

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, December 11, 2006

6 from 4:03 p.m. to 5:48 p.m.

7 \* \* \* \* \*

8 BOARD MEMBERS PRESENT:

- 9 BOB COX, Chairman
- WAYNE GEORGE, Secretary-Treasurer
- 10 JOHN "JACK" GORMAN
- SUZANNE GREEN

11 BOARD MEMBERS PRESENT:

12 RANDY BRUNSON

13 \* \* \* \* \*

14 ALSO PRESENT:

15 DOUGLAS N. BURNETT, Esquire, Rogers, Towers, Bailey,  
16 Jones & Gay, P.A., 170 Malaga Street, St. Augustine,  
FL, 32084, Attorney for Airport Authority.

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

18 BRYAN COOPER, Assistant Airport Director.

19 KELLY BARRERA, Board Member Elect.

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

22

St. Augustine Court Reporters

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1           P R O C E E D I N G S

2           CHAIRMAN COX: Good evening, ladies and  
3 gentlemen. Like to call to order the December  
4 11th, 2006 meeting of the St. Johns County Airport  
5 Authority. First order of business, please, is  
6 stand up and say the Pledge of Allegiance.

7           (Pledge of Allegiance.)

8           CHAIRMAN COX: Thank you very much.

9           3. - APPROVAL OF MEETING MINUTES

10          CHAIRMAN COX: Moving into the approval of  
11 minutes. If there are no additions or exceptions,  
12 the only thing I'd like to add is Chairman's  
13 comments. That's the agenda approval, but  
14 approval of minutes of last -- for the last  
15 meeting, any exceptions or additions?

16          (No exceptions or additions.)

17          CHAIRMAN COX: Seeing none, those stand  
18 approved.

19          Financial report?

20 4. - APPROVAL OF FINANCIAL REPORT

21 MR. WUELLNER: Actually --

22 CHAIRMAN COX: Mr. Secretary-Treasurer?

23 MR. GEORGE: Yes. We have, hot off the

24 press --

25 CHAIRMAN COX: Yes, we do.

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1 MR. GEORGE: -- the certified financial  
2 statements. And if the people that don't trust me  
3 going through it, you can trust these guys,  
4 because that's what they do for a living.

5 CHAIRMAN COX: We can table it until we have  
6 that on the agenda, correct?

7 MR. GEORGE: So, we will wait until the  
8 agenda comes up. But I would like to talk to you  
9 about the October, and we -- I see no problems  
10 with it, and I move we accept it.

11 CHAIRMAN COX: I'm sorry. I missed what your  
12 point was. You'd like to talk about --

13 MR. GEORGE: October financials.

14 CHAIRMAN COX: Oh, okay.

15 MR. GEORGE: We have two financial entries.

16 CHAIRMAN COX: Right.

17 MR. GEORGE: One, you're right, is on the  
18 agenda. But I have the October financials, and  
19 they look fine to me.

20 CHAIRMAN COX: Okay. Very good. So, we will

21 just delay the financial report discussion until

22 we get to the action items for the audit for

23 Davis, Monk.

24 MS. GREEN: Did you not want to address

25 October or --

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1 CHAIRMAN COX: He's --

2 MR. GEORGE: Well, I did, and I recommended  
3 we accept it.

4 MS. GREEN: That's what I thought.

5 MR. GEORGE: Yeah. And he said okay.

6 CHAIRMAN COX: Hearing no exceptions or  
7 additions to that --

8 MS. GREEN: There you go.

9 CHAIRMAN COX: -- they will stand approved.

10 MS. GREEN: That's what I wanted to hear, I  
11 missed it.

12 CHAIRMAN COX: Okay.

13 MR. GEORGE: Kind of like you're clear down  
14 to the class B. You've got to hear it.

15 5. - APPROVAL OF MEETING AGENDA

16 CHAIRMAN COX: Agenda approval, the only  
17 minor point I'd like to add is Chairman's comments  
18 right after that particular bullet point.

19 Does anybody have any exceptions or additions

20 to the agenda?

21 MS. GREEN: No, sir.

22 CHAIRMAN COX: Hearing no further additions

23 to that, they will stand approved.

24 6. - CHAIRMAN'S COMMENTS

25 CHAIRMAN COX: Moving into Chairman's

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1     comments, on a lighter note, for the airport, I  
2     attended the International Council of Air Shows  
3     convention last week in Las Vegas for the whole  
4     week. And I just wanted to bring to the airport  
5     and to the -- to the County here that Patty  
6     Wagstaff was nominated into and inducted into the  
7     International Council of Air Shows Hall of Fame.

8           MR. GEORGE: Great.

9           CHAIRMAN COX: And that is a huge, huge  
10    honor. You've got 400 air show pilots from around  
11    the world, including the Blue Angels, the Air  
12    Force Thunderbirds, the Canadian Snowbirds, all of  
13    those people with all the other air show  
14    performers voting on who to induct into it and to  
15    nominate. And so, for Patty to get that was a  
16    huge honor. It really brings a lot of a -- a lot  
17    of credibility to -- to us in St. Johns County and  
18    the airport.

19           So, accolades to Patty. And everybody give

20 her a silent round of applause. You see her next

21 time, congratulate her out at the airport.

22 That's all I have for the comments.

23 Moving into reports, if we could, please.

24 7.A. - COUNTY COMMISSIONER

25 CHAIRMAN COX: Mr. Rich? Not here.

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1 MR. BURNETT: Mr. Rich isn't here, but I  
2 think Mr. Sanchez is. Commissioner Sanchez is.

3 CHAIRMAN COX: Oh, okay. My apologies.  
4 Mr. Sanchez.

5 COMMISSIONER SANCHEZ: I'm Ron Sanchez. I'm  
6 going to be the new --

7 CHAIRMAN COX: Very good.

8 COMMISSIONER SANCHEZ: -- liaison officer for  
9 the County Commission for you.

10 MR. WUELLNER: Awesome.

11 CHAIRMAN COX: If you wouldn't mind coming to  
12 the --

13 COMMISSIONER SANCHEZ: I really haven't  
14 prepared --

15 CHAIRMAN COX: Nothing? Okay.

16 COMMISSIONER SANCHEZ: -- any comments or  
17 anything. I've got a 20-minute speech, if you'd  
18 like to hear it.

19 CHAIRMAN COX: If you could wait until we

20 adjourn.

21 COMMISSIONER SANCHEZ: That's usually the

22 case; everyone's gone by the time I finish this

23 speech. But anyway, I don't really have anything

24 to say, other than the fact that I'm here to

25 listen. And anything you'd like for me to take

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1 back to the board, I'll be glad to do that. I'm  
2 not in any way here to -- to make offers or to try  
3 to sway your decisions in any way. Thank you.

4 CHAIRMAN COX: Welcome aboard, sir.  
5 Question?

6 MR. GEORGE: I have a comment for you, Ron.  
7 We have been trying to get our health insurance on  
8 the County, and it was my understanding --

9 COMMISSIONER SANCHEZ: I'm sorry, I'm having  
10 a lot of trouble hearing you. I don't know --

11 MR. GEORGE: Boy, that is good. I'll use  
12 that.

13 CHAIRMAN COX: We have -- we have some  
14 insurance discussion on one of the action items.  
15 Maybe we could address it at that point.

16 MR. GEORGE: Okay. All right. Sounds good.

17 CHAIRMAN COX: Is that all right?

18 MR. GEORGE: Yeah.

19 CHAIRMAN COX: Okay.

20 COMMISSIONER SANCHEZ: Thanks.

21 CHAIRMAN COX: We'll call you up to the plate

22 then.

23 COMMISSIONER SANCHEZ: Okay.

24 CHAIRMAN COX: Mr. Slingluff?

25 7.B. - GALAXY AVIATION

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1 MR. SLINGLUFF: Nothing new to report.

2 CHAIRMAN COX: Thank you, sir. Mr. Nehring?

3 7.C. - GRUMMAN ST. AUGUSTINE

4 MS. HOLIEN: Nothing -- nothing from Grumman.

5 CHAIRMAN COX: Okay. Thank you very much.

6 Mr. Roderick? Good man.

7 7.D. - S.A.P.A.

8 MR. RODERICK: Okay. I have one item. And

9 last weekend, our club supported the St. Johns

10 high school aviation program. And rather than

11 get -- get it secondhand, I would like to call

12 Reba to the microphone and let her give it. She

13 volunteered. Personally, she flew one of the

14 children, and there were several other people.

15 She can give you the details.

16 MS. LUDLOW: Don't put it down that low. I

17 can reach it.

18 UNIDENTIFIED SPEAKER: Stand on his toes,

19 Reba.

20 MS. LUDLOW: Thank you. Just kidding.

21 We did have a wonderful time with the kids.

22 There are like 20 or 25 students involved in the

23 program. We -- oh, there were so many conflicts.

24 We had the parade. They had SATs. They had a

25 program, you know. And it was the first time.

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1 So, it was, you know, an organizational type

2 thing.

3 Actually, Ed's the one that should be talking

4 about this. But anyway, I'll -- I'll let him

5 know. I'll talk to him. But we had -- we

6 expected five. Three showed up. There were no

7 girls, unfortunately, but there were three planes.

8 Jerry Dixon had his plane out there, very

9 noticeable, and nicely noticeable. And Toby had

10 his plane. And I had my plane at the hangar,

11 because after Ed took them on a tour all over the

12 airport, you know, pointing out the runways and

13 things like this, and what -- what our future

14 plans were, then I thought they were going to

15 enter the tower. I thought they were going to

16 come back down and have time to go through the

17 hangars, and then I was going to taxi one of them

18 over.

19 But anyway, we had three kids. We each took

20      them for rides. The ceiling was only like 1200  
21      feet. So, it was kind of scud running. You  
22      stayed primarily over the -- the beach, over the  
23      shore. Some people went a little bit over  
24      downtown. When there was a big break in the  
25      clouds, you know, they could get real high.

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1           CHAIRMAN COX: Very good point, Reba. A  
2   big --

3           MS. LUDLOW: A big break in the clouds so  
4   they could get high enough, right. Before they  
5   left, though, Ed put on a presentation for them  
6   with his board, and he showed all of our future  
7   expansions and -- and explained to them about, you  
8   know, where we got our revenue, how good the  
9   airport was for everyone, what we expected for the  
10   future.

11          We had magazines for them. We had charts for  
12   them to look at. They -- they just are so bright.  
13   It's just so fun to be around these bright kids.  
14   So, when -- when each of -- each of the pilots  
15   took their student up in their plane, you know, we  
16   all let them feel the airplane. You know, we let  
17   them hold the yoke and turn and things like this,  
18   you know. And they just can't get that kind of  
19   experience, you know, anywhere else.

20           They are really enthused, and -- but they  
21           just can't wait till they do it again. Let me see  
22           if I forgot anything. Now, what else should I  
23           say, Ed?

24           MR. WUELLNER: They had nice tour of Galaxy's  
25           facilities, and Michael did too, had aircraft and

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1 all that.

2 MS. LUDLOW: Okay. Michael -- I'm sorry.

3 Michael took them on a tour of Galaxy. I wasn't

4 there. I was waiting at my hangar, so I missed

5 all the good stuff.

6 But the other good, good thing is we had a

7 reporter from The St. Augustine Record who was

8 very interested in our flying and, you know,

9 what's going on out here. She wants to be part of

10 our group and, you know, she might come to our

11 Christmas party tomorrow. So, Mike, I'm sorry,

12 did I forget anything?

13 MR. SLINGLUFF: No. You covered it very

14 well.

15 MS. LUDLOW: I did? Okay. That's my report.

16 CHAIRMAN COX: There's going to be a reporter

17 at our Christmas party tomorrow? Is that what she

18 said?

19 MS. LUDLOW: I -- I take that back.

20 CHAIRMAN COX: Can you have a security guard

21 at the gate, Ed?

22 MR. WUELLNER: Yeah.

23 CHAIRMAN COX: Mr. Ottesen?

24 7.E. - F.A.C.T.

25 (Not present.)

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1 CHAIRMAN COX: Not in attendance.

2 Mr. Burnett?

3 7.F. - AIRPORT ATTORNEY

4 MR. BURNETT: I have nothing to report today.

5 CHAIRMAN COX: Mr. Knight?

6 7.G. - ATCT

7 MR. WUELLNER: I've got the magical chart.

8 MR. GEORGE: It's clear as day.

9 MR. WUELLNER: You are now the yellow color.

10 The 2008 forecast number is the dark blue. The

11 purplish color is last year's number, so -- the

12 parenthesis on the -- the legend is the snapshot

13 of the month, last year versus this year. So,

14 it's about 700 -- about 1700 different than -- in

15 total ops for the month. That's about all I can

16 tell you about it.

17 CHAIRMAN COX: Any questions?

18 (No questions.)

19 7.A. & B. - MPO AND EDC

20 CHAIRMAN COX: Moving into member committee

21 reports, MPO and EDC. That's Randy's --

22 MR. GEORGE: EDC is nothing.

23 7.C. - INTERGOVERNMENTAL

24 CHAIRMAN COX: Intergovernmental?

25 MR. GORMAN: No report as of yet.

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1 CHAIRMAN COX: As of yet?

2 MR. GORMAN: No. The meeting was put off,  
3 and we're meeting -- the pending meeting will be  
4 attended.

5 7.D. - SJC AEROSPACE ACADEMY

6 CHAIRMAN COX: SJC Aerospace, Reba kind of  
7 gave us an overview of the aerospace academy. Do  
8 you have anything to add, Ed?

9 MR. WUELLNER: I don't, no.

10 CHAIRMAN COX: Okay. Moving into project  
11 updates.

12 8. - PROJECT UPDATES

13 MR. WUELLNER: Yes, sir. Several projects on  
14 the update list. South hangar apron development  
15 project; T-hangar development project; hangars 8,  
16 9, and 10 in the northeast area of the airport;  
17 Seaplane ramp project; and marketing and public  
18 relations; and airport leasing activity covered.

