

ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

Regular Meeting

held at 4796 U.S. 1 North

St. Augustine, Florida

on Monday, July 8, 2013

from 4:04 p.m. to 5:50 p.m.

* * * * *

BOARD MEMBERS PRESENT:

CARL YOUMAN, Chairman
KELLY BARRERA
JOSEPH CIRIELLO
MATTHEW MERCER

BOARD MEMBERS ABSENT:

ROBERT COX, Secretary-Treasurer

* * * * *

ALSO PRESENT:

JAMES WHITEHOUSE, Esquire, St. Johns Law Group,
509 Anastasia Boulevard, St. Augustine, FL, 32080,
Attorney for Airport Authority.

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

* * * * *

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

	I N D E X	
		PAGE
1		
2		
3	PLEDGE OF ALLEGIANCE	3
4	MEETING MINUTES & FINANCIAL REPORT	3
5	AGENDA APPROVAL	4
6	EXECUTIVE DIRECTOR'S REPORT	4
7	BUSINESS PARTNERS UPDATE	12
8	BUSINESS ITEMS	
9	A. East Corporate Hangar Leases	20
	B. Preliminary Budget Discussion	29
10	PUBLIC COMMENT - GENERAL	78
11	AUTHORITY MEMBER COMMENTS AND REPORTS	78
12	ADJOURNMENT	93
13	REPORTER'S CERTIFICATE	94
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

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

2 CHAIRMAN YOUMAN: The St. Johns-St. Augustine
3 Airport Authority for the Northeast Florida
4 Regional Airport meeting is to begin at 1604 hours
5 on whatever today's date is.

6 MR. WUELLNER: Very very nice.

7 CHAIRMAN YOUMAN: May we start with the Pledge
8 of Allegiance, please?

9 (Pledge of Allegiance.)

10 MEETING MINUTES & FINANCIAL REPORT

11 CHAIRMAN YOUMAN: Welcome to everybody. I
12 understand Mr. Cox can't attend today. And
13 beautiful weather outside and hope everybody had a
14 fantastic safe 4th. And just want to remind
15 everyone that's in the public seating that if you
16 want to make some comments, please make out a
17 comment sheet for me to call you or have you come
18 up, either way.

19 Are there any corrections or amendments to the
20 meeting minutes? Is everybody happy with the
21 meeting minutes?

22 (No comments.)

23 CHAIRMAN YOUMAN: No exceptions, the minutes
24 are accepted as -- the meeting agenda is accepted
25 as stated -- or meeting minutes. I'm getting

1 turned around.

2 Financial report. Bob's not here to give a
3 financial report, so we can't accept the financial
4 report because there isn't any reporting at this
5 time.

6 MR. WUELLNER: Actually, I'll be reviewing it
7 a little bit later, anyway.

8 AGENDA APPROVAL

9 CHAIRMAN YOUMAN: All right. I've been told I
10 speak too quietly, I guess. Let's see. Have we --
11 now the agenda. Has everybody reviewed the agenda?
12 Any exception to the agenda?

13 (None.)

14 CHAIRMAN YOUMAN: No exceptions to the agenda,
15 the agenda is accepted as presented. We are now to
16 the executive director's report. Mr. Wuellner?

17 EXECUTIVE DIRECTOR'S REPORT

18 MR. WUELLNER: A few items to mention. The --
19 under -- under grant projects here, let you know
20 that the FIND grant, which was the latest phase of
21 dredging in the seaplane basin area, has been
22 completed. In fact, we received a final check from
23 the FIND district today in today's mail.

24 And to let you know on the horizon here the
25 FIND district will be coming up at your September

1 meeting to do a presentation, just kind of a formal
2 public relations kind of presentation of the -- the
3 big giant check acknowledging their participation
4 in some of these projects. So we'll be putting a
5 little minor, you know, media event together to
6 cover that -- cover that in September. And that
7 will be corresponding to your regular meeting in
8 September, so you won't have any additional time.

9 Delta 3, we opened bids about I guess it was
10 last week. It seems longer than that already. I'm
11 sorry, it was two weeks ago. It was the week --
12 week before the 4th. Opened bids on that Taxiway
13 Delta 3 project, which includes the Runway 2/20
14 overlay, so that you're clear on the -- on the
15 particular project.

16 Came right in as predicted, will meet the
17 available funds within the grant that we expect.
18 So at this point, we will be finishing the grant
19 application I would expect by the end of the week
20 and submitting that to FAA, which will begin the --
21 what I call the sit and wait process, which is --
22 can be anywhere from a few days to a -- to a few
23 weeks.

24 Could be as long as August. Just depends on
25 how quickly the FAA programs the balance of or

1 allows them to commit the funds in a grant. The
2 money is there, it's just a question of timing with
3 these guys. Could be as late as the end of August
4 or very fir -- very first part of September. Just
5 depends on how that work stacks up at the district
6 office in Orlando.

7 Once they've committed -- can commit that and
8 get a grant offer to us, we will get that executed
9 and that'll start the contractual process of
10 getting the grant or getting the construction
11 documents signed and we can get underway here.
12 It's a very short duration project. It's only a
13 90-day construction window once it starts. So
14 we're anxious to get this one up and running. And
15 hopefully we can get it completely done by the end
16 of the calendar year if all works right.

17 MR. MERCER: Is that just a resurfacing of
18 Delta 3?

19 MR. WUELLNER: It is a mill and overlay -- I'm
20 sorry. The runway is a mill and overlay. The
21 Delta 3 is actually a widening. It's a -- it's a
22 severely undersized piece of pavement. It's just
23 the -- if you -- if you recall, it's the little
24 connector between the two runways there.

25 MR. MERCER: 2 and 6.

1 MR. WUELLNER: Between 2 and 6 there at the
2 end. And this -- this opens that up and widens the
3 fillets and radiuses there to give it expandability
4 to move airplanes through there. And that --
5 that's part of why we are able to do Runway 2/20 as
6 a part of it, because it impacts that so
7 dramatically there on pavement. Elevations
8 primarily. So...

9 MR. MERCER: Okay.

10 MR. WUELLNER: And then total project, this
11 including what will be resident in engineering and
12 the like, round numbers it's about a \$1.5 million
13 total effort. The -- the construction piece is
14 about 1.4 of that.

15 Last month, just to give you a couple of
16 things, triennial disaster review exercise was
17 accomplished on the 12th of June thanks to Reba and
18 all the folks at the Pilots Association and school
19 of Aero and all -- everybody that rounded together
20 to make that -- that exercise a success.

21 Our thanks to St. Johns County, the Sheriff's
22 Office, the Fire Rescue district, Civil Air Patrol.
23 We had just about everybody and their brother out
24 here to assist in -- in doing a simulated airfield
25 emergency. It went -- went fabulous is my

1 understanding. The usual great spirit of
2 cooperation and work on the -- on the airfield
3 there.

4 Always a few fine points to continue to work
5 on across all the agencies. Coordination's always
6 an issue when you put that many agencies together,
7 but it went off very well. Were able to use the
8 aircraft carcass again from Daytona Beach. They --
9 we were able to bring that up and stage the pieces
10 and parts out there and simulate an emergency.

11 On the 15th of June was also the Calypso Day
12 which benefits the local Caring Hands effort.
13 Apparently that went off without a hitch, too. I
14 was not in town that particular weekend, but it
15 apparently went off very well and was well -- well
16 attended and raised some money for a great cause
17 locally.

18 One item to bring up on items of interest, we
19 will be beginning this month entering into the
20 consultant selection process again. We have
21 exhausted the renewals and the basic term of our
22 consultant agreement, so we will be out -- under
23 the Consultants' Competitive Negotiations Act,
24 we'll be required to go out and solicit
25 professional services. We will begin that process

1 during the month of July.

2 Our objective would be to conclude that effort
3 by the end of September, very early October at the
4 latest. It doesn't affect any existing agreements,
5 any existing work that's going on, but it will
6 impact future jobs. This is where we select
7 engineering and planning consultants for DOT and
8 FAA work and of course any work that met the
9 threshold requirements of -- that the Airport
10 Authority does on its own.

11 If you have any questions about the process or
12 whatever, it's all generally covered in your
13 purchasing policy document which you're welcome to
14 review, but I will be happy to go over it in detail
15 if there's still some confusion over that process.

16 But largely we'll get submittal statements,
17 statements of qualifications of interest, and form
18 a committee to review those and then the board will
19 make a determination whether you wish to interview
20 those firms or simply rank them and we begin
21 contract negotiations consistent with Florida
22 Statutes. So -- anyway, that's -- that's about to
23 kick off. And I think that concludes my report
24 unless you've got specific questions. Yes, sir?

25 CHAIRMAN YOUMAN: Mr. Ciriello?

1 MR. CIRIELLO: Where was this dredging done?

2 MR. WUELLNER: In the seaplane basin area.

3 MR. CIRIELLO: And it's completed.

4 MR. WUELLNER: It is completed. It's the
5 second phase of dredging that's been accomplished.

6 MR. CIRIELLO: Okay.

7 MR. WUELLNER: Uh-huh.

8 CHAIRMAN YOUMAN: How many phases will there
9 be?

10 MR. WUELLNER: We have at -- we have submitted
11 again for this coming year, so there'll be at least
12 a third phase for it. The idea is to get down to
13 about an 11-foot draft ability in there. I think
14 we're currently sitting at about seven to eight
15 depending on the specific location.

16 The first two phases focused on the throat
17 area where it's narrow. Apparently that's an easy
18 collection point for silt and sand accumulation.
19 So most of that has been opened up and
20 reestablished there. That will allow the sea --
21 that basin to be used for barge loading and
22 unloading.

23 To this point, we've used it for several
24 things and we'll be using it again -- Northrop
25 Grumman has used it multiple times loading E-2D

1 aircraft onto the barges and off of the barges.
2 But we anticipate also supporting FIND district in
3 an artificial reef development that they will
4 likely load that material on and off of the barges
5 out of the seaplane basin. So another good
6 community -- community project.

7 CHAIRMAN YOUMAN: Just a comment. I was at
8 the disaster emergency exercise this year as well
9 as three years ago and just like Ed said, it is a
10 exercise in cooperation and it's amazing, really
11 amazing how they pulled it off. And if anybody
12 really wants some photographs of it and some video,
13 I can download it on a DVD and mail it to you. All
14 you have to do is ask me. It's very interesting.

15 MS. BARRERA: They did some nice coverage on
16 that also in the news.

17 CHAIRMAN YOUMAN: I understand Channel 4 --
18 Channel 4 was out here and they did a lot of
19 coverage. And I didn't see it on the news, but I
20 heard it from other sources like you who stated
21 that it was very good coverage for the airport.

22 MR. WUELLNER: It's always interesting.

23 CHAIRMAN YOUMAN: Any other questions for
24 Mr. Wuellner?

25 (None.)

1 BUSINESS PARTNER UPDATE

2 CHAIRMAN YOUMAN: We move on to business
3 partner updates. Mr. Sanchez, you are our leader
4 as usual. You're first.

5 COMMISSIONER SANCHEZ: Mr. Chairman, I
6 appreciate it. You don't have to call me Mister.
7 I don't believe I owe you any money, but...

8 CHAIRMAN YOUMAN: Just bacon.

9 COMMISSIONER SANCHEZ: Anyway, the -- I'm sure
10 if you've been by the county auditorium there, you
11 know, further down the road you've seen all the
12 clearing and the land preparation for the new
13 health center. We'll be going out for -- for RFPs
14 very shortly, and that should be underway. We're
15 happy about that.

16 Advanced Disposal has become the first to
17 purchase advertising in the amphitheatre. The
18 stage is now named after them and they'll be paying
19 the county \$25,000 a year for that right. There's
20 other things out there that will be put out pretty
21 soon and we'll get some offers on some of it. So
22 we're excited about that because that will beef up
23 the -- the money.

24 The amphitheatre is -- is doing well
25 considering it's been five years. That's usually a

1 breaking point for any new business. And they have
2 done real well. But the advertising money will
3 certainly help free up some things that will allow
4 us to have more open free things for the public,
5 too, which is what the DEP division of lands,
6 that's one thing they like and encourage you to do.
7 So, anyway, that's about all. If anyone's got any
8 questions, I'll be glad to answer them.

