

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Regular Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, December 15, 2003

6 from 3:58 p.m. to 6:27 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

- 9 SUZANNE GREEN, Chairman
- 10 WAYNE "BUZZ" GEORGE, Secretary-Treasurer
- 11 JOSEPH CIRIELLO

11 * * * * *

12 BOARD MEMBERS ABSENT:

- 13 BOB COX
- 14 JOHN "JACK" GORMAN

14 * * * * *

15 ALSO PRESENT:

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

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

20 BRYAN COOPER, Assistant Airport Director.

20 * * * * *

21

22

23 St. Augustine Court Reporters
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 24 St. Augustine, FL 32084
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1 PROCEEDINGS

2 CHAIRMAN GREEN: Call the meeting of the
3 St. Augustine Airport Authority to order. Please
4 stand for the pledge.

5 (Pledge of Allegiance)

6 3. - APPROVAL OF MEETING MINUTES

7 CHAIRMAN GREEN: For board members, we have
8 our minutes from the meeting held on November
9 17th. Are there any corrections or objections to
10 the minutes?

11 (No corrections.)

12 CHAIRMAN GREEN: Hearing none, we'll approve
13 the minutes as stated.

14 4. - ACCEPTANCE OF FINANCIAL REPORTS

15 CHAIRMAN GREEN: Next, we have the financial
16 reports. We have a presentation from Davis?

17 MR. WUELLNER: We have also -- yeah, go
18 ahead. Go ahead, Sean. It's my pleasure to
19 introduce Sean Brown, who is with the Davis, Monk
20 Company, who is our auditor or contractual auditor
21 for the Airport Authority, and I think he's here
22 to present the results of the final audit.

23 You were provided a copy of that report with
24 your meeting information, so you have a -- an

25 advance copy of that. And he'll be going through

4

1 that. Sean?

2 MR. BROWN: Okay. First thing I'd like to
3 say is it's an unqualified or clean opinion, which
4 is what everyone shoots for. The other thing is,
5 is that there's no current-year findings or
6 management letter comments. So, it's a good
7 report.

8 One thing, a finding in a prior year had been
9 corrected this year, so that's gone away.

10 The format of the report is basically the
11 same. The financial statements begin on page 2,
12 and they're in a comparative format so you can see
13 how the results this year, if you will, compare to
14 prior year. And the footnotes, which begin
15 subsequent to financial statements, are basically
16 the same from the prior year. There's not a whole
17 lot to go over there.

18 And other than that, the audit went very
19 smoothly. Everyone was real cooperative. There's
20 no real problems. And we thank you for the
21 opportunity to serve you guys. If you have any
22 questions...

23 CHAIRMAN GREEN: Wayne?

24 MR. GEORGE: I have -- I have a comment,

25 first. I'd like to compliment Ed and Donna and

5

1 the rest of the staff. You normally don't find an
2 audited financial statement that is as clean as
3 this. So, the audit trails are there and the
4 documentation is good and I think that they've
5 done a heck of a job, and I commend you for it.

6 I do have one question from an accounting --
7 your recommendations. And I think we discussed
8 this -- this earlier. We have a -- a reserve in
9 our financials for, I believe it's \$1.9 million?

10 MR. WUELLNER: I believe it's \$1.5.

11 MR. GEORGE: One point five, yeah. That, you
12 know, it's basically been established for, you
13 know, if projects come up that we need, you know,
14 funds for, for the enhancement of the airport.

15 We've got a lot of facilities that are out
16 here that are being depreciated, and what we're
17 doing is we're -- we're using our -- our budget
18 every year to say, well, if we need to refurbish
19 hangar number, you know, 5, we just put a lump
20 sum, you know, into the financial statements, the
21 budget for the following year, you know, to cover
22 that.

23 My question is, is it -- is it not a wiser
24 accounting practice to establish a reserve fund

25 for the major refurbishment of buildings and let

6

1 it be accumulating all year long?

2 Because some of these buildings were created
3 about the same time period. And if we get into
4 having to do some major renovations to some of the
5 large hangars, we could wind up eating a
6 significant piece of the budget for the next year,
7 as opposed to doing like our \$1.5 reserves, set up
8 a reserve, you know, and start taking money out
9 every month. So, my -- your thoughts on that
10 subject.

11 MR. BROWN: Well, this is something that
12 we've talked about in our firm. And a lot of
13 governments do that. Two different ways you can
14 do that is you can either restrict, have a
15 separate cash account or investment account or
16 have a restricted assets, where money is
17 designated and goes into that account and can only
18 be used for purposes designated by the Board.

19 The other way is a designation of fund
20 balance, where -- or retained earnings, in your
21 case, where below, if you look at your financial
22 statements on page 2 and you see retained earnings
23 down there, what you would have is retained
24 earnings --

25 MR. GEORGE: Where is that money, by the way?

7

1 MR. BROWN: I'm sorry?

2 MR. GEORGE: Where is that money? I'd like

3 to -- which account is that money in?

4 MR. BROWN: It's somewhere. It's all here.

5 You're sitting in some of it.

6 MR. GEORGE: Exactly.

7 MR. BROWN: What you'd have below that, you'd

8 have retained earnings undesignated, and then

9 retained earnings designated. And then in a

10 footnote to the financial statements, it would

11 say, you know, "The Board has determined that this

12 designation is going to --" you know, "This money

13 that's been designated is going to be used to fund

14 future maintenance and repairs of hangars or

15 runways as they come due."

16 And there's several ways, you know, to

17 decide, you know, how to fund that, certainly. A

18 lot of condo associations, what they'll do is

19 they'll go out and have someone estimate the

20 useful life of their fixed assets. That useful

21 life could be different than what's being used

22 currently for depreciation.

23 MR. GEORGE: Oh, accounting will allow you to

24 do that.

25 MR. BROWN: Yes.

8

1 MR. GEORGE: Okay.

2 MR. BROWN: And then what they're doing is
3 saying, okay, you know, we think that this may
4 last another 10 years, or something like that, and
5 this may last 15, and they'll use that as a basis
6 for determining how much money they need to
7 designate annually to fund that --

8 MR. GEORGE: Okay.

9 MR. BROWN: -- reserve.

10 MR. GEORGE: The \$1.5 we have in reserves is
11 shown on the balance sheet under "Assets," right?
12 In other words, that \$1.5 is in these asset
13 numbers somewhere?

14 MR. BROWN: Right.

15 MR. GEORGE: Well, that was my -- my thought,
16 was having something that we actually accumulate
17 cash so it would still show up as an asset, you
18 know, as opposed to having it a footnote to
19 retained earnings. Because retained earnings, I
20 can't put my hands on --

21 MR. BROWN: Certainly.

22 MR. GEORGE: -- it's gone to a new chair
23 right here or, you know, a better mic or something
24 like that.

25 My reasoning for bringing this up is I think

9

1 from the board meetings that we've had in the
2 past, that the Board is kind of unanimous on the
3 fact that we need to start doing some long-range
4 planning when we can get off the tax rolls. And
5 if that's nine years out or whatever, I would hate
6 for us to get off the tax roll and then all of a
7 sudden I've got the North 40 I've got to spend a
8 million dollars to refurbish --

9 MR. BROWN: Uh-huh.

10 MR. GEORGE: -- because it's been depreciated
11 and we didn't have the foresight to do that.

12 MR. BROWN: Both ways are permissible. I
13 mean, you can either have it down in the
14 footnotes, or you can have, you know, cash or
15 investment, whatever, and have it specifically
16 designated.

17 The only thing is, is once it's designated up
18 into the asset column -- and a lot of government
19 entities, you know, either counties or cities and
20 the lot that we audit do, you know, different
21 ways. I mean, the County here has designations on
22 their fund balance. Putnam County has
23 designations.

24 When you put a restricted asset up there,

25 like cash restricted --

10

1 MR. GEORGE: Right.

2 MR. BROWN: -- sometimes if you have a dead
3 issue, the bankers up in New York and stuff will
4 kick that out of their liquidity calculations.

5 MR. GEORGE: I gotcha. Right.

6 MR. BROWN: So, that would be the only thing,
7 if your --

8 MR. GEORGE: Couldn't you just reclassify it
9 before you give them the financials?

10 MR. BROWN: We can't do that.

11 MR. GEORGE: Okay. I -- Madam Chairman, I
12 don't know where to carry this recommendation of
13 mine. I don't know if it takes a -- our board
14 to -- since the accountants have said, yes, that
15 is an acceptable, you know, thing to do, that if
16 we are planning on having, you know, a time in the
17 future to get off the tax rolls, and that's
18 probably going to happen after 2007 when the
19 Grumman, you know, starts paying rent, you know,
20 again for their facilities here, but I would hate
21 like everything for the future boards to wind up
22 with a major refurbishment job and -- and have no
23 money.

24 CHAIRMAN GREEN: I think it would be

25 something we could do in our budget, when we set

11

1 the budget for in January.

2 MR. WUELLNER: Yeah.

3 MR. GEORGE: When we do what in January?

4 CHAIRMAN GREEN: We set the budget in

5 January, when we have our meeting.

6 MR. GEORGE: Oh, okay.

7 CHAIRMAN GREEN: We --

8 MR. WUELLNER: Can start --

9 CHAIRMAN GREEN: We can line-item it then,
10 whether we want it as a retained earnings

11 subcategory or --

12 MR. WUELLNER: Yeah. If we get some
13 guidelines between now and budget preparation
14 in -- in April or May, then we can begin to build
15 a budget around creating the reserve.

16 MR. GEORGE: Okay.

17 MR. WUELLNER: You know, maybe -- I would
18 suspect it would be a multi-year, you know --

19 MR. GEORGE: Absolutely. I think it would be
20 something like a depreciation schedule that we
21 just slowly start putting into it.

22 MR. WUELLNER: Yeah. We have to come up with
23 either some method or some rational approach to
24 how we fund it, not the source, but the rate at

25 which it's funded.

12

1 MR. GEORGE: Yeah. I'm sure the accountants
2 can --

3 MR. WUELLNER: We can help come up with
4 something. I don't know. Percentage of
5 investment or --

6 MR. GEORGE: Well, maybe it would be a good
7 thing to -- to have an action item on Staff to get
8 with the accountants and come up with some
9 recommended alternatives in there. Thank you.

10 CHAIRMAN GREEN: Any other comments? Joe?

11 MR. CIRIELLO: Ed, didn't we do this a couple
12 of years ago when we was talking about the budget,
13 that we figured that there was going to be about a
14 million and a half dollars over every year, and we
15 figured like in a five-year period, we'd have
16 enough money that if we was off the tax rolls and
17 something major hit, we would have the money
18 there --

19 MR. WUELLNER: Right.

20 MR. CIRIELLO: -- or if we wanted to build
21 something? Didn't we already do something with
22 it?

23 MR. WUELLNER: You already do. You
24 annually -- you're currently reserving about \$1.5

25 million.

13

1 MR. CIRIELLO: So, does Mr. George just want
2 us to show it on -- in writing?

3 MR. WUELLNER: No. He's looking at creating
4 an additional fund specifically related to major
5 repair items or whatever. It's kind of a
6 designated, lack of better terms, pot of money
7 that's there for significant repair and
8 maintenance items.

9 MR. CIRIELLO: Well then, what you're saying,
10 that this million and a half is not designated for
11 anything --

12 MR. WUELLNER: Correct.

13 MR. CIRIELLO: It's just like in a general
14 fund.

15 MR. WUELLNER: Correct.

16 MR. CIRIELLO: So, couldn't all we have to do
17 is change the language to stipulate it goes for
18 certain procedures?

19 MR. WUELLNER: Sure. Sure. It's a labeling
20 issue with --

21 MR. CIRIELLO: Cause I wouldn't want to have
22 that million and a half and then another million
23 and a half because, you know, we've got to get
24 that money somewhere, that we'd be paying twice

25 into the same pot. So, all we'd have to do is

14

1 change the language designating that overage for a
2 specific purpose.

3 MR. WUELLNER: Yeah. That's -- that's one
4 approach to it.

5 MR. GEORGE: Maybe the accountant can take a
6 look at exactly what that -- what the existing one
7 had, what it was approved for.