19 South hangar project, which is Taxiway

20 Foxtrot and the apron associated with it is well  
21 under construction back there. If you haven't had  
22 a chance to -- you really can't drive on the  
23 project because of the elevation difference for  
24 most people, but if you've really had a chance to  
25 see it from the air, it's quite an impressive

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1 amount of earthwork going on back there as they  
2 prepare the area for eventual paving back there.  
3 You recall this is the FAA project that  
4 Congressman Mica -- Mica was so helpful in putting  
5 together with us.

6 Work continues at this point. I think we're  
7 still on track for an end of March completion date  
8 on the infrastructure at this point, although we  
9 are going through a small permitting issue up at  
10 the -- where it crosses the ditch, approximate  
11 area of where Taxiway Delta crosses this project,  
12 and we're working that out.

13 However, there seems to be plenty of work,  
14 and right now we're not anticipating a substantial  
15 delay; it's just working through some permit  
16 issues there.

17 Still, by April, at the latest, I would -- I  
18 would think we should be through this project.

19 Any questions on Foxtrot and the apron?

20 (No questions.)

21 MR. WUELLNER: No? Okay. South hangar area

22 T-hangar project. We're -- engineering is

23 continued on -- continuing on along the last

24 layout y'all approved. Expect it to go to DRC

25 probably fairly soon to get their blessing and

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1 input on the project with the County. And that  
2 would be followed shortly thereafter with bidding  
3 that construction. And that, when I'm talking  
4 about the bidding, it's -- we're really talking  
5 about the buildings themselves and the erection of  
6 the buildings.

7 I understand from talking with Passero that  
8 the survey is supposed to be done tomorrow or  
9 Wednesday. So, we should have the ability to go  
10 out there and do that walk-around here this week.  
11 They're finally getting out here. So, that should  
12 allow us to make last-minute adjustments in the  
13 site plan, make sure we're avoiding everything we  
14 think we are on paper right now.

15 I think that's it on that one. If you've got  
16 questions or something --

17 MR. GEORGE: Go ahead, Jack.

18 MR. GORMAN: My question is, is when that  
19 walk-through would be available, because I've --

20 I've been asking for several weeks to be able to  
21 do that, and I haven't been able to get a  
22 commitment --

23 MR. WUELLNER: Probably Thursday or Friday.

24 MR. GORMAN: -- as to when we could do it.

25 MR. WUELLNER: I would say Thursday or

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1 Friday.

2 MR. GORMAN: Thursday or Friday?

3 MR. WUELLNER: Yeah.

4 MR. GORMAN: Then an actual walk-through to  
5 be able to see the stake area.

6 MR. WUELLNER: Yeah. Yeah. That's what  
7 they're going to do tomorrow or Wednesday; is that  
8 correct? Okay.

9 MR. GORMAN: All right. Thank you.

10 MR. GEORGE: One other question, Ed. Sorry.  
11 Back up -- back up one chart.

12 MR. WUELLNER: Uh-huh.

13 MR. GEORGE: How much of that green area will  
14 be used for tie -- regular old tie-downs?

15 MR. WUELLNER: Use the magic pointer here.  
16 All of this area over. So, basically this whole  
17 section is tie-downs.

18 MR. GEORGE: Okay.

19 MR. WUELLNER: And I guess, you know, if you

20 needed some sort of a special event backup, that  
21 either one of these segments could be used, also,  
22 in some configuration. It's, what, 50 -- 50 feet  
23 wide with paved shoulders. So, it's -- it would  
24 be adequate to park and taxi a small aircraft by.

25 MR. GEORGE: Mr. Slingsluff, how much -- is

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1     there going to be much impact on the FBO? Don't  
2     you have a lot of guys that are with you on  
3     tie-downs?

4           MR. SLINGLUFF: Currently, the -- the  
5     tie-down is very seasonal. In the summertime,  
6     we're down to only four or five on tie-downs.

7           MR. GEORGE: Okay.

8           MR. SLINGLUFF: In the wintertime, we have  
9     probably 20 to 30 on -- on monthly tie-downs. But  
10    daily volume is dependent on traffic coming in.

11          MR. GEORGE: Okay. Thanks.

12          CHAIRMAN COX: Are those anchored tie-downs,  
13    Ed, or are they --

14          MR. WUELLNER: Actually, we're not building  
15    tie-downs as a part of this --

16          CHAIRMAN COX: Okay.

17          MR. WUELLNER: -- but they can be added in  
18    whatever form --

19          CHAIRMAN COX: All right.

20 MR. WUELLNER: -- as needed. There are  
21 several ways to go, the cable method that was in  
22 place at the FBO, or you can go with the, you  
23 know, fixed position type.

24 All right. Eastside development area, which  
25 is hangars 8, 9, and 10, photos are a little older

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1 than where the project is today.

2 The project now has the roof and pretty much  
3 all exterior walls in place. The door frame  
4 structures are in place and -- and hanging for the  
5 HydroSwing doors there. They are -- have  
6 completed the DensGlass exterior of the offices  
7 and are actually drywalling the internal of the  
8 offices already and beginning the hangar partition  
9 within the building to create the three separate  
10 units. So, that -- that work's continuing now. I  
11 think we're still on an early March --

12 MR. HOLESKO: February 10th.

13 MR. WUELLNER: February 10th is the contract  
14 date, but when you -- when you factor in CO time  
15 and -- and the like, that's probably about the  
16 first of March right now. So, those will be  
17 completed, and we'll be in business in -- and  
18 generating some new revenue there.

19 What else have we got here? Floating dock

20 and lift, permitting's underway. Resolving the  
21 last issue that's an impediment to the permitting  
22 going on. It has to do with the actual easement  
23 that's in place over the seaplane area and the  
24 language in that easement with the State of  
25 Florida that says that we can develop the property

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1 and build on it. And apparently somebody at DEP  
2 wasn't aware of the easement and the language in  
3 place with our -- in our particular case. So,  
4 that should resolve and -- very quickly and move  
5 on with the permitting.

6 The first thing they do is try to figure out  
7 if you can legally -- if an easement's required to  
8 put a dock out into the Intracoastal, and it turns  
9 out the easement's in place, so it should be --  
10 should be relatively simple from here.

11 I think we mentioned -- or Reba briefed you  
12 on the aerospace academy. I did want to -- those  
13 of you that didn't know, we ended up hosting the  
14 aircraft charter for Wake Forest for the ACC  
15 Championship game a few weeks ago. Has it been  
16 two weeks? Two weeks ago.

17 MR. GEORGE: Moving right along.

18 MR. WUELLNER: Yes. Poor Buzz. Big Georgia  
19 Tech fan, and kind of went down in flames.

20 MR. GEORGE: That's right.

21 MR. WUELLNER: Anyways, another 737-800

22 charter by Miami Air flew -- flew the team in here

23 on Friday before the game.

24 CHAIRMAN COX: Which game was that?

25 MR. WUELLNER: ACC Championship game.

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1 MS. GREEN: Are we doing anything for the  
2 Gator Bowl?

3 MR. WUELLNER: I have not heard anything yet.

4 MS. GREEN: Okay.

5 MR. WUELLNER: A lot of that doesn't always  
6 develop till a week or ten days out.

7 MR. GEORGE: Georgia Tech is coming back, and  
8 you don't want them here.

9 MR. WUELLNER: I don't know how they got in  
10 there the last time, but it wasn't through us, so  
11 I don't expect to hear from them this time,  
12 either.

13 Airport leasing activities, we have one  
14 individual or company we're discussing the  
15 possibility of a lease. This is far from anywhere  
16 to bring to you. But if -- if you recall, on our  
17 property map on the north -- north of Gun Club  
18 Road on U.S. 1, the Authority owns two parcels,  
19 one approximately three acres, the other

20 approximately seven acres up there. And they -- a  
21 company is interested in leasing that property to  
22 develop a motel location there.

23 So, we are talking to them about a ground  
24 lease only arrangement in that, and we'll see  
25 where that goes. It may go nowhere. We'll see.

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1           The other, just to make you aware, we did  
2           get -- just in the last couple of days, got a copy  
3           of an appraisal related to our T-hangar rates and  
4           charges, commercial and corporate lease rates.  
5           So, I can make those copies available to you so  
6           you have some idea what the prevailing rates are,  
7           what the recommendations are based on appraisal of  
8           those. So, it might help solidify some valuations  
9           around here in your own mind, anyway.

10          And that concludes project updates.

11          CHAIRMAN COX: Let's move on into the action  
12          items.

13          10.A. - ANNUAL AUDIT PRESENTATION - DAVIS, MONK

14          MR. WUELLNER: All right. First item is  
15          Davis, Monk with the annual audit presentation.  
16          Who's the victim today?

17          MS. ROBINSON: I think I'll start, if that's  
18          all right.

19          MR. WUELLNER: Come on up.

20 MS. ROBINSON: Good afternoon. I'm Tina

21 Robinson with -- partner with Davis, Monk &

22 Company.

23 MR. WUELLNER: Helps to record.

24 MS. ROBINSON: Is that better?

25 MR. WUELLNER: Yes.

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1 MS. ROBINSON: And also with me today is Jeff  
2 Zeichner who oversaw the fieldwork audit here  
3 today, and he will -- he will have a few words  
4 with you in just a moment.

5 But as you know, we just completed the audit  
6 for the year ending September 30th, 2006, and  
7 we're happy to be able to give you some positive  
8 results today.

9 If you have your blue audit report with you,  
10 and if you would like to follow along, I'm going  
11 to make my comments very brief. But I will be  
12 looking at page 20, which is titled "Summary Of  
13 Auditor's Report."

14 If you'll look at the first section, I, and  
15 you'll see the Roman numerals, I, II, and III, all  
16 three of those pertain to the results of your  
17 financial statements. And in those results, we  
18 report that you received an unqualified opinion.  
19 The entire report is on page 1, in case you would

20 like to read that. But you're -- basically, an  
21 unqualified opinion means that your financial  
22 statements are fairly stated in all material  
23 respects, and so you received a clean opinion.  
24 II and III also pertain to financial  
25 reporting, and we said that there were no

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1 reportable conditions in internal control and no  
2 noncompliance that was disclosed during the audit.

3 Roman numeral IV, V, and VI all pertain to  
4 the audit of your grants. And for this past year,  
5 all of your grants were state related under the  
6 FDOT, and so therefore your major project was the  
7 aviation development grants.

8 And in those, in IV, we're saying there were  
9 no reportable conditions in internal control  
10 pertaining to your major state project. You also  
11 received an unqualified opinion relating to those  
12 projects. And there were no compliance findings  
13 relating to those projects. And therefore, in  
14 sections II and III, you'll also see that no  
15 matters were reportable.

16 Then if you'll go to page 14, just a couple  
17 of other items I'll point out to you. You have a  
18 management letter which is required, shows  
19 required items by the Auditor General of the State

20 of Florida. And in here, the underlined sections,  
21 where it says "Prior Audit Findings," lets you  
22 know that if you had any findings from prior year,  
23 we would have to follow up and -- and let the  
24 Auditor General know what your corrective actions  
25 have been. And in this case, you did not have any

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1 prior audit findings.

2 The Financial Condition, we are required to  
3 look and see if you meet any of the conditions  
4 under the Florida Statutes relating to  
5 determination of financial emergency, which  
6 thankfully you did not, and also, to look at your  
7 financial condition relating to whether or not you  
8 have deteriorating financial condition. And that,  
9 we did not see.

10 Your Annual Financial Report, which actually  
11 will be filed within the next 45 days, is in  
12 agreement with your audited results.

13 And on the page following on 15, your  
14 Investment of Public Funds, we are required to  
15 look at that and -- and see if we find any  
16 noncompliance with Chapter 218.415, and we did not  
17 find any issues relating to your investments in  
18 accordance.

19 And now I'd like Jeff, if he would give you a

20 little bit of the results of your numbers.

21 CHAIRMAN COX: Thank you very much.

22 MS. ROBINSON: You're welcome.

23 MR. ZEICHNER: Good afternoon. I am also

24 going to be very, very brief. I just want to talk

25 on a couple of things that may be of interest to

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1 you.

2 If you would, please turn to page 6, the  
3 Statement of Net Assets, or your balance sheet,  
4 which some of you may be more familiar with, if  
5 you look at this briefly, you can see that the  
6 airport is currently reporting total assets of  
7 about \$54 million, comparatively with total  
8 liabilities of about \$2.3-

9 The result is our net assets of about \$5.1  
10 million. You will notice that of that total of  
11 the \$51,413 thousand -- \$51,413,000, \$51,941-,  
12 almost 42, is invested in capital assets. That  
13 leaves us with a deficit in unrestricted net  
14 assets. That's been the case for several years.

15 If you can see the difference between 2005  
16 and 2006, it is -- it is becoming smaller. It's a  
17 result of our deferred rent revenue with Grumman.  
18 I would expect by 2007, we would have positive --  
19 positive unrestricted net assets.

20           The next page, page 7, Statement of Revenues,  
21   Expenses and Changes in Net Assets, you can see  
22   that the Airport Authority has total operating  
23   revenue of about \$2.7 million. We have total  
24   operating expenses of nearly \$3.9 million. That  
25   leaves us with an operating deficit of \$1.1

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1 million. That amount is made up through ad  
2 valorem taxes. You can see below under  
3 Nonoperating Revenues of about \$3.4 million, and  
4 capital grants of about \$1.1.

5 There is one thing I would like to point out  
6 to you that it might be confusing to you when  
7 you're looking back on this. If you look under  
8 the -- under the Operating Revenue column, under  
9 Lease Revenues, if you look from 2005 to 2006, it  
10 appears as though our lease revenue has declined.

11 That's a little misleading in that most of  
12 that number, under your old lease with your fixed  
13 base operator, there was about \$150,000 of  
14 payments for contingent fuel sales. Under that  
15 transaction, the way it was structured, it really  
16 was more rent than it was fuel sales, and it had  
17 been recorded as rental payments.