9 CHAIRMAN YOUMAN: Can I put you on the spot?

10 COMMISSIONER SANCHEZ: Sure. I'm used to it.

11 CHAIRMAN YOUMAN: The beach parking in
12 St. Johns County, I keep watching -- I drive a Jeep
13 and I love to drive on the -- on the beach. And
14 access to driving on the beach keeps disappearing
15 faster and faster, and there's no parking and
16 there's more people here coming to the beach, and
17 there was an article in the paper stating, you
18 know, all this big emergency about parking to get
19 on the beach.

20 COMMISSIONER SANCHEZ: They're absolutely
21 right.

22 CHAIRMAN YOUMAN: Just as fast as we eliminate
23 the ability to get on the beach, we have more
24 people coming.

25 COMMISSIONER SANCHEZ: Well, the problem is

1 way back I would say 20 years ago is when the
2 county should have been buying property to create
3 parking places. They did not do that. Now it is
4 totally not feasible to do it.

5 We were going in with the City of
6 St. Augustine Beach on a piece of property that was
7 priced at \$1.8 million almost directly across from
8 the pier parking lot. As soon as the individual
9 found out that the county was involved, the price
10 went to \$4 million. And so we advised them that we
11 would not be buying it and that ended that deal.
12 Then, you know, unfortunately later the property
13 was foreclosed on and I think, you know, I believe
14 they ended up selling it for practically nothing
15 real quick to somebody.

16 So, anyway it's not that we're not trying.
17 The parking area at the end of Pope Road, we have
18 worked out a joint thing with the City of
19 St. Augustine Beach that will allow some parking
20 back in there. The problem is when you create a
21 parking area, it's not just a matter of going there
22 and having space for parking.

23 There's requirements. You've got to have
24 handicap access. You've got to have all kind of
25 things that's required. Restrooms, parking spaces

1 marked off. So it's -- it's not just like saying,
2 yeah, come on in and park in this lot. I mean, you
3 just can't do that anymore. So it gets quite
4 expensive. I think we're going to put \$50,000 in,
5 the beach is going to put \$50,000, and that will
6 just about cover what we need to create a few
7 parking places.

8 CHAIRMAN YOUMAN: Yeah, I know --

9 COMMISSIONER SANCHEZ: We know it's a problem,
10 but, you know, I don't know what to tell you to do
11 about it. Right now we're not buying any property.
12 As a matter of fact, we're trying to sell some,
13 so...

14 CHAIRMAN YOUMAN: Yeah. Porpoise Point over
15 there they shut the beach down at 10:30 in the
16 morning. There was a line of cars that just kept
17 turning around and --

18 COMMISSIONER SANCHEZ: Yeah.

19 CHAIRMAN YOUMAN: -- going back to wherever
20 they went to.

21 COMMISSIONER SANCHEZ: Yeah.

22 CHAIRMAN YOUMAN: I know it's off the subject,
23 but thank you very much.

24 COMMISSIONER SANCHEZ: That's all right. I'm
25 glad you asked. I appreciate the question.

1 Anymore? No more hard questions? Oh, man. Thank
2 you.

3 CHAIRMAN YOUMAN: Galaxy Aviation? Steve?

4 MR. SMITH: No comment. Thank you.

5 CHAIRMAN YOUMAN: Reba Ludlow for SAAPA?

6 MS. LUDLOW: Yes. Our next meeting for SAAPA
7 is July 13th. We did cancel First Friday and
8 that's because July 4th was so close to First
9 Friday. So we didn't do that.

10 SAAPA did award three \$1,000 scholarships.
11 Two of the students came from St. Augustine High
12 School. They're going to Embry-Riddle and
13 University of Florida. And the other one is
14 enrolled at JU and will stay there. We have -- we
15 are now a bona fide 501(c)(3). It is SAAPA
16 Educational Fund, Incorporated. So the checks next
17 year will come from the educational fund. We are
18 moving right along.

19 Our Family Fun Day, same thing Ed would say
20 was a great success. It was the best organized
21 it's ever been. Goes to show you the more we do
22 it, the better we get.

23 The -- I was going to say about the emergency
24 drill. SAAPA, you know, stepped up and it was
25 good. Thanks to Ed and everybody, it was very well

1 organized. New members of SAAPA get badges and --
2 name badges and a shirt. And we have shirts and
3 hats for sale. And that's all I have to offer.

4 CHAIRMAN YOUMAN: Thank you, Reba.

5 MS. LUDLOW: You're welcome.

6 CHAIRMAN YOUMAN: Mr. Nehring? I don't think
7 he's here. Northrop Grumman not present. And then
8 we come to the illustrious Mr. Norman Gregory of
9 the EDC.

10 MR. GREGORY: I'm present. Good afternoon,
11 Mr. Chairman. Thank you.

12 Economic development has been a little bit
13 slow in the month of June. Ever since Memorial Day
14 through July 4th, it's slowed down a little bit.
15 Activities levels have dropped off some. We can
16 equate that with vacations and schedules and things
17 like that, I think. The previous six months
18 basically have been very very productive and we're
19 expecting to see some excellent things from that.

20 This morning, the Governor was here to cut the
21 ribbon for Advanced Disposal. And Ron was there
22 and all the commissioners were there. County
23 administration was there. It was very nice. And
24 we got some good press out of that. Must have been
25 20 press people there at least. A very nice event,

1 and highlighted St. Johns County once again as one
2 of the best places to do business in the state of
3 Florida. And the Governor even said so.

4 Economics, let's -- since this is the Economic
5 Development Council, let me talk a little bit about
6 economics. The nation as a whole is -- is
7 improving. As you saw recently, 200,000 new jobs
8 last month which is very good. The unemployment
9 rate is staying stable with -- with more people
10 coming into the -- into the labor market or coming
11 back to the labor market. So that's a good sign, I
12 think for everyone.

13 Purchasing Managers Index has continued to be
14 a little sluggish, and those are the people that
15 are buying product and -- and looking ahead towards
16 future production. But manufacturing continues to
17 be on the upswing and has been since 1946. People
18 say manufacturing has left the United States, but
19 that's not true. We were -- we're doing it, but
20 we're doing it with a lot fewer people and a lot
21 more robotics and other such things. But our
22 manufacturing is continuing to grow and that is a
23 very very good sign as well.

24 Exports are a little bit difficult with China
25 slowing down and Europe still in trouble. Exports

1 are a little bit of a -- of an issue. But we are I
2 think positioning ourselves relatively well for a
3 beautiful next upswing in the economy for the next
4 five to seven years.

5 Housing as you can see if you drive through
6 Nocatee and you take a road somewhere, you will see
7 two or three new developments under construction at
8 the least. They're doing approximately 50 new
9 homes out there every month, and that means that
10 there's folks here that need jobs. And so I'm
11 going to go out there and try and find them some
12 new jobs. Plenty of activity I think in the
13 future, and I see things to be bright and cheerful
14 as we move forward. And as always in your cheerful
15 service, thank you.

16 CHAIRMAN YOUMAN: Any questions for
17 Mr. Gregory?

18 (None.)

19 CHAIRMAN YOUMAN: Thank you, Mr. Gregory.
20 Great report. Mr. Zimmerman from the IDA is not
21 present. And Mr. Whitehouse in lieu of Mr. Burnett
22 for the airport attorney report.

23 MR. WHITEHOUSE: Yes, sir. No further report,
24 at this time.

25

1 EAST CORPORATE HANGAR LEASES

2 CHAIRMAN YOUMAN: All right. Move on to the
3 next item, the east corporate hangar leases. I'll
4 turn that back over to you, Mr. Wuellner.

5 MR. WUELLNER: Yes, sir. You have two items
6 combined under one agenda here, one that relates --
7 since they're so almost identical in many respects,
8 we combined them into one -- one action request.

9 One's Hangar Unit 8 and the other is Hangar
10 Unit 9. They are identical in size. They are part
11 of a common building that has three units, 8, 9 and
12 10. They're -- they're set up to right about 7200
13 square feet of hangar and then an additional 800
14 square foot of office associated with them.

15 Roberts Aviation is -- has asked to lease
16 Hangar Unit 8 as a maintenance facility. They are
17 currently on the field and have been operating
18 under the Galaxy leasehold over in the SK -- old SK
19 building. It is a one-year lease with yearly
20 renewals to start with. Annual rent at \$36,018 per
21 year, which is our standard form lease consistent
22 with your policy.

23 Hangar Unit 9 is Vino Air, LLC. They're just
24 strictly corporate storage. It is a five-year
25 lease at \$36,018 a year, also. And it uses the

1 standard form lease consistent with your policy. I
2 would point out that both of these have property
3 taxes associated with them and they are covered by
4 the tenant as are all utilities related to this.
5 So these are basically net numbers to the Airport
6 Authority.

7 These units have been for the most part vacant
8 or underperforming for the last couple of years as
9 that market has been -- that particular size
10 aircraft hangar has been probably the most
11 difficult to lease. It represents typically the
12 smaller end of corporate aviation and doesn't
13 handle the larger air -- larger corporate jet
14 aircraft, and that to that location doesn't handle
15 larger aircraft anyway because of the dimensions
16 back there. So these are two very good finds for
17 that -- for that complex and ends up -- I mentioned
18 it was a three-unit facility. So that completes
19 the third lease in there so that now at this point
20 all corporate units are completely leased.

21 So that represents good news and hopefully is
22 an end to any difficulty in that market segment,
23 given the current -- current interest in that
24 product. So that's a -- those are good signs, and
25 it would be our recommendation that the board

1 approve both leases and move forward.

2 CHAIRMAN YOUMAN: Mr. Ciriello?

3 MR. CIRIELLO: Yeah, I have a few questions.

4 MR. WUELLNER: Yes, sir.

5 MR. CIRIELLO: This maintenance facility --

6 MR. WUELLNER: Uh-huh.

7 MR. CIRIELLO: -- it's -- you say commercial.

8 It's not for guys with Pipers and Cessnas to go in
9 and get annuals done.

10 MR. WUELLNER: Correct. These -- these guys
11 are focused on corporate jet --

12 MR. CIRIELLO: Now this Vino Air corporate
13 storage, what are they going -- what are they going
14 to store?

15 MR. WUELLNER: Their aircraft. It's corporate
16 aircraft storage. It could have been worded
17 better.

18 MR. CIRIELLO: But there's not going to be any
19 flying -- I mean, they're not going to be like a
20 charter flight service or --

21 MR. WUELLNER: No, sir.

22 MR. CIRIELLO: -- anything. It's just
23 strictly storage.

24 MR. WUELLNER: Strictly for their company.

25 MR. CIRIELLO: All right. And the last

1 question. The term for Roberts is one year and
2 they're five years. I don't know why, but is this
3 because maybe Roberts thinks they can't afford it
4 after one year and they want an out? And in that
5 line of thinking, this Vino with five years, is
6 there some kind of an out clause in their -- in
7 their contract that if they couldn't make it, they
8 could get out earlier?

9 MR. WUELLNER: Yes. There's a six-month
10 notification, as is common with your -- your
11 leases.

12 The Roberts Aviation, it's not a question
13 of -- the reason for the shortness is not their
14 concern with being here. They're concern is we're
15 already programming funding with Florida DOT in
16 future years to get them into a larger facility
17 that would more adequately meet their needs. So a
18 long-term lease really isn't -- isn't of any real
19 benefit because we'd would be breaking it to move
20 into a larger lease anyway.

21 MR. CIRIELLO: Okay. Thank you.

22 CHAIRMAN YOUMAN: You said they're spinning
23 off Galaxy's lease, which means that they are now
24 independent of Galaxy; is that correct?

25 MR. WUELLNER: That is correct. They were a

1 tenant of Galaxy's up till --

2 CHAIRMAN YOUMAN: Oh, in Gal -- in Galaxy's
3 facility.

4 MR. WUELLNER: Correct.

5 CHAIRMAN YOUMAN: And now they're moving to
6 their own facility.

7 MR. WUELLNER: Correct.

8 CHAIRMAN YOUMAN: Okay. Any other questions?

9 MR. WUELLNER: This is a -- just for their --
10 for reference of them, this is their -- an
11 additional facility. They have a primary business
12 location, original business location in Cincinnati,
13 Ohio. This is not -- and that business continues
14 to be there and continues to thrive.

15 CHAIRMAN YOUMAN: I have no public comment
16 sheets for this. Reba, did you want to -- do you
17 have any -- you're the only person with a public
18 comment sheet.