8 It was my understanding -- and I don't know
9 where I came up with this. It was my
10 understanding that that one and a half was for
11 airport improvement projects that might spring up
12 on us. For instance, let's just say we might have
13 had a potential tenant that wanted us to spend
14 \$900,000 to, you know, modify some hangars for
15 him. That's what I thought that one and a half
16 was for.

17 We made the decision to start with the --
18 the -- the second phase, the other hangar, by
19 taking money out of that fund with the idea that
20 it would be replenished. That's what I thought
21 the one and a half was for. It was not for major
22 building refurbishments and stuff like that.

23 MR. WUELLNER: It is nondesignated, but
24 that -- that was the original thinking in the

25 discussion of creating it, that is true. It

15

1 remains undesignated even to this point. So,
2 literally, you folks could allocate that to
3 anything you'd like.

4 MR. CIRIELLO: Well, the original idea was
5 really just to have a slush fund, right? In other
6 words, you would have some excess money out there,
7 that if something unexpected comes up, you had
8 something to fall back on.

9 MR. WUELLNER: That is correct.

10 MR. CIRIELLO: That is really what it was all
11 about.

12 MR. WUELLNER: That is correct.

13 MR. CIRIELLO: Okay.

14 CHAIRMAN GREEN: Any other comments on the
15 financial report?

16 (No further comments.)

17 CHAIRMAN GREEN: Okay. Then we'll accept the
18 report --

19 MR. GEORGE: Most definitely.

20 CHAIRMAN GREEN: -- as printed.

21 MR. BROWN: Once again, I thank y'all, and
22 any help we can give in the future, we'd be happy
23 to, so...

24 MR. GEORGE: Thank you.

25 MR. WUELLNER: Thank you, Sean. You also

16

1 had, did we not, financial reports for the month
2 of October?

3 MR. GEORGE: Yes. This is the one, Madam
4 Chairman, we did not approve it last time --

5 CHAIRMAN GREEN: Right.

6 MR. GEORGE: -- because the accountants had
7 not brought it back in.

8 CHAIRMAN GREEN: Okay. I have the October
9 financial report ending October 31. Any comments,
10 corrections, or additions to the October budget
11 financial report?

12 (No corrections or additions.)

13 CHAIRMAN GREEN: Hearing none, accept
14 those -- that report as dated.

15 5. - APPROVAL OF MEETING AGENDA

16 CHAIRMAN GREEN: We next have the meeting
17 agenda. And I have the red copy, I think, which
18 is the latest. Any additions or corrections to
19 the agenda?

20 (No corrections or additions.)

21 CHAIRMAN GREEN: Hearing none, we'll approve
22 the meeting agenda, which has the 11 items on it.
23 Next, reports. Mr. Maguire?

24 6.A. - COUNTY COMMISSIONER

25 COMMISSIONER MAGUIRE: No -- no report, but

17

1 happy holidays.

2 CHAIRMAN GREEN: Thanks. You too.

3 Mr. Slingsluff?

4 6.B. - AERO SPORT

5 MR. SLINGLUFF: No report at this time.

6 CHAIRMAN GREEN: Northrop Grumman?

7 6.C. - NORTHROP GRUMMAN ST. AUGUSTINE

8 MR. LESLIE: No report.

9 CHAIRMAN GREEN: And Pilots Association?

10 6.D. - S.A.P.A.

11 MR. RODERICK: No report.

12 CHAIRMAN GREEN: Bjorn? Anybody from Florida

13 Aviation?

14 6.E. - FLORIDA AVIATION CAREER TRAINING

15 (Representative absent.)

16 CHAIRMAN GREEN: And Doug.

17 6.F. - AIRPORT AUTHORITY ATTORNEY

18 MR. BURNETT: I've got a few brief things.

19 One is we did get a copy of the -- this goes back

20 to something that's been lingering for a while --

21 the easement for the Ponce property. We did get

22 the reported easement back from them. I'll

23 distribute copies to you so that you've got one

24 for your records.

25 Additionally, we've completed the bond

18

1 financing for the \$5 million. Those documents,
2 the transaction's now been complete. However, I
3 do have a certificate that the bank would like
4 signed that I've got to get the signatures.

5 I've already got your signature and
6 Mr. George's signature, but I still need
7 Mr. Gorman's, Mr. Ciriello, and Mr. Cox's
8 signatures on that document. So I'll get
9 Mr. Ciriello at the end of the day here, and we'll
10 look for the other members.

11 Additionally, just to give you some insight
12 on a couple of things we've been working on, Don
13 Wallis in our Jacksonville office, who is a board
14 certified tax lawyer, has been helping us with a
15 tax issue where there's a discrepancy between the
16 State and the Federal Government. It's a small
17 minor issue, but we got Don's expertise in to help
18 work through that.

19 And the litigation with Earth Tech, we are in
20 the process now of scheduling depositions. We
21 will be scheduling the deposition of Brian
22 Thompson in January. I also believe that they're
23 going to want to depose Ed Wuellner in January.

24 And we have just now gotten their response to

25 our request to produce, where we get to see their

19

1 documents, and we've just now gotten that

2 response. So, that's the litigation update.

3 I think that's about it, other than we have

4 been working with Aero Sport, which is coming up

5 to work on the lease and get those terms resolved,

6 so...

7 CHAIRMAN GREEN: Do we have any trial date or

8 any other --

9 MR. BURNETT: Trial date --

10 CHAIRMAN GREEN: -- date set for --

11 MR. BURNETT: -- is still set for February.

12 CHAIRMAN GREEN: Okay. So, you're still on

13 schedule for February?

14 MR. BURNETT: Yes, at this time.

15 CHAIRMAN GREEN: Joe, did you --

16 MR. BURNETT: That's all I have to report at

17 this time.

18 CHAIRMAN GREEN: Okay. All right. Thank

19 you. Action items, Mr. Wuellner?

20 7.A. - PROJECTS UPDATE

21 MR. WUELLNER: Sure. First item I have is

22 the project update. Maybe. There we go. Items

23 to cover today on the outstanding projects are

24 TVOR; northeast development terminal project,

25 Phase I and II; Airport paint facility; Taxiway

20

1 Bravo; land acquisition; home demolition update;
2 old Phase II hangar rehab.

3 By request, we've added a marketing and
4 public relations item, and will wrap up with the
5 Airport Master Plan, which will include
6 presentation -- I think it's presentation. If
7 not, the discussion that originally was going to
8 be workshopped, we'll pick up at that point. And
9 I believe he's got a separate -- separate
10 PowerPoint on that.

11 The TVOR equipment and the shelter are
12 on-site. The shelter is about eight-tenths
13 constructed at this point. It arrived last week,
14 early last week, and is -- footer, foundation and
15 all that's been poured at this point, and the
16 ring's in place and the shelter itself's being
17 erected, not as we speak, because they've gone
18 home for the day, but quite literally this week it
19 will be wrapped up, the shelter part.

20 Thales is due to be on site the end of this
21 week or very early next week to begin the buildout
22 or finish of that facility. And we're still
23 hoping at this point that we don't see anything in
24 the way to do of tentative flight check or

25 preliminary flight check with FAA in January,

21

1 assuming that can be accomplished by FAA's
2 schedule. And still on track for publication for
3 instrument purposes in March.

4 Once it's passed ground check and flight
5 check, it's -- it's released for use in VFR, but
6 there won't be an instrument approach until it's
7 published. So, it's rapidly taking shape here and
8 hopefully will come up.

9 Northeast area, if you haven't been up there
10 lately, that's getting really, really close.
11 Hangars 5 and 6 are virtually at the point of
12 doing final inspection with the County on that and
13 then doing the cleanup. And in fact, you should
14 see lease agreements for these facilities, or two
15 of the three, anyway, at your January meeting.

16 So, we'll be getting you an update in very
17 early January of all the lease activity that we
18 anticipate to hit your desk for the January --
19 January meeting. So, we'll try to get you a
20 heads-up a few weeks early so you'll have a chance
21 to look that over and get back to me with any
22 questions or concerns you might have about where
23 we're going with the leases.

24 The asphalt paving's been done. Hangar

25 7's -- you know, lags at by about 30 to 45 days,

22

1 which is expected. That's where it was in the
2 process. But it's -- these were taken last month
3 quite literally. They're working on the floor
4 finish, or the epoxy finish in Hangars 5 and 6,
5 and Hangar 7 is about ready to begin the trim
6 brick -- brickwork around it, but it's -- it's in
7 great shape, so good -- good-looking project.

8 Terminal project, we're expecting by the
9 first week of January to be in a position for CO
10 with the County. There are just a few oddball
11 underground items. It seems like every time we --
12 they run the camera equipment down the water
13 and/or sewer lines related to this project, they
14 discover some other latent defect that was really
15 no way of knowing. So, those are being wrapped
16 up. And every time they do that, it's another
17 hole in the parking lot.

18 So, for the most part, other than the inside
19 of the door of the main hangar, which is ongoing,
20 they're -- it's virtually done. And as you know,
21 the first -- first floor is -- first floor for the
22 flight school is already occupied. And the lease
23 related to that will all be -- hopefully be here
24 in the -- on the January meeting time line, too.

25 Phase II, this is a project -- I didn't get

23

1 new photos on this, but quite literally, if you've
2 been over near the terminal area, you'll notice
3 that all the concrete block work is complete.
4 They're pouring the -- the cap to the -- to the
5 block wall. And I can tell you right now their
6 preliminary estimate of being out of here already
7 is the second week of February. So, it's going to
8 rapidly come under roof here in the next week, two
9 weeks, and will -- will be wrapped up very
10 quickly.

11 In fact, internally, we're taking bets as to
12 whether we'll have that finished before they
13 finish Phase I. Considering we gave it a
14 year-and-a-half head start, it's not a bad deal.

15 Airport maintenance facility, we went to DRC
16 on the 12th. They have ten days to get comments.
17 So, we expect those back by the 22nd. We're not
18 anticipating any problems. All of the -- all of
19 the questions have answers at this point, and
20 hopefully we'll be at a point to get a building
21 permit very early in January. Again, that's got
22 about a six-month lead time, so I'm -- I'm
23 thinking June or maybe July for occupancy of that
24 building.

25 Taxiway Bravo, that work began on schedule on

24

1 the 1st, and they're actively moving ahead on

2 Taxiway B.

3 MR. GEORGE: What does that second line mean?

4 MR. BURNETT: It was --

5 MR. GEORGE: That was the pad --

6 MR. BURNETT: It was forecasted that they
7 were going to complete. They were going to begin
8 December 1st, and actually began December the 1st.

9 MR. WUELLNER: So, in any case, they're
10 working. And they're still trying to accommodate
11 a schedule to be out of here prior to TPC. So --

12 MR. GEORGE: Which is?

13 CHAIRMAN GREEN: March.

14 MR. WUELLNER: Is the end of March. So, it
15 looks -- everything looks good so far. The
16 project meetings are going on once a week. The
17 temporary culvert's in. I think this week is the
18 permanent culvert crossing.

19 Drainage work's going on related to it.
20 They've done the strip back on most of it.
21 They'll begin -- they got their Proctor's back, so
22 soil stabilization will happen here real quick,
23 and it will start looking like they're serious
24 about putting something in here real quick.

25 There are some intermittent -- just so you're

25

1 aware of it, some intermittent airfield pavement
2 closures, so those of you that are of a flying
3 interest, you'll probably want to pay attention to
4 NOTAMs around the airfield just to be sure you
5 don't get into trouble.

6 The tower is active. They'll keep you out of
7 it for the most part, if you're listening, but
8 after hours, use caution in areas you know where
9 the construction is.

10 Land acquisition. Araquay Park -- actually
11 incorporated the wrong agreement -- or wrong
12 drawing here. I'll show you the right one at the
13 end if you'd like.

