be capable in order to retain our

21 certification with FAA.

22 MR. BRUNSON: Well, does this index, is it

23 sufficient? If some miracle would happen and we

24 would get commercial flights --

25 MR. WUELLNER: Yes.

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1 MR. BRUNSON: -- would that handle that?

2 MR. WUELLNER: This meets basically a DC-9,
3 737 Airbus, 319, 320 size aircraft minimum
4 requirements.

5 CHAIRMAN COX: It meets it.

6 MR. WUELLNER: If you get above that size --

7 CHAIRMAN COX: Meets the frequency standard
8 that we have for those --

9 MR. WUELLNER: Yes.

10 CHAIRMAN COX: -- aircraft.

11 MR. BRUNSON: And -- and the price, it said
12 it includes delivery?

13 MR. WUELLNER: Yes.

14 MR. BRUNSON: Extra agent, what does that
15 mean?

16 MR. WUELLNER: That is the extinguishing
17 agent.

18 MR. BRUNSON: How about the personnel to
19 drive it?

20 MR. WUELLNER: It does not include people, if

21 that's what you're asking.

22 CHAIRMAN COX: That's you.

23 MR. BRUNSON: Would that be -- is it air

24 conditioned?

25 MR. WUELLNER: I'm sure it is.

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1 CHAIRMAN COX: Training for Mr. Brunson is
2 included in --

3 MR. BRUNSON: And -- and what -- what are
4 your thoughts there? Would we take one of our
5 personnel and train them?

6 MR. WUELLNER: Actually, at this point, we're
7 contemplating it being operated by the trained
8 firefighters at Northrop Grumman initially.

9 MR. BRUNSON: Okay, great.

10 MR. WUELLNER: And then moving forward,
11 there's -- still remains optimism in the
12 discussions of actually bringing this under the
13 County fire.

14 MR. BRUNSON: Okay.

15 CHAIRMAN COX: And if you'll recall --

16 MR. WUELLNER: It's a specialized vehicle.
17 It's not the kind of vehicle that you'd go out and
18 fight a structural fire. It's not for that.

19 MR. BRUNSON: I think -- I think that's a

20 good asset to have, to bring St. Johns County into

21 the picture.

22 And last question, does this vehicle require

23 high price insurance, or can it -- can it fall in

24 line with our --

25 CHAIRMAN COX: It's a good question.

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1 MR. BRUNSON: -- regular vehicles?

2 Mr. Klein, you don't know, do you?

3 MR. WUELLNER: We haven't priced insurance on
4 the vehicle itself.

5 MR. KLEIN: Can't tell you right now.

6 MR. GORMAN: We're scared of insurance.

7 MR. WUELLNER: I'm sure he's willing to get
8 us a quote, though.

9 MR. BRUNSON: Okay.

10 CHAIRMAN COX: I don't know what could hurt
11 it.

12 MR. BRUNSON: And I didn't hear the answer to
13 you. Is it air conditioned?

14 MR. WUELLNER: Yes, I believe it is.

15 CHAIRMAN COX: Ms. Green, any comment?

16 MS. GREEN: The only question I have, is not
17 having a Consumer Guide Index as to what
18 comparable fire trucks go to, is this pretty
19 comparable as far as price or better than what

20 you've seen or -- shopping around?

21 CHAIRMAN COX: I think -- I think that's part

22 of what you were talking about is, is that it's

23 new technology, sole source. I don't know if

24 you'd be able to find a --

25 MR. WUELLNER: We actually found -- because

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1 Index A is Index A.

2 MS. GREEN: Right.

3 MR. WUELLNER: The difference is the type of
4 technology that's being employed on it and meeting
5 the new advisory circular. And under the old
6 technology, am I correct, Bryan, they -- they
7 start at about 400-plus thousand dollars for Index
8 A vehicles, under the old technology.

9 MS. GREEN: Even the old one. Okay.

10 MR. WUELLNER: So, it --

11 CHAIRMAN COX: It's a very good question.

12 MR. WUELLNER: We just happened to kind of,
13 in a sense, luck into this particular technology,
14 and manufacturer happened to have one around.