19 MS. LUDLOW: No -- but thank you. No comment.
20 Thank you for asking.

21 CHAIRMAN YOUMAN: I might ask --

22 MS. BARRERA: I have a question. Ed, we used
23 to get a list of the occupancy rates and fuel sales
24 and the operation report. How are we with our
25 occupancy rates for us to be able in looking at

1 these hangars and --

2 MR. WUELLNER: Actually, these going back to
3 when you last got those, which it's been a while --

4 MS. BARRERA: Uh-huh.

5 MR. WUELLNER: -- these were problematic even
6 back then. So --

7 MS. BARRERA: We did have the trouble with the
8 door.

9 MR. WUELLNER: -- we've had some -- yeah, it's
10 the same facility, but the door's been repaired
11 for --

12 MS. BARRERA: Right.

13 MR. WUELLNER: -- I don't know --

14 MS. BARRERA: A few months.

15 MR. WUELLNER: -- almost two years at this
16 point. It's been a long time since the door's been
17 fixed. It's been -- really we've had trouble with
18 the economy, the particular market. That size
19 hangar is just -- it only fits certain airplanes --

20 MS. BARRERA: Uh-huh.

21 MR. WUELLNER: -- and it's been very hard.
22 It's too much hangar for the small guy and it's not
23 enough for the next size aircraft historically.

24 So it's -- it fits the smaller corporate jet
25 very well. It also fits the -- your cabin class

1 and turbine -- I'm sorry, turboprop. Like a King
2 Air, that kind of thing, it fits that kind very
3 beautifully. But it's not enough hangar for, say,
4 Gulfstream kinds of aircraft.

5 MS. BARRERA: Can we get an updated
6 occupancy --

7 MR. WUELLNER: Sure. Happy to do it.

8 MS. BARRERA: -- report?

9 MR. WUELLNER: I think right now I could
10 safely tell you everything's at a hundred percent.

11 MS. BARRERA: The waiting list?

12 MR. WUELLNER: I'm sorry?

13 MS. BARRERA: And the waiting list?

14 MS. HOLLINGSWORTH: 75 people on the waiting
15 list for T-hangars.

16 CHAIRMAN YOUMAN: 95?

17 MS. HOLLINGSWORTH: 75.

18 CHAIRMAN YOUMAN: 75.

19 MR. WUELLNER: 75 for T-hangars.

20 CHAIRMAN YOUMAN: We better buy up all this
21 property over here and get the T-hangars -- more
22 T-hangars.

23 MR. MERCER: Second.

24 CHAIRMAN YOUMAN: You second that?

25 MR. MERCER: Is that a motion? Speech on the

1 T-hangars, I'm all in favor of that. That's pro
2 general aviation. That's a good thing.

3 MR. WUELLNER: Those do turn -- I don't know
4 whether it's general economy or what, but those do
5 turn over with more frequency than they used to and
6 maybe that's just because we have way more of them
7 than we used to.

8 But that's probably not a -- may sound like a
9 high number, but it's probably not a terribly high
10 number in terms of -- a lot of -- what would you
11 say, 40 -- 30, 40 percent of them are perennial
12 list sitters; they won't take a hangar no matter
13 how often it's offered. And many of them have been
14 offered hangars multiple times.

15 We also need to look -- you know, we've see --
16 seen that list -- that list, it -- it's a function
17 of product, you know, and the various price ranges.
18 And A lot of folks aren't in the market for the
19 \$400 and \$500 T-hangar range. It's just -- it's
20 over what they're doing.

21 So I -- I think we've got a very good mix of
22 product out there. And sometimes the only way to
23 get in the hangar of your dreams is to take the
24 hangar that's not of your dreams initially here,
25 because our policy currently favors being able to

1 move sort of sideways within the lease structure
2 than bringing someone in.

3 It's only if someone doesn't want to move to
4 a -- a different hangar that we are now outside
5 bringing people in. So we can talk about that in
6 detail as -- but we have nothing currently
7 programmed for T-hangars just so -- for building
8 T-hangars. But we can fix that, if that's a change
9 of direction.

10 CHAIRMAN YOUMAN: Mr. Gregory, did you have a
11 comment from the EDC standpoint?

12 MR. GREGORY: That's okay.

13 CHAIRMAN YOUMAN: Okay. I'd like to ask for a
14 motion that we accept the lease terms as presented
15 for Hangar Unit 8 and Hangar Unit 9.

16 MR. CIRIELLO: I'll make that motion to accept
17 staff's recommendations for these two hangar
18 proposals.

19 CHAIRMAN YOUMAN: Second?

20 MS. BARRERA: I'll second it.

21 CHAIRMAN YOUMAN: Any further discussion?

22 (None.)

23 CHAIRMAN YOUMAN: Call for a vote. All in
24 favor?

25 MR. CIRIELLO: Aye.

1 MR. MERCER: Aye.

2 MS. BARRERA: Aye.

3 CHAIRMAN YOUMAN: Aye. Unanimous.

4 MR. WUELLNER: Okay. Thank you.

5 PRELIMINARY BUDGET DISCUSSION

6 CHAIRMAN YOUMAN: One question on this -- the
7 agenda items as over the next few pages.

8 MR. WUELLNER: Uh-huh.

9 CHAIRMAN YOUMAN: Are we going to do these one
10 page at a time or are you going to do all of them
11 in succession? Or do I have to --

12 MR. WUELLNER: There's a little bit of both,
13 to be honest with you. We're going to take a break
14 at two different slides and go to the financial
15 sheets or the sheets that have been provided you
16 related to the budget, and then we'll pick up with
17 the PowerPoint at the next spot.

18 CHAIRMAN YOUMAN: Okay.

19 MR. WUELLNER: I -- I'll work with you on it.

20 CHAIRMAN YOUMAN: All right. Then we move
21 into the -- for year 2013-14 staff budget
22 presentation.

23 MR. WUELLNER: Uh-huh.

24 CHAIRMAN YOUMAN: First page, current
25 financial statement review, statutory requirements

1 and schedule, staff budget presentation, Truth in
2 Millage TRIM action.

3 MR. WUELLNER: Correct. Those are the four
4 items that we'll -- we'll be touching on today.
5 First I thought it might be helpful to just quickly
6 review the financials or the operating revenues and
7 expenses which were sent out ahead and you should
8 have had a chance to look at. Obviously we'd be
9 happy at any time to address any questions. But I
10 want you to pay particular note to the format of
11 the statements because that's going to become very
12 familiar over the next few years, and certainly in
13 the next 20 or 30 minutes.

14 Very little to really comment on other than we
15 are meeting all budget expectations relative to
16 revenues and expenses. Nothing in particular in
17 these cause me any concern. Everything's in very
18 good shape.

19 There are a few underperforming items and a
20 few over -- overperforming items, all of which
21 effectively wash and allow us, when you factor in
22 the 95 percent revenue combination that we -- we
23 build into the budget, you are in very good shape,
24 and I would expect that the net from operations for
25 the year will approach \$1.3, \$1.4 million. Well,

1 probably about 1 point -- I'm sorry, about 1.2 for
2 the year at the -- at the conclusion of the fiscal
3 year.

4 So by the end of September, I would expect
5 that we will have netted from operations in the
6 vicinity of about \$1.2 million. And that gets
7 allocated further, and it will be probably easier
8 to understand in the context of budget when I get
9 into the budget presentation itself. You'll be
10 able to see how in a sense money moves through the
11 organization. It's one of the reasons for the
12 format change is that -- that have been sort of
13 adopted into the -- into the budget sheets this
14 year.

15 With that, any questions relative to the
16 operating revenues and expenses for current?

17 MS. BARRERA: And that's current as of May.

18 MR. WUELLNER: That's correct. And you
19 will -- you will get new ones here in about ten
20 days or less. You'll get a new set that will
21 reflect the end of June. We -- we had hoped to
22 have them out to you today, but some vacation time
23 with our fiscal person kind of messed with the
24 schedule a little bit. So we'll get them out to
25 you very early next week. And you again won't see

1 any real anomalies, but you'll be closer to the end
2 of the year, so things become much more I'll use
3 the word carved in stone in terms of numbers.

4 I do want to point out, though, one of the --
5 the items that is sort of obvious. When you look
6 annual at -- you look at adopted budget in the
7 right-hand column versus year-to-date, and there is
8 an adjustment under major leases. I just want to
9 make sure you understand that it's not
10 underperforming. The way it was budgeted, and I'll
11 go over this in a second again in the budget, but
12 we'll -- all we've done is make the adjustment.
13 Your currents or your actuals reflect the -- the
14 final number that was -- that was the North 40
15 lease with -- with Northrop Grumman.

16 The budgeted numbers reflected a best guess
17 about this time last year. That was a full four
18 months before those leases were finalized in any
19 negotiation and the appraisals were even done. So
20 it does -- it is performing right where it should
21 be. It's just the budgeted number was higher based
22 on the limited information at this time last year.

23 CHAIRMAN YOUMAN: This is --

24 MR. WUELLNER: It's under the heading of major
25 lease revenue.

1 CHAIRMAN YOUMAN: This is --

2 MR. WUELLNER: On this sheet.

3 MS. BARRERA: This is on May. He's looking on
4 May.

5 CHAIRMAN YOUMAN: Do what?

6 MS. BARRERA: On May's financial report.

7 CHAIRMAN YOUMAN: Right. No, I have it here.
8 This is a minus \$379,315, minus 24 percent line
9 item?

10 MR. WUELLNER: Exactly.

11 CHAIRMAN YOUMAN: Thank you.

12 MR. WUELLNER: Okay. With that, we'll cover
13 quickly the statutory requirements so that we're
14 all on the same page here. But Florida Statutes
15 govern our budget process, as does almost every
16 governmental agency in the state of Florida.

17 We will -- we are beginning our benchmark date
18 as provided by the property appraiser's office, who
19 largely controls the effective date of the schedule
20 for TRIM compliance. And TRIM is our -- is an
21 acronym which stands for Truth in Millage. And
22 essentially it's the public notification of our
23 not-to-exceed ad valorem tax assessment rate. And
24 you'll see in a minute we're not recommending any
25 tax-related things, so this should be a fairly easy

1 part to get through.

2 From a schedule standpoint, TRIM must be
3 adopted. You must formally determine your
4 not-to-exceed tax rate during the month of July,
5 and then we formally submit that to the property
6 appraiser's office as well as the tax collector's
7 office by the end of this month or approximately
8 the end of this month. That will be a couple of
9 days into October technically -- or excuse me,
10 October. Into August. But effectively during the
11 month of July, you do that -- you submit that
12 formally as the not-to-exceed.

13 That follows -- we submit also as a part of
14 the TRIM the date of our proposed first public
15 hearing related to budget, which occurs in
16 September. That is governed in a time frame by
17 Florida Statutes, also. So we -- the dates
18 available or the range of dates available this year
19 would be from September 2nd through September 16th
20 for the first public hearing. It must occur during
21 that period of time.

22 The second public hearing -- let me back up a
23 half second. The first public hearing is
24 advertised exclusively on the tax notice. So it
25 shows up only there. We do no outside advertising

1 for that. The date is -- and that date of the
2 public hearing is provided as a part of the TRIM
3 notification sent to every homeowner in
4 St. Johns County via mail by the tax collector's
5 office.

6 The second public hearing is one we do have to
7 advertise for. We are required to advertise. It
8 has to fall in a range also. It must obviously
9 follow the first one. And it will occur in our
10 case somewhere between September 16th and as late
11 as October 1st. We have proposed dates for you.
12 I'll get to that in a few minutes.

13 At the first public hearing, we tentatively
14 adopt a budget. You will finally adopt it at the
15 second public hearing. You can make changes
16 between the two, but you must tentatively adopt two
17 components at both of these things. One is the
18 millage rate. You formally determine what that's
19 going to be even if it's zero. And then
20 secondarily we'll talk about the budget itself and
21 tentatively adopt that. And then eventually at the
22 second public hearing, we'll adopt formally that
23 millage even if it's zero and adopt a final budget
24 at the Sep -- the last September meeting.

25 Historically, we have combined the second

1 public hearing and the Airport Authority's regular
2 meeting so that we don't end up having to come out
3 twice. That is really up to you folks. You can do
4 that. We can even schedule a third meeting if that
5 would be your desire. But historically that's what
6 we do.

7 Those meetings cannot start till after 5
8 o'clock, just so you know. So be prepared for
9 that. Historically we've also interrupted our
10 regular Airport Authority meeting if it's not
11 finished to conduct the public hearing at -- on
12 the -- on the second public hearing.