14 But basically, we've -- as of the date I did
15 this, which was early last week, we had eight
16 properties that were under -- under contract. At
17 this point, that's up to about 12 properties now.
18 Four more are going over to Florida DOT -- or, in
19 fact, I think went today to Florida DOT for their
20 concurrence of the contract values. A handful
21 more that are in negotiations or, you know, going
22 back and forth on appraised values and -- and
23 contract negotiation.

24 A few have asked for appraisals. We haven't

25 been able to accomplish those yet, but we've made

26

1 significant -- some significant agreements here to
2 purchase at this point. I'll show you at the end
3 again that correct drawing. I think it will add a
4 little insight into it.

5 All of the permits are in place for those
6 couple of houses that were remaining or on kind of
7 a historical kind of potential holdup. All of
8 that's been back -- is back from the State with
9 no -- no holdups, the property we own at this
10 point. So, everything's moving forward with I
11 think there are about three of them left to be
12 done at this point.

13 The old Phase II, basically where we were
14 last month, you guys' efforts have been tied up in
15 installing new lights on the extreme north end of
16 Taxiway Alpha, as well as the VOR. So, we'll --
17 we'll be back on that, I think they're telling me
18 by mid-January, getting some additional
19 restoration done on that work. That's just steel
20 laying in the yard. So, it's -- it's not waiting
21 something to be -- to be put up at this point.

22 This was the marketing and PR that was
23 requested by Mr. Gorman. I have provided -- Madam
24 Chairman, there's a stack of little cards there

25 that we received from a number of the elementary

27

1 schools, or schools in the county, from the
2 Authority's sponsorship of the aviation historical
3 program that's been -- was done with us by the --
4 with the St. Augustine Record and providing
5 curriculum in the classrooms for St. Johns County
6 school systems related to the hundred years of
7 aviation, as well as topics and specialty articles
8 that relate right back to St. Augustine Airport
9 and tenants of the airport and users of the
10 airport.

11 So, that's been an unqualified success.
12 We've received a lot of great feedback from --
13 from doing that. It was a unique opportunity.
14 I'm glad we did it.

15 And we continue to do in-classroom
16 presentations related to aviation, everything from
17 how airplanes fly, to weather, how it affects
18 airports, airports in their communities, jobs in
19 airports, or aviation. I mean, it's -- just we
20 tailor it to whatever they want to know about.

21 And it's -- it's been really kind of cool.

22 And you probably have all seen the Friday
23 news feature that shows up every Friday in the
24 St. Augustine Record that -- that does something

25 related to the -- to the airport.

28

1 MR. GEORGE: From the marketing standpoint, I
2 think one of the things Mr. Gorman was asking
3 about was the second floor of the --

4 MR. WUELLNER: We -- I did have conversation
5 with one local realtor. And just -- just to give
6 you an idea -- I didn't get a chance to get this
7 reduced to writing. I intended to get a little
8 memo out to all of you.

9 But basically, our recommendation at this
10 point is to advertise that internally, see if we
11 can't scare up a tenant before going to a realtor.
12 And the reason being is that apparently the going
13 rate at this point is about 7 percent for the
14 first year, 7 percent of the rental, and then a 5
15 percent follow-on commission for each year of
16 rental beyond that.

17 So, it's a fairly significant amount of money
18 that's at stake here, and if we can qualify the
19 tenant and get somebody in there on our own, all
20 of that money remains with the Airport Authority.
21 So, I'd like to give it a couple of months of --
22 of advertising. If nothing happens, then we
23 always have that realtor fall-back position. It's
24 not ready. We can't occupy it legally yet anyway.

25 MR. GEORGE: Right.

29

1 MR. WUELLNER: It's still in January, so...

2 And which is the next slide --

3 MR. GEORGE: There it is.

4 MR. WUELLNER: -- so -- as it turns it.

5 Airport Master Plan. That's going to be a

6 focus on forecast here, and LPA Group's going to

7 make a presentation. That concludes mine. But

8 let me show you that -- my -- give you an idea.

9 That's still not the right one (indicating).

10 MR. GEORGE: That was the exodus from the

11 last meeting, right?

12 MR. WUELLNER: Yeah. I've got an updated

13 drawing there. I've just got to get to it. There

14 you go.

15 The purple-colored ones are ones that are

16 currently under contract. So, the ones that have

17 no coloration are the ones still remaining to be

18 purchased.

19 But you can see the contracts that we've

20 accomplished really since the last meeting or

21 thereabouts, the last 60 days, these are the

22 contracts that are either in process or already

23 approved by Florida DOT, and many of which will be

24 closing between now and say your next year -- next

25 Authority meeting.

30

1 So, gives you an idea of what's -- what's
2 been accomplished at this point or what the status
3 change is from the last 60 days.

4 MR. GEORGE: I wasn't -- I wasn't aware until
5 I talked to you, Ed. The other board members
6 might -- you know, be meaningful information to
7 them. But once we get an agreement and a contract
8 with -- you know, between the homeowner, those
9 contracts have to go up to FDOT, you know, for
10 their look at it. So, we've got another level of
11 people, you know, looking at the reasonableness of
12 the contract.

13 MR. WUELLNER: Right. And so far, we've had
14 no issues. DOT's interposed no objections to
15 anything, so we continue to move ahead.

16 All right. With that, you guys -- I think --
17 I take it you're ready to go?

18 MR. DiCARLO: Yes.

19 CHAIRMAN GREEN: Do you want me to open up
20 public comment for anything on the updates? Any
21 public comment on the updated projects? Yes,
22 ma'am. Would you come up to the mic, please?

23 MS. WILLIS: Yes. I am Mary Tarver Willis,
24 180 Indian Bend Road. I would like to once again

25 protest your actions and your -- your incursion

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1 into Araquay Park.

2 I appeared in September and October. I was
3 at a State meeting in November. Many people agree
4 with me, and you will receive a copy of this later
5 (indicating).

6 "We emphasize to you that we are not pawns on
7 a chessboard, but rather we are flesh and blood
8 people with lives to live without your
9 interference. Our land and our houses are not a
10 playing field. No, they are our homes where we
11 rear our children, host our grandchildren, and
12 tend our gardens.

13 "We have civil rights, the same as you. By
14 what twist of power do you feel that you can seize
15 our land and force us from our homes? This is a
16 gross misuse of power."

17 CHAIRMAN GREEN: Thank you. Any other public
18 comment on the project updates?

19 (No further public comment).

20 CHAIRMAN GREEN: Seeing none, we'll close
21 public comment. Joe?

22 MR. CIRIELLO: Yeah. The simplest thing, Ed,
23 you know, I like to see what's going on, you know,
24 rather than just sit here and listen. Say,

25 Friday, if you're not scheduled, if I came out

32

1 here, would you be able to drive me around and
2 show me the VOR and these hangars and different
3 things --

4 MR. WUELLNER: Be happy to do it.

5 MR. CIRIELLO: -- and construction, so I can
6 get a physical picture in my mind of what's going
7 on?

8 MR. WUELLNER: Be happy to do it.

9 MR. CIRIELLO: Okay. This second floor
10 leasing, if -- if we went with a realtor --

11 MR. WUELLNER: Uh-huh.

12 MR. CIRIELLO: -- would they be responsible
13 for seeing that the rents come in every month --

14 MR. WUELLNER: No, this is --

15 MR. CIRIELLO: -- in keeping all the records?

16 As you recall, a few years ago, we got in a
17 little situation with some rentals, and I think it
18 was what, \$28,000 we ate as bad debt that we
19 couldn't collect on people renting our homes?

20 So, if the realtor is just going to find
21 somebody to move in and then collect a nice fee
22 for it without being responsible for the
23 collection of the rent and keeping the records,
24 like you say, I can't see giving them that kind of

25 money.

33

1 I'd rather we do it in-house, even if it ends
2 up being a little touchy or hard to do. But if
3 they're not going to be responsible for -- for the
4 collection and records and everything, I wouldn't
5 be in favor of that. But I just didn't know if
6 they were or not. So, you said no, so okay.

7 CHAIRMAN GREEN: Wayne?

8 MR. GEORGE: Mr. Wuellner, you mentioned when
9 you were going over the project update on the
10 terminal building that we keep finding things in
11 the pipes, and therefore, we keep getting holes in
12 the parking lot.

13 MR. WUELLNER: Right.

14 MR. GEORGE: And that brought up a question.

15 What happened to the study we were doing
16 about the parking over there? Just can you give
17 me an update on that? They came and made a
18 presentation to us, and we said we've got to find
19 a cheaper way; we're not going to put a parking
20 garage over there on top of those things, and we
21 recommended that they take a look at the land
22 between U.S. 1 and the railroad track.

23 MR. WUELLNER: They did -- they -- I don't
24 know. I guess we didn't provide the updated

25 pages, but they -- but we have that. We did get

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1 the results of that.

2 MR. GEORGE: Okay. Does the Board need to
3 take any action on direction --

4 MR. WUELLNER: I don't --

5 MR. GEORGE: -- that we're going to go with
6 that?

7 MR. WUELLNER: -- think so. This is just
8 repair-related holes in the parking lot.

9 MR. GEORGE: Yeah, I know. I'm just
10 wondering if -- if for next meeting, we should
11 have the parking situation over there --

12 MR. WUELLNER: If you'd like --

13 MR. GEORGE: -- back on --

14 MR. WUELLNER: -- to have it back on there --

15 MR. GEORGE: -- back on project updates --

16 MR. WUELLNER: -- we can do that.

17 We met -- I can tell you that -- that Staff
18 met with Grumman once again, week before last, I
19 believe it was, to see if we can't get that --
20 that section of parking lot off dead center with
21 them and get it going, and they promised us they
22 would see what they could do to expedite it out of
23 New York to get that agreement executed with us,
24 which would allow a significant reconfiguration,

25 which is certainly going to allow some additional

35

1 parking in the terminal area, too. But we have
2 the updated pages or the updated report that was
3 provided by Passero. They had it to us a couple
4 of weeks after they --

5 MR. GEORGE: Oh, okay.

6 MR. WUELLNER: -- presented it, so it's --

7 MR. GEORGE: I'll make a note to ask you for
8 it after the meeting. But I'd like to see it on
9 the project update, because I think that that's
10 the one piece, that and landscaping, that's the
11 one piece that's going to finish off our terminal,
12 you know, project over there.

13 CHAIRMAN GREEN: There's some immediate
14 things we were going to do, too. Possibly meters
15 or -- I mean, things that were not that expensive.

16 MR. GEORGE: Exactly.

17 CHAIRMAN GREEN: Any other comments?

18 MR. WUELLNER: Unfortunately, I was in and
19 out -- if you will recall that night, I was in and
20 out of that discussion part of it while we were
21 dealing with the easement, and I missed a lot of
22 the comments that came through, so...

23 MR. GEORGE: I'll be -- I'll be more than
24 glad to -- to brief you on what you committed to

25 do.

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1 MR. WUELLNER: Fair enough.

2 CHAIRMAN GREEN: Teach you to leave a
3 meeting. Okay. The Master Plan update?

4 7.B. - MASTER PLAN UPDATE

5 MR. DiCARLO: Did you want me to present from
6 up here or use the microphone? I mean --

7 CHAIRMAN GREEN: As long as --

8 MR. DiCARLO: It does not matter to me.

9 MR. WUELLNER: Are you picking up, Janet?

10 MR. GEORGE: Whichever position you can
11 defend the best.

12 CHAIRMAN GREEN: Stay away from that.

13 MR. DiCARLO: I might be down. No, I'll just
14 do it this way. It's a little more -- everyone
15 else, but thank you. It's Doug DiCarlo with the
16 LPA Group.

17 Last month, we presented the findings of the
18 first working paper for the Master Plan, and there
19 was some concern and some questions about some of
20 the numbers we presented, so we had decided that
21 we would come back and either do a workshop before
22 or give the opportunity to -- to let the Authority
23 members digest, if you will, the information a
24 little further, and then we could discuss it

25 again.

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1 And in preparation for either a workshop
2 format or a more -- another presentation, what we
3 did decide to do is come back and give a little
4 more background as to how we came up with our
5 numbers specifically related to the based
6 aircraft. I think those were the numbers that
7 were -- had the most concern, and that's what I'd
8 like to go over tonight in a brief format.