15 MR. BRUNSON: And, Bryan, you did check eBay,
16 didn't you?

17 CHAIRMAN COX: He happened to have one
18 around, but it's an eight-week delivery?

19 MS. GREEN: It's normally months.

20 MR. WUELLNER: They have -- yeah, normally

21 it's almost a year.

22 CHAIRMAN COX: Okay.

23 MR. WUELLNER: Most of the -- the delivery

24 time on the eight weeks is they are going to

25 install the radio equipment to make sure we can

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1 obviously talk to tower, County fire rescue, and

2 Grumman's fire rescue.

3 MR. BRUNSON: This is certainly more useful

4 than the seaplane ramp.

5 MR. WUELLNER: I agree.

6 MR. GORMAN: Can I make one more comment?

7 Seems like a heck of a price for a truck.

8 MR. WUELLNER: I -- I agree. It's just --

9 CHAIRMAN COX: Well, everybody I think is

10 saying the same thing. And we're raising our

11 eyebrows.

12 MR. WUELLNER: Scarier, the bigger ones.

13 CHAIRMAN COX: But apparently it's -- if we

14 move to the older technology, it's more expensive.

15 Any further comment from the board? I'm

16 going to open it up to the public. Public

17 comment? Mr. Ciriello?

18 MR. WUELLNER: You just want to use it, don't

19 you?

20 MR. CIRIELLO: Joe Ciriello, 5318 Shore

21 Drive. I would imagine buying something like this

22 is almost like buying insurance. You hope you

23 never need it.

24 CHAIRMAN COX: Right.

25 MR. GORMAN: That's true.

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1 MR. CIRIELLO: I either heard or read
2 somewhere that fire departments on airports are
3 altogether different than regular fire
4 departments. The training is all different,
5 specialized and what all.

6 And this, you'll probably use it more for
7 small stuff, because that's basically what comes
8 here. But if you don't have a steady group of
9 people, not volunteers, but regular firemen like a
10 regular fire department, you have service here at
11 night. If I'm not mistaken, people are coming in
12 here all the time, anytime, morning, noon, or
13 night.

14 So, what happens if say at 9:00 or 10:00 or
15 11 o'clock, some little guy comes in here with a
16 Mooney or a Bonanza or something like that, and
17 they bust it up and it catches on fire, who's
18 going to be around to do anything about it? I
19 mean, what good is this thing going to be then? I

20 mean, you know --

21 CHAIRMAN COX: You live pretty close, don't

22 you?

23 MR. CIRIELLO: No, eight miles.

24 CHAIRMAN COX: No, I'm just teasing.

25 MR. CIRIELLO: I can't even light a match.

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1 CHAIRMAN COX: I was hoping, Joe, you'd put
2 it out.

3 MR. CIRIELLO: You know, it's something you
4 hope you never need, but I've just got some -- you
5 know, some concern about if something happens and
6 there's nobody around to really do anything about
7 it. I don't know about Grumman's fire department,
8 if they have them around 24 hours around the clock
9 like they do their workers. So, you might have
10 something sitting here that's -- won't be of any
11 use to anybody if something happens.

12 CHAIRMAN COX: Well, I think the operational
13 policy of -- of that's going to be something
14 that's fluid and we're going to be working on how
15 that's going to be utilized. It's a very good
16 question.

17 MR. CIRIELLO: Unless you get somebody who is
18 say assigned, like a worker, like one guy each
19 shift or something like that, then you've got to

20 consider then the cost of paying personnel to be

21 with this.

22 CHAIRMAN COX: If they're launched. Correct.

23 Thank you very much. Other public comment?

24 Mr. Slingluff?

25 MR. SLINGLUFF: To put the need in

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1 perspective, we've -- we've done several drills
2 with the County fire department, and we maintain
3 some large dry chemical fire extinguishers on --
4 on our ramp, and they're trailer mounted. First
5 thing the fire guys say when they come is that our
6 fire extinguishers are the best piece of equipment
7 they have currently for an aircraft.