13 So that's the -- the overview. We have at
14 least one new member who may not be familiar
15 entirely with that process. And again, if you have
16 questions related to the process, talk to me, talk
17 to Doug, whoever -- whoever you find more helpful
18 in the matter.

19 With that, let's move on to budget. A couple
20 of things I want to point out. This is the --
21 probably the first overhaul or significant overhaul
22 in the format of our budget, the presentation
23 format of our budget in I would tell you close to
24 15 years.

25 Most of the major changes that you may or may

1 not have picked up on in looking at the budget are
2 really a function of us doing a better job at
3 budgeting versus major changes in what we're
4 proposing to do or not do in a current year.

5 Your -- as always, your input is welcome. I
6 would encourage you to get with me with questions,
7 or if you just want to one-on-one walk through of
8 the budget and its components, happy to do that at
9 your -- at your leisure.

10 Your -- you will be taking no budget action
11 today. There's no approval or disapproval of the
12 budget required today. Rather, you will have to do
13 something relative to the millage today. That's
14 the TRIM not-to-exceed number. You will have to
15 deal with this today or you will need to schedule
16 another meeting during July to deal with that topic
17 individually. Since it's a fairly simple place to
18 get to, we'll probably deal with it today, but
19 that's always up to you.

20 All right. With that, let me walk through the
21 proposed budget, or the first draft if you will of
22 the budget as it sits today. Again, I'm going to
23 call attention to the format because what I want
24 you to -- what I want you to see is the similarity
25 between your financial statements that are now

1 being prepared and the budget form, because those
2 two are going to be very very similar from this
3 point forward. So once you get used to one, you --
4 it will look familiar when you start looking at it
5 in the budget.

6 All right. We'll skip the first page for a
7 minute because to walk through this and make sense
8 of it, the front page is merely a summary of all
9 the back pages. We'll start with operating
10 revenues and expenses.

11 Fueling operations, the adopted last budget is
12 little over \$157,000, almost \$158,000. We're
13 proposing at \$140,000. For the last few years, jet
14 fuel in particular continues to underperform as a
15 revenue. Avgas has been solid. We have no issues
16 with self-service numbers, all those are good and
17 solid. Margins are very good. All we're doing is
18 making an adjustment down to what the last couple
19 of years has been reflected in the -- in the FBO
20 jet fuel classification.

21 It also is a little reflective of SK Logistics
22 going out of business. They -- they were a
23 significant jet fuel user here. They paid those
24 fees independent from the FBO. So it's not all an
25 FBO issue. It's an adjustment in the level of jet

1 aircraft being flown -- they were a bit -- as I
2 mentioned, a large consumer of jet fuel. So it did
3 have a negative impact on our budget from a flowage
4 fee standpoint. These are flowage fee kinds of
5 numbers, except the self-service is reflective of
6 net profit because that's operated by the
7 Airport Authority. So it's just a net profit
8 number.

9 Leases, you can see that the leases are
10 proposed to be largely consistent. I do want to
11 point out the difference between -- on major lease
12 line item. This is where I mentioned earlier that
13 this is really just the adjustment between what was
14 proposed or what was believed to be the leasehold
15 value of the North 40 at this point last year and
16 it now reflects what the actual appraised rental
17 value was and the actual lease agreement renewal
18 that went into place with Northrop Grumman last --
19 end of September last year. So it's just simply an
20 adjustment to the real number.

21 Now, the '13-'14 number is based on a real
22 number. There should be no changes to that
23 throughout the year. It is now a -- a -- I don't
24 know how else to say it. It's a real number now
25 compared to a component number. It was a -- a

1 guess last year. Otherwise, it simply reflects a
2 CPI kind of adjustment throughout the lease revenue
3 side.

4 MS. BARRERA: And what's the CPI?

5 MR. WUELLNER: We are using a 1.2 percent CPI,
6 which has been current so far this year.

7 MS. BARRERA: And this is at what type of
8 occupancy? Is this estimating a hundred percent --

9 MR. WUELLNER: These are at a hundred percent,
10 uh-huh.

11 MR. MERCER: What's the difference between
12 other and rental?

13 MR. WUELLNER: Length of -- length of lease.
14 The others probably reflect short-term or longer
15 term ground leases that are out there. Any other
16 type of -- the rental agreement would reflect
17 T-hangars primarily, short one-year -- as those are
18 one-year lease agreements. Even though they
19 automatically renew, they're one-year lease
20 agreements, so we consider them rentals versus
21 leases per se.

22 MR. MERCER: Okay. Thank you.

23 MR. WUELLNER: Uh-huh. Operating agreements,
24 the -- specifically I'm not sure what we're plowing
25 into operating anymore. It's not -- it's nothing

1 of significance as the numbers reflect. User fees
2 are rental cars, any other service related -- what
3 is it?

4 MS. HOLLINGSWORTH: Customs.

5 MR. WUELLNER: Yeah. Any -- any other fee --
6 any other fee we have. Total revenues projected
7 are \$3,453,140. That's at a hundred percent.

8 We do the -- we do the adjustment down to 95
9 percent levels and budget expenses only to the 95
10 percent level. So there's almost automatically a
11 5 percent revenue cushion. If we are -- are able
12 to collect all rents all year, you would get a
13 hundred percent kind of number. That's what I was
14 trying to awkwardly explain relative to your
15 financial statements. Some of the -- the revenue
16 positives are just a direct result of the
17 difference in 95 and a hundred percent revenue
18 budgeting.

19 Personnel and benefits I'll cover in more
20 detail in just a second. It's the next sheet. So
21 I'll come back to that.

22 Other expense line items, a couple I want to
23 pull -- one in particular I want to pull out, and
24 that's under contractual services. You'll notice
25 that went from a \$26,000 number to zero. There are

1 two things impacted that. One is a decision not to
2 have contractual services as a classification.

3 We now when there's a specific need to
4 contract that would normally meet this definition,
5 we are al -- we allocate the cost or the expense to
6 the specific area of our -- of our operating
7 budget. So there's no longer this sort of vanilla
8 catchall con -- contractual services place.
9 Example of some stuff that came out, janitorial
10 services, as those are -- have been moved into
11 employee, they're no longer budgeted as contractual
12 services. We had --

13 MS. HOLLINGSWORTH: Baker's Pest Control is
14 another example that went to building.

15 MR. WUELLNER: Pest control now goes to repair
16 and maintenance buildings instead of standing out
17 there in contractual services as some examples
18 there. We just put them in a more proper budget
19 location.

20 MR. MERCER: What is communications?

21 MR. WUELLNER: Communications covers virtually
22 everything. Everything from phone services,
23 internet-related services, cell phone, data,
24 anything along those lines comes under that. It's
25 nonequipment-related services. Now, equipment

1 services comes under the repair and maintenance
2 equipment line item or there's an asset account
3 depending on the value.

4 CHAIRMAN YOUMAN: Why is communications going
5 to drop 55 point -- .55 percent?

6 MR. WUELLNER: One -- one of the majors is
7 that we were able to -- we have a -- typically a
8 three-year kind of agreement for telecommunication
9 services. That was rebid this year, requoted, and
10 we were able to significantly reduce those costs
11 across the board this year.

12 CHAIRMAN YOUMAN: Good.

13 MR. WUELLNER: There were -- I -- part of it,
14 too, is there were some equipment items being
15 charged into the communications line and they have
16 been moved to equipment, the appropriate equipment
17 line item. This more properly now reflects the
18 cost of the service side of communications.

19 A couple of changes. We -- you will see on
20 your next iteration is the heading public relations
21 will now be kind of re -- we have reformulated the
22 subline items under there. It now is outside
23 communications.

24 It includes public relations, airport
25 marketing, airline-related marketing, and seemed

1 like there was one other marketing-related activity
2 all under outside communications. We will get the
3 heading changed for you, but they consolidate into
4 that single line. But you can see in general it's
5 about \$10,000, almost \$11,000 reduction in
6 operating expenses this year over last.

7 Now, what I do want to point out on this
8 sheet, because I think it's -- it's important you
9 begin to understand the relate -- the flow of money
10 relative to the Airport Authority budget. As this
11 is where the first line of revenue comes, this is
12 the money earned on property, for lack of better
13 words, versus the expenditures to keep the airport
14 operating. It's -- hence the term operating
15 expenses.

16 You see that the net operating income
17 projected for next year is just slightly over \$1.2
18 million. So at this point, from an operations
19 standpoint alone, we will net from operations \$1.2
20 million at 95 percent revenue. That's a good
21 thing. Now --

22 MS. BARRERA: And, Ed --

23 MR. WUELLNER: Uh-huh?

24 MS. BARRERA: -- where is the outside
25 communication?

1 MR. WUELLNER: It will -- it will --

2 MS. BARRERA: It will be --

3 MR. WUELLNER: -- replace the line --

4 MS. BARRERA: -- the communication --

5 MR. WUELLNER: -- that's called public
6 relations currently.

7 MS. BARRERA: Public relations, okay. I
8 thought it had already replaced it.

9 MR. WUELLNER: I fixed it on the database and
10 this morning I caught it again.

11 MS. BARRERA: Okay.

12 MR. WUELLNER: And I thought it was fixed the
13 other day. You saw it the other day and --

14 MS. BARRERA: Right.

15 MR. WUELLNER: Personnel expenditures, next
16 backup sheet. This supports that single line on
17 the previous page. You can see there's no net
18 change in employees. There is some -- let me
19 explain it to you, but last year we had proposed
20 two new janitorial positions. So there are no new
21 net positions this year. And part of what you're
22 seeing shift between the first two lines is simply
23 changing it from new positions to existing
24 positions. So you see that movement up to the next
25 line.

1 You see actual net reserve for adjustments.
2 This is the aggregate adjustments for all 12
3 employees. It is at a 4 percent number. And it's
4 not allocated to individuals; it's simply a total
5 number at this point.

6 The net change to overtime and auto reflects
7 a -- really the correction of a budgeting error
8 that's been in place for 15 years related to
9 everything from auto allowance to how we put
10 Class C overtime and travel into the budget. And
11 this just fixes it the one time. So it won't --
12 you won't see -- that number will be more
13 consistent from this point forward and will be
14 completely budgeted. For whatever reason, it has
15 never made it into the budget. The good part is we
16 always underexpended the personnel budget and it
17 was never an issue.

18 A little alignment change under the area of
19 insurances. We have been told by our carrier that
20 thanks to the national health insurance changes, we
21 are to expect about a 25 percent increase in
22 premium this year. You'll look at that and go,
23 yeah, but it only goes up 5.3 percent. A part of
24 that is we have accommodated -- in previous
25 iterations, including the '12, the State

1 Unemployment Tax, which is the SUTA, for whatever
2 reason was listed under insurances prior to that.
3 So we've moved it up under taxes and placed it with
4 the FICA, workers' comp, and you'll see SUTA there
5 now. So it's just been moved in the -- in the
6 area. It's not a net change. And that's what
7 offset the number in previous iterations.

8 So the 25 percent is really in there, but you
9 also subtracted the SUTA component of employment
10 taxes. The net difference is about 9.9 percent or
11 about \$89,000, which is offset on the previous page
12 by about a 10 -- you'll see about \$10,000 of it is
13 offset in a reduction in operating budget. So the
14 net is about a \$79,000 increase in operating budget
15 for the year.

16 Now, if you'll move with me to the next page
17 titled nonoperating. You can see quickly that we
18 are not carrying nor envisioning next year any debt
19 service. We have no other major interests or
20 revenue sources that aren't accounted for, which
21 leaves no change to net adjusted per -- net --
22 excuse me, adjusted net from operations. Leaves no
23 real change to that at this point.

24 Now we enter the capital portion of the
25 budget. So at this point, we're generating \$1.2

1 million worth of operating profit and now we're
2 going to match our federal and state grant dollars.
3 We will contribute \$370,000 plus another \$60,000 in
4 capital equipment. And if you look at the second
5 green box down, you'll see where we reduce the \$1.2
6 million by that amount, leaving you \$800,000 net
7 from operations after capital. And then the next
8 exercise you'll see is all of that being applied
9 directly to the airport's reserves. That
10 represents an extremely healthy financial position
11 for the Airport Authority.

12 Now, the last piece I want to get into some
13 detail just so you'll understand is the capital
14 budget, which is the next supporting sheet. It
15 will be really the last sheet I need -- need to go
16 over. Yes, sir?