9 So, I guess -- are you running it for me?
10 Thank you, Ed. The first thing I want to talk
11 about is we need to have a decision made, and
12 that's either obviously that we're going to go
13 ahead and approve or disapprove the forecast so we
14 can go back and redo or relook some numbers. And
15 then, of course, we need to approve or disapprove
16 the air service portion, because that also affects
17 the forecast, based on the fact that we did find
18 it would be possible.

19 But if we don't want to pursue that or
20 however that information is taken by the
21 Authority, that will affect what happens later on
22 in the study with respect to facilities
23 alternatives. So, these are two of the key
24 decisions we're going to try to hopefully

25 accomplish tonight.

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1 Jumping right into the forecast, we -- the
2 last time, Ms. Green, I know you weren't here. We
3 talked about the inventory and some of the
4 socioeconomic and all of the different things that
5 we looked at, and a little more on the data we
6 collected for the background.

7 But I'd like to just jump into the
8 methodology, and after, if there's more specific
9 questions, we'll -- we'll do that.

10 But we had talked last time for the based
11 aircraft forecast, we essentially looked at three
12 different elements or three different methods.
13 One was based on the historical growth here. The
14 second was based on the national growth, which the
15 FAA puts together every year. And then we looked
16 at the terminal area forecast, the TAF, which is
17 the one that we are required to do our checks and
18 balance against.

19 In the report of documents, the pros and cons
20 of each of these, the historic was pretty
21 significant. I think at some point they started
22 counting Grumman's planes, where in the past they
23 may not have. There was also T-hangar development
24 a few years back that certainly increased them.

25 But the long of the short is -- or the short and

39

1 the long is that it shows a significant amount of
2 growth for the airport, especially related to what
3 the industry trends have been. I mean, we're
4 talking not even a percent growth, is what the FAA
5 is saying, over the next 15 years.

6 And this one, we find very interesting
7 because it considers a lot of different things,
8 whether it's hours flown by pilots, certificates
9 being issued, how many planes are being
10 manufactured. They get into Grumman -- excuse me,
11 not just Grumman, but Piper and Cessna, a lot of
12 different things.

13 This one, as the report documents, is
14 probably the most detached from what's really
15 going on in the industry. And that's the one,
16 unfortunately, we have to weigh it against.

17 We selected one that was kind of a mix of the
18 historic growth and the -- and the national
19 growth. That kind of felt that it tempered the
20 low growth on the national level, but with the
21 more aggressive growth you guys had here in the
22 last few years.

23 And then we went to say in the report that we
24 adjusted this number -- number upward by 20

25 aircraft in the short term to kind of reflect

40

1 what's out there on your T-hangar waiting list.

2 That's where we had a little bit of a concern last
3 time.

4 Now, I'm going to elaborate on last time, but
5 real quickly, what this basically resulted is in
6 the first 10 years of the 20-year planning period,
7 we have a growth that's almost twice the national
8 level and -- but not quite up to where you were
9 before. And then, of course, that growth, as you
10 kind of look at it over the entire planning
11 period, comes back down to more -- to more smaller
12 overall growth figures.

13 If you will, Ed. What I'd like to do now is
14 talk about why we settled on the number we did and
15 came up with that, even adding the 20. Here's the
16 historic growth numbers, the national
17 (indicating). These are the actual figures and a
18 graph to represent them.

19 But where the concern came up last time was
20 that we were only showing 24 new aircraft in the
21 first five years of really this -- unfortunately,
22 some of these master plans take a little more
23 time. Almost talking about four years, as it's
24 2008.

25 You can see here the growth. This was the

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1 historic (indicating), the one we selected, and

2 then the two under (indicating).

3 The reason we only selected -- you have 107
4 people on the T-hangar waiting list. And that was
5 a big concern last time, because on the surface,
6 it would seem that these people are ready to come
7 right in the door. And that's what it would
8 appear, as the name implies. It's a T-hangar
9 waiting list.

10 If you'll go to the next slide, Ed. There
11 were a number of other things we considered. And
12 this is what we felt we brought to the table since
13 you hired us to kind of look at things
14 independently or based on our experience, doing
15 these sort of forecasts for a number of years and
16 a number of different airports.

17 Some key things that I'd like to keep in mind
18 that I didn't present last time. First off, any
19 future funding, whether it's from the state agency
20 or the federal, will be based on that need at the
21 time. If it's -- if it's actually right on line
22 with the target, the target forecast, great. If
23 it's above that, that's even better.

24 Typically, the agencies will not fund

25 anything if the need's not justified. And that's

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1 especially true when you get into something like a
2 runway extension or those sort of projects.

3 No matter what the forecasts show, I think
4 it's important to consider the fact that we will
5 be showing the full development capability of the
6 airfield.

7 There's parcels on the north side by Grumman
8 and the existing areas that we need to look at.

9 We've talked about the other side of U.S. 1. That
10 will certainly be relooked. And, of course,
11 Araquay Park is something that back in 1985 was
12 identified as a need and still is certainly
13 considered a need to get additional development on
14 this side of the airfield.

15 But what's I think more important to start
16 talking about tonight that I wanted to bring up
17 was the demand's high today, but I -- we felt we
18 needed to bring some realistic look at this, and
19 that is that you right now have a very limited
20 area for hangar development. And that's again
21 very evident in the fact that you've been looking
22 to get in Araquay Park, and it's going to take
23 some time to bring that property on line.

24 I want to jump ahead to that. As we talked

25 about the limited area for new developments,

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1 initially the port-a-ports could be -- excuse me,
2 could be converted and gain you a few new hangars.
3 But really, we are talking about this area on this
4 side of the airfield for future T-hangars or other
5 facilities like that for the GA users.

6 And last month -- excuse me, a couple of
7 months ago, you had heard that it would -- it
8 would take about 13 months to get just a taxiway
9 and a ramp, if you will, in there for the Super
10 Bowl. And the board had decided, if I recall
11 correctly, that that was probably -- we would have
12 to have started by now.

13 Well, we took that -- at the same time they
14 were Passero was doing that, we took the same sort
15 of approach when we were developing our forecast,
16 but we looked at a few other things. We knew at
17 that point that most likely eminent domain -- and
18 I think that is still something most would agree
19 is probably going to be a process you'll be going
20 through for at least one or more parcels. We
21 estimated a minimum of 12 months for that.

22 Environmental assessments. While the Super
23 Bowl time line certainly looked at a lot of
24 different things, we felt that there needed to be

25 a little more consideration for what realistically

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1 might be required out there, given the required
2 historical significance in St. Johns, as well as
3 the proximity to the saltwater marshes. There's
4 some potentially sensitive lands over there.

5 And then of course the design and
6 construction, we put that a little bit higher.
7 Again, we had numbers -- we were generating this
8 schedule at the same time they were. And one of
9 the things we had added in there that I think was
10 identified was the actual construction of
11 buildings. That was a whole another bidding
12 process, and -- and utilities and that sort of
13 thing.

14 So, all said and done, we were looking at
15 it -- it could take up to three to almost five
16 years, being on the very pessimistic side, before
17 the first facilities really start going in here.
18 And that was something that we had been
19 formulating in our forecast.

20 Another key thing I think to mention here,
21 and Ed actually -- actually elaborated on this a
22 little bit last meeting -- was that in our
23 experience, and I have -- I actually went back and
24 pulled some of the numbers out from airports that

25 we've worked at all along the east coast, it's not

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1 uncommon to have only about 30 to 40 percent of
2 your T-hangar waiting list actually show up the
3 day the T-hangars open. And the reasons for that
4 are multiple.

5 It could be they're on a list down in
6 Flagler, Palatka, which -- and Keystone, and some
7 in Jacksonville, which we looked at, and it's well
8 over a hundred on those lists. They could have
9 sold their plane. They could have moved. I mean,
10 there's a lot of different reasons. They're
11 divorced. We've heard it all. But this has been
12 our experience.

13 Titusville's experienced this. They actually
14 have an interesting problem because they have
15 three airports, and almost every tenant's on all
16 three hangar lists. And I'm sure that happens up
17 here.

18 North County, Palm Beach had a very
19 significant problem filling their T-hangars after
20 they were built. Kissimmee had similar problems.
21 But this was the number we applied to the 107 you
22 have on your T-hangar waiting list.

23 And if you'll go to the next one. That gets
24 me to operations. And that's basically how we

25 whittled that number down to come down to what we

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1 thought was a little more of a realistic number.

2 Because one of the things we as consultants
3 hate to get accused of is having a pie in the sky,
4 really unrealistic forecast, because what happens
5 is five or ten years down the road when someone
6 comes to redo your Master Plan, you find that,
7 well, these guys weren't grounded in reality.
8 They had no clue what the industry was doing.

9 And that's why I think our conservative --
10 our forecast tended to be a little more
11 conservative than you may have anticipated
12 yourself.

13 The operations, we discussed that last time.
14 I don't think there was as much concern about that
15 level. It also looked at the historic trend,
16 again, the national trend, and then another pretty
17 standard or accepted methodology of operations
18 based on how many aircraft are here, which is a
19 way of estimating the local share versus people
20 that come and go that don't live here.

21 And that selective forecast is based again on
22 an average of what had happened here in the
23 national. And that came up to a growth rate
24 higher than what the based aircraft would be. And

25 I believe that's shown on the next slide here.

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1 So -- and this again is -- is just the type
2 of operations you have here today. This is the
3 forecast numbers that we showed here (indicating).
4 And the green line represents where that is on the
5 graph (indicating). But this is here -- this is
6 separate from what Gloria's going to talk about in
7 a second here that we found in the air service
8 study.

9 So, whether or not we -- we move forward with
10 the commercial side of the Master Plan, the air
11 service element, these were the numbers we
12 presented for operations, and then the numbers
13 prior were the ones we had for based aircraft.
14 And we still stand by those numbers and would like
15 to talk about that.

16 Again, I know there was some concern they
17 were a little low. And there's some flexibility
18 there, perhaps, but then the thing I'm concerned
19 about is the schedule, something we've all been
20 talking about. These master plans have a
21 tendency, they can go from a 12-month schedule to
22 three years, depending on a lot of different
23 factors.

24 And depending on how we approach the

25 forecast, we can either keep the study moving

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1 forward now; we can go back and relook some
2 numbers, but then we run, depending on where the
3 numbers come out, we'll have to resubmit to the
4 agencies and wait their second review for approval
5 again.

6 So, before I turn it over to Gloria, I wanted
7 to maybe stop here and discuss any questions you
8 probably had on the based aircraft and the general
9 aviation fuel operations forecast that we were
10 recommending.

11 MR. GEORGE: I have a few questions.

12 MR. DiCARLO: Yes, sir.

13 MR. GEORGE: It sounded to me like when you
14 were going through the forecast, you were taking
15 national forecasts and historic growth of all
16 other airports. And it seemed like there was no
17 emphasis or look at what's happening in St. Johns
18 County, because that's what I'm concerned about,
19 is St. Johns County. So, it didn't sound like
20 that you put much of your modification to the
21 forecast numbers to give credit for what's
22 happening of -- excuse me, of what I perceive
23 is -- is a -- is a population that is growing
24 faster than the national average.

25 The second thing is it sounded like you were

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1 admitting that you were tempering your forecast,
2 because we don't have the space. You know, the
3 Araquay Park is not ready, won't be ready for
4 three to five years, and therefore you were
5 tempering your forecast. I thought a forecast was
6 need, not ability to come up with that need. So,
7 therefore, I'm questioning, you know, those
8 numbers and how it came up.

9 And that's really of importance to me,
10 because we're -- we're getting ready to, you know,
11 continue with this project of Araquay Park with
12 the idea that we need places for revenue-producing
13 growth in the county. And if you're telling me
14 that we're going to add 73 airplanes in 20 years,
15 that doesn't sound like a real good smart idea, to
16 ask these people to leave, you know, some of the
17 homes, especially Casa Cola and back -- we can do
18 it in a phase; we've got 20 years to work with --
19 to get 73 airplanes.