8 CHAIRMAN COX: That they have. That they
9 have access to.

10 MR. SLINGLUFF: That they have access to.

11 CHAIRMAN COX: Your fire extinguishers.

12 MR. SLINGLUFF: Our fire extinguishers. Not
13 the County's equipment. They want to press our
14 equipment into use. So, it is -- it's sorely
15 needed. It's time for it.

16 I would also like to offer that while we're
17 getting the ARFF building built, we would be glad
18 to have that -- that truck housed in the shade
19 hangar in -- in dispatch-ready condition.

20 MR. WUELLNER: Awesome. Thank you.

21 MR. HICKOX: Could I add one thing just to --

22 your information. Make sure that you're staying

23 current with the County's radio system upgrades,

24 so that if you install new equipment, it's got to

25 have the right channels.

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1 CHAIRMAN COX: Very good point. Ms. Barrera?

2 MS. BARRERA: Hi. Kelly Barrera, Ponte Vedra
3 Beach, Florida. I would like to know if there's
4 not any insurance discount that you would get by
5 having this vehicle on property like you would a
6 home fire extinguisher, smoke alarm, those type of
7 things. Would that not come into play as you're
8 looking, sir?

9 MR. KLEIN: It's possible it would.

10 MS. BARRERA: When -- when you -- when you do
11 your research and you're looking for those bids,
12 could you not include that as an -- as an item
13 that would be an asset on the airport property,
14 just so that the board would have an opportunity
15 to compare? Thank you.

16 CHAIRMAN COX: I think a percentage decrease
17 from the \$275- cap down to \$238- would be quite
18 appropriate. Thank you very much, Kelly.

19 MR. BRUNSON: Okay. Is this going to take a

20 motion?

21 MR. WUELLNER: Yes.

22 CHAIRMAN COX: Any further public comment?

23 (No further public comment.)

24 CHAIRMAN COX: All right. Not hearing any

25 further public comment, looking for action -- the

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1 director's looking for action on this particular
2 agenda item, and I'll entertain a motion.

3 MR. BRUNSON: I make a motion that we
4 authorize the purchase of this vehicle for the
5 \$305,948, and direct Staff to get it in here as
6 soon as possible.

7 CHAIRMAN COX: Motion on the table. Hear a
8 second?

9 MS. GREEN: I second with the FDOT grant 50
10 percent coming in.

11 CHAIRMAN COX: Correct. Yeah. I think the
12 total cost will be \$305- and change, and then FDOT
13 grant of \$150-. So, a motion on the table with a
14 second. Any discussion?

15 (No discussion.)

16 CHAIRMAN COX: All in favor?

17 MS. GREEN: Aye.

18 MR. BRUNSON: Aye.

19 CHAIRMAN COX: Aye.

20 MR. GORMAN: Aye.

21 CHAIRMAN COX: The ayes have it unanimously.

22 I don't think you'll find any disagreement from

23 anybody on that.

24 10. - PUBLIC COMMENT

25 CHAIRMAN COX: Moving to general public

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1 comments, please. Any general public comments?

2 (No public comment.)

3 CHAIRMAN COX: Seeing none, we'll move into
4 Authority members' comments. Mr. Brunson?

5 11.A. - MR. BRUNSON

6 MR. BRUNSON: I have no comments.

7 I'm -- I'm glad we're through the millage
8 rate and the budgeting. And I won't be on the
9 board in two years, but I certainly hope that the
10 previous -- the board members that come before us
11 will know how hard we've worked on this.

12 And you guys that get elected in the next
13 four years, I hope you will, at this -- what we've
14 done today will pay off for you, and I think it
15 will. Those are my comments.

16 And I know personally that Mr. Wuellner, even
17 though this budget is approved, that he's looking
18 daily how to reduce expenses. And I think we've
19 got a good airport director, and I feel real good

20 about this board.

21 We make some hard decisions that we don't

22 want to make sometime that have to be made. Thank

23 you.