17 MR. MERCER: Question while we're still on
18 this.

19 MR. WUELLNER: Sure.

20 MR. MERCER: Just trying to get acclimated.
21 Are we tapping then the reserve --

22 MR. WUELLNER: No, sir.

23 MR. MERCER: -- 3.4? Because I notice that
24 goes to zero to follow. No, that's the -- how are
25 we getting -- let me get to the question this way.

1 How are we getting to the 6.7 million on the total
2 revenue line on nonoperating?

3 MR. WUELLNER: Total revenues would be a
4 combination of reserves, grant funds, and any
5 reserves we -- any operating income we have this
6 year. So I'll hit that on the summary sheet for
7 you.

8 MR. MERCER: So in other words the 6.7 million
9 at the bottom of total revenues nonoperating
10 summary is made up the 4.2 million reserves --

11 MR. WUELLNER: Yes.

12 MR. MERCER: -- plus 2 point -- the 2.45?

13 MR. WUELLNER: 2.36, I believe it is. It's
14 the combination of the entirety of the capital
15 program. We have most -- most of that is coming
16 from outside sources, FAA and Florida DOT. But it
17 does enter our budget and reserves.

18 MS. BARRERA: The total of reserves.

19 MR. WUELLNER: Total reserves.

20 MR. MERCER: I guess my question is if you're
21 treating the reserve -- the reserve is 3.4 million.

22 MR. WUELLNER: Uh-huh.

23 MR. MERCER: It's a carry forward from prior
24 year?

25 MR. WUELLNER: Yes, sir.

1 MR. MERCER: So if you're treating that as
2 revenue on the nonoperating summary, does that
3 anticipate that you're going to be spending the
4 reserve?

5 MR. WUELLNER: No, sir. In fact, we have it
6 as a -- we hold it as a revenue item so that it
7 enters the budget and then we hold it as an
8 expenditure, for lack of better words, in the
9 reserve account so that it's protected. It's
10 probably more easily seen on the front page.

11 MR. MERCER: We can keep moving. I'll take a
12 closer look at it.

13 MR. WUELLNER: Okay. It enters reserves
14 forward and then comes down and is matched by
15 reserves in nonoperating expenses.

16 CHAIRMAN YOUMAN: Mr. Wuellner?

17 MR. WUELLNER: Yes, sir.

18 CHAIRMAN YOUMAN: The key -- the key number,
19 though over all is still operating revenues
20 subtracting operating expenses and that stays on
21 the plus side all the time.

22 MR. WUELLNER: Yes, sir.

23 CHAIRMAN YOUMAN: Then we can -- can keep
24 going as a functioning business-orientated
25 operation. And ultimately that profit ends up in

1 reserves. And all these other numbers are
2 manipulations just for the financial statements
3 per se.

4 MR. WUELLNER: Well, it explains how the
5 Airport Authority --

6 CHAIRMAN YOUMAN: Their assets --

7 MR. WUELLNER: -- pays for its matches in
8 capital --

9 CHAIRMAN YOUMAN: Correct.

10 MR. WUELLNER: -- and would pay for any debt
11 service, if we had any, and how we en -- are
12 proposing to enhance our reserve position
13 concluding the -- the fiscal year.

14 CHAIRMAN YOUMAN: But if operating expenses
15 were greater than operating revenues --

16 MR. WUELLNER: We're already in trouble.

17 CHAIRMAN YOUMAN: -- we're in deep trouble.
18 That means we have to go after millage --

19 MR. WUELLNER: Or reserves.

20 CHAIRMAN YOUMAN: -- or reserves to be able to
21 function and keep our airport operating in a safe
22 manner.

23 MR. WUELLNER: Well, yes. And that -- that's
24 very simplistic, because you could also get into
25 your capital program and reduce that. You could

1 also get in and gut --

2 CHAIRMAN YOUMAN: Correct.

3 MR. WUELLNER: -- you know, various
4 expenditure components to get back to even --

5 THE COURT: Correct.

6 MR. WUELLNER: -- depending on how big the
7 challenge was.

8 MR. MERCER: So on that front page that you
9 were just describing, I think I see where you're --
10 where you're going. So under revenue, above the
11 line, you've got nonoperating revenue reserve
12 forward 3.4 million --

13 MR. WUELLNER: Uh-huh.

14 MR. MERCER: -- and some change, and then down
15 below, the expense line, I just -- just saw it.

16 MR. WUELLNER: Yeah.

17 MR. MERCER: There it is. Under nonoperating,
18 you've got a reserve of 4.7 million. So is -- am I
19 reading that correct to understand that the -- the
20 tapping of the reserve is the difference of those
21 two?

22 MR. WUELLNER: It's -- it's not -- it's not.
23 The 4.7 was projected at the end of the fiscal
24 year, and I -- in order to clarify why that's
25 different, it has to do with remember me mentioning

1 already about how Northrop Grumman's lease was in
2 the budget last year? That's -- that number is
3 entirely a function of the Northrop Grumman lease.

4 Last year's budget, the -- we took the
5 approach of entirely bypassing the expenditure
6 budget, for lack of better words, with the Northrop
7 Grumman projected revenue as a safeguard. We did
8 not -- openly last year at budget time, we said
9 that Grumman will at least have some value. We're
10 going to -- we arbitrarily sort of educated guess
11 at the time thought that would be about 1.2
12 million. We entered in a major lease and then we
13 put the entirety of that 1.2 million and plugged it
14 into reserves.

15 At the end of the day, or I should say the
16 beginning of the fiscal year when the actual lease
17 was put into effect, the number was more like
18 \$870,000, not \$1.2 million.

19 MR. MERCER: I understand. So you trued that
20 up.

21 MR. WUELLNER: It --

22 MR. MERCER: I get that.

23 MR. WUELLNER: It's fixed here.

24 MR. MERCER: So on column 2 -- just so I'm
25 understanding this form --

1 MR. WUELLNER: Uh-huh.

2 MR. MERCER: On column 2, which is indicated
3 with the yellow highlight, proposed fiscal year --

4 MR. WUELLNER: Yes, sir.

5 MR. MERCER: -- '13-'14, on those two rows
6 that I just mentioned, on the revenue line, we've
7 got nonoperating revenue reserves forward, 3.4
8 million.

9 MR. WUELLNER: Correct.

10 MR. MERCER: Staying in that same column, you
11 have under nonoperating expense, reserves 4.2
12 million. So does -- does that mean we're tapping
13 our reserves to the extent of that difference?

14 MR. WUELLNER: No, sir. It -- the left-hand
15 column number under -- under adopted budget for
16 last year is a number that's in error. It's a
17 number that was -- it was not -- ended up not being
18 a factual number at the end of the day. So that
19 corrects the error -- not to say error, but the
20 difference between the projected Grumman number and
21 the actual Grumman number. So it fixes that.
22 That's where the \$448,000 for the most part comes
23 out of.

24 Secondly it -- the \$4.2 million number
25 reflects the -- the orig -- the actual move forward

1 of 3 point -- let me find it, 3 point -- 3.463
2 million and the 800,000 net profit for the year,
3 adds -- adds them together and becomes the \$4.2
4 million number.

5 If you'll notice, on the -- I didn't -- I'm
6 sorry, I didn't number the pages, but at the bottom
7 of nonoperating --

8 MR. MERCER: Uh-huh. I'm there.

9 MR. WUELLNER: -- okay, under reserves, you
10 have 3.46 million.

11 MR. MERCER: Uh-huh.

12 MR. WUELLNER: That represents our reserves
13 forward in the next year. An additional \$800,000
14 that we will put into reserves --

15 MR. MERCER: Gets you to 4.2.

16 MR. WUELLNER: -- gets me to 4.2, correct.
17 It's -- comparing year to year in this case, it
18 doesn't tell you anything.

19 MR. MERCER: Do we have -- just for my own
20 edification as the newbie, do we have -- are these
21 prepared in accordance with generally accepted
22 accounting principles?

23 MR. WUELLNER: Absolutely.

24 MR. MERCER: We have a CPA that is overseeing
25 this?

1 MR. WUELLNER: We do.

2 MR. MERCER: Okay.

3 MR. WUELLNER: We do. And it's also audited
4 annually by an independent CPA.

5 MR. MERCER: Okay. Thank you.

6 CHAIRMAN YOUMAN: One thing about the Northrop
7 Grumman lease, maybe what's confusing the issue,
8 the 1 point some million guess from last year,
9 prior to that, there was actually no monies coming
10 in from the Northrop Grumman properties because it
11 was being written off for some deal that some board
12 made years and years and years ago. They were
13 writing it off each year. So there was no cash
14 coming in for years from Northrop. So --

15 MR. MERCER: We didn't have the history then.

16 CHAIRMAN YOUMAN: We didn't have -- and -- and
17 everything --

18 MR. MERCER: Yeah, I got it.

19 CHAIRMAN YOUMAN: And our first two budgets
20 without a millage were touch and go that we make it
21 through without having to go back to millage. But
22 once Grumman came online with the actual figures,
23 they could go ahead and -- and adjust the budget
24 accordingly and now we have real money coming in.
25 I don't know if that clarifies.

1 MR. WUELLNER: I would say very -- very
2 simplistically, up to 2010, Grumman's direct cash
3 contribution to the Airport Authority was about a
4 \$50,000 a year item.

5 Now you can see when you look under major
6 leases, it represents about a \$1.3 million annual
7 return to the airport. That's a function, as -- as
8 Mr. Youman said of some agreements the Airport
9 Authority came with Northrop Grumman back in the
10 early or actually late 1980s that ran their term
11 finally. And -- and it was a mutually beneficial
12 relationship in that date.

13 The Airport Authority had acquired debt that
14 was acquired to build a facility for Coast Guard,
15 the U.S. Coast Guard, which is the very
16 northernmost building that you think of as Grumman
17 on U.S. 1 frontage. The Coast Guard abandoned that
18 lease about 18 months into occupancy in a
19 reorganization and moved completely out of
20 St. Augustine, took the airplane and the like.

21 Very fortunately for the airport Grumman was
22 in expansion mode, needed that facility as well as
23 what became the North 40 facility on the east side.
24 Since they were going to build the east side, they
25 agreed to absorb all that debt the

1 Airport Authority had, which was about a \$3 million
2 round number debt on the northernmost -- the old
3 Coast Guard hangar in lieu of paying the
4 Airport Authority rent for the next 20 years.

5 When those agreements began to expire in 2010,
6 which was the first one, we saw an uptick in
7 revenue about a half a million dollars number.
8 That continues. That's a 20-year agreement still.
9 The airport also was at a point where we -- the
10 original lease would have expired on the
11 North 40 -- not -- run its term and we should have
12 begun receiving revenue.

13 MR. MERCER: Uh-huh.

14 MR. WUELLNER: The Airport Authority agreed to
15 extend the no-rent provision to Northrop Grumman
16 because of a lag in production and in an effort to
17 make sure Grumman stayed in St. Johns County. That
18 ran its course as of last fall.

19 So now the North 40 is in a rent-producing
20 scenario, too, to the tune of \$860,000 more --
21 additional. So we're now up in the \$1.3, \$1.4
22 million range for Northrop Grumman revenue alone.
23 So that's a -- that's a big part of why we're
24 financially healthy, and obviously we're very
25 protective of that relationship.

1 MR. MERCER: Thank you for explaining it.

2 MR. WUELLNER: Uh-huh. Last -- last
3 significant page, capital. Capital equipment
4 represented at the -- the top part of it.

5 Your projects currently programmed and likely
6 to occur during the next fiscal year include the
7 third phase as mentioned earlier of the FIND
8 district. That's the barge seaplane basin
9 construction. That likely would be a total cost of
10 \$250,000, of 125- of which would come from the
11 Florida Inland Navigation District, FIND grant.

12 Economic development study which you approved
13 several months back will continue into next fiscal
14 year. Total project of 150- matched -- split 50/50
15 if you will between Florida DOT and the
16 Airport Authority.

17 We have no programmed land acquisition
18 primarily because we -- we want to call your
19 attention and get specific permissions to do that
20 should parcels become available. And then those
21 would be -- matches would be allocated out of
22 reserves should it be -- a decision be reached to
23 go ahead and buy.

24 And lastly, I mentioned earlier in the agenda
25 the Taxiway Delta 3 project. This is the FAA

1 project that -- that fixes Delta 3 as well as
2 overlays Runway 2/20 or the majority of 2/20.

3 Last item in the list is the SCASD grant,
4 which is the Small Community Air Service
5 Development grant. This is a marketing grant
6 primarily funded by the FAA. It has money also
7 from the Tourist Development Council, and lastly
8 matches some money with Florida D -- excuse me,
9 with the Airport Authority.