20 Your 30 to 40 percent fallout, I have heard
21 from -- from a T-hangar waiting list. I heard
22 from Ed that our experience in St. Johns County
23 was 50 percent when we did the last 48.

24 MR. DiCARLO: That's correct.

25 MR. GEORGE: And I didn't hear us, you know,

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1 increasing that 30 to 40 percent because of past
2 St. Johns County, you know, activity.

3 Your comment about, you know, consultants
4 don't want to get a reputation of being pie in the
5 sky, I couldn't care less about your reputation;
6 I'm trying to find out what it's going to take to
7 run this airport.

8 I can't speak out of both sides of my mouth.
9 I can't tell the people in Araquay Park we need
10 your thing because they've had all of this
11 impending growth, and at the same time, sit back
12 and agree with a consultant that's going to FAA
13 that says we're going to grow -- we don't need
14 this property right now; we need it over 20 years.
15 That's my concern.

16 MR. DiCARLO: First off, the historical was
17 based on purely St. Augustine historical. The
18 national was based on national trends for active
19 aircraft, again, the manufacturers and -- so, it
20 was more of a national picture from one side and
21 then, yes, the historical was purely this airport.
22 It was -- it wasn't historical for the industry or
23 for Florida.

24 MR. GEORGE: Okay.

25 MR. DiCARLO: So, it did tend -- I did take

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1 that into consideration.

2 MR. GEORGE: Did we have a big growth in

3 number of airplanes three years ago based here?

4 In other words, we added 48 new T-hangars. Did

5 the number --

6 MR. DiCARLO: Yes --

7 MR. GEORGE: -- of airplanes on the property

8 jump by 48 or by -- some of them came from another

9 hangar on the other side of the field.

10 MR. DiCARLO: Actually, the numbers are right

11 here. But I believe the problem is based aircraft

12 we're moving, I think if someone's out of town,

13 it's a hard number to really nail down. If you

14 look at your historical numbers, I think it only

15 may have jumped 20 or 30 that year.

16 MS. LONGEWAY: About 25.

17 MR. DiCARLO: So, it's -- and that's just

18 maybe in the accounting of -- of the physical

19 airplanes. But, yes, we did consider, I mean, the

20 historical growth, as well as what's been going on

21 in the county. There's a whole appendix that

22 talks about the socioeconomics of St. Johns, which

23 is possibly one of the fastest, largest growing

24 counties in not just population, but income and a

25 lot of other things in -- in the whole state.

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1 So --

2 MR. GEORGE: Did that take your estimate up?

3 I mean, did you tend to adjust --

4 MR. DiCARLO: Yes, we did.

5 MR. GEORGE: -- the estimate you came from

6 history --

7 MR. DiCARLO: Yes, we did. Because if I had

8 been working in a different county -- and I don't

9 know the numbers for, you know, back say towards

10 Keystone Heights or something like that, I may

11 have -- I would have probably -- because

12 forecasting, to be honest with you, is a feel.

13 It's a feel for what's going on.

14 Because we did also look at some -- excuse

15 me -- taking the socioeconomic to do

16 regression-type analysis. But when you have St.

17 Johns doing this on forecasted population of

18 historical income and everything else, and then

19 you look at historical based aircraft does this,

20 any statistician will tell you you can almost

21 write off --

22 MR. GEORGE: Right.

23 MR. DiCARLO: The socioeconomic relationships

24 with -- with aviation activity or based aircraft.

25 So, we did try to take those into

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1 consideration. And, yes, I did -- we did tend to
2 stay on the more aggressive side than we probably
3 would have at say another airport where growth was
4 flat or wasn't exceeding the state, you know,
5 levels. With respect to --

6 MR. GEORGE: So, you're saying 73 airplanes
7 in 20 years is aggressive?

8 MR. DiCARLO: Well, I -- I tend -- that may
9 sound lower, but I would say, if you look at the
10 short term, you have a very aggressive growth
11 plan. And I know there's a significant T-hangar
12 waiting list there, but this is based on what
13 we've experienced at other airports over -- over
14 time.

15 Now, to come to one of your -- your bigger
16 concerns about Araquay Park, if you get into
17 Araquay Park and only build the first 20 hangars
18 and then they're full in 30, there's certainly a
19 lot more potential there, but there's going to be
20 a lot of other space required for the -- I think
21 there's been talk at the time of FBO.

22 I mean, there's going to be a need to
23 accommodate transient aircraft, too. It's not
24 just the guys that stay here. There's temporary

25 tie-downs. There's other, you know, maintenance

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1 facilities, other things kind of like you have,
2 you know, around the airport. Perhaps some more
3 corporate because -- you know, the smaller, not
4 some of the bigger hangars you have going up
5 today.

6 MR. GEORGE: But one more corporate is one
7 more airplane.

8 MR. DiCARLO: Depends on -- I mean, you could
9 put two or three more in.

10 MR. GEORGE: I know you could.

11 MR. DiCARLO: Yeah, you could put two or
12 three in a hangar, but yes, you're right. But I
13 don't -- I would never argue the fact that Araquay
14 Park is not needed, whether it's ten more based
15 aircraft or not.

16 You have -- there's a lot of facilities that
17 are -- need to go in there. The maintenance is
18 already expanded in there, as we know. By the
19 time you get the taxiways, itinerant facilities,
20 and certainly these based aircraft we've been
21 talking about, because admittedly there's --
22 there's really nowhere else to go right now,
23 you'll start filling that area up fairly quickly
24 in my opinion, even with --

25 MR. WUELLNER: I think --

55

1 MR. DiCARLO: -- a conservative forecast.

2 MR. WUELLNER: I think what's -- if I'm
3 understanding this right, what we're struggling
4 with collectively is what -- what I would call
5 induced growth in the based aircraft area.

6 You have a theoretical number that you --
7 that you've come up with based on forecasting
8 techniques. Then there's a -- it's got to be
9 tempered with a reality check that goes with --
10 that's much more in line with what we've actually
11 experienced on the airport and what are -- we're
12 likely to experience moving forward.

13 When we look at the -- to try and cast to
14 that, you're looking at let's say that -- that
15 hundred-name waiting list, and while we might
16 expect 50 percent of that to result in -- in
17 T-hangar leases, should we have 50 units become
18 available, but that then -- and 50 of those, for
19 the most part, drop off the list at that point.
20 And you have a few that just aren't ready and, you
21 know, maybe you even have a residual like we did
22 last time. We went from 80-some names down,
23 created 40 new T-hangars and ultimately took a
24 list, combined list down to about 8 names at the

25 end of that. So, it was a significance. We left

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1 about maybe 10 percent left on the list.

2 So, even accounting for that, in the next
3 couple of years, we watch that hangar waiting list
4 again grow, not necessarily from aircraft
5 previously located in St. Johns County or even --
6 it's really kind of hard to say where they all
7 came from. But you watch that waiting list again
8 jump from 8 names in 2001 to 108 names in 2003,
9 almost 2004, likely resulting in 50 new T-hangar
10 requirements in order to bring it back down to 10
11 names on the list again.

12 You have -- because you have product that's
13 available to rent, every time we build T-hangars,
14 you're inducing a new wave of based aircraft onto
15 the field. They're not coming from tie-downs.
16 They're not coming from other places hidden on the
17 airport. They're -- they're new tenants to the
18 airport.

19 You don't see aggressive T-hangar
20 developments at -- at Palatka or even Flagler or
21 Herlong or -- or Craig. And as a result, those
22 stagnant waiting lists in Northeast Florida, as
23 product becomes available, people jump to that
24 location or -- or include their name in those

25 locations because their probability of getting a

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1 hangar is perceived to be much greater.

2 So, the theoretical numbers, I mean, I
3 personally don't dispute those numbers because I
4 think they're -- they're valid from a forecasting
5 standpoint. There's a practical side that says
6 that that number could be significantly higher,
7 perhaps 50 or a hundred names higher for that same
8 period of time, because of that -- that induced
9 effect.

10 Now, how do you quantify what, you know, the
11 Wayne George side of the equation or the part
12 you're wrestling with? I don't know. You know,
13 you've got to look at it in terms of how you're --
14 you're developing your T-hangars. If we're
15 developing, you know, a 10- or 12-unit building
16 each year, then -- then that -- that becomes
17 perhaps easier to forecast.

18 But when we're waiting and building 36, or in
19 the last case, 42 units at a time, you've got some
20 real stair-stepping that's going on. It's not a
21 nice flat-line forecast that he's doing here.

22 And, you know, I don't -- I think, what is
23 it, 70 -- 70 -- how many total aircraft are you
24 forecasting?

25 MR. DiCARLO: Seventy-three or seventy-four.

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1 MR. WUELLNER: You know, the reality is that
2 could all be in place within ten years or less. I
3 mean -- and then it's, is there still pent-up
4 demand in Northeast Florida? Has -- has another
5 airport built 36 units and is -- is sucking some
6 of that future demand out?

7 You know, from what I understand of the
8 business, you're not -- you haven't reached
9 saturation until you finally have some vacant
10 spaces. So, there's a lot of incentive to keep
11 developing storage space for -- for the airport.

12 I wish I had some, you know, crystal ball
13 here that said, well, let's -- let's double that
14 number for 20 years, but figure maybe the short
15 term is -- is dramatically higher. I think short
16 term, it's dramatically higher. You might see all
17 78 aircraft in the -- in five to ten years.

18 MR. GEORGE: Well, that's what I'm concerned
19 about.

20 MR. WUELLNER: But then it might take a much
21 more flat, as other airports develop facilities or
22 that pent-up demand is -- is sated, you know,
23 and -- and now we're looking at following national
24 trends for -- you know, maybe it's only five

25 aircraft or ten aircraft in the last ten years.

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1 MR. GEORGE: Yeah.

2 MR. WUELLNER: I think certainly the short
3 term is a number very similar to what he's come
4 up -- you know, arguably close.

5 MR. DiCARLO: And -- and something else I
6 wanted to add is you're right; you identified
7 something that's a very difficult task for us to
8 overcome, is you don't want to constrain a
9 forecast whatsoever. But by the same token, there
10 are some realities that we try to take into
11 consideration, whether it's based on our
12 experience or what we're seeing at this airport as
13 we've come here to identify your issues, your
14 problems, and the things you're dealing with on a
15 development level.

16 And I certainly agree with what you said; you
17 get very -- very difficult balance between
18 constraining and unconstraining the forecast. And
19 I can respect that concern.

20 MR. GEORGE: Does your forecasting take in --
21 do any kind of forecasting on these other things
22 that you were mentioning could happen, transients
23 increase, you know, FBO coming to support number
24 of airplanes and operations? Or, is your forecast

25 only based on --

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1 MR. DiCARLO: Well --

2 MR. GEORGE: -- operations and number of
3 based airplanes?

4 MR. DiCARLO: Those are the -- those are the
5 basics. You have the -- the number of based
6 aircraft and we have the operations. But the
7 operations are later split out into local and
8 itinerant. And while based aircraft could conduct
9 both of those types of operations, that's what
10 will help you infer later in the demand capacity
11 and facility requirements --

12 MR. WUELLNER: Yeah.

13 MR. DiCARLO: -- which is who's really coming
14 here, which ones of them are jets, which -- you
15 know, which ones are just staying here. And then
16 we -- that's what the next couple of chapters --
17 and the reason why they're so dependent on
18 forecasts, that's what those chapters will start
19 to develop, those needs and those demands that are
20 being placed on the facility now and certainly
21 through the planning period.

22 MR. WUELLNER: Yeah. Doug's absolutely
23 right. I mean, it continues to feather out, or
24 branch out probably better -- better put, a few

25 more times, because there are pieces that become

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1 much more interesting as you develop into the
2 requirements section and then -- then later into
3 alternatives when you're trying to figure out how
4 to deal with what you've come up with.