18 Under the new lease, the terms of that have  
19 really -- it's more of a flat flowage fee. It's

20 no longer a contingent fuel sale. So, that number  
21 is now included in fuel sales, which you can see  
22 it greatly increased since 2005. But the -- the  
23 lease revenue has declined by that amount, about  
24 \$150,000.

25 So, in consideration of that, your lease

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1 revenues are just about the same as they were the  
2 prior year.

3 The last thing I'll point out to you is on  
4 page 8, the Statement of Cash Flows, each -- each  
5 year, you ask me about this, so I figure I'd just  
6 beat you to the punch.

7 Under Operating Activities, there's a line  
8 item for Net Cash Used in Operating Activities.  
9 This is actually cash basis, how much cash do we  
10 bring in, how much cash do we spend? It -- it --  
11 it's activity exclusive of depreciation expense or  
12 deferred rent revenue. Any noncash items have  
13 been eliminated from this.

14 You can see that in 2006, the Net Cash Used  
15 in Operating Activities is about \$400,000,  
16 compared to about, you know, \$563,000 in 2005.  
17 That's been a trend downward since I've been  
18 involved with this job. And hopefully it will  
19 continue to move that way.

20           That's really all I have for you at this  
21   point. Tina and I will entertain any questions  
22   you might have.

23           CHAIRMAN COX: Open it up --

24           MR. GEORGE: I have a few.

25           CHAIRMAN COX: -- to board discussion.

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1 MR. GEORGE: You -- you mentioned that that  
2 net cash used for -- in operating was -- did not  
3 have depreciation in it.

4 MR. ZEICHNER: No, it's --

5 MR. GEORGE: But yet the number, operating  
6 loss, the whole reason that's a loss is because of  
7 depreciation.

8 MR. ZEICHNER: Well, in most cases, it's --  
9 everybody wants to just knock depreciation off and  
10 look -- they want to look at their accrual based  
11 net income and knock depreciation off and just  
12 say -- and just say, Hey, well, we really had an  
13 operating, you know, surplus, without  
14 depreciation.

15 There are other noncash items which go into  
16 your operating loss. Most notably, you recognize  
17 about a million dollars in rent revenue each year  
18 from Grumman, which is part of a deferred revenue  
19 arrangement that's been going on for quite a

20 while. It's coming to an end in the next year or

21 two.

22 So, if you really want to -- you know, it's

23 not necessarily correct to look at that and just

24 knock depreciation out of there. You have to take

25 into account all noncash items.

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1       MR. GEORGE: Okay. My understanding that at  
2       one time, most government agencies did not include  
3       depreciation in the financial statements. I mean,  
4       we just sit here and we've got \$51 million in  
5       assets and \$35 million in depreciation. I think  
6       these assets are probably more like \$51 million.

7       So, either we take the depreciation number  
8       and extend it out to the maximum, because we're  
9       building a building and getting 20 years' useful  
10      life. We've got another 40 to go. But we're  
11      depreciating it down to zero at 40, right?

12      MR. ZEICHNER: Most of your -- most of your  
13      infrastructure, your runways, your buildings, you  
14      do take, you know, a longer life on, about 40  
15      years. It is -- and depreciation expense goes up  
16      every year. I believe you're correct, that it was  
17      quite some time ago governments did not recognize  
18      depreciation. That was quite some time ago.

19      There are alternative methods. And actually,

20 I think -- I noticed this maybe two years ago, to  
21 recording depreciation, is there's an alternative  
22 called the modified approach, in which you don't  
23 necessarily depreciate it ratably over the years,  
24 but you assess it and impair the asset.  
25 So, each year, you have to sort of make an

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1 assessment of your infrastructure, of your  
2 buildings, and say is it still worth it? Or, are  
3 we expending the money we need to maintain these  
4 in the proper working order? If not, do we need  
5 to impair the asset at this time?

6 And it does take a little more work. We  
7 discussed it. It would take a lot more work. And  
8 I don't believe it's been pursued. But you do  
9 have alternatives under generally accepted  
10 accounting principles.

11 MR. GEORGE: Let me ask Mr. Sanchez. Ron, do  
12 you know if the County has a depreciation number  
13 in their books?

14 COMMISSIONER SANCHEZ: I really don't know  
15 right offhand.

16 MR. GEORGE: Okay.

17 MS. ROBINSON: Yes, they do.

18 MR. GEORGE: I'm sorry?

19 MR. ZEICHNER: As the County auditors,

20 they -- they do.

21 MS. ROBINSON: We are the County auditors.

22 MR. ZEICHNER: Yes.

23 MS. ROBINSON: And there is not an option

24 under government audit standards, other than what

25 Jeff has mentioned, you know, doing the

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1 modified --

2 MR. GEORGE: Okay.

3 MS. ROBINSON: -- method for not

4 depreciating. And he's correct, it would be --

5 there are stringent rules for if you wanted to not

6 show depreciation on the books, for you to

7 maintain or to be able to prove that you have

8 maintained that asset in -- in --

9 MR. GEORGE: Well, I don't mean to swim

10 upstream, you know, to the -- to the standards,

11 because I notice that they're out there. But is

12 there a way that we can -- like we take a new

13 building, like the terminal building that's there,

14 and rather than depreciating that over 20 years,

15 is there some way we can justify one time up front

16 that we think that building is going to last 40 or

17 50,000 -- 40 or 50 years? I'm sorry. Or the

18 standards, that type -- that's what you're going

19 to use.

20 MR. ZEICHNER: Under -- under generally  
21 accepted accounting principles, depreciation has  
22 to be just -- you have to choose a life that's  
23 justifiable. You have to have a reason. And you  
24 have to apply it consistently.  
25 You can't give one building a life of 25

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1 years and another building of similar use a life  
2 of 40 years. That's an inconsistency.

3 But about the only rules they have, is there  
4 has to be a justification. You have to be able to  
5 explain why you've chosen a life for that  
6 building. It's -- the lives that -- that we use  
7 here at the airport are very standard, and you see  
8 that throughout most governments; buildings are 40  
9 years, you know. Infrastructure assets, like  
10 road -- well, roads or runways, generally get a  
11 life of about 40 years. And that's just very  
12 common. It's -- it's not -- you don't have to  
13 choose that life. If you can justify it, you  
14 can -- you can really use any life you like,  
15 providing that it's justifiable.

16 MR. GEORGE: Well, we -- we keep getting --  
17 the whole reason for the -- for the question was  
18 we keep getting hit with, you know, are we going  
19 to be able to get off the tax rolls in four years?

20 And I think if everyone will look on page 7, if  
21 you look at the total Operating Revenue, but then  
22 take a look at the Operating Expenses, less  
23 depreciation, we're already into a profit mode.  
24 So, some of those numbers for depreciation  
25 are actually being rolled back into new

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1 construction.

2 MR. ZEICHNER: Well, the airport's a real  
3 unique environment, as I'm sure you all know. It  
4 doesn't fit a lot of molds. And there's a couple  
5 of --

6 MR. GEORGE: Let's make our own.

7 MR. ZEICHNER: There's a couple of  
8 interesting issues. I think you already have.  
9 There are a couple of interesting issues. Yes,  
10 the -- the -- what you would like to do is look at  
11 operating, you know, operating loss of \$1.1  
12 million, and deduct depreciation right out of  
13 there. And that would put you in the black in  
14 operating. However, you also have to take into  
15 account, included in lease revenues is about a  
16 million dollars of rent revenue from Grumman,  
17 which we receive no current resources for.  
18 They're not paying us.

19 MR. GEORGE: Okay.

20 MR. ZEICHNER: The -- the other thing that  
21 makes the airport unique to me is that in most  
22 areas, people would love to take out -- just take  
23 out depreciation expense. That's not a real  
24 expense. What they -- what they don't want to  
25 account for is the fact that you have capital

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1 outlay every year. We spend money on capital  
2 additions which don't get reported here.

3 Where this becomes kind of interesting to me  
4 with the airport is almost all of the money that  
5 you expend on capital additions is not your own.  
6 You know, 80 or 90 or 95 percent of that is  
7 generally grant -- grant monies.

8 MR. GEORGE: Yeah.

9 MR. ZEICHNER: So -- so, it is unique model.  
10 There's not a lot of other entities to look at  
11 where you can draw comparisons. You just sort of  
12 have to evaluate as though it stands alone. At  
13 least that's the approach I take.

14 MR. GEORGE: Well, I just need a better  
15 answer for asking -- answering all of those  
16 questions.

17 MR. ZEICHNER: I really think your best  
18 approach -- and I know in government, you're  
19 concerned with resources. Your best approach to

20     answering those questions is on page 8, and it's  
21     the Statement of Cash Flows. And that shows  
22     resources used and -- I'm sorry, you know, cash  
23     provided by and cash used for these activities.  
24             And if you look at that, in 2006, your  
25     operating -- your operations, you're operating at

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1 a deficit of about \$400,000 compared to \$563,000  
2 in 2005. I think if you look back to 2004, you'd  
3 see it's about \$721,000.

4 MR. GEORGE: Okay.

5 MR. ZEICHNER: That was just shooting from  
6 the hip.

7 MR. GEORGE: All right. One other question.  
8 Page 13, the funding policy for the employment --  
9 employee retirement plan, this says that elected  
10 officials get 16.53 percent of something for their  
11 retirement. 16 percent of zero?

12 MR. ZEICHNER: Exactly.

13 MR. GEORGE: Then it's life as usual then.

14 MR. GORMAN: Just checking.

15 MR. GEORGE: Just checking, right.

16 MS. ROBINSON: Good question.

17 MR. GEORGE: All right. Thanks. Thanks,  
18 Mr. Chairman.

19 MR. WUELLNER: Worth a shot, hmm?

20 CHAIRMAN COX: Any further discussion from

21 the board? Ms. Barrera, any questions?

22 MS. BARRERA: No. I think what he said

23 was -- I think what he said was key, in that the

24 trend keeps going downward.

25 CHAIRMAN COX: Right.

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1 MS. BARRERA: And I think that that really  
2 needs to be put out into the public.

3 CHAIRMAN COX: To the tune of about 200 a  
4 year. Mr. Gorman?

5 MR. GORMAN: And my only comment is this  
6 audit has to do with the accuracy and how we spend  
7 money, but not what we spend money on and why. It  
8 is certainly different than a budget. It has  
9 nothing do with any analysis of what we spend  
10 money on and why. It has to do with the accuracy,  
11 and it shows that -- of course, that our  
12 accounting principles are good.

13 MR. GEORGE: Yeah. But I hasten to point out  
14 that all of us approved spending that money. So,  
15 there -- who else -- what higher authority would  
16 you like to say that the infrastructure shouldn't  
17 go in at 95 cents on the dollar?

18 MR. GORMAN: For one board member, I didn't  
19 approve the budget. I voted against it.

20 MR. GEORGE: You missed it. You missed that  
21 meeting. I'm just kidding. I don't know if you  
22 did or not.

23 MR. GORMAN: I didn't miss that meeting.

24 CHAIRMAN COX: But your vote's on record, so  
25 you can stand on that.

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1 MR. GORMAN: Right. Thank you. That's all.

2 CHAIRMAN COX: If there's no further board  
3 discussion, I'll open up this agenda item to the  
4 public. Any public comment, please?

5 (No public comment.)

6 CHAIRMAN COX: Seeing no public comment, we  
7 appreciate it. Thank you very much.

8 MR. ZEICHNER: Okay. I think you need to  
9 vote to accept it.

10 CHAIRMAN COX: I'm sorry?

11 MR. ZEICHNER: You have to vote to accept the  
12 report.

13 MS. ROBINSON: Approve this.

14 CHAIRMAN COX: Oh, all right.

15 MR. GEORGE: Let's just wait till we see what  
16 your bill is.

17 MR. ZEICHNER: There goes my raise.

18 MS. GREEN: I thought that was 16 percent of  
19 zero.

20 MR. GEORGE: Sixteen percent of zero, right.

21 MS. ROBINSON: You've got your own math here,

22 too.

23 MR. WUELLNER: That's your finding, yeah.

24 CHAIRMAN COX: Is that retroactive, by the

25 way, the 16.5?

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1 MR. ZEICHNER: Yes. It's retroactive for all  
2 the compensation you received --

3 CHAIRMAN COX: Well, at least four years.

4 MR. ZEICHNER: -- since being in office.

5 MR. GEORGE: I make a motion we accept it as  
6 presented. And thank not only you, but thank our  
7 staff, also, for the great job that they've done.  
8 And another clean year, that's -- that's good.

9 MS. GREEN: I second.

10 CHAIRMAN COX: A motion on the table and a  
11 second. Any further discussion?

12 (No further discussion.)

13 CHAIRMAN COX: All those in favor?

14 MS. GREEN: Aye.

15 MR. GEORGE: Aye.

16 MR. COX: Aye.

17 MR. GORMAN: Aye.

18 CHAIRMAN COX: Aye. All those opposed?

19 John?

20 MR. GORMAN: I said aye.

21 CHAIRMAN COX: Very good. The ayes have it.

22 Thank you.

23 MS. ROBINSON: Thank you.

24 MR. ZEICHNER: Thank you very much.

25 CHAIRMAN COX: Thank you. You're going

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1 "aye," (shaking head).

2 MR. GORMAN: Aye.

3 CHAIRMAN COX: Okay.

4 MR. GORMAN: I didn't mean to do that.

5 10.B. - INSURANCE DISCUSSION - JACK GORMAN

6 CHAIRMAN COX: The second agenda item is the  
7 insurance discussion. Mr. Director, you want to  
8 initiate that?

9 MR. WUELLNER: These -- these are the issues  
10 that -- it's actually Mr. Gorman's request to have  
11 it on the agenda.