10 This is entirely -- this expenditure would be
11 driven by a new air service should it be announced.
12 If there's no air service, there's no expenditure.
13 So these are not -- that's not necessarily an item
14 that gets spent in any -- and it wouldn't go in one
15 big chunk no matter how it was sliced up.

16 Then you see below that the funding breakdown.
17 You see FAA has 1.2 -- 26 million in it. State
18 funds of a half -- a little over half a million
19 dollars. FIND district with another 125,000. And
20 the Airport Authority would contribute 370,000 of
21 the \$2.3 million in capital construction. And then
22 that feeds of course the page prior to it.

23 So, to summarize it all, going to the front
24 page, you see that operating revenues at 95 percent
25 would account for \$3,280,483 as currently shown.

1 Nonoperating revenues in total, which includes
2 reserves and grants, would equate to another
3 \$5,393,777, for a total revenue projection of
4 \$8,674,260.

5 Moving to the expenditure side of the budget.
6 Personnel expense at 906,562. All operating
7 expenditures at 2,049,562. And let me see here.
8 Oh. Reserves would be up at -- up to \$4,264,698.
9 Capital expenditures at 2,360,000 even, for a
10 nonoperating expenditure total of \$6,624,698.

11 When you put operating, personnel, and
12 nonoperating together, you get \$8,674,260, which
13 balances the revenue projections for the upcoming
14 year leaving you a zero net difference between the
15 two. And this budget requires no contribution from
16 ad valorem for the upcoming fiscal year, making it
17 our projected fourth year with no ad valorem taxes.

18 MS. BARRERA: Ed, can I see --

19 CHAIRMAN YOUMAN: Is --

20 MS. BARRERA: -- your form, your page, please?
21 Let me see if it's the same iteration as mine.

22 CHAIRMAN YOUMAN: As a nonprofit, we're --
23 we're essentially a nonprofit agency, right?

24 MR. WUELLNER: Well, actually we generate a
25 profit in --

1 CHAIRMAN YOUMAN: We generate a profit, but I
2 mean, we're nonprofit from the aspect that we do
3 not pay federal, state or local taxes; is that
4 correct?

5 MS. BARRERA: Look at the bottom.

6 MR. WUELLNER: We do not pay state -- we pay
7 some ad valorem taxes for non -- for nonpublic
8 use --

9 (Mr. Mercer leaves the room.)

10 MR. WUELLNER: -- buildings.

11 CHAIRMAN YOUMAN: Okay. We don't pay federal
12 income tax --

13 MR. WUELLNER: We don't pay any --

14 CHAIRMAN YOUMAN: -- federal business taxes.

15 MR. WUELLNER: -- kind of income taxes, no,
16 sir.

17 CHAIRMAN YOUMAN: So therefore depreciation
18 does not come into play in our capital
19 improvements.

20 MR. WUELLNER: Correct.

21 CHAIRMAN YOUMAN: Now, once a grant is
22 completed, that line item disappears so to speak.
23 If every -- if all grants were completed and no new
24 grants were gone after, the line item for grants
25 would just disappear to zero; is that correct?

1 MR. WUELLNER: Correct.

2 CHAIRMAN YOUMAN: Where do the monies show to
3 indicate the value of the airport with all these
4 improvements?

5 MR. WUELLNER: They're shown in your balance
6 sheet.

7 CHAIRMAN YOUMAN: Okay. Are we going to have
8 one of those?

9 MR. WUELLNER: You -- we can provide one any
10 time, but they just go to the -- it's a noncash
11 item --

12 CHAIRMAN YOUMAN: Right, right.

13 MR. WUELLNER: -- so -- but it does go to our
14 balance sheet annually.

15 CHAIRMAN YOUMAN: Okay. Good.

16 MR. WUELLNER: The auditor posts it each year.

17 CHAIRMAN YOUMAN: Okay. We're keeping track
18 of that.

19 MR. WUELLNER: Oh, absolutely.

20 CHAIRMAN YOUMAN: Okay. I just wanted to make
21 sure for the record.

22 MS. BARRERA: And it might be nice to just
23 have that refreshed about the value of the --

24 CHAIRMAN YOUMAN: Correct. The current value.

25 (Mr. Mercer reenters the room.)

1 CHAIRMAN YOUMAN: How often is that refreshed?

2 MR. WUELLNER: The audit?

3 CHAIRMAN YOUMAN: The balance sheet.

4 MR. WUELLNER: We can produce it at any time.

5 It's part of the financial statement package.

6 CHAIRMAN YOUMAN: Could we have it for the

7 next meeting?

8 MR. WUELLNER: Sure. Absolutely. Yeah.

9 MS. BARRERA: And to your point --

10 MR. WUELLNER: Keep in mind -- I'm sorry.

11 Just so you know, capital -- capital as it affects

12 the balance sheet is only posted one a year.

13 CHAIRMAN YOUMAN: Correct.

14 MR. WUELLNER: Otherwise it's capital -- it's

15 considered construction in progress till that

16 point --

17 CHAIRMAN YOUMAN: Correct.

18 MR. WUELLNER: -- at which point it's posted.

19 So the last posting of balance sheet would have

20 occurred last -- technically probably -- you

21 accepted it with the audit report back in December

22 of last year.

23 CHAIRMAN YOUMAN: It's nice to look at it

24 every once in a while.

25 MR. WUELLNER: Yeah. But it's not going to

1 show the change in the --

2 CHAIRMAN YOUMAN: Right. I understand.

3 MS. BARRERA: And to your point, Carl, the
4 airport generates -- the businesses on the airport
5 all pay ad valorem taxes.

6 CHAIRMAN YOUMAN: Correct.

7 MS. BARRERA: And that point needs to be
8 reiterated.

9 CHAIRMAN YOUMAN: And they pay -- and they pay
10 federal tax -- they're a functioning business on
11 our airport and they're paying taxes to everybody
12 that a normal business does. Mr. Mercer?

13 MR. MERCER: Yes, sir.

14 CHAIRMAN YOUMAN: May I address you directly,
15 please?

16 MR. MERCER: Certainly.

17 CHAIRMAN YOUMAN: You've brought up a number
18 of times expenses out of control at the airport or
19 something similar. And you've been with us for a
20 while now and we're in the budget phase.

21 And being human beings, we may have missed
22 some items that -- under expenses that maybe we're
23 not watching close enough. And I was wondering if
24 you might be able to highlight the items that you
25 have deep, deep, deep concerns about in your -- in

1 your -- when you ran for office and when you
2 mentioned it in a few meetings just so that we can
3 take a good look at them from a board perspective.

4 MR. MERCER: Well, I'd certainly be happy to
5 do that perhaps at the next -- next meeting or next
6 opportunity. I need to study this budget that I
7 have received this afternoon a little more closely.
8 And I'm sure I'll have greater detail in terms of
9 the specific areas of concern that I have.

10 I mean, but I do think, Mr. Chairman, it is
11 a -- a true and general statement that I think our
12 spending is very high. I think we spend a lot of
13 money at this airport and I do think there's a
14 tremendous amount of waste in the way we spend our
15 money.

16 CHAIRMAN YOUMAN: Did you have any --

17 MR. MERCER: And -- and if we need no other
18 example, we can look at the very expensive plasma
19 or LED, three of them.

20 I mean, there's just a lot of expense it seems
21 in just about everything that we do at this airport
22 as far as spending. In this room, we have these
23 big screen, flat screen LED display monitors.
24 There's an example. I mean, I could go on for
25 quite a while. But as a general premise, yes, I

1 think spending for an airport of our size is too
2 high and needs to be reduced.

3 CHAIRMAN YOUMAN: Have you compared it to
4 other airports by chance?

5 MR. MERCER: Well, I'm representing this
6 airport and I fly out of this airport and I
7 understand this airport, and I'm looking at a
8 budget that is somewhere in the order of 8
9 million -- 8 million, \$9 million, and yes, I think
10 this -- I think our spending is too high.

11 CHAIRMAN YOUMAN: Okay. I'm looking forward
12 to seeing what you come up with.

13 MR. MERCER: Yeah.

14 CHAIRMAN YOUMAN: And -- and I mean that in a
15 positive sense.

16 MR. MERCER: Well, in all candor, I don't mean
17 to put off your question other than I need more
18 time to look at some of these budget items on this
19 sheet.

20 There seem to be some differences in the
21 numbers that the director Wuellner was reading on
22 his accounting or financial proposed budget versus
23 the sheet that I was given today. So I'm going to
24 have to take a closer look at what those
25 differences are and I'll be happy to address them.

1 CHAIRMAN YOUMAN: Thank you, very much.

2 MR. WUELLNER: And I can -- I can hit that
3 right now. Apparently I grabbed the older version
4 of the sheet.

5 The only material changes in the capital
6 program and it reflected the corrected amounts
7 under Taxiway Delta 3 to reflect the actual -- the
8 FAA grant that was available. It was originally
9 entered as the total cost when it should have been
10 the FAA share. So the project cost is at 1.550,
11 with FAA contribution at 1.395, which is what the
12 amount of money available from FAA is.

13 So it is -- let me correct the totals. Total
14 budget -- thank you, Kelly. The total projected
15 revenues is \$8,816,760, and that would also be the
16 expenditure number. The -- the -- its corrected
17 line on the first is under capital. And that
18 should be the 2.510 from what I read earlier. So
19 what you have as a printout is correct. And I
20 apologize for having read the previous iteration
21 before we fixed the FAA numbers.

22 MR. MERCER: So that which I have in my hand
23 is the correct.

24 MR. WUELLNER: Is correct, yes. And I
25 apologize for having read the wrong.

1 CHAIRMAN YOUMAN: Does the board have any
2 further questions on the budget preparation at this
3 time? Mr. Ciriello?

4 MR. CIRIELLO: Yeah. A few meetings ago when
5 we were discussing the control tower in jeopardy at
6 the particular time --

7 MR. WUELLNER: Uh-huh.

8 MR. CIRIELLO: -- I think when somebody or me
9 mentioned that when budget time comes, that there
10 would be like an A and a B budget; a regular A
11 budget for considering that nothing would happen
12 and then a B budget in case the control tower went
13 belly-up and we had to do something about it.

14 Well, since then, the papers from what I read
15 say that the FAA has dropped that sequestering and
16 everything for the rest of this year and -- but I
17 also -- from what I read, it's not a done deal,
18 that Obama and his gang at the end of the fiscal
19 year like in October can start all of that trouble
20 over again. So we're really not a hundred percent
21 safe thinking we don't have to worry about losing
22 our control tower.

23 So does this budget have anything in it that
24 if it comes -- if the control tower issue comes up
25 again, that we're covered or would you have to redo

1 it and come up with a different --

2 MR. WUELLNER: We would -- we would redo it.

3 MR. CIRIELLO: -- plan?

4 MR. WUELLNER: We would add -- we would deal
5 with -- try to find additional revenue sources in
6 it. We talked about potential for fees, additional
7 fees on the airport to cover a portion of those
8 costs. We also looked at -- you'd have an
9 expenditure side obviously that would go with that.
10 And we would be making some recommendation relative
11 to reserves for what isn't going to be covered.

12 MR. CIRIELLO: Yeah, but right now if we --
13 not right now, but in a few months when we get to
14 our final approval of the budget, if nothing
15 happens with the control tower, when we finally
16 adopt this budget because everything seems safe,
17 and then if they go and pull the rug out from under
18 us and a budget's already been approved and set, do
19 we have leverage somehow to go back and redo it to
20 come up with this saving the control tower? That's
21 my concern. Once the budget is set in contract,
22 are we done or do we have an exclusion in there
23 where we could make things right? Do you get what
24 I'm saying?

25 MR. WUELLNER: Well, we -- we can -- we can

1 still fix this well into September to -- to hit
2 that.

3 They're -- so far, both the House and Senate
4 budgets include specific line item funding for the
5 Contract Tower Program itself complete --
6 completed -- complete funding. That speaks that it
7 will probably be funded as a line item this year
8 instead of lumped together as it was this last
9 year, giving them the latitude to do the cuts on
10 it. So we're -- we're very optimistic right now
11 that it will be funded as it has been in every
12 other year without all the drama that occurred
13 earlier this year.

14 To specifically answer your question, we would
15 have to make amendments to the budget if needed to
16 cover that cost should you guys make the
17 determination you wanted to pick up those costs and
18 continue them. And as we said earlier in the year,
19 we would have to present you with how -- how we're
20 to pay for it as well as honed in on the actual
21 operating cost to do it.