5 But forecasts, for instance, on the
6 operations continue to branch out into peak-hour
7 and peak-day and peak-month demands, which place
8 significant constraints, perhaps by day or hour on
9 infrastructure, because the forecasts show that
10 between -- and I'm making this up -- between noon
11 and 3 o'clock on Thursdays, we have three times as
12 many airplanes trying to access the facility as we
13 do between noon and 3 o'clock on Mondays for some
14 reason. And -- and as a result, we want to have
15 enough infrastructure to deal with the Thursday
16 demand without overbuilding to where it's -- so
17 there are lots of pieces and parts that further
18 get broken out as you go along. And that's --
19 that's one crazy example, but --

20 MR. GEORGE: If we're talking about the
21 demand that we will satisfy by using the Araquay
22 Park, you know, real estate --

23 MR. DiCARLO: Uh-huh.

24 MR. GEORGE: And you've given us some

25 examples of -- of other experience of yours and

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1 other statistics that you have pulled on from
2 number of based airplane and the growth of that.

3 Are there any statistics that say when the
4 operations at an airport or the transit level gets
5 to this part, an airport typically winds up
6 needing a second FBO, and therefore, we can crank
7 that into, you know, our -- okay, there's a big
8 chunk of needing that space to meet that demand
9 that's going to go on.

10 MR. DiCARLO: Yes/no. It becomes -- I mean,
11 that's what you're going to pay us to do. We're
12 certainly going to provide that sort of
13 information. It becomes -- much like these based
14 aircraft reports, it's going to become very
15 subjective.

16 Any FBO owner will tell you, I mean, if fuel
17 prices -- not fuel prices -- if fuel sales are
18 going up, then they put in more tanks or trucks
19 each week or ask for more ramp space. Or, when
20 does it get to a point where someone else starts
21 looking at this airport and saying, "Wow, there's
22 a lot of money being made there; I want a piece of
23 the pie"?

24 So, it becomes very subjective. But, yes, as

25 we get into facility requirements, the first one

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1 will be -- the first analysis will be just on the
2 raw airport, runways and taxiways. We get through
3 that. That's an FAA requirement. And then we can
4 get into the more support facilities, if you will,
5 whether they be electrical vault, FBO, or other
6 T-hangar, or other economic development-type
7 facilities. So, those -- those are certainly all
8 things that we will be identifying.

9 And there -- and there's certainly no foul
10 in, you know, forecasting 78 aircraft and -- and
11 showing that growth as actually occurring in the
12 first five to ten years and, you know, and taking
13 a much more flat line, the last ten years, by --
14 by that point -- and by that point, you're in the
15 Master Plan process again.

16 I hate to keep throwing that out there, but,
17 you know, every five, seven, ten-year time frame,
18 you're going through this -- this exercise to --
19 to kind of recalibrate what your expectations are.
20 I mean, unfortunately, we're at that -- that
21 ending point, that last 10-year period, as we sit
22 today, wrestling with demand that, you know, we
23 weren't prepared to deal with in the past two or
24 three years. And as a result, we need -- we need

25 to move forward.

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1 MR. CIRIELLO: When you use that word
2 airplane "growth," you said 78 and he said 73, are
3 you meaning to say 70 new airplanes are existing?
4 Like if you build these hangars and you're saying
5 in 20 years, we'll have 73 new planes here, if you
6 have a couple of guys in Flagler and a couple in
7 Palatka and a couple at Craig, which isn't that
8 far away, that's tied up outside and they find out
9 we have some hangars available and they come down
10 here and there's more airplanes on our particular
11 airport, but that's not growth, because that's
12 just recycling or relocating existing aircraft.

13 Now, if you're talking that there are going
14 to be 73 brand-new airplanes made and 73 bought
15 over the existing fleet, then that's -- to me,
16 it's growth, so...

17 MR. WUELLNER: Well, you're -- you're
18 definitely talking about for the most part
19 probably in the 90-plus percent range it being
20 reshuffled aircraft. It's -- it's not new
21 aircraft being added to the fleet now looking for
22 homes. It's -- it's, again, the guy that's either
23 currently located at, as your example, he's in
24 Flagler, but wishes to be in St. Augustine,

25 can't -- can't get here because there's no space

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1 and is currently, in the absence of space, he's at
2 Flagler or some other airport. That's -- that's
3 the kind of new activity that -- that's being
4 referred to in the Master Plan.

5 MR. CIRIELLO: New for us and not the
6 industry.

7 MR. WUELLNER: Correct.

8 MR. CIRIELLO: Okay.

9 MR. WUELLNER: In my recollection, we --
10 we've added 42 -- this could be plus or minus an
11 airplane or two here, but this -- this is really
12 close to what -- what I recall happening. We
13 added 40 -- we started with a waiting list of 88
14 names, I think it was, built 42 T-hangars or 42
15 units. Not all were T-hangars. There were five
16 port-a-ports that came in on that mix. But a net
17 of 42 hangars. Twenty-five were new tenants to
18 the airport. So, what, 60 percent, something like
19 that, were -- were new aircraft to the -- to the
20 airport, 17 of which were relocations on the
21 airport.

22 And by that, if you recall -- I mean, most of
23 you weren't involved in it, but what was going on
24 at that point is the terminal expansion project

25 eliminated 11, if my memory's correct, 11 aircraft

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1 that were based or parked in the terminal area, in
2 terminal area hangars that we absorbed into the
3 south side or the Airport Authority hangars as a
4 part of the deal moving the terminal project.

5 So, 11 of those 17 that -- that were
6 unaccounted for here that came from -- on airport,
7 came from the closure of another facility. It
8 literally was just a recoup of some existing
9 space.

10 Six of those were then aircraft based here,
11 either were in with someone else in their hangar,
12 or were located on the apron awaiting hangar
13 space. So, the net relocation on the airport was
14 relatively small compared to the total number of
15 units built on the airport. So, that gives you a
16 flavor. Now, I don't know whether it was a unique
17 situation where we took 11 of them and relocated.

18 But actually, there's some -- some of that,
19 not in the forecast data, but some of that in what
20 the development looks are going to be relative to
21 Araquay Park. You've got, in round numbers, 30
22 port-a-port units that need to be replaced. And
23 the question is, do you replace them with more
24 port-a-ports? Of course, that's -- that -- that

25 option really isn't out there anymore. But

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1 literally you've got to build perhaps two 12-unit
2 T-hangars to just recapture the -- the replacement
3 of some facilities on the airport.

4 MR. GEORGE: But the land that those
5 T-hangars are on is also available for recapture.

6 MR. WUELLNER: Perhaps, depending on your
7 developmental alternatives. You may find a better
8 use for where they're sitting, but the --

9 MR. GEORGE: I understand.

10 MR. WUELLNER: -- but the capacity remains
11 the same. It's a -- it's essentially a net, a no
12 net gain or loss in hangars, or tenants for that
13 matter.

14 MR. GEORGE: Well, I -- I still have the
15 feeling that the forecast that we are using for
16 the Master Plan is not anywhere close to what I
17 think that the realistic forecast is over the next
18 three on four years.

19 MR. WUELLNER: You're -- you're very possibly
20 right, when you consider that there are no -- but
21 how do we find -- how do we find the number that
22 is -- and I'm not throwing this at you in a sense,
23 but how do we collectively come to what those
24 numbers ought to be, or we can agree that that's a

25 realistic number to move forward?

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1 Using the theoretical method, we're showing
2 perhaps 73 or 78 aircraft over the next 20 years.
3 Now, those may all show up in -- in three years,
4 and have no growth beyond that. Who knows?

5 MR. GEORGE: But I think that part of the
6 Master Plan that we're spending money on today
7 should be weighted towards what is realistic.

8 Yes, you can -- you can have a demand in here
9 for 200 more hangars tomorrow. But with what
10 we've got on the books and what we've experienced
11 at this airport, I think that a growth of -- a
12 straight-line growth of 73 airplanes over 20 years
13 is just absolutely unrealistic, and therefore, the
14 numbers we're telling FAA, we're just telling them
15 because that's what they want to hear.

16 MR. WUELLNER: Well, they're looking --
17 they'll -- they'll accept -- you know, in
18 fairness, they'll accept anything at the point
19 where it can be rationally justified back to FAA.
20 And unfortunately -- that's the problem we're
21 having.

22 MR. GEORGE: That's what we're -- we're
23 paying these guys for, is to give us that rational
24 thing. And I'm assuming that they're saying that

25 it is not a rational decision to give them an

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1 increased forecast. And I'm just trying to find
2 out why.

3 MR. WUELLNER: I think what they're saying is
4 that using accepted forecasting techniques,
5 they've come to 78 aircraft. Alternatively, if
6 we've got a method or a suggestion on how they can
7 approach forecasting, particularly for based
8 aircraft, that allows them to adjust that upwards
9 to something we're more comfortable with, then we
10 need to get that out on the table and find out
11 what approach you want them to do.

12 You know, one thought is we'll take the
13 waiting list and assume 50 percent occupancy based
14 on the waiting list. All right. So, we put, you
15 know, 42 people in that the first time and then
16 let's theoretically say we put 50 in based on
17 today's waiting list. All right. Fifty for how
18 long? It took us, what, three, almost four years
19 to put a waiting list together. But what is that
20 next number going to be? Is it another waiting
21 list of a hundred names, or is it a waiting list
22 of 20 names?

23 You know, it's taking it to the next step.

24 First of all, we don't know exactly what the

25 occupancy will be based on 110 names on there

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1 today. We're assuming 50 percent. Maybe you're
2 very rational, and I tend to think it is.

3 But what about in five more years out here
4 when we're -- when we're looking at a hundred --
5 hundred names on the list, or are we looking at 20
6 names, or are we looking at 500 names on the list,
7 because we're the only game in town building new
8 ones? So, how --

9 MR. GEORGE: Well, is there --

10 MR. WUELLNER: How do you --

11 MR. GEORGE: -- anything else --

12 MR. WUELLNER: How do you build a forecast?

13 MR. GEORGE: -- we can do from a forecast
14 standpoint, Doug, that -- well, you've already put
15 emphasis in your forecast and adjusted it up --

16 MR. DiCARLO: Yes, sir.

17 MR. GEORGE: -- because of these same
18 circumstances that we're talking about.

19 MR. WUELLNER: Particularly for the first ten
20 years.

21 MR. DiCARLO: One of the things I wanted to
22 point out is you had mentioned that -- 73, is the
23 number actually, 73 linear growth. That wasn't --
24 can we back up a few slides? It's -- there's just

25 a graph on there.

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1 MR. WUELLNER: That remains to be seen here.

2 MR. DiCARLO: Back up the graph. I'm sorry.

3 You're going --

4 MR. WUELLNER: Yeah, that's what I do best.

5 MR. DiCARLO: One more. If you recall -- and

6 I went through some of this fast, and the report's

7 obviously a lot thicker than my presentation.

8 The initial growth we showed being escalated

9 (indicating), and that's what -- that was

10 reflected in the other percent --

11 MS. LONGEWAY: -- five.

12 MR. DiCARLO: Just let you know that out of

13 the 73, you're talking about more than half will

14 be in the first ten years. Now, granted, that's,

15 you know, ten years from now. Now, I know we're

16 starting to think, you know, the first two or

17 three years.

18 MR. GEORGE: Yeah.

19 MR. DiCARLO: But that, I just wanted to make

20 clear, that it's not --

21 MR. GEORGE: Okay.

22 MR. DiCARLO: I mean, it isn't we haven't

23 made it -- and this comes back to some of your

24 concerns about the short-term, the list, what the

25 County's been doing --

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1 MR. GEORGE: Which of the two green lines is
2 your forecast?

3 MR. DiCARLO: Okay. This was -- this is the
4 FAA terminal area forecast, the one unfortunately
5 is a benchmark for us (indicating). The national
6 forecast. This was your historical. That's over
7 10 years. And that's '93 to -- excuse me -- '92
8 to 2002 (indicating).

9 MR. GEORGE: Okay.

10 MR. DiCARLO: And then this was our selected
11 forecast (indicating). That's what it looks like
12 from a --

13 MR. WUELLNER: That's right.

14 MR. DiCARLO: Yeah, that's right. I was
15 thinking this is not your historical. This is a
16 growth projection based on your historical growth.