12 CHAIRMAN COX: All right.

13 MR. WUELLNER: The -- the items, as been  
14 communicated to us at this point, is property  
15 insurance, the commercial aviation operators, the  
16 insurance that we're asking our independent  
17 operators to cover, and then I think we got a  
18 request in the last -- when we spoke to him  
19 recently about doing some survey-related work

20 relative to finding out what other places do.

21 And I -- I think you just need to get all of

22 that stuff on the table and give us some

23 direction.

24 MR. GORMAN: Let me --

25 CHAIRMAN COX: Mr. Gorman?

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1           MR. GORMAN: Let me clarify that. I had  
2           asked Ed and Staff to look at what other airports  
3           were doing in terms of self-insurance throughout  
4           the country to see what the possibilities were for  
5           self-insurance. And I had asked him to what --  
6           what products are available for outside operators  
7           to insure them. Because I might add that I had --  
8           when we -- the minimum standards went through, I  
9           had called in at 5 o'clock, the vote went through  
10          at 5:07, and my angst was that we couldn't specify  
11          that they have insurance for outside operators  
12          when there was no real product available not tied  
13          to a facility.

14          I didn't get to make that comment because --  
15          I'm not sure what happened. But -- and so that is  
16          what happened on that. And -- well, let's let  
17          him -- I'll -- and I'll let him, let Ed expound,  
18          and then I'll come back.

19          MR. WUELLNER: With regard to the -- the

20 commercial aviation standards, Minimum Commercial  
21 Operating Standards as relates to independent  
22 operators, which is what -- what we're talking  
23 about there, we -- we did make some inquiries. I  
24 think when we talked last, which was a while ago,  
25 I had made the request of our agent to see what

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1 coverages were out there.

2 Since that time, they got back to us and have  
3 assured me that coverage is indeed available  
4 without benefit of having a specific site nailed  
5 to it. But the only requirement to bind that --  
6 to coverage like that is a mailing address wherein  
7 they can officially communicate the -- the  
8 parameters of a policy or termination of that or  
9 coverage-related issues. So basically, a legal  
10 address or mailing address is the only requirement  
11 for product.

12 CHAIRMAN COX: Of the business.

13 MR. WUELLNER: It is -- yes. It is a smidge  
14 atypical in that, you know, most businesses have a  
15 fixed site. And there -- and there's usually some  
16 sort of property insurance tied to that, which  
17 doesn't happen in these particular cases, because  
18 there's no office or place of business.

19 So -- but the coverage is available. And

20 I'm -- I'm told it's quite reasonable for -- for  
21 what it is, and that the threshold value of all  
22 that is -- is inexpensively available at a million  
23 dollars, which is kind of the number we were  
24 working with within the minimum operating  
25 standards.

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1           So, if -- if we've got a particular, you  
2           know, entity we want to move forward, I'm sure  
3           they could contact our agent and find out, you  
4           know, who the providers are and, you know, shop  
5           that insurance. May have a particular title; I  
6           don't know.

7           MR. GORMAN: So, you're saying that any  
8           independent operator should -- you have a number  
9           of different vendors that an independent operator,  
10          an outside operator can contact and that that  
11          product is available.

12          MR. WUELLNER: That is my understanding.

13          MR. GORMAN: That's very good news, then.

14          MR. WUELLNER: Yes, that is my understanding.

15          MR. GORMAN: My angst was that we strike that  
16          clause until we found out if there was a product  
17          available.

18          MR. WUELLNER: Yes, it's my understanding it  
19          is available.

20 MR. GEORGE: Inexpensively.

21 MR. WUELLNER: Well, relatively in the world.

22 MS. GREEN: Reasonably.

23 MR. GEORGE: Okay.

24 MR. GORMAN: Reasonably is fine.

25 CHAIRMAN COX: That -- that will answer --

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1 MR. WUELLNER: It's not --

2 CHAIRMAN COX: -- that particular issue.

3 MR. GORMAN: It does.

4 CHAIRMAN COX: Then you had the property  
5 insurance?

6 MR. GORMAN: The major issue is property  
7 insurance, and what's gone on. And it isn't going  
8 to go away. So I mean, I don't even -- I won't  
9 even -- it's going to come up again and again and  
10 again -- is that we are now paying over a quarter  
11 of a million dollars a year for less coverage than  
12 we had the previous year, and that there are, as  
13 we all know, very few people that, actual  
14 underwriters, that want to take that risk on,  
15 because they have risks inland that are certainly  
16 their actuarials say are less -- that are less  
17 troublesome.

18 The fact of the matter is, is just the way I  
19 see it, is my own opinion, is that because we're a

20 municipality, and because municipalities do  
21 self-insure in many cases, that the inevitability  
22 of self-insurance is going to come up. And I  
23 would like this board to keep self-insurance or  
24 some other type of hybrid insurance on the drawing  
25 board, in other words, on the radar screen. Only

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1     because if you look -- I'm no accountant. But  
2     when you look right over here at an operating  
3     loss, over \$1.1 million, and you are spending a  
4     quarter million on insurance, in four years,  
5     you're going to cover an entire year's -- in four  
6     years, you have got a million dollars in  
7     insurance.

8           And if you get a catastrophic loss -- just  
9     again, my own opinion -- if you get a catastrophic  
10    loss, FEMA's going to have to come in. FEMA will  
11    come in on a catastrophic loss.

12          If you have less than a catastrophic loss, it  
13    is, again, my own opinion that this board should  
14    consider keeping a line of credit open for some  
15    type of repairs.

16          And although I thought that Mr. Wuellner's  
17    idea of insuring us against loss was a good one,  
18    revenue loss, that's a good one, but if it's tied  
19    directly to -- if it's tied directly to the

20 property damage insurance, then we've got -- it's

21 a Catch-22 caveat; it's not worth it.

22 So, I would like, really would like this

23 board to not get lazy about it. I really think at

24 a quarter million dollars a year, we really need

25 to continue to think about it.

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1 I think we got a bad deal. I also didn't --  
2 and lastly, I didn't -- really, why did this  
3 underwriter wait until a few days before we had to  
4 have coverage to give us a figure? I don't  
5 understand that.

6 MR. GEORGE: Well, I -- I asked that  
7 question, too.

8 MR. WUELLNER: If I could address just a  
9 couple of things in that, the last being the last  
10 thing he said. A part of that is the inability in  
11 that kind of coverage to obtain quotes, is that  
12 they -- they won't quote until 30 days from the  
13 policy expiration. So, we're in that window,  
14 anyway.

15 And in fairness, collectively we adjusted  
16 what we asked them to quote several times when the  
17 item was brought to the board in September. So,  
18 it required going back to the underwriter several  
19 times and -- and trying some other scenarios,

20 which -- which ultimately we used one of those

21 scenarios.

22 With regard to the self-insurance part of it,

23 you're doing what -- what I could -- I could argue

24 is poor man's self-insurance at this point. And

25 by that, I mean, we are not capitalized to a point

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1 in reserves to entirely self-insure, which we  
2 don't -- none of us really argue with the  
3 fundamental of that right now.

4 But over time, by shoring up the reserves of  
5 the Airport Authority and creating those as  
6 restricted reserves, which you've kind of took the  
7 first steps of that this last budget cycle, that  
8 by creating that number and getting that number to  
9 an ever larger level, you -- you can now approach,  
10 as you go forward, perhaps a reduction on  
11 increase, is a better word for it, in the  
12 deductible, therefore, reducing the risk of the  
13 carrier and in theory holding back the premium  
14 until which time as the Authority would have  
15 assets, liquid and -- and fixed, to be  
16 self-insured entirely.

17 MR. GORMAN: The complexity of that, I'm  
18 sure, still exists. Bottom line is that a quarter  
19 million dollars a year, we are building the

20 insurance company's reserves, not our own.

21 MR. WUELLNER: No argument.

22 MR. GEORGE: I think it'd be interesting if

23 we have some choices.

24 MR. GORMAN: That's what I was asking for --

25 MR. GEORGE: Yeah.

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1 MR. GORMAN: -- as far as the researching,  
2 what other municipalities had done in -- in the  
3 fact of self-insurance.

4 MR. GEORGE: Yeah.

5 MR. GORMAN: Exactly.

6 CHAIRMAN COX: Ed, just for -- for future  
7 reference, is there some way, without making it  
8 onerous to the staff, when these types of issues  
9 come up, to keep members --

10 MS. GREEN: Abreast?

11 CHAIRMAN COX: And -- and don't take it as a  
12 critique, because it's not, but to keep members  
13 more in the loop; i.e., when we talked about we  
14 adjusted our requirements for the insurance  
15 underwriter the weeks before, so we were, just  
16 because of that immediacy, we were out of the loop  
17 on that, it will help prevent feeling like that we  
18 weren't in the decision-making process or out of  
19 the loop if we can --

20 MR. WUELLNER: Well, to be -- yeah, to be  
21 honest, you know, if we'd have done or thought we  
22 were going to modify what we were looking for --

23 CHAIRMAN COX: I understand.

24 MR. WUELLNER: -- a month or two earlier,  
25 when we went into the insurance thing at the month

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1 point or the 30-day point, we could have perhaps,

2 I don't know, shopped a larger area --

3 CHAIRMAN COX: Right.

4 MR. WUELLNER: -- because I don't know if --

5 CHAIRMAN COX: Right.

6 MR. WUELLNER: -- that exists. But you

7 certainly could have put more --

8 CHAIRMAN COX: You understand --

9 MR. WUELLNER: -- variables on the table

10 quicker.

11 CHAIRMAN COX: You understand my --

12 MR. WUELLNER: Yeah.

13 CHAIRMAN COX: What I'm getting at?

14 MR. WUELLNER: Yes, sir.

15 MR. GORMAN: Let me say that I think that

16 actually, Mr. Wuellner did a fairly good job on

17 it. He did with -- what he could with what he

18 had. But I thought it was a terrible deal. He

19 was -- he was actually given a deal that I don't

20 think we should continue year-on year-end accept.

21 The market's very, very small. And --

22 CHAIRMAN COX: Well, we're faced --

23 MR. GORMAN: -- he's pointing out that 30 --

24 we've only got a 30-day window, and with all the

25 dancing, it's -- it's an almost impossible task.

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1       However, it's -- a bad deal is a bad deal. I

2       mean, just to give you --

3             MR. WUELLNER: We can pick --

4             MR. GORMAN: In my opinion.

5             MR. WUELLNER: You know, to use the same

6       analogy, we could -- we could pick the -- the tune

7       we're going to dance to long before we go into

8       quoting it and do the dance. So, if there are

9       other exercises or -- or formulations of that

10       insurance package that we want to look at, we can

11       be doing that, even now, with an eye toward when

12       the 30-day window's there, we put ten different

13       things out for them to quote and then pick the

14       menu that works best.

15             CHAIRMAN COX: And we're being faced with

16       fewer and fewer options --

17             MR. GORMAN: Yes.

18             CHAIRMAN COX: -- to approach, because --

19       one, because of where we are, you know, first off.

20 MR. GEORGE: I think that this is something  
21 that the Florida Airport Executive Council should  
22 get involved in. I talked to Ed last year about  
23 trying to get Department of Transportation, see  
24 what -- what they are doing, or would consider  
25 doing, for the State as a whole.

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1           Because that way, people that are paying in  
2           the quarter of a million now to build the fund, if  
3           something happens down in Miami that didn't happen  
4           up here, those funds get redirected. So, I think  
5           it -- it needs to go in both of those directions.

6           And we've always had a problem in not getting the  
7           insurance premium until we're already well into  
8           the budget discussions.

9           MR. GORMAN: That's right.

10          MR. GEORGE: I probably -- I could probably  
11          support doubling up on the insurance and having a  
12          different year unless we're required by --

13          MR. WUELLNER: No.

14          MR. GEORGE: -- law to be a certain year.  
15          Move it back to July.

16          CHAIRMAN COX: There you go.

17          MR. GEORGE: And if we get some in July,  
18          fine, then just cancel the other two -- the other  
19          months out of the policy.

20 MR. GORMAN: That's an excellent idea. Then

21 we can discuss it before the budget is approved --

22 MR. GEORGE: Exactly.

23 MR. GORMAN: -- and we're not under the gun

24 to approve it.

25 MR. GEORGE: Right.

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1 MR. WUELLNER: The only -- the only -- that  
2 could -- that could easily be done. The issue I  
3 would tell you historically on property insurance  
4 is that you can't shop or bind property-related  
5 insurance, it's very difficult to do during  
6 hurricane season. It's a bizarre anomaly --

7 MR. GEORGE: Well, we're talking about --  
8 we're already in September.

9 MR. WUELLNER: -- and it's literally  
10 impossible to bind coverage with a storm in  
11 existence.

12 CHAIRMAN COX: Well, you can't. It's  
13 impossible.

14 MR. WUELLNER: Yeah. That's what I mean.  
15 You're -- you're in a variable market. You know,  
16 it might be better to even short it earlier than  
17 that and look at it in a March time line --

18 MR. GEORGE: Fine.

19 MR. WUELLNER: -- you know, prior to that

20 being an issue and binding coverage.

21 CHAIRMAN COX: Good.

22 MR. GEORGE: Ed and I have talked about a

23 field trip to Tallahassee so that the new members

24 of the board and old members of the board --

25 CHAIRMAN COX: Old.

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1 MR. GEORGE: Yeah, real old, right, could get  
2 to meet who our counterparts are, or who Ed's  
3 counterpart is, at the state level. And so while  
4 we're there, maybe that would be a good time to  
5 have something set up so that there's an hour or  
6 so discussion just on insurance.

7 You might even want -- we could invite you or  
8 give you a briefing on it when we get back, just  
9 for the County might be interested in something  
10 like that.

11 MR. WUELLNER: A part of the -- the bigger  
12 picture problem that -- that affects us more than  
13 most airports is that as a stand-alone entity,  
14 you're -- you're being treated kind of as a single  
15 business entity when shopping that insurance.