22 CHAIRMAN YOUMAN: Can -- can --

23 MR. WUELLNER: I don't see a net total budget
24 difference.

25 CHAIRMAN YOUMAN: Well, as Mr. Ciriello

1 states, do you think we should have a written
2 document of a fallback budget just -- even though
3 it's very hypothetical, just to be able to see what
4 we can do? Like a plan -- just like he mentioned a
5 Plan B budget --

6 MR. WUELLNER: I think if you'd like us to do
7 that iteration, we certainly can. I would tell you
8 at this point, I wouldn't -- you would need -- I
9 would certainly think by the September 1st public
10 hearing that this issue is resolved at -- at FAA,
11 meaning it's been -- some version has been adopted
12 up there and we know what we're dealing with.

13 CHAIRMAN YOUMAN: Okay. We can hold that in
14 abeyance till September without a problem?

15 MR. WUELLNER: But we could certainly -- we
16 would have you an alternate -- I will do -- I can
17 do this easy enough. I mean, we could have
18 something available for you -- if it's not resolved
19 definitively by your first public hearing, we'll
20 have the alternatives available for you to
21 discuss --

22 CHAIRMAN YOUMAN: Good.

23 MR. WUELLNER: -- if that's acceptable.

24 CHAIRMAN YOUMAN: Board agree?

25 MS. BARRERA: And that would be by when?

1 CHAIRMAN YOUMAN: By the first public hearing.

2 MR. WUELLNER: By then we'll know what's --

3 MS. BARRERA: So September 2nd?

4 MR. WUELLNER: -- going on. Beginning the
5 2nd. I think we're -- what is it?

6 MS. HOLLINGSWORTH: September 9th.

7 CHAIRMAN YOUMAN: It would take time to do it
8 anyway.

9 MS. BARRERA: It would take time. It would
10 also take time for us to review it.

11 MR. WUELLNER: It likely only affects a few
12 line items in the budget to accommodate it.

13 MR. CIRIELLO: I think what my concern is that
14 once we've set our budget and everything for us is
15 legal, that that few weeks between the 19th of
16 September and the 1st of October, the federal
17 government can change their mind.

18 Even though they -- it sounds like we don't
19 have anything to worry about, in that short period
20 of time if they go and do something and change
21 their mind, then we'd be stuck holding the bag.
22 That's what my concern is, that we won't know from
23 September 19th to the 1st what the federal
24 government's really -- really going to be committed
25 to and do, you know.

1 CHAIRMAN YOUMAN: Well, we -- we can -- but we
2 can adjust --

3 MR. CIRIELLO: I don't trust them.

4 CHAIRMAN YOUMAN: I agree with you. But we
5 can adjust the budget -- they can adjust the budget
6 as needed --

7 MR. CIRIELLO: Okay. That's what I wanted.

8 CHAIRMAN YOUMAN: -- per the circumstances.

9 Once -- I mean, this is not a document that's
10 laid in steel where it can't be moved. This is a
11 document where if something drastic happens even in
12 the middle of the year, they can go right in and
13 adjust the budget accordingly and present it to us
14 and show us the effects of what -- whatever the
15 ramifications are.

16 MR. CIRIELLO: I just want to be sure we might
17 not be left dangling, that's all.

18 MR. MERCER: I guess my question -- I'm trying
19 to remember how it went last year, but does the
20 budget come down to a single up or down vote by the
21 board? Is that --

22 MR. WUELLNER: Yes.

23 CHAIRMAN YOUMAN: Yes.

24 MR. MERCER: -- what I recall?

25 MR. WUELLNER: It's -- you adopt a resolution

1 that adopts the budget as well as millage finally.

2 MR. MERCER: So we don't go through it in
3 parts and that type of a thing --

4 MR. WUELLNER: No, sir.

5 MR. MERCER: -- where I might agree with this
6 portion, but this portion I may have an issue with?

7 MR. WUELLNER: Correct. You --

8 MR. MERCER: I guess that's the discussion
9 phase.

10 MR. WUELLNER: That's correct.

11 MR. MERCER: Okay.

12 MS. BARRERA: The -- Ed, the budget you read
13 off of was the one, the preliminary one you sent
14 out on June the 5th?

15 MR. WUELLNER: Right. Thanks.

16 CHAIRMAN YOUMAN: There is no action required
17 for our discussion --

18 MR. WUELLNER: On the budget itself.

19 CHAIRMAN YOUMAN: -- on the budget at this
20 point.

21 MR. WUELLNER: That's correct.

22 CHAIRMAN YOUMAN: But now we get the Truth in
23 Millage TRIM action for your '12 and '13 --

24 MR. WUELLNER: Well --

25 CHAIRMAN YOUMAN: On July -- are you saying

1 that we have to vote -- vote again to say no
2 millage?

3 MR. WUELLNER: Yes, you do. You have to do
4 that annually.

5 CHAIRMAN YOUMAN: I thought we did that last
6 meeting.

7 MR. WUELLNER: No. No. You -- you -- I asked
8 you if you wished us to continue to build a budget
9 based on zero millage.

10 CHAIRMAN YOUMAN: Okay. That's correct.

11 MR. WUELLNER: That was --

12 CHAIRMAN YOUMAN: I stand corrected.

13 MR. WUELLNER: -- more a guidance than it was
14 a formal action relative to your TRIM. So this --
15 today's action is your -- basically you're creating
16 your not-to-exceed number for ad valorem --

17 CHAIRMAN YOUMAN: Which is a big zero.

18 MR. WUELLNER: -- for the last three years.
19 And our recommendation would be again that zero is
20 an appropriate number, meaning we have no intention
21 of assessing ad valorem taxes. In fact, that
22 becomes your not-to-exceed for the year.

23 CHAIRMAN YOUMAN: Okay.

24 MR. WUELLNER: And then you will have two more
25 formal -- more formal requirements related to the

1 millage. You'll have to do that in a tentative
2 adopted millage in September and then you will do a
3 final adopted millage.

4 Since they cannot exceed zero based on
5 adopting a TRIM, they'll be zero. So you'll adopt
6 zero three times in total in order to get through
7 the budget process for the year. If that's your
8 desire.

9 CHAIRMAN YOUMAN: Is there any board
10 discussion on zero millage? Public comment? I
11 have none except for Reba's slip.

12 MS. LUDLOW: No comment. Thank you.

13 CHAIRMAN YOUMAN: May I ask for a motion to
14 not-to-exceed millage action of zero?

15 MS. BARRERA: I make a motion that we set a
16 not-to-exceed millage rate of zero.

17 CHAIRMAN YOUMAN: Second?

18 MR. WHITEHOUSE: For fiscal year '13-'14.

19 MS. BARRERA: For fiscal year's 2013-2014
20 budget.

21 CHAIRMAN YOUMAN: May I have a second?

22 MR. CIRIELLO: I'll second.

23 CHAIRMAN YOUMAN: Mr. Ciriello. Call for a
24 vote. All in favor?

25 MR. CIRIELLO: Aye.

1 MR. MERCER: Aye.

2 MS. BARRERA: Aye.

3 CHAIRMAN YOUMAN: Aye. Unanimous again.

4 We're moving forward.

5 PUBLIC COMMENT - GENERAL

6 CHAIRMAN YOUMAN: Moving to the next item open
7 for public comment. Reba, do you have any
8 comments?

9 MS. LUDLOW: No comment.

10 MEMBER COMMENTS & REPORTS

11 CHAIRMAN YOUMAN: Authority members comments
12 and report. Mr. Ciriello, intergovernmental
13 meeting?

14 MR. CIRIELLO: Well, I have something I want
15 to bring up. But as far as the intergovernmental
16 meeting goes, we meet this Wednesday because of --
17 we haven't met since our last board meeting, so I
18 have nothing to report at this meeting. I will at
19 next meeting because we meet Wednesday.

20 But something that's been bothering me for
21 some time, and I asked for and I've got the paper
22 with contract time frames and everything on it.
23 And for the major people under contract with us,
24 they have an expiration date, an effective date,
25 all except for the St. Johns Law Group. And it's a

1 30-day month-to-month deal.

2 And the way I look at it, it's almost like a
3 lifetime job, that they'll never be questioned,
4 they won't have to compete with anybody to keep
5 their job or anything. And I will make a public
6 statement right now that I'm not 100 percent happy
7 with the service we've gotten from that St. Johns
8 group over the -- over the years.

9 I won't throw out any dirty laundry now about
10 why I think that way, but personally I know the
11 board votes on all kind of stuff and -- and it all
12 gets done, and I think sometimes -- and I don't
13 know if it's legal, moral, whatever it is, but
14 sometimes one board member, say like right now, can
15 make a comment that he'd like to see this thing put
16 out to bid to see if there's any possible better
17 options out there. There may be and there may not.

18 But I'm not happy with the month-to-month deal
19 because nobody ever says anything about it, and if
20 nobody ever does, it's going to be a lifetime job.
21 And people don't get jobs where they could -- this
22 organization to be considered a lifetime job. They
23 have to bid and compete for these jobs. Everybody
24 does. And I think they should, too.

25 I'd really like to see this thing go out to

1 bid. They've been on this board long enough to see
2 if there's anybody out else there that I might
3 like. I don't know about the other board members,
4 but that's the way I feel about it.

5 CHAIRMAN YOUMAN: Okay. Your comments are
6 taken. Mr. Cox is not here to report on the EDC,
7 but Mr. Gregory did a great job. Mr. Mercer, the
8 Aerospace Academy?

9 MR. MERCER: Thank you Mr. Chairman. Well,
10 Aerospace is off for the summer. We did -- did
11 have a fantastic Family Fun Day that Reba
12 spearheaded. And if you want to see some fantastic
13 pictures of Reba and the team of pilots and all the
14 other volunteers, you can go to SAAPAcub.com and
15 check it out on the web. There's a nice slide show
16 there. And you'll see Reba in her flight suit as
17 well.

18 The only other thing I wanted to mention was
19 just something that's been on my mind today and
20 probably on the minds of many of you. This past
21 weekend we lost a dear friend, George McClure, who
22 was a pilot here at this airport, aircraft owner,
23 and a great wonderful attorney and friend.

24 I had the privilege of practicing with George
25 back in 2004 and 2005 and was just very saddened by

1 the news today and will hold George's family in our
2 prayers.

3 MR. CIRIELLO: Is that the same George McClure
4 that used to be on this board?

5 MR. WUELLNER: He wasn't on the board, but he
6 was the attorney --

7 MR. CIRIELLO: Well, I mean --

8 MR. WUELLNER: Yes, sir. Yes, sir.

9 MR. CIRIELLO: Yeah. Gee, he was kind of
10 young, wasn't he?

11 MR. WUELLNER: 61?

12 MR. CIRIELLO: How old?

13 MR. WUELLNER: 61.

14 MR. CIRIELLO: Oh, my goodness.

15 MR. WUELLNER: Good man.

16 CHAIRMAN YOUMAN: Mr. Mercer, thanks for the
17 comments about Mr. McClure. Mrs. Barrera?

18 MS. BARRERA: I have nothing to report.

19 CHAIRMAN YOUMAN: Last Florida TPO meeting,
20 I'm on the finance committee, their finances were
21 in order. They had some approvals for Safe Routes
22 to School Candidate Project which didn't involve
23 St. Johns County.

24 And this -- they put out a revised Unified
25 Planning Work Program. 313 is still sitting in

1 there, which is not going to happen for years and
2 years and years because there's no funding for it
3 as well as many other projects. And we also
4 approved the Transportation Improvement Program,
5 TIP, for 2013 and '14. And it was generally a good
6 meeting.

7 I'd like to also mention the airport was
8 approached -- and this is -- this is from
9 Mr. Wuellner, and I -- and correct me if I'm wrong,
10 for the Mumford contest -- concert, parking
11 et cetera is -- with the 22,000 people anticipated,
12 they're going to be having shuttle services from
13 many points and the airport has volunteered to hold
14 4,000 vehicles here and shuttle people in for the
15 concert.

16 And July the 20th, a multi-public hearing for
17 the multimodal --

18 MS. BARRERA: 30th.

19 MR. WUELLNER: 30th.

20 CHAIRMAN YOUMAN: 30th. I'm sorry. I put
21 20th. 30th. Thank you. It's a public venue,
22 which will be at the St. Johns Commissioners
23 auditorium from 1800 to 2000 hours, 6 to 8 p.m.,
24 and it involves the -- mainly the AMTRAK station
25 study, is what it amounts to. And I didn't realize

1 that -- I don't know if I say this right, Barry
2 No -- Novik.