24 CHAIRMAN COX: Thank you, Mr. Brunson.

25 Ms. Green?

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1 10.B. - MS. GREEN

2 MS. GREEN: I mirror that. I think -- I'm
3 hoping and praying that the board before us
4 started us in this direction, we're following, and
5 that subsequent boards will work as hard to work
6 fiscally as we have to try and do that for the
7 airport.

8 One thing I did want to mention, I think all
9 of the board members, I'm assuming, received
10 information from St. Augustine High. They're
11 starting an aviation program there, and they asked
12 if someone from our board would be a liaison
13 member, and that's me. So, I went ahead and --

14 MR. BRUNSON: Who's --

15 MS. GREEN: -- volunteered.

16 MR. BRUNSON: -- talking about that.

17 MS. GREEN: So, that will be four or five
18 meetings a year, and then some speaking things
19 with the kids. So, it's to further -- and the

20 marketing and public relations area, further the

21 airport.

22 CHAIRMAN COX: Very good. Thank you.

23 Mr. Gorman?

24 10.C. - MR. GORMAN

25 MR. GORMAN: I'm glad we're doing more

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1 marketing and public relations work. It's
2 certainly good to be positive rather than negative
3 as much as possible.

4 I think this board does do some good work. I
5 think we get some glaring holes that get thrown in
6 front of us. One is like insurance. That
7 certainly got us right up on the -- right up the
8 side of the head, as they say. And those things
9 need to be probably anticipated somehow.

10 As far as budget goes, I don't agree with all
11 of the line items. And it's been an approved. It
12 is what it is. There's -- I would like to see
13 certain reductions in the future in the budget.

14 CHAIRMAN COX: Okay. Thank you very much.
15 Mr. George is not here.

16 10.E. - MR. COX

17 CHAIRMAN COX: I'd like to thank the public
18 for coming out and going through this, all of the
19 budget meeting hearings with us and stuff and

20 adding very valid points of concern. Thanks for

21 coming out and looking at that.

22 Also, the tenants that are here tonight,

23 please look over your minimum operating standards

24 for the next meeting and be ready to have -- or if

25 you want to contact any of the Authority members

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1 and -- and give your input concerning that packet,
2 please feel free to call or get ahold of the
3 Authority members and do that.

4 12. - NEXT MEETING DATES AND ADJOURNMENT

5 CHAIRMAN COX: With that, we'll move on to
6 the next meeting date, which tentatively is set
7 for October 16th at 4 p.m. And a workshop date,
8 we need to work on. So, does anybody have any
9 issues with October 16? No?

10 MR. BRUNSON: None.

11 CHAIRMAN COX: Okay. We'll make it October
12 16th, then. Workshop date for airport development
13 issues? Ed?

14 MR. WUELLNER: Yeah. Terminal area
15 improvements.

16 CHAIRMAN COX: Improvements. So, that will
17 be at 3 p.m.

18 MR. WUELLNER: It's your choice, but you
19 could do it --

20 CHAIRMAN COX: Or October 18th at 4:00, or

21 Thursday at 4:00.

22 MR. WUELLNER: I don't expect it to be more

23 than an hour.

24 CHAIRMAN COX: I'd prefer to just have it at

25 3 p.m. You don't want to do that?

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1 MR. GORMAN: October 18th is --

2 CHAIRMAN COX: No, no, no, October 16th.

3 MR. WUELLNER: The day of, right before the
4 meeting.

5 CHAIRMAN COX: I was just giving you options.

6 MR. GORMAN: Okay.

7 CHAIRMAN COX: They listed some options there
8 for us, but October 16th is the regular meeting,
9 and then proposed having a workshop at 3 p.m.
10 on -- does that work for everybody? Good. That's
11 the way it will be.

12 Meeting is adjourned. Thank you very much.

13 (Thereupon the meeting adjourned at 5:48 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, certify

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the

9 transcript is a true record of my stenographic

10 notes.

11

12 Dated this 26th day of September, 2006.

13

14

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

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