17 So, that would put you, you know, over
18 400-some aircraft. Which, if we submit that to
19 the FAA, even if it is something we all support
20 and feel is realistic, it will probably take us
21 about six months to get through having them even
22 write a letter that says the same thing, that if
23 we didn't, which says everything's accepted but
24 basically you need to prove it if you ever want

25 any funding for future projects. So, I hate to

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1 almost say --

2 MR. GEORGE: No, no. You bring up a good

3 point because --

4 MR. DiCARLO: -- the FAA approval process --

5 MR. WUELLNER: But if -- the other side,

6 though, is the FAA's funding of based

7 aircraft-related facilities is nearly nonexistent.

8 That's not where they spend their dollars. It's

9 in -- it's in operating-type projects.

10 MR. DiCARLO: Although that may be changing

11 this year.

12 MR. WUELLNER: Well, I doubt --

13 MR. DiCARLO: Well, it has changed. We'll

14 see how it actually gets --

15 MR. WUELLNER: But, you know, that's more an

16 FDOT item. And there -- there again, while the

17 Master Plan in a sense justifies everything FAA or

18 FDOT looks at, is it -- they're not as caught up

19 in the forecast part of it. If you tell them you

20 need ten T-hangars, they'll assist you in getting

21 ten T-hangars. I mean, it may not be tomorrow,

22 but they'll -- they'll -- they certainly aren't

23 going to argue with you over what your need is.

24 MR. DiCARLO: Now, dependent on the direction

25 that we're given, we could certainly be asked to

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1 be a little more -- you know, weigh a little more
2 weight, because we did consider, but it sounds to
3 me that the concern is to weigh a little more
4 weight on what the historic growth was.

5 And the numbers can be increased, but you're
6 going to get to a point where you decide, do we
7 completely duplicate what's been experienced in
8 the past, or do we -- you know, that's where we --
9 like I said, we have the national forecast which
10 the FAA considers, because they have every airport
11 coming to them saying, "We have a hundred people
12 on a waiting list that are coming tomorrow if we
13 build it." And they hear that from every state,
14 every airport.

15 MR. WUELLNER: Doug, what's the difference --
16 and it's hard to tell off your chart there.
17 What's the difference -- at 2013, between the
18 historical growth and what you're showing in the
19 forecast, what's the total number of aircraft
20 difference; do you know?

21 MR. DiCARLO: It's not much because, this is
22 a 20 aircraft stand. So, I would have to say --

23 MS. LONGEWAY: I think about five. I think
24 it's about five.

25 MR. WUELLNER: Five to seven aircraft, yeah.

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1 MR. DiCARLO: What?

2 MR. WUELLNER: I was looking at how --

3 MR. GEORGE: At 2013?

4 MR. WUELLNER: At 2013, you know, at the
5 10-year point.

6 MR. DiCARLO: If you say let's look at the
7 short-term base on historical and then maybe move
8 back to more the national, that's -- that's easily
9 defendable. And that's essentially what we did.
10 I guess we were just being a little more
11 conservative than -- than perhaps maybe yourself
12 or others may --

13 MR. WUELLNER: That would add five -- five to
14 seven more aircraft in the total forecast, but it
15 would emphasize the first ten years for that.

16 MR. GEORGE: Yeah.

17 MR. WUELLNER: At year ten, you'd have a
18 five -- five-year --

19 MS. LONGEWAY: Essentially, six.

20 MR. DiCARLO: Six.

21 MR. WUELLNER: Six here.

22 MR. GEORGE: In 2001, where we had 80 people
23 on the -- on the waiting list, how long did it
24 take us to get to 80 on the waiting list?

25 MR. WUELLNER: I -- I really don't have an

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1 answer for that. It was --

2 MR. GEORGE: Okay. If you don't have an
3 estimate, that's fine.

4 MR. WUELLNER: -- in the area of say 50 when
5 I got here in '96.

6 MR. GEORGE: What is your gut feel for the
7 demand for corporate hangars over the next five
8 years compared to the last three?

9 MR. WUELLNER: Compared to the last -- I
10 think it's the same kind of scenario. If you can
11 put product in place because no one else is
12 responding to those -- we're looking at some of
13 these development items from a different
14 perspective than perhaps Palatka is, as an
15 example. We're looking at it with the desire to
16 get off of ad valorem, increase the revenue, as
17 well as serve the citizens of St. Johns County.

18 You kind of cross the -- the border, if you
19 will, trying to accomplish the revenue goals.
20 We're looking at -- you know, there's a lot of
21 market out there we could capture in order to
22 offset revenue needs --

23 MR. GEORGE: Right.

24 MR. WUELLNER: -- that's not necessarily

25 pent-up St. Johns County demand.

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1 So, we've tended to be more aggressive in
2 attracting T-hangar tenants as well -- not that
3 we've really had to do anything with T-hangars,
4 but corporate hangars. You know, our willingness
5 to construct or provide facilities or space
6 facilities or for facilities has dramatically
7 increased our ability to attract new revenue to
8 the airport. And that's deliberate.

9 The previous Airport Authorities by design
10 are -- you know, have made good-faith efforts in
11 expending money in order to return, to get
12 additional return back to the Airport Authority.

13 MR. GEORGE: Right.

14 MR. WUELLNER: You know, if -- if the change
15 in -- if the change in mentality is that we're
16 just simply going to respond to the -- the demand
17 within St. Johns County and -- and act more like
18 Jax Port does at this point, which is, there's not
19 a lot of new construction activity in the area of
20 hangars and the -- and the like, it's much more of
21 a TAF-type forecast approach to building new
22 facilities. There's not a lot being built and
23 hasn't been a lot built. That's why waiting lists
24 are at a hundred-plus names, because nobody's

25 jumping on -- you know, there's no onus to get --

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1 to develop revenue sources like we have, we have
2 attached.

3 MR. GEORGE: Right.

4 MR. WUELLNER: So, I don't know that directly
5 answers your question. But I think, you know, if
6 you're -- if you're wanting them to forecast for
7 revenue development, which is kind of what I'm
8 hearing us -- hearing the collective need, then
9 there's -- we would like to be more aggressive
10 in -- in supporting the facilities and development
11 of -- of physical plant here, because it has a
12 bottom line net benefit to the citizens of St.
13 Johns County, that being they're off the ad
14 valorem tax rolls, and at some point, those
15 translate into jobs and economic -- economic
16 developmental alternatives in -- in the community.
17 Those are all positives.

18 The downside is you're taking demand perhaps
19 from other parts of Northeast Florida and
20 focussing it here because we're willing to do it;
21 we're willing to put product on -- on the table.
22 And the challenge is translate that into numbers.

23 MR. DiCARLO: Exactly.

24 MR. GEORGE: So, when we try to compare

25 ourselves to Palatka and some of the other

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1 airports, with the exception of Craig and Jax and
2 Daytona, there's nobody our size. There's nobody
3 that has had the growth that we've had over the
4 last five years.

5 MR. WUELLNER: That's -- and nobody's adding
6 hangars. Nobody's adding -- you know, I mean,
7 you --

8 MR. GEORGE: At the same time, I do not know
9 what the population increase is of those other
10 areas. But I don't think the population increase
11 that is forecasted that the PUDs are out there,
12 that the planned developments, is anywhere close
13 to what's going on here.

14 MR. WUELLNER: You're right. You're right.

15 CHAIRMAN GREEN: Can you take the numbers
16 that you have and -- and front -- front-load them?
17 I mean, even what you're trying to say is in the
18 next five years, so it would be more along the
19 historic path?

20 MR. DiCARLO: We can go back and look at that
21 and see how it translates with the --

22 CHAIRMAN GREEN: What I'm hearing is we need
23 data to support forecasting that you made.

24 MR. DiCARLO: Correct.

1 end more because we think we're going to have more
2 growth in the first five years, maybe not the
3 first ten --

4 MR. DiCARLO: Correct. And, you know, coming
5 back to what we were discussing, you know,
6 obviously if you look at historical, anything is
7 going to be, you know, this. I mean, there's a
8 few things that may be constantly going up, but
9 we -- as best as we can, we try to attempt what
10 the short-term peaks may be or that sort of thing.
11 But it's very hard to forecast anything in a
12 nonlinear fashion because, I mean, then you're
13 saying you have so much data and you're that
14 precise, and you can say --

15 MR. GEORGE: But that's why this job is so
16 tough. We have to go with the forecast, okay?
17 And that's why I was -- I personally was hoping
18 that the Master Plan was going to give us a good
19 concrete benchmark for what's expected out of this
20 Authority at least over the next five to ten
21 years. Then we could justify decisions we were
22 making for spending taxpayers' money based on a
23 realistic forecast.

24 And my thought is if this is the realistic

25 forecast, based on your firm's analysis of the

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1 data and our growth, then maybe we don't want to
2 be as aggressive with our -- with our
3 expenditures.

4 MR. DiCARLO: Well, I wouldn't -- I wouldn't
5 agree with that. I mean, we can certainly go back
6 and look at some of the based aircraft trends
7 again and see how it may have more of an impact.
8 It still becomes a subjective thing.

9 We'll still need to resubmit to the agencies
10 and see if they accept it, because as I indicated
11 before, anything beyond this point will be --
12 we'll wait for the forecast approval, because
13 otherwise, we're just possibly wasting time going
14 into the other analyses if we don't have an
15 agreement on the forecast from both the agency --

16 MR. GEORGE: What I'm hearing you say, Doug,
17 is that this whole Master Plan project is to get
18 something that's realistic and -- somewhat
19 realistic, that FAA feels is a -- can -- can buy
20 into.

21 MR. DiCARLO: That's correct.

22 MR. GEORGE: And the actual funding that we
23 might need three years from now for -- or two
24 years for an infrastructure for Araquay Park to

25 put that back in doesn't have anything to do with

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1 this Master Plan.

2 MR. DiCARLO: No. That's not -- I'm not sure
3 if I'd agree with that. What I'm saying is let's
4 say we have 50 airplanes in five years, whatever
5 method it came from. Whether the aircraft are
6 there or not -- getting turned around in my
7 example.

8 The FAA is going to want justification on a
9 project-by-project basis. They will come back and
10 look at this. And that's -- that's something that
11 they have, you know, previously reviewed and
12 approved, you know, talking two or three years
13 down the road.

14 But when that project comes up, they're going
15 to first look to see if you're in line with your
16 forecast, but then they're also going to look at
17 the justification at the time.

18 I'm not trying to say that a forecast in the
19 Master Plan aren't needed, because I'm not even
20 sure how to describe it. You almost need this to
21 get to that step with the FAA. You need to have
22 an accepted forecast methodology, like you said,
23 that they buy into, and that will feed into the
24 developments that come out of the Master Plan,

25 however small or grandiose they are, which feed

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1 the airport layout plan and ultimately capital

2 improvement project.

3 All three of those are the first key elements
4 in my mind to the plan; forecast, airport layout
5 plan, and capital improvement program that will
6 even get you to the table to discuss about the
7 next project.

8 CHAIRMAN GREEN: Joe?

9 MR. CIRIELLO: Yeah. I've got some thoughts
10 that's related to what you're talking about.
11 Could you go back to page 1, please?

12 MR. DiCARLO: That would be page 1.

13 MR. CIRIELLO: Yeah, right there. Okay.
14 There are basically three airports in the United
15 States, general aviation, commercial, and
16 military. I don't know to what extent the FAA has
17 any regulations over a military airport. I don't
18 know if they can tell the military anything at
19 all. So, forget the military.

20 Now, down here, you have, "Airport Authority
21 needs to either approve or disapprove pursuing
22 commercial airline service sometime in the
23 future."

24 I've been saying right along that this is a

25 general aviation airport. That's all it's ever

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1 going to be. I don't want to see commercial
2 airlines come in. Now, I don't know if commuter
3 service is considered commercial. I think some
4 airports are dual; in other words, they're a
5 general aviation-commercial --

6 MR. DiCARLO: That's correct.

7 MR. CIRIELLO: -- not one or the other.

8 But it's my experience in aviation all
9 through all the years and everything, when you get
10 commercial people starting to move in on a general
11 aviation airport, the commercial people think
12 different than guys like me, and they will
13 eventually try to squeeze out the little guy and
14 get him out of there all together if he can and
15 take over the airport for themselves. They are
16 very selfish people, the commercial airlines.