16 And -- and most other airport scenarios in --  
17 in this state in particular, and maybe very common  
18 throughout the U.S., is that the airport is  
19 affiliated with another form of government --

20 MR. GEORGE: Yeah.

21 MR. WUELLNER: -- i.e., it's under a city or

22 a county or -- or even under a state jurisdiction

23 in some cases. And you're wrapping the airport's

24 property insurance into a bigger property

25 insurance picture. And when you put those assets

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1 together, plus the general taxing ability of a  
2 county, you're in that self-insurance ability, you  
3 know, pretty quickly.

4 We don't enjoy that benefit short term. I  
5 think we can get there, but we're not -- it  
6 requires reserves, it requires adequate assets to  
7 do that.

8 CHAIRMAN COX: Go ahead.

9 MR. GORMAN: And again, I reiterate the fact  
10 that I don't think if I was the director, I'd have  
11 done anything different than Ed did, given his  
12 choices. But I think that we need to get out of  
13 the box on the insurance picture.

14 We have Mr. Sanchez here, too, and we -- can  
15 the municipality increase the envelope? Can the  
16 envelope be increased to -- that's -- there's a  
17 point that Ed just made.

18 MR. WUELLNER: Maybe.

19 MR. GORMAN: I see someone shaking their head

20 in -- in the public, but can that possibly be

21 done?

22 Again -- and I also see as another comment,

23 there's a tremendous lobbying effort against any

24 self-insurance at all levels, including the

25 airport executive level, including the Tallahassee

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1 level. There's a tremendous amount of money in  
2 insurance, and there's a tremendous amount of a  
3 lobbying effort against discussion of  
4 self-insurance to keep --

5 CHAIRMAN COX: You're talking about the state  
6 level. At the state level, the lobbying --

7 MR. GORMAN: The insurance companies want to  
8 build their reserves, not ours. That's it.

9 CHAIRMAN COX: Does -- does this answer all  
10 your issues?

11 MR. GORMAN: Yes. I just want it up on the  
12 radar screen.

13 CHAIRMAN COX: If there's no other --  
14 Ms. Barrera, any discussion on any of the points  
15 we've talked about?

16 MS. BARRERA: Has the Florida airport  
17 committees, have they talked about coming up with  
18 a hurricane relief fund at all? Has that been  
19 part of the topic of discussion around the state?

20 MR. WUELLNER: Not in the sense you're --  
21 you're talking. The only mechanism that was in  
22 place on the state level was that the Florida DOT  
23 aviation office was -- had, years ago, agreed to  
24 set aside a portion of each year's grant funds to  
25 have them for that kind of a catastrophic

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1 response, making it immediately available grants  
2 versus getting in the -- the queue for them.

3 That has -- the interest at the state to do  
4 that for a lot of years began to wane. I think  
5 with the events of the last couple of years,  
6 they're -- they're again looking at reestablishing  
7 that kind of reserve grant pool over there for --  
8 out of DOT.

9 You just -- you know, it's really hard. The  
10 government doesn't do a great job of just saving  
11 money for -- for the bad times. We just -- you  
12 know, we find a new way to get it out of you when  
13 there is a problem.

14 And it -- it doesn't get a lot of traction  
15 with the individual airports, again in the state,  
16 primarily because it's tied to other governmental  
17 insurance. And it -- you know, the individual  
18 airport directors are going, well, I don't want to  
19 worry about that; we just pay the -- you know, the

20 administrative fee to the county or to the city,  
21 and -- and my insurance is covered. And they  
22 don't -- they don't get to deal with the nuts and  
23 bolts that a stand-alone entity, like us, does.  
24 Now, there are some. I'm not saying there  
25 aren't any. But there are -- you know, we're not

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1 the -- we're more the anomaly out there than

2 the -- than the traditional.

3 MS. BARRERA: Wouldn't we be able -- is there

4 any type of governmental fund -- maybe Mr. Sanchez

5 knows -- that -- that is for different

6 municipalities to be able to participate in that

7 would be a hurricane relief fund that would then

8 offset the insurance? When you're shopping for

9 insurance, you'd be able to have that as a

10 leverage chip.

11 MR. WUELLNER: You know, that's a great idea.

12 I don't know that it exists. Do a little research

13 and see what's out there.

14 COMMISSIONER SANCHEZ: Right now, this whole

15 story is in total chaos. The State's doing

16 everything they can to try to work this out.

17 And -- and I pretty much agree that we all know,

18 just like health insurance, one of these days, the

19 people sitting around a table are all going to

20 say, "We can't do this anymore."

21 And I think you'll -- you'll see some forced

22 changes.

23 MR. GEORGE: Yeah.

24 MS. BARRERA: Will you keep us in the loop on

25 that? Because that would be something I think

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1 that will be beneficial.

2 COMMISSIONER SANCHEZ: I will check.

3 MS. BARRERA: And as a -- as a separate

4 municipality, I think that we would be able to

5 fall into some type of benefit for that.

6 COMMISSIONER SANCHEZ: Okay.

7 CHAIRMAN COX: Mr. Burnett, you had some

8 comment?

9 MR. BURNETT: I was just going to offer that

10 most of the time, and -- and -- and I don't know

11 the reason for it, but most of the time, the

12 cities group together and the counties group

13 together on those things. They've got the Florida

14 League of Cities. They've got FACT, the Florida

15 Association of Counties Trust.

16 MR. WUELLNER: Special districts group, too.

17 MR. BURNETT: Yeah. So...

18 MR. WUELLNER: A lot of -- a lot of the

19 special districts in the state aren't -- aren't

20     asset in nature the way an airport would be. An  
21     example -- Ms. Willis is here. You know, the  
22     Mosquito Board is another independent special  
23     district. But in terms of asset development,  
24     it's -- it's not the same kind of an entity as the  
25     airport is. They're -- they're dealing with one

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1 or two locations of significantly less value than  
2 the asset base of just the airport.

3 It's a different mission. And the  
4 insurability is entirely different.

5 CHAIRMAN COX: Ms. Green?

6 MS. GREEN: Along the same lines, is there  
7 not a possibility -- and we're just throwing it  
8 out -- you know, connect county to county, city to  
9 city, municipality, whatever, airport to airport,  
10 like we connect with Craig or with some other  
11 airport that's in the same box that we are?

12 And kind of an analogy, but many years ago,  
13 when ABC Liquor came in, because they were a state  
14 liquor -- in other states, you had to buy from a  
15 state store -- all of the independent stores in  
16 the State of Florida were going bankrupt, because  
17 they couldn't buy in bulk, they couldn't get  
18 insured, they couldn't get their stock. And they  
19 formed an alliance all over the state to buy in

20 bulk and get insurance together to fight ABC

21 Liquor that was coming in.

22 But they were different counties, different

23 everything. But they were able to form together.

24 I don't know if that's another option with airport

25 to airport, like-insured kinds, versus a

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1     municipality, a city government going with an  
2     airport or a county government.

3           MR. WUELLNER: I know it's -- with the  
4     discussion, not in the catastrophic mode, but just  
5     general liability kinds of insurance, it got some  
6     traction at the national level about, what would  
7     you say, Bryan, maybe 10 or 15 years ago, every  
8     bit of that, AAAE took that as a -- as a task,  
9     got -- you know, got some parties together, talked  
10    about it.

11           And -- and I think it literally choked itself  
12    to death with the problems of crossing the  
13    jurisdictional boundaries of all these places and  
14    states and cities and authorities and  
15    compositions, and it just kind of died on the  
16    vine, because they -- there was -- there was a lot  
17    of interest out of the box. It -- it got -- got  
18    going and, you know, within a year, it was  
19    basically DOA.

20 MS. GREEN: Well, I like Bob's idea about

21 staying with the Florida Aviation --

22 MR. WUELLNER: Yeah. We even tried. I mean,

23 one of the questions that came out of all this

24 talking in September was, well, what if we just

25 peeled away and said simply we're not going to

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1 insure for wind loss, for hurricane?

2 And we just -- why is it that we can't buy,  
3 you know, fire and extended property damage like  
4 anybody else in the U.S., go out and shop that and  
5 buy only that? And we were -- we were quite  
6 frankly told you cannot buy just that kind of  
7 coverage in the State of Florida any longer. They  
8 do not divorce the two any longer, because  
9 you're -- because of the tie to the same asset, I  
10 guess.

11 And as a result, you -- you know, I -- I made  
12 the point, well, man, we ought to have actually a  
13 lesser fire insurance rate than somebody in the  
14 northeast, because we're not running heaters and,  
15 you know, all kinds of things that are out there  
16 in that environment. And as a result, we should  
17 be at least not more than anybody else in the  
18 country for that coverage. And the answer that  
19 came back was, well, that's great if you could get

20 the coverage, but nobody's going to write that  
21 without a wind component. You could minimize the  
22 wind component, but you can't -- you can't  
23 eliminate it.

24 MS. WILLIS: Bob, may I say something?

25 CHAIRMAN COX: Yes, ma'am. I'm going -- I'm

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1 going to go to public comment very shortly. Stand  
2 by one.

3 If there's no further discussion here,  
4 actually I'm going to open it up to public  
5 comment, so...

6 MS. WILLIS: Really, if I can speak from  
7 right here, and I'll speak real loud. We have  
8 found over the many years at the Mosquito Control  
9 that -- well, first of all, my personal belief is  
10 we're all operating with taxpayers' money;  
11 therefore, why can't we have the benefits of the  
12 largest entity, such as the County?

13 And if you bought your insurance in a larger  
14 group, you get better rates. So, that makes  
15 sense, because it's not our money; it's their  
16 money we're saving. But every time we have  
17 tried -- for instance, remember three or four  
18 years ago, workmen's comp went through the  
19 ceiling? We had to go to Tallahassee and lobby

20 the Secretary of Agriculture, and he said the  
21 problem is in the Senate, which means you've got  
22 to work with them to get certain things passed  
23 there.

24 Then when it comes to health insurance, we  
25 worked long and hard. And are you going to

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1 discuss that later, or should I go ahead now?

2 MR. GEORGE: Please do.

3 MS. WILLIS: But Buzz and I both work with  
4 the County committee. And I find that when you  
5 try to save the taxpayers' money by having  
6 coverage under a larger umbrella, they're very  
7 territorial.

8 And when it was finally turned over to the  
9 lawyers, the health insurance, so that we could  
10 join the County's committee and just be under that  
11 and save -- at the time, we would have paid -- we  
12 would have saved \$60,000 on 30 employees, in  
13 March. When it was turned over to the legal  
14 department, that's the last we heard of it.

15 And now I just read in yesterday's paper that  
16 Isabelle Lopez, who was handling it, is no longer  
17 there. So, that's the end of that for now on  
18 health insurance.

19 MR. GEORGE: Yeah.

20 CHAIRMAN COX: Thank you very much.

21 Mr. Slingsluff?

22 MR. SLINGLUFF: As president of the Florida

23 Aviation Trades Association, we deal with the

24 hangar insurance. This has been a big topic for

25 us for about the past 18 months. Most -- most of

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1 the FBOs have been completely shut out of the  
2 marketplace in Florida. National Hangar Keepers  
3 insurance program canceled the entire State of  
4 Florida and most of coastal -- east coast of the  
5 United States.

6 So, it's not unique.

7 CHAIRMAN COX: Can you stand by?

8 MR. SLINGLUFF: It's not a unique problem to  
9 this airport or to other municipal airports.

10 It's -- it's -- it's a problem that we're all  
11 facing even in -- in the private sector.

12 I will say that, you know, I've -- I've  
13 talked to a lot of companies down in Ft. Myers and  
14 Punta Gorda. They're having a hard time  
15 rebuilding hangars. And to this date, they still  
16 haven't rebuilt hangars. In fact, we've just  
17 started rebuilding hangars in Boca. This is 18  
18 months after -- after a loss. Hangars at Orlando  
19 International are not rebuilt yet.

20 And we've gone through a full year without  
21 any damage, luckily, and it looks like the  
22 forecast for this next year will be a leveling of  
23 premiums. However, what they're going to do is  
24 tighten up on the -- the building designs, and you  
25 will have a higher deductible if you continue to

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1 build steel buildings, you know, a wire brace  
2 steel building. You're going to have upwards of a  
3 million dollar deductible to -- to even keep a  
4 plateau of where you are right now.

5 So, we really need to look, as we start  
6 building things, and especially if we're going to  
7 start, you know, doing the -- the T-hangar rows,  
8 we need to look at that now and forecast the  
9 budget.

10 I did report to this -- this group back early  
11 last year, that you would see a 45 percent  
12 increase in insurance premiums. And -- and it  
13 came to pass.

14 I think you need to look at the -- at the  
15 T-hangars now and make sure you're not going to be  
16 saddled with a million dollar deductible on them.

17 There are things you can do. You can add  
18 concrete retaining walls. You can -- you know, a  
19 hip wall out of concrete, things like that will

20 alleviate the price and get you back into a normal

21 building code status. So, I urge y'all to do

22 that.

23 CHAIRMAN COX: Thank you very much, sir. Any

24 further public comment on this agenda item?

25 (No further public comment.)

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1           CHAIRMAN COX: That will conclude that  
2 particular discussion.

3           10.C. - SECOND FBO DEVELOPMENT DISCUSSION

4           CHAIRMAN COX: Moving into the next action  
5 item, which will be discussion on the second FBO  
6 development.

7           MR. WUELLNER: Yeah. This was a combination  
8 of things I wanted to, one, bring everybody up to  
9 speed on where we are in that process.

10          The board left us at the -- at the last  
11 meeting asking Staff to go out and solicit letters  
12 of interest from -- from firms. That is presently  
13 underway. The date of due, if you will, for --  
14 for those letters, is January 5th, which is the  
15 Friday -- first Friday in -- in January.

16          I -- I know we've sent out over 30 responses  
17 to requests for the information related to that,  
18 and I'm -- I'm fairly certain we'll see probably  
19 half again that many more over the next few weeks.