3 MS. HOLLINGSWORTH: Novak.

4 CHAIRMAN YOUMAN: Is it Novovik?

5 MS. BARRERA: Novak.

6 CHAIRMAN YOUMAN: Novak. That was the
7 gentleman that was sitting here. I didn't realize
8 he had to leave when he left, but he has to go home
9 at a certain time according to what Cindy just told
10 me. But he is an Aerospace Academy intern here at
11 the airport for the summer. And I'm going to have
12 to apologize to him at the next meeting for not
13 introducing him earlier when he was here.

14 Items of interest. Announce the following.
15 The first budget hearing September 9th at 5:01 p.m.
16 Final budget hearing September 16th at 5:01 p.m.
17 ACI San Jose, California September 21st through the
18 25th. Who is going there?

19 MR. WUELLNER: We -- before you do that, the
20 two dates here, are those all right with you guys
21 for the public hearings? We'll go ahead and get --
22 the first one, we need to put as a part of the TRIM
23 notification so that it gets published at the --
24 with the direct mailing that is done by the tax
25 collector's office.

1 That's -- we're suggesting September 9th,
2 which is Monday -- it's the Monday after Labor Day.
3 Labor Day is the 2nd, so we can't -- the 2nd is
4 kind of out of the question, which is the first
5 possible day. It cannot start until 5:01.

6 CHAIRMAN YOUMAN: I may be gone at that time
7 with the -- I have a business trip with my rail
8 equipment that starts on the 21st of August. So I
9 may be running over that early part of September.
10 I don't know. But if it's -- but if it's a
11 mandated type of date for that period of time,
12 Mr. Cox can take over as chairman if it has to be.

13 MR. WUELLNER: Well, it has to occur between
14 the 2nd and the 16th.

15 MS. BARRERA: I'm fine with it.

16 MR. MERCER: The two -- I'm sorry. The two
17 dates were the 9th and the 19th?

18 CHAIRMAN YOUMAN: 9th and 16th --

19 MR. WUELLNER: You can --

20 CHAIRMAN YOUMAN: -- or whatever.

21 MR. WUELLNER: We -- we were suggesting the
22 9th, and the 16th would be the final budget
23 hearing. That -- that's what we have here, but you
24 can fix that or change that now.

25 MS. BARRERA: Or --

1 MR. WUELLNER: You -- you could still change
2 the final public hearing almost any time up till
3 actually the first one. But the first one, we've
4 got to let them know with the -- with the TRIM. So
5 once we're -- we'll lock in for the first date
6 after that.

7 The only other consideration in this is that
8 we cannot go over the top of the school board or
9 the county commission in terms of day time. They
10 have priority over whatever they choose.
11 Historically they've gone with the Tuesdays.

12 MR. MERCER: Okay.

13 MR. WUELLNER: So really you could pick any --
14 you're allowed to conflict with any other board but
15 those two.

16 MR. MERCER: I think for some reason I already
17 had the 9th penciled in it looks like, so I think
18 I'm okay on those two dates.

19 MR. WUELLNER: Okay.

20 MS. BARRERA: I would suggest that we move it
21 back a week, because if our chairman's not going to
22 be here and if there's any other conflicts that
23 arise, we want to try to have as many members as
24 possible.

25 MR. WUELLNER: Would you anticipate being here

1 by the 16th?

2 CHAIRMAN YOUMAN: Yes.

3 MR. WUELLNER: Okay. So it's the 16th.

4 What's the week -- I'm not staring at a calendar --
5 the week after the 16th?

6 MS. HOLLINGSWORTH: 23rd.

7 MR. WUELLNER: The 23rd? So we'd do the --
8 try to do the first one on the 16th, is that what
9 I'm hearing, and then the second one on the 23rd?

10 MR. MERCER: If my calendar phone is syncing
11 correctly, I think -- I think that will work.

12 CHAIRMAN YOUMAN: How do I override the
13 agenda?

14 MR. WUELLNER: Hit the back button.

15 CHAIRMAN YOUMAN: Yeah, but it takes me back
16 to e-mail and I go to e-mail and I go back --

17 MR. WUELLNER: Back one more.

18 CHAIRMAN YOUMAN: Okay. I'm still hitting the
19 agenda.

20 MR. WUELLNER: It's --

21 MR. MERCER: Ed, how long do those typically
22 last?

23 MR. WUELLNER: Under an hour normally.

24 CHAIRMAN YOUMAN: Oh, that's cool.

25 Everything's there. It's just like magic. So on

1 the 16th, it would be the board meeting and then
2 the first budget hearing. Would that be correct or
3 incorrect?

4 MR. WUELLNER: You -- you can choose to have
5 your regular meeting with either date. Original --
6 originally it was the 16th --

7 CHAIRMAN YOUMAN: What -- what would be the
8 second date after the 16th that you were saying?

9 MR. WUELLNER: Could -- could be the -- you
10 can do the 23rd, but that's over the top of ACI, so
11 if there's anybody that was intending to go to ACI,
12 that would conflict with that.

13 CHAIRMAN YOUMAN: Anybody going to ACI?

14 MR. WUELLNER: So you could move it -- you
15 could move it later in the week. You could move
16 it --

17 CHAIRMAN YOUMAN: Are you going to ACI?

18 MR. WUELLNER: I had intended to, but it's
19 looking -- looking dim here.

20 MS. BARRERA: Why don't we just set the first
21 one and then we can wait later to see.

22 MR. MERCER: I'll fill in for Ed and you go to
23 ACI.

24 MR. WUELLNER: Wow, that's going to get
25 interesting.

1 CHAIRMAN YOUMAN: What about the 16th and the
2 30th?

3 MS. BARRERA: I think the 30th would be great.

4 MR. WUELLNER: The 30th -- the 30th is a
5 Monday. Yeah, that works.

6 CHAIRMAN YOUMAN: Yeah, the 16th -- and do we
7 want the board meeting on the 16th with the first
8 hearing and then on the 30th just the --

9 MR. WUELLNER: That would be my suggestion.
10 If you're open on the 16th, Mr. Mercer.

11 MR. MERCER: I am.

12 MR. WUELLNER: Then -- then are you all right
13 with doing the public hearing and the regular
14 meeting on the 16th?

15 MR. MERCER: I am.

16 MR. WUELLNER: Okay. Then we'll move -- then
17 if I'm hearing everybody correctly, the second
18 public hearing will be the 30th of September then.

19 CHAIRMAN YOUMAN: And that won't start until
20 5:01 p.m.

21 MR. WUELLNER: So it will be two weeks later.

22 CHAIRMAN YOUMAN: Right.

23 MR. WUELLNER: It will be a shorter meeting.
24 That will be just -- and that will start at 5:01.

25 MR. CIRIELLO: So September 16th will be a

1 regular at 4:00?

2 MR. WUELLNER: Correct. And we will interrupt
3 the meeting if necessary for the public hearing
4 portion.

5 MR. CIRIELLO: Okay. I got you.

6 MR. WUELLNER: Then the 30th will simply be a
7 public hearing, the final public hearing to adopt.

8 MR. MERCER: I'll -- I'll double-check with
9 Michelle when I get in in the morning, but it
10 looks -- looks like that will work.

11 MR. WUELLNER: The most critical date is the
12 16th. As long as everybody's okay with 16th, then
13 that gets us to the next mile marker anyway.

14 MR. WHITEHOUSE: Probably should have a motion
15 for that. Then you can always change it.

16 MR. WUELLNER: He's recommending a motion for
17 the 16th.

18 MR. WHITEHOUSE: Tentatively set those dates
19 and --

20 MR. WUELLNER: We'll tentatively set those
21 dates for the 16th for the first public hearing and
22 the 30th for the second or final public hearing.

23 CHAIRMAN YOUMAN: Well, may I have the motion
24 for the board meeting to be on the 16th with the
25 first public hearing on the 16th and then on the

1 30th the second public hearing for the budget for
2 the public? Anybody want to second that?

3 (Mr. Ciriello indicates.)

4 CHAIRMAN YOUMAN: Okay. Joe just seconded my
5 motion. Can we have a vote for approval?

6 MR. CIRIELLO: Aye.

7 MS. BARRERA: Aye.

8 CHAIRMAN YOUMAN: Aye.

9 MR. MERCER: Tentatively aye, subject to my
10 calendar, but yes. Unanimous three in a row.

11 CHAIRMAN YOUMAN: I -- I'm going to have a big
12 one up here. Now, one last question. I talked to
13 Ed, and we do not have any major items for August
14 and may I recommend not having a meeting in August?

15 MR. MERCER: Agreed.

16 CHAIRMAN YOUMAN: Is that acceptable to the
17 board?

18 MR. CIRIELLO: Wait a minute. I thought we
19 was going to get another review of the budget in
20 August.

21 MR. WUELLNER: That's entirely up to you guys.

22 MR. CIRIELLO: Are we going -- every other
23 month are we going to start making a, what word am
24 I looking for, a trend of canceling meetings
25 because I complained? When we did that originally

1 that then it goes for month-to-month, are you guys
2 are going to sneak it in that way? I don't agree
3 with canceling any meetings.

4 MR. MERCER: I agree with the chairman as has
5 been the custom. Cheerfully, as Norm would say
6 today.

7 MR. CIRIELLO: What's been the custom?

8 MR. MERCER: I've been agreeing with the
9 chairman on most everything -- all of the votes
10 I've agreed with him on. I -- my suggestion is
11 table August because we're almost going to have two
12 heavyweight functions to deal with in September.
13 And if we want to do diligence and get into the
14 nuts and bolts of the budget, we can -- we can do
15 that in August independently or go meet with --
16 meet with Ed.

17 CHAIRMAN YOUMAN: Correct.

18 MR. CIRIELLO: I've been watching this board
19 operate since 1994 almost constantly except for the
20 last two years and I don't remember in all of those
21 first 10 or 15 years that I watched this board
22 week -- month after month after month never missing
23 a meeting that they ever canceled a meeting for any
24 reason. And it's just been the last couple of
25 years that this board has started to get this

1 consensus of going every other month.

2 So it's not a -- you say you're agreeing with
3 the chairman and it's something that's been an
4 occasional -- or I mean a constant thing and it
5 hasn't. This is just something that's occasionally
6 come up. I don't know why all of a sudden board
7 members feel that every other month is good enough
8 to do the job they was elected to do.

9 CHAIRMAN YOUMAN: May I have a motion for the
10 cancellation of the August meeting?

11 MR. MERCER: Well, I move to perhaps
12 consolidate the August meeting with the September
13 16th meeting date.

14 CHAIRMAN YOUMAN: Second?

15 MS. BARRERA: I agree with that. I would
16 second that.

17 CHAIRMAN YOUMAN: May I have a motion of aye
18 votes?

19 MR. MERCER: Aye.

20 MS. BARRERA: Aye.

21 CHAIRMAN YOUMAN: Aye. Nay votes?

22 MR. CIRIELLO: No.

23 CHAIRMAN YOUMAN: So-carried 3 to 1.

24 MR. GEORGE: Workshop.

25 CHAIRMAN YOUMAN: Now, is there any other

1 matters open for discussion from the board or the
2 public or Mr. Wuellner or anybody? Well then,
3 at --

4 MR. CIRIELLO: You've got a hand over there.

5 MR. GEORGE: I have a comment, Mr. Chairman.

6 CHAIRMAN YOUMAN: Did you turn in a slip?

7 MR. GEORGE: No, but you asked for public
8 comment, I thought.

9 CHAIRMAN YOUMAN: I'm going to let you because
10 you're such an illustrious member.

11 MR. GEORGE: Okay. I would suggest that you
12 take Joe's suggestion and have a budget workshop
13 which will go into the details of all of it and
14 anybody that wants to come can come. And that way
15 Joe can get a shot at his and he'll understand it
16 better.

17 MS. LUDLOW: That's his comment.

18 CHAIRMAN YOUMAN: Thank you. Is -- meeting
19 adjourned at 1750 hours.

20 (Meeting adjourned 5:50 p.m.)

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

STATE OF FLORIDA)
COUNTY OF ST. JOHNS)

I, JANET M. BEASON, RPR-CP, RMR, CRR, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true record of my stenographic notes.

Dated this 17th day of July, 2013.

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