20           We kind of hurriedly put together a basic  
21   information sheet and along with a little  
22   overhead, or aerial shot, of the -- of the area,  
23   just kind of yellow-lined around it and showed  
24   them the general area on the airport of -- of the  
25   site being looked at.

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1       We're -- we're at a point, once -- once those  
2       are back, those letters of interest, this board  
3       needs to establish exactly what it is you're  
4       looking for, the criteria for selecting or  
5       narrowing or whittling that list down and  
6       eventually, ultimately resulting in a short list,  
7       not dissimilar to what you do when consultant  
8       selecting or similar type things.

9       I am -- I have something to hand out to you  
10      for you to -- to consider. The company that  
11      does -- and Mr. Gorman's familiar with the  
12      company, too, a little bit, at least knows some of  
13      the people involved over the years. But Airport  
14      Business Solutions, which is Mark Davidson's  
15      group, who is also the group that did our T-hangar  
16      and commercial rates survey, they do combinations  
17      of things. They do appraisal work for aviation  
18      businesses and airports. They do, you know, state  
19      valuations. They do development projects for

20 airports and the like from a management

21 standpoint, not from a -- as a developer.

22 I asked them if they had the expertise and

23 the willingness to present a proposal to you folks

24 to walk you through -- because they have way more

25 expertise in this specific area than I do -- to

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1 walk you through that discussion and development  
2 process of those specifications.

3 You have a three-part proposal just kind of  
4 in front of you. One is to develop that criteria,  
5 to work that out, to get all that input, hone it  
6 down into a single criteria that you would make  
7 selection on or ask them to respond to.

8 The other is to actually conduct that  
9 solicitation, put a package together, a  
10 qualification and experience kind of package for  
11 submittal back to the Airport Authority, and then  
12 lastly, to assist the Airport Authority in  
13 evaluating the responses they get as a result of  
14 that -- that solicitation, and then work through,  
15 I would think, some sort of a ranking or short  
16 list kind of a deal that would ultimately result  
17 in going to a lease negotiation with a -- with a  
18 firm or development agreement.

19 Best guess is that if you took -- took

20 advantage of all three phases of that work, you're  
21 probably in the \$18- to \$20,000 ballpark to -- to  
22 get that assistance. It would probably involve at  
23 least one workshop of an unknown length of time  
24 here, but probably several hours as a minimum,  
25 to -- to hash out the -- the criteria and the --

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1 and the details of what you're asking somebody to  
2 respond to.

3 You know, issues that -- that you need to get  
4 your arms around with are, if you're looking for a  
5 second FBO to invest in development of that  
6 property, to what level are you asking them to do  
7 that? Are we -- are we collectively jointly doing  
8 that? And if so, what do you envision the  
9 Authority's contribution to that being?

10 Is there indeed enough market to support a  
11 second FBO, and how are you going to go about  
12 determining that there is in allowing a second  
13 FBO, or moving through that?

14 What do you want them to look like? What do  
15 you want that first phase of development to be?  
16 Are you -- you know, multi-year development  
17 schedule? How many employees? How many square  
18 foot? How big the leasehold? There's a lot of  
19 details to get your arms around that really kind

20 of put the criteria together for you to make an  
21 informed selection of a firm or firms to -- to  
22 interview and consider.

23 So, I wish you'd seriously consider this.

24 I'm not sure you need to just jump on it today.

25 But I think in a worst case, if you want to put

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1 these guys under contract in January or look at it  
2 for consideration in contract in January at the  
3 latest, that it would really make sense.

4 My preference is, from a staff side, that  
5 we -- we keep Staff arm's length in the selection.  
6 After you've selected a firm, I have absolutely no  
7 problem jumping in, assisting with negotiating the  
8 agreement and certainly implementing whatever  
9 agreement you want to come to with a development  
10 firm.

11 CHAIRMAN COX: Let's -- let's be clear on  
12 what -- what firm you're talking about, for what?  
13 Are you talking about a consulting firm to help  
14 establish the --

15 MR. WUELLNER: Yes. Work the board through  
16 the issues of FBO selection.

17 CHAIRMAN COX: Right. Not the FBOs themselves.

18 MR. WUELLNER: Correct.

19 CHAIRMAN COX: Okay. Just -- just a couple

20 of issues that I -- I would have with -- both

21 positive and negative. I think with a -- somebody

22 giving us insight like this would be very valuable

23 to us.

24 What I don't want to see have happen, or have

25 happened, is to spend 20 grand of taxpayer

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1 dollars, and then the board come back in February,  
2 or whatever it is, and start second guessing and  
3 say, well, we want to take, you know, samples from  
4 40 other airports and move forward and -- you  
5 know, and six months down the road, then we spent  
6 more time and \$20,000. And that's not to say we  
7 could do it.

8 So, I -- I think if -- if we want to move  
9 forward with a consultant like this, the board  
10 needs to make the decision. It doesn't have to be  
11 today, but I mean soon, within the next 30 days,  
12 that they're -- that they're in fact going to do  
13 this and they're going to abide by that and not  
14 second guess moving forward.

15 If they come -- if they come -- if the  
16 consultant comes forward and says here's three or  
17 four viable candidates, then, you know --

18 MR. WUELLNER: That meets your criteria.

19 CHAIRMAN COX: That meet -- absolutely, yeah,

20 meet the criteria, then we need to decide from  
21 that and -- and move into another phase of it so  
22 that we don't start playing the waiting game and  
23 spending more money and time on trying to figure  
24 out by comparison what another airport's doing or  
25 what another state is doing or anything else.

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1       Go ahead.

2       MR. GORMAN: Counterpoint to the whole thing,  
3       I don't think we need to be in a hurry. I mean,  
4       I'm not quite -- we -- the last time this airport  
5       had way too many projects, it got in trouble, and  
6       I don't want to see that happen again. It doesn't  
7       mean that a second FBO's not a good idea. But we  
8       certainly should do one step at a time on this  
9       thing. Just my own opinion.

10       We've got a lot of projects still on the  
11       table. We need to get that done and see how that  
12       works out and see what the evolution is. Even  
13       though I know of that firm, I'm not in a big  
14       hurry, like Mr. Cox is, to just spend a lot of  
15       money, because we're not even sure we are ready to  
16       do a second FBO. We have a lot of projects going.  
17       My own opinion.

18       CHAIRMAN COX: Mr. George?

19       MR. GEORGE: We -- we went out with a letter

20 of interest --

21 CHAIRMAN COX: Right.

22 MR. GEORGE: -- to see how many people would

23 be interested. So, we're getting that. And so

24 let's just take that and mull it over for a while.

25 I think the big question that -- that I have

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1 that needs to be answered by somebody is, is there  
2 enough business on the field to support two FBOs?  
3 You know, we -- we put together the volumes for  
4 the Master Plan.

5 CHAIRMAN COX: Right.

6 MR. GEORGE: And then quickly did an addendum  
7 saying, you know, your volumes are off. We think  
8 the volume's going to be higher. Don't tell him I  
9 said this, but they've been coming right in line  
10 with what he had forecasted, too.

11 So -- so, the volumes aren't there. So,  
12 maybe we need a little bit more time to, not  
13 stall, but to get the responses in here and then  
14 mull it over for a while, because I -- I kind of  
15 agree with Jack; we're in no hurry.

16 CHAIRMAN COX: Well, you're not -- and it's a  
17 very good point. And that's not to say -- and  
18 that's under the assumption that you're taking the  
19 airport's money to do this. If a prospective, you

20 know, FBO comes and says, we're going to do it

21 all, or whatever, and that's, you know, a

22 possibility, too. Ms. Barrera, do you have --

23 MS. BARRERA: I'd be interested in seeing

24 some proposals for some other companies on what

25 their different phases and the different costs

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1 associated with -- for the Business Solutions to

2 evaluate.

3 CHAIRMAN COX: Right.

4 MR. WUELLNER: Okay.

5 MS. BARRERA: I think just to have one

6 would --

7 MR. WUELLNER: That's fine.

8 MS. BARRERA: -- would be -- would not be

9 prudent.

10 CHAIRMAN COX: What is our record in putting

11 out RFPs and RFQs on our own, the airport itself?

12 MR. WUELLNER: Well, it -- it could be done.

13 CHAIRMAN COX: Right, and I understand that.

14 MR. WUELLNER: The -- the issue -- you've got

15 a couple of things playing in here. One, you

16 don't have to -- you don't have to go through an

17 effort to compare proposals and the like from a --

18 from a truly legal standpoint because of the

19 valuation of the contract.

20 I'm not saying it's a good idea or a bad  
21 idea. I'm just saying it's a -- from a legal  
22 standpoint, you can do that. However, it -- you  
23 guys need to set the pace on what this is or  
24 isn't.

25 You know, I certainly don't have any interest

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1 in ramming it ahead fast or -- or slow. It makes  
2 little difference directly to us.

3 You -- the only caution I have, and it's not  
4 even -- I couldn't even tell you right now without  
5 looking it up what it is. You know, eventually  
6 you show that, you know, in your financial model  
7 as an additional revenue at some point. But it's  
8 not -- I'm sure it's out there three, four, five  
9 years. It's not something that was, got to do  
10 this year or you don't meet your revenue  
11 expectations.

12 Right now, I'd be hard-pressed to tell you  
13 exactly where to tie it back into the grant  
14 program, even, if you're going to fund pieces of  
15 this. And the argument for funding pieces of this  
16 is obviously that's where the return on investment  
17 back to the Airport Authority is.

18 You could also take this and go, you know,  
19 we're not going to -- we're not going to fund a

20 penny of this. So, you know, take -- take the  
21 proposal with the FBO and say, you fund it, you  
22 build it, you operate it, and pay us a ground  
23 lease and, you know, life goes on. Of course,  
24 that's the least beneficial position for the  
25 Airport Authority at the end of the day, in

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1 dollars.

2 CHAIRMAN COX: Right.

3 MR. WUELLNER: But -- but it's certainly the

4 easiest, you know, hands-off approach to

5 development. You have the least amount of control

6 in the end result, too.

7 CHAIRMAN COX: Ms. Green?

8 MS. GREEN: What has been the response to our

9 letters of interest?

10 MR. WUELLNER: I'm going to have to defer to

11 Cindy.

12 MS. HOLLINGSWORTH: Twenty-eight.

13 MR. WUELLNER: We have twenty-eight out or

14 twenty-eight back?

15 MS. HOLLINGSWORTH: Twenty-eight out and one

16 back.

17 MR. WUELLNER: One back. But they're not due

18 until January 5th.

19 MS. GREEN: Yeah, that's -- I was just

20 wondering, because I'm kind of the same thing; do  
21 we have the need? Is the traffic there? And I  
22 think one gauge of that would be how many  
23 companies out there are interested even being a  
24 second FBO. I would think before I respond, if I  
25 were they, I would say, okay, well, what's the

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1 traffic flow on that airport? Let's even see if

2 we're even interested in it.

3 MR. GEORGE: Yeah.

4 MR. WUELLNER: Well, you know, there's a --

5 there's -- you can even, you know, slow this down

6 further and -- and look seriously at the next

7 piece of this puzzle being those people who have

8 submitted letters of interest, have them explain

9 to you how --

10 MS. GREEN: Sure.

11 CHAIRMAN COX: They could bring --

12 MR. WUELLNER: -- their market development is

13 going to occur.

14 CHAIRMAN COX: -- to the airport.

15 MR. WUELLNER: You know, if it's simply

16 dividing the existing FBO's business in half --

17 CHAIRMAN COX: That's not going to work.

18 MR. WUELLNER: -- that's -- that's of no

19 benefit to anyone.

20 CHAIRMAN COX: Right.

21 MR. WUELLNER: But if their -- their

22 projection is for three and five years to add, you

23 know, a million and a half gallons of jet fuel

24 sales and this amount of traffic and revenue

25 projections that benefit the airport, then -- then

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1     maybe there's -- you know, they can convince you  
2     that that plan's possible --

3             CHAIRMAN COX: Right.

4             MR. WUELLNER: -- then, you know, maybe it's  
5     worth moving forward.

6             CHAIRMAN COX: Right.

7             MR. WUELLNER: But maybe the first piece is  
8     to just prove the concept.

9             CHAIRMAN COX: Well, I think we need to move  
10    forward with, you know, receiving the letters of  
11    interest from it, move --

12            MS. GREEN: Right.

13            CHAIRMAN COX: -- forward with -- and then I  
14    think it's a good idea to possibly get --

15            MR. WUELLNER: Yeah, I'm not trying to shove  
16    that down --

17            CHAIRMAN COX: No, I understand.

18            MR. WUELLNER: I simply asked them, well,  
19    what is -- what would it take to -- to kind of

20 walk you guys through the process? And the 5th I  
21 think is a good idea. Wait, 5th. Let's see how  
22 many you actually get back. I mean, if you only  
23 got two, I mean it, you know, sure simplifies the  
24 process.

25 CHAIRMAN COX: It would.

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1 MR. GEORGE: Well, this guy's a nice Georgia  
2 Tech guy, but we won't hold that against him.

3 CHAIRMAN COX: Any other comments from the  
4 board?

5 (No further board comment.)

6 CHAIRMAN COX: Then I'll open this up to  
7 public comment. Mr. Martinelli?

8 MR. MARTINELLI: Can I speak from here or do  
9 I have to go to the microphone?

10 MR. WUELLNER: If you can do it loud enough.

11 MR. MARTINELLI: I can. Okay.

12 MR. RODERICK: I can bring the mic to you.

13 MR. MARTINELLI: No -- no thanks. I think  
14 that you're really right on the right track. And  
15 if I can make an analogy of the airport to a  
16 business or an FBO to a business, one of the very  
17 first things that any new business does is look at  
18 the market and determine whether or not the market  
19 is there for their services and -- and do it as

20        quantitatively as possible.

21            So, it seems to me that that should be the

22        first step. And if you do that by having the

23        respondents to your RFP do it, which I would

24        personally have a little -- a little fear of,

25        simply because I think they would want to favor

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1     their own proposal, I think an independent  
2     research of the market to determine whether or not  
3     there is indeed enough business here for two FBOs  
4     and whether there will be down the road in some  
5     projected fashion, I think that should be done  
6     first.

7           And then with that document and the results  
8     of that document, you then go out to prospective  
9     FBOs and say, look, we've had this market study  
10    done by this reputable firm, or whatever, and this  
11    is what that market study is telling us. Now, are  
12    you interested, and if so, make your proposal.

13           So, I think you're on the right track. I  
14    think you've got to get the cart before the -- or  
15    the horse before the cart. That's the way I see  
16    it.

17           MR. WUELLNER: I mean, any viable business  
18    plan has some valuation of what the market  
19    potential is for that business.

20 MR. MARTINELLI: Right.

21 MR. WUELLNER: I mean, if they haven't done

22 that piece of the puzzle, then there -- that's not

23 much of a business.

24 CHAIRMAN COX: Mr. Roderick? You have to go

25 to the microphone.

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1 MR. RODERICK: I have to go?

2 MR. WUELLNER: You're young enough to walk.

3 MR. RODERICK: This is a naive question. My

4 history is not in capitalism; it's in military and

5 other things. So, what is your risk for allowing

6 somebody to come in that wants to come in and run

7 their business here? What is the risk to the

8 Airport Authority? That, I don't understand. Oh,

9 good. Thank you.

10 CHAIRMAN COX: Ms. Green?

11 MS. GREEN: I think it depends on what we as

12 a board want to take on. Are we going to lease

13 ground only? Are we going to build out

14 infrastructure? What is our lease agreement with

15 them? That's the risk.

16 MR. WUELLNER: We also risk a -- you know, a

17 viable business relationship you have with an

18 existing --

19 MS. GREEN: FBO.

20 MR. WUELLNER: -- FBO. And creating two  
21 anemic FBOs on the airport that are barely --  
22 barely sustaining their businesses cannot possibly  
23 be a benefit to the airport or its -- its  
24 constituents.

25 CHAIRMAN COX: Mr. Slingluff?

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1 MR. SLINGLUFF: I will say with the activity  
2 charts that you show -- and -- and Mr. George,  
3 we're -- we agree with those numbers. I'm sorry.

4 MR. RODERICK: I don't feel so bad.

5 MR. SLINGLUFF: Yeah. With the activity --  
6 you know, the number of operations at the airport  
7 are pretty consistent with the -- the forecast.  
8 And those forecasts are done nationwide,  
9 regionally.

10 We dissect them every month, look at them.  
11 We can tell you down to, within the hour, you can  
12 ask Ed, how many airplanes we're going to get that  
13 day. So, that -- that tracking is very accurate.  
14 So, unless you see or you know of a monumental  
15 spike in traffic coming, you know, that's --  
16 that's really what a business plan needs to tell  
17 you, is that they are going to bring 500 airplanes  
18 a month.

19 CHAIRMAN COX: Thank you. Mr. RauHofer?

20 MR. RAUHOFER: Yeah. I'm very familiar with  
21 this expansion-type situation and also building  
22 offices and terminals and -- and things like this,  
23 because American Airlines did this in Miami.  
24 My suggestion would be to -- to -- to get the  
25 response to the letters you've already put out,

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1 read them, and see if there's any -- anybody in  
2 there -- I mean, everybody sitting in this room  
3 and at this table is pretty -- is good enough in  
4 business to say, jeez, these people look pretty  
5 good. Then make a decision on whether you want to  
6 bring in a consultant and go -- and go over this  
7 thing.

8 But there's a lot of people out there, I  
9 would say in the FBO business or in the business  
10 world, that can come in and do a study that we  
11 don't even know that's going on, about the pro  
12 forma, especially in an expansion, of doubling the  
13 size of, you know, the -- of -- of the rental  
14 units we have down here with the new hangars going  
15 in.

16 But one of the big pluses of -- of -- of  
17 having it done while the expansion's going on  
18 is -- is obviously he's not going to be -- the  
19 second FBO wouldn't be moving over to -- to where

20 Galaxy is. He'd probably be moving down into this  
21 area and taking care of -- of probably a lot of  
22 different things that Galaxy doesn't want to be --  
23 let's say doesn't want to be involved in, but  
24 wants to -- it's their secondary involvement.  
25 So, all these things, I think we're kind of

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1 talking in the negative. You want to -- I think  
2 you want to talk in the positive and see the  
3 response you get at -- at January 5th.

4 Now, there's another way of looking at this,  
5 too, that I have never heard of, except with  
6 American Airlines. We -- we dedicated, after we  
7 built the thing and paid for the -- paid for this,  
8 we dedicated the -- the office space and some of  
9 the buildings back to the DCAD, the -- the  
10 airport. And -- and this is very nice for both us  
11 as American Airlines and for the -- for the -- for  
12 the airport facility, because now they have real  
13 assets, real property that were built for them.  
14 And what it is -- what it means for us is we don't  
15 have to pay, "we," American Airlines, doesn't have  
16 to pay taxes on this and we get a lot of credits  
17 that -- that work out very beneficially for -- for  
18 us as -- as a company.

19 And -- and I -- I just would say that take a

20 look at what we have on the -- on the 6th of -- of  
21 January. Sit down, and you're going to -- I know  
22 you're going to have a lot of, you know, guys that  
23 own a trucking company and, hey, wouldn't it be  
24 nice if we had an FBO because I have a little  
25 airplane and I could buy my own gas? This kind of

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1 stuff. You're going to get a lot of that, I

2 think.

3 But you're going to get some -- you're going

4 to get some pretty good serious people that are

5 maybe in -- in the business or -- or in a like

6 business or something else like that, that -- that

7 have a lot of good ideas.

8 And then there's another thing you can do,

9 is -- is select three or four or five of these

10 before you go get the -- and let them make -- let

11 them make a presentation. Right here.

12 CHAIRMAN COX: Absolutely.

13 MR. GEORGE: Yeah.

14 MR. RAUHOFER: You know? That's -- I think

15 that's the way to do it. I mean, that's -- that's

16 what you -- before you spend any taxpayers' money

17 on a consultant, if you come to a fork in the

18 road, a crossroad, you can always go hire somebody

19 to help you out with a decision. But you may not

20 need that. Why don't you find out first if you

21 need it? Thank you.

22 CHAIRMAN COX: Public comment? Sir?

23 MR. WUELLNER: You have to walk, too.

24 CHAIRMAN COX: Time's up.

25 MR. THOMPSON: I think Warren said a lot of

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1 what I would say. I don't -- I don't know this  
2 fellow from Georgia Tech that we're talking about,  
3 but as long as he's not from north of Bristol,  
4 Tennessee, I think he's probably got to be okay.

5 The -- I think step one is -- is right on.

6 In looking at what you get back, there doesn't  
7 need to be any kind of direction established. I  
8 don't think anybody who is serious, and you can  
9 tell by checking the spelling in the responses --  
10 seriously are -- doesn't know who Galaxy is and  
11 doesn't know what kind of business they do all  
12 around Florida, and doesn't have to be but so  
13 smart to figure out they're going to have to find  
14 another niche regardless of whether they think  
15 they're going to operate seven or eight FBOs in  
16 Florida and compete with them directly or to pick  
17 areas of business that they don't want to -- they  
18 don't want to be in, they don't want to do. Maybe  
19 changing tires on Skyhawks. I don't -- I don't

20 know.

21 But I think when you look at those initial  
22 responses, you may want to pick a half a dozen,  
23 send them the aerial photograph and say, okay,  
24 here's the square footage we're talking about on  
25 the airport; tell me what you think. And include

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1 your business plan in a confidential nature  
2 between the Airport Authority, the professional  
3 staff, and these folks. And take a look at what  
4 they come back with.

5 Somebody may blow you out of the water and  
6 say, yeah, we intend to come in and build a 19,000  
7 square foot facility and, you know, hot and cold  
8 running whatever, and all we want from you is to  
9 pay you this much for the square footage per month  
10 with a guarantee of seven years or whatever  
11 their -- their deal is.

12 I would think you would want to look at what  
13 their proposals are simply because most of these  
14 people are already going to be doing this  
15 somewhere else. Anybody that you want to consider  
16 is already doing this somewhere else. Thank you.

17 CHAIRMAN COX: Very good point. Any other  
18 public? Joe?

19 MR. JONES: I would almost think you'd do

20 that study first, because you're trying to sell us  
21 on a product, and you have to have that study to  
22 back that product up is really beneficial.  
23 Because then you could come to somebody and say,  
24 look, this is what I have to offer.  
25 Now, they're not going to be able to go up

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1     there and do their own study, because then you're  
2     buying -- buying what their study says, and  
3     they're naming the price. But if you've got a  
4     study that's really saying, look, we're great, we  
5     got all this traffic fixing to come and this is  
6     what we're looking for from you, instead of what  
7     they're looking for from you. You're looking at  
8     two different things. You need to just, you know,  
9     get their best offer from them instead of them  
10    getting their best offer from you. So --

11       CHAIRMAN COX: Thank you very much.

12       MR. JONES: -- I think you kind of need to do  
13    the study first.

14       MR. MARTINELLI: That was my thought.

15       CHAIRMAN COX: Any other comments?

16       Well, I think -- in my opinion, I think the  
17    first step's going to be to see what kind of  
18    responses we get January 6. You know, it may be a  
19    moot point. If you get two really nice packets

20 and that's all you get, then I'm not sure you need  
21 to move forward with, you know, some other steps  
22 of that --

23 MR. WUELLNER: Yeah. Agreed.

24 CHAIRMAN COX: If you get 20, then it's a  
25 different story. And some of those, you could --

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1 I mean, just a question, because I don't know the  
2 answer; if you get 20 and you've got some that are  
3 obviously, like Warren pointed out, you know, the  
4 guy owns a truck stop and wants to have one, can  
5 you, without discriminating, toss it? I mean --  
6 or -- or is that --

7 MR. WUELLNER: That's a part of what I was  
8 talking about in -- in developing the criteria.

9 CHAIRMAN COX: Right. Exactly.

10 MR. WUELLNER: You know, but you don't have  
11 to do all of that criteria at one time. You could  
12 take that in that -- that methodical step and  
13 go --

14 CHAIRMAN COX: Well, and my point is, do we  
15 have to hire --

16 MR. WUELLNER: No, no.

17 CHAIRMAN COX: And -- and we can but, I mean,  
18 to develop the criteria to make it an official --

19 MR. WUELLNER: Yeah.

20 CHAIRMAN COX: Or can -- you know.

21 MR. WUELLNER: You can do all of that

22 internally.

23 CHAIRMAN COX: Or can we develop that

24 criteria, we don't want guys that own truck stops?

25 MR. WUELLNER: Well, you come up with, you

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1 know, three, four, five, ten --

2 CHAIRMAN COX: Okay. And then --

3 MR. WUELLNER: -- criteria and say that's the  
4 first blush on the -- on the letters of interest.

5 CHAIRMAN COX: So, are you --

6 MR. WUELLNER: Are you in the FBO business  
7 now?

8 CHAIRMAN COX: The first step in moving  
9 forward, just for everybody, is -- and you guys  
10 will have to carry this forward after January 6th,  
11 is to see what your responses are after the 5th of  
12 January and -- and look at the packets at that  
13 point. You're not looking for any action here,  
14 are you? Just --

15 MR. WUELLNER: No, not at all.

16 CHAIRMAN COX: Because there's really no  
17 query to this. So --

18 MR. WUELLNER: We'll --

19 CHAIRMAN COX: -- this is end of discussion.

20 MR. WUELLNER: We'll hit you with the data at  
21 the next -- the meeting in January and go from  
22 there.

23 CHAIRMAN COX: Ms. Barrera, did you have some  
24 other comments?

25 MS. BARRERA: No. I -- I think I agree with

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1 the way we're headed, waiting till January 6th and  
2 see what the response is to see whether or not  
3 there's a need to go forward or not.

4 CHAIRMAN COX: And because I do agree with  
5 Mr. RauHofer, you may -- you know, liable to get  
6 an operator to come in here and -- and have a  
7 great study and a great background and great  
8 financials and -- and willing to give you the  
9 property back and be a great deal for the airport,  
10 and you'd want to move forward with it, you know?  
11 Then again, you may not. So, you know, it's hard  
12 to say. So, with that in mind, is everybody okay  
13 with just --

14 MS. GREEN: Yes.

15 CHAIRMAN COX: -- hold on till January 6th?

16 MR. WUELLNER: We'll get those out to you --  
17 the responses, we'll copy those right after the  
18 6th and get them out to you so you have a chance  
19 to look them over before the 23rd. Is it the

20 23rd?

21 MS. HOLLINGSWORTH: 26th.

22 MR. WUELLNER: 26th?

23 CHAIRMAN COX: Second -- and that moves us

24 into housekeeping.

25 11. - HOUSEKEEPING

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1 MR. WUELLNER: Yeah. Many of you know that  
2 we had an aircraft accident out here.

3 MR. GEORGE: I didn't do it.

4 MR. WUELLNER: Not you. Not this time.

5 MS. GREEN: Not this time.

6 MR. WUELLNER: We had -- we had three in --  
7 in three or four months, two of which -- never  
8 mind.

9 The -- the one that wasn't hit the glideslope  
10 antenna out there and rendered it unusable. And  
11 we are still working to get all of the data  
12 together to exactly what needs to be done to  
13 repair that. It's a -- this is not a standard --  
14 many of you go back on that project. Remember  
15 that it's not a standard glideslope installation  
16 out there. In order to account for the tidal  
17 influence out on that property, it is a highly  
18 specialized type of glideslope versus standard  
19 glideslopes.

20           And as a result, it requires -- that's why  
21           there's a whole field full of little antennas out  
22           in the field versus a single antenna that's  
23           traditionally with a glideslope.  
24           We have had Thales come down. They have  
25           evaluated it. They're in the process of getting

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1 the -- quote, unquote, the parts list together to  
2 talk to Watts, who is the only antenna  
3 manufacturer for this type of antenna. And they  
4 have pretty much now agreed to the pieces and  
5 parts necessary to bring it back into service.  
6 And now I'm awaiting the bad news of what that  
7 number is.

8 Two things come into play here that I don't  
9 have answers to yet. One, what is the total  
10 amount to get it back on line? The second is,  
11 who's paying for that entirely? The Airport  
12 Authority is insured for that kind of thing with a  
13 significant deductible. And "significant" in this  
14 case is about a \$25,000 deductible.

15 However, there's still at this point some  
16 liability with the actual individual who hit it --

17 CHAIRMAN COX: Yeah.

18 MR. WUELLNER: -- and where that insurance  
19 picks up and -- and covers. So, those things are

20 still working themselves out. We have reiterated  
21 on a number of occasions the importance of getting  
22 that up and restored in the shortest possible time  
23 line, as it is, you know, the -- the heart and  
24 soul, literally, of creating a precision approach  
25 into the airport.

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1       The second item I have for you is that we  
2       took delivery on the ARFF vehicle. It is now  
3       here. Those of you that would like to see that,  
4       come -- come see us. We'll make arrangements for  
5       you to get out there and see it. You can even  
6       drive it around a little bit. But it is a very,  
7       very, very impressive --

8       MR. GEORGE: Not me.

9       MR. WUELLNER: Very impressive vehicle.

10      CHAIRMAN COX: Very impressive vehicle.

11      MR. MARTINELLI: What is the vehicle?

12      CHAIRMAN COX: The fire truck.

13      MR. WUELLNER: The fire -- fire rescue. And  
14      it's specialized for aircraft-related things. And  
15      it's really, really cool.

16      CHAIRMAN COX: You have to come to the school  
17      because we need drivers, volunteer drivers.

18      MR. WUELLNER: And you have to wear that  
19      shirt so we can find you.

20 CHAIRMAN COX: That's true, yeah.

21 MR. WUELLNER: The --

22 MR. MARTINELLI: I should have kept my mouth

23 shut.

24 MR. WUELLNER: We'll put you to work. The

25 last is, we're -- we're continuing -- a lot of you

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1 are aware that we have had ongoing discussions  
2 with FEC on a number of fronts, one regarding a  
3 development they'd like to move forward within the  
4 county that's not our jurisdiction but is out  
5 there.

6 They need -- they have been talking to us  
7 about some access through some property in the old  
8 industrial park across U.S. 1 to that property on  
9 a temporary nature, and also there's discussions  
10 related to how does -- what is FEC's commitment to  
11 allowing, if funded -- and there's big codicil  
12 here -- a relocation of a section of that FEC line  
13 on the north end that would allow the extension of  
14 that runway in the future? I'm not saying that's  
15 a short-term project, but it was out there -- in  
16 lieu of extending the same runway to the south  
17 with all the environmental impacts.

18 So, in the past, you'll recall FEC has never  
19 been willing to talk about even the possibility,

20 in a remote sense, of being able to do something  
21 with that line. But currently, they are open to  
22 those discussions because they need some things.  
23 So, it's -- it's on the table. There are  
24 very preliminary kind of discussions going on.  
25 And as that, you know, gets -- gets a little

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1 further along, we'll -- we'll brief you because  
2 they also are keenly aware of the Authority's  
3 minimum requirement with relation to an easement  
4 over that entire development as an avigation  
5 easement. So, it's got a long way to go, but at  
6 least everybody's still talking and hasn't thrown  
7 in the hat and given up. so...

8 CHAIRMAN COX: I don't see any discussion on  
9 that east/west runway that goes to Ponte Vedra.  
10 Is that not up for discussion anymore?

11 MR. WUELLNER: You just can't resist, can  
12 you? And that -- that's the last item I have  
13 under housekeeping. I'm not touching that. That  
14 brings you to public comments.

15 12. - PUBLIC COMMENT

16 CHAIRMAN COX: All right. Well, that ends  
17 the housekeeping discussions. We'll move into  
18 general public comment, please. Any general  
19 public comments of a general nature from the

20 public?

21 (No public comment.)

22 CHAIRMAN COX: Seeing none, for the Authority

23 members, Mr. Brunson's not present. Ms. Green?

24 13.B. - MS. SUZANNE GREEN

25 MS. GREEN: Well, I'll be short, because I

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1 don't want to cry with you going, but we're going  
2 to miss you.

3 CHAIRMAN COX: I think I have to do this  
4 next -- next month, don't I?

5 MR. WUELLNER: You have to show up.

6 MS. GREEN: You have to show up.

7 CHAIRMAN COX: I have to show up?

8 MS. GREEN: Yeah.

9 CHAIRMAN COX: I'll be here one more -- one  
10 more time, anyway.

11 MS. GREEN: But thank you so much for all  
12 your --

13 CHAIRMAN COX: Well, thank you very much.

14 MR. WUELLNER: And the cash award.

15 CHAIRMAN COX: Pardon me? What'd you say?

16 MR. WUELLNER: I'm kidding. That way, you  
17 have a retirement.

18 MS. GREEN: Sixteen point three percent of  
19 zero.

20 MR. WUELLNER: It's almost -- almost a dollar

21 sixty.

22 CHAIRMAN COX: I'm really getting smacked

23 here.

24 No, I saw it in the paper, 16.53. I still

25 remember it.

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1 MS. GREEN: Well, anyway, it's been a  
2 pleasure to work with you all these years --

3 CHAIRMAN COX: Well, thank you, ma'am.

4 MS. GREEN: -- very much, and you will be  
5 missed.

6 CHAIRMAN COX: Appreciate that. Mr. Gorman?  
7 Comment?

8 13.C. - MR. JACK GORMAN

9 MR. GORMAN: I think our discussion about  
10 insurance, of course, was excellent. I'd love us  
11 to keep an eye on the ball and get off the tax  
12 rolls. Three hundred thousand dollars is -- a  
13 year is a lot to spend, and I thought the board  
14 did a really good job of discussing it. I think  
15 that kind of discussion about huge expenditures is  
16 a good thing.

17 CHAIRMAN COX: Very good. Very good.

18 MR. GEORGE: Are you going to miss him?

19 MR. GORMAN: Am I going to miss him? I want

20 to talk about cake. Can we have one -- anyway --

21 CHAIRMAN COX: We can just open the bar.

22 MR. GEORGE: We are going to miss you.

23 CHAIRMAN COX: Mr. George, thank you, sir.

24 MR. GEORGE: Come back anytime you want.

25 CHAIRMAN COX: Trust me, I will be --

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1 MR. GEORGE: We'll even let you sit up and --  
2 while you keep quiet.

3 13.D. - MR. WAYNE GEORGE

4 MR. GEORGE: I notice we have the workshop  
5 meeting for 2 o'clock and the regular meeting for  
6 4 o'clock. From a protocol standpoint, we might  
7 want to have the regular meeting at 2 o'clock,  
8 adjourn at 2:05 so that Kelly can be seated on the  
9 board when we go through the workshop. Is that  
10 typical or --

11 CHAIRMAN COX: The workshop's not -- you're  
12 not doing anything at the workshop.

13 MR. GEORGE: You're not making any decisions,  
14 you're right.

15 MR. WUELLNER: True.

16 MR. GEORGE: Workshop is -- true. Okay.

17 MR. WUELLNER: Let me -- you're -- you're  
18 making it more technical than it needs to be.  
19 Effective the first Tuesday following the first

20 Monday in January, she is in office --

21 CHAIRMAN COX: Right.

22 MR. WUELLNER: -- whether she's sworn in.

23 This is a ceremonial swearing-in, versus --

24 MR. GEORGE: Okay.

25 MR. WUELLNER: -- an official swearing-in.

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1 She is on the board as of that date. So, whether  
2 we meet or don't meet and have her stand up and --

3 MR. GEORGE: The only other comment that I  
4 would --

5 MR. WUELLNER: A technicality.

6 MR. GEORGE: -- have is going back to your --  
7 your housekeeping.

8 MR. WUELLNER: Yes.

9 MR. GEORGE: When -- when you start -- we've  
10 got a lot of things that are good possibilities to  
11 do with Florida East Coast Railroad. And -- and I  
12 think that the direction that we need to give to  
13 Mr. Wuellner is that all of the items that we're  
14 talking about doing have to be documented and  
15 agreed to before we give in on one. Because, you  
16 know, if we give in on one, and all of a sudden  
17 we're not speaking from a point of strength  
18 anymore, and we come back a year later, you know,  
19 there's no impetus for them to do anything.

20 I'm -- I'm making specific reference to they  
21 had volunteered to allow us to pay for the  
22 movement of the railroad so that we can have  
23 our -- so we can have our increased runway.  
24 I think what Mr. Wuellner has done is he  
25 said, okay, what's the cost of going through

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1 filling in the marsh? And what's the cost of  
2 moving the railroad and also putting a bow in  
3 U.S. 1 out there? Those -- those issues need --  
4 the options need to be kept alive in -- in those  
5 things.

6 We've also talked to them about land that  
7 they presently own to the west of U.S. 1 for our  
8 20 years out, 15 years out, putting a second  
9 runway out there. We need to preserve, you know,  
10 that type of relationship and -- and discussion,  
11 you know, also. I'm sure you'll hear me be more  
12 vocal about that, so...

13 CHAIRMAN COX: I don't think you can be too  
14 vocal about that particular issue. In all  
15 seriousness, I agree with and back you up a  
16 hundred percent. I mean, you've really got to  
17 have your -- all your ducks in a row when dealing  
18 with -- with that particular issue here.

19 MR. WUELLNER: Long-term implications.

20 CHAIRMAN COX: Yeah.

21 MR. WUELLNER: A lot of areas.

22 CHAIRMAN COX: And they have a very

23 aggressive legal voice on -- on their team.

24 MR. WUELLNER: Yeah.

25 CHAIRMAN COX: So -- is that --

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1 MR. GEORGE: That's it.

2 CHAIRMAN COX: That's it for you?

3 13.E. - CHAIRMAN BOB COX

4 CHAIRMAN COX: Well, I just want to say that

5 I have really had -- it's been a tremendous

6 pleasure working with all of you for the last four

7 years. You guys have been professionally

8 really -- really -- I've seen the board grow in --

9 in depth and wisdom and -- and really move forward

10 in our four years since we've taken the seats, you

11 know, the three of us here. It's been a pleasure

12 working with you. And -- and trust me, I'm going

13 to see y'all for a while, so...

14 And especially a tremendous pleasure to

15 welcome Kelly Barrera on board. And I think

16 she'll enjoy working with the board in the next

17 four years. Are you sure you're ready for that?

18 MS. BARRERA: Thank you.

19 14. - NEXT BOARD MEETING

20 CHAIRMAN COX: So -- okay. Then we're moving  
21 into the next meeting dates, proposed workshop  
22 meeting on January 22nd and then -- at 2 p.m.,  
23 with a regular meeting at 4:00. Does that work  
24 for everybody? Yes, sir?

25 MR. WUELLNER: You were probably just about

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1 to do the same thing. Remind --

2 MR. GEORGE: Remind everybody we need your  
3 input as far as what you have heard the problems  
4 are.

5 I have the article from the newspaper in  
6 Jacksonville that I was going to summarize, you  
7 know, watch out for the airport; they're doing  
8 this, that, and the other. Do you have the 8 1/2  
9 x 11 or two 8 1/2 x 11 handout, you know, of one  
10 of our political candidates who was saying item --  
11 if you could get me a copy of that, I'd like to  
12 put both of those together. But you need to have  
13 a lot of, you know, things going through your head  
14 right now, and that would be a good time.

15 What's the date we're going to get it to you  
16 by, the 10th?

17 MR. WUELLNER: I thought it was -- yeah.  
18 Tenth.

19 MR. GEORGE: Okay.

20 MR. WUELLNER: It was the 10th.

21 CHAIRMAN COX: Vic, you just had a real quick

22 comment?

23 MR. MARTINELLI: Yeah. What is the subject

24 of the workshop?

25 CHAIRMAN COX: Workshops.

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1 MR. MARTINELLI: What's the agenda?

2 CHAIRMAN COX: Workshops. How to -- how to  
3 do workshops.

4 MR. GEORGE: Every year, we -- the board  
5 changes seats. You know, there's always been  
6 something in the last political campaign that said  
7 the airport's not doing this, the airport's being  
8 run poorly, it's not doing this, it's not doing  
9 that.

10 Well, we need to air all of that and either  
11 get it explained to -- that's why I was asking for  
12 ten days, from Mr. Wuellner's staff, to get on  
13 that so that he can have an explanation of each  
14 one of the items. And, you know, we might not  
15 ex -- know all the evidence. It might be a pony  
16 in there somewhere, you know, that points out  
17 something that we are having problems with. So,  
18 that's the purpose of it.

19 MR. MARTINELLI: Okay. Sounds like a good

20 idea. And if I can say Ed may, in the interim, be  
21 asked to come before the Round Table to talk about  
22 certain items that probably you will be  
23 discussing, so...

24 MR. GEORGE: Oh, okay. Since you'll already  
25 have the answer for them, write them down.

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1 MR. WUELLNER: You'll have it.

2 MR. MARTINELLI: Civic Round Table.

3 CHAIRMAN COX: Is that it?

4 MR. GEORGE: Good.

5 CHAIRMAN COX: Meeting adjourned.

6 (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, FPR,

7 certify that I was authorized to and did

8 stenographically report the foregoing proceedings

9 and that the transcript is a true record of my

10 stenographic notes.

11

12       Dated this 2nd day of January, 2007.

13

14

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

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