17 So, if you go and -- go and we're number
18 two -- and I'd like to see you guys downplay that
19 to practically nothing and stay with general
20 aviation. But if we are successful in getting
21 some commercial airlines in here, their rules for
22 running a commercial airline or airport --
23 airport, is different than general aviation.

24 You have to have your counter space. You

25 have to have security. You have to have this, you

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1 have to have that, all kinds of things, which mean
2 we'll be putting tons of money into meeting the
3 demands of commercial aviation. Plus, they'll try
4 to scare out the little guy and get him out of
5 here.

6 So, if that's to come, where you have a mix
7 of commercial and general, then that to me is
8 going to stymie your growth in the general
9 aviation, because people aren't going to come in
10 here with little Pipers if they have the
11 commercial people in here, airline people trying
12 to squeeze you out. And so, that's going to be a
13 hindrance.

14 So, if we're going to talk like Mr. George
15 wants, to get a feel of how we're going to be 20
16 years from now, we have to stick with the general
17 aviation. If we go mixing them, we're going to
18 hurt ourselves down the road. And that's why I
19 come up with the idea of a few months back or
20 longer that maybe we should look into putting
21 another airport that belongs to the St. Augustine,
22 you know, Airport Authority, in another location,
23 strictly general aviation airport with only a
24 lousy 5,000-foot runway.

25 That way, I'm sure a lot of people, if you

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1 get a mix here of commercial, a lot of these guys
2 in their little airplanes will move down the road
3 another ten minutes and put their airplanes there,
4 rather than put up with the headaches and mixing
5 with these big boys.

6 So, I don't particularly like to see you guys
7 putting any effort hardly at all into this
8 commercial part. I'd like to see you stick
9 strictly with general aviation airport. And then
10 coming up with all of the answers you want from
11 Mr. George, I can understand that.

12 But if you're going to go mixing, then I
13 think that the future of growth toward general
14 aviation is going to be somewhat less than we
15 expect.

16 CHAIRMAN GREEN: Ed, something?

17 MR. WUELLNER: I -- I was going to offer the
18 alternative that perhaps we -- there's no reason
19 you can't redo your forecasts way more often than
20 what are done -- you know, what is done in a -- in
21 a 20-year Master Plan. And there are legitimate
22 reasons to do that. And -- and I think our next
23 really big threshold point is probably in how the
24 Authority deals with the 110 names that are on the

25 existing waiting list.

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1 The forecasts support 70-some new airplanes
2 on here, albeit over a 20-year period. We feel
3 that 50 of those airplanes are waiting to come on
4 the facility at this moment, based on the waiting
5 list we have. We may be right.

6 We're a couple of years away from a
7 facility -- you know, additional hangars that are
8 occupiable, at which point, if our prediction of
9 50 airplanes in those facilities -- assuming we're
10 building 50 hangars or something close, if that's
11 correct, then I think we have significant
12 ammunition to readjust forecasts with FAA and with
13 DOT as necessary in just a forecast effort; not a
14 new Master Plan, not spending the kind of money
15 that we are in a Master Plan effort, but a relook
16 and go, all right, these are -- this is what we're
17 seeing. This is what we've seen for the last
18 seven, eight, ten years, and these are much more
19 aligned with our historical activity than are the
20 terminal area forecasts or -- or another
21 methodology. And we go back and say we're going
22 to update the forecast.

23 They'll look -- FAA will look at forecast
24 data from us at any time we want to submit it,

25 and -- and concur in it, offer advice, or

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1 whatever. It doesn't have to be in a Master Plan

2 format or forum. So, maybe --

3 MR. GEORGE: Is it appropriate in the Master

4 Plan to footnote that potential?

5 MR. WUELLNER: I think it's very appropriate.

6 MR. DiCARLO: Absolutely. And, in fact, what

7 I'm starting to think also, and maybe it's

8 similar, is that I don't know really what value it

9 would have, because the FAA is going to look at

10 one forecast and one forecast only.

11 But coming on the way you're thinking, is

12 maybe another side appendices. I don't know if I

13 would just footnote it, because I think you would

14 spend a little more than a footnote discussing --

15 I don't want to say a perfect-world scenario, but,

16 you know, discussing a more aggressive possibility

17 on the airfield --

18 MR. GEORGE: Yeah.

19 MR. DiCARLO: -- and just identifying what

20 the numbers could actually be. And maybe that's

21 something that you'd come back a few days -- few

22 years later and pull out and say FAA --

23 MR. WUELLNER: It seems way closer to this

24 than it was --

25 MR. DiCARLO: Because as Ed said, you can, at

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1 any time -- it's actually just pretty much a
2 letter-writing exercise, where you attach --
3 here's the numbers as they stand today and here's
4 what we had in the forecast. Can we -- whatever
5 you decide to do, can we add on from here, or just
6 however -- you may make it the same growth or you
7 may decide to just redo the whole thing.

8 MR. GEORGE: Well, that would make me feel
9 better, but I'd -- I'd like to hear from some of
10 the public.

11 MR. DiCARLO: But that -- that part, we can
12 certainly do. And I'd be happy to go back and
13 draft a -- if you will, a perfect-case scenario
14 based on what you experienced in the last T-hangar
15 waiting list, getting in there.

16 I mean, I still -- I know it's hard to not
17 constrain something, but it's going to be as Ed
18 just indicated also, it's going to be a couple of
19 years before the first hangar goes up. So, you
20 have to temper that. But then by the same token,
21 when the first hangar goes in, there could be 40
22 planes --

23 MR. GEORGE: Right.

24 MR. DiCARLO: -- overnight there. So --

25 CHAIRMAN GREEN: Ed, do we have to take

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1 action on these two today in forms of motions?

2 MR. DiCARLO: I -- sorry.

3 MR. WUELLNER: Well, I think you --

4 CHAIRMAN GREEN: I think we're at a point
5 with 1. I know Wayne wants to hear some public,
6 and I want to open it up to public. And I think
7 we could -- you know, if you want to entertain a
8 motion after we opened up to public, we could put
9 number 1 to rest. Now, do you need something
10 that --

11 MR. DiCARLO: And supply the supplemental --

12 CHAIRMAN GREEN: Right.

13 MR. DiCARLO: -- if you will.

14 MR. WUELLNER: Yeah. I think these guys are
15 just -- we're at a, you know, at a standstill in
16 terms of moving forward. The forecast data
17 literally supports every step beyond this. So,
18 you know, whatever method you want -- there's no
19 reason that the alternative development plan and
20 moving forward even in the requirements can't
21 reflect both forecasts.

22 MR. DiCARLO: And as I indicated earlier, and
23 it was actually I think on a second slide, one of
24 the things we will do is look at what is the

25 potential? Because later on when we get through

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1 this, alternatives even, okay, you've identified,

2 let's say for example all of Araquay Park being

3 developable, well, what's the first phase?

4 Perhaps that's not a good example, because we know

5 we have to come in by the tower. But maybe not.

6 I mean, what is the first phase?

7 So, we look at the development potential of

8 the entire airport. Therefore, irregardless of

9 the forecasts that are in the same document, you

10 have a -- that to me is where really the document

11 becomes almost personal, is when you get into the

12 alternatives and start looking at what can we do

13 with the facility --

14 MR. GEORGE: Yeah, I just think that with a

15 forecast of 73 airplanes over 20 years that, you

16 know, you'd have a little trouble justifying your

17 potential options of what you're going to do with

18 Araquay Park.

19 MR. WUELLNER: I don't think you really do.

20 I don't think you have near as -- near the

21 obstacle there, because you've got other -- it's

22 tempting to -- to wrap the development needs of

23 the airport into simply the based aircraft.

24 And -- and that's just, you know, it's what, 40

25 percent of the total operations, or is it 60? I

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1 can't remember which --

2 MR. DiCARLO: That's what I was saying

3 earlier, which reflects --

4 MR. WUELLNER: I mean, it's just a fraction

5 of what is going on in the big picture. So,

6 there's a lot of development needs that are beyond

7 just T-hangars. And those translate into -- to

8 real property.

9 MR. GEORGE: Okay.

10 CHAIRMAN GREEN: We'll open it up to public

11 comment, if there's any. Bryan, did you have

12 something?

13 MR. COOPER: Bryan Cooper. One -- one of the

14 things -- having gone through this process a few

15 times myself, one of the most difficult things is

16 to get the FAA in a reasonable length of time to

17 accept the forecast. And it's my understanding

18 that they've accepted this. Is that --

19 MR. DiCARLO: Yes, sir.

20 MR. COOPER: Am I correct?

21 MR. DiCARLO: They surprisingly have. They

22 accepted it very quickly --

23 MR. COOPER: Yeah, which was very, very

24 unusual for them to do that, but that's because it

25 was justified in what you sent to them. And so,

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1 they have accepted it.

2 Now, we were on -- we were trying to
3 fast-track, not excessively, but trying to get
4 this -- this Master Plan done within a period of a
5 year, or approximately a year. And they were
6 struggling to hit a 14-month time frame. But
7 we've been sitting at this point now for coming up
8 on two months. And so, now this 14-month process
9 is starting to look like 16 or 17 months if we
10 don't move forward after tonight.

11 Now, having said that, if the FAA has
12 accepted it and we can accept it and move forward,
13 it's not unusual to update master plans. And like
14 Ed was saying earlier to one -- just one little
15 piece of it. Take the forecast. We could look at
16 that every six months or every year or every time
17 it changes and then justify changing that.

18 If we can just get a document that is
19 finished and complete and accepted, then we can
20 change it if -- and I tend to agree with you; I
21 think that our growth is going to be much greater
22 than what -- what -- what they believe.

23 But if the FAA will accept it, they accept
24 it, we accept it, and then it is greater and we're

25 right, then next year we go back to the FAA and

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1 say, "Look, this is what we said, but historically
2 it's proven it's much greater. We're doing a
3 better job than we thought we could do. We've got
4 more people here, so let's change it."

5 It's a simple thing to do. And there's no
6 sense in dragging this out for three, four months
7 for something that we can change with a letter
8 later on.

9 If we really want this Master Plan done in a
10 year, let's accept this and go on. But I agree
11 with you; the growth is going to be greater, but
12 let's change it when it is.

13 CHAIRMAN GREEN: Any other public comment?

14 (No public comment.)

15 CHAIRMAN GREEN: Close public comment. Do
16 you want to entertain a motion? Or the board will
17 entertain a motion as far as going forward or not?

18 MR. GEORGE: Well, how do you guys feel about
19 it?

20 CHAIRMAN GREEN: I tend to follow with Bryan.
21 I've seen these go through, and I think they are
22 changeable, and I think we are going to have a bit
23 of growth. But we need to get going and get the
24 FAA's stamp of approval and go on with our Master

25 Plan, because I think that we're all in consensus

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1 that the growth potential's going to be greater.

2 MR. CIRIELLO: Once you pass something, even
3 though you have the option, like Bryan says, that
4 you can always, with a simple letter change it, if
5 you have a different board sitting here with
6 different personnel and they think differently,
7 trying to get it changed might not be so easy.

8 CHAIRMAN GREEN: But the numbers are going to
9 speak for themselves. If we have a hundred -- we
10 fill 50 T-hangars, and we have a hundred more on
11 the list, they're going to speak for themself.

12 MR. CIRIELLO: I don't like that number 2 up
13 there. I don't even want to -- that way. And if
14 we accept everything here just because we can
15 change it with a letter, that language is in
16 there, and they will expand a certain amount of
17 their effort and money into looking into that
18 area.

19 And I -- I think it's -- it's a bad idea to
20 think commercially, to bring in even one or two
21 airlines a day, you know, 737s or whatever those
22 midsize jets are, because once they get a foothold
23 in here, then they start wanting to boss everybody
24 around.

25 CHAIRMAN GREEN: Well, I don't think we're

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1 looking at getting out a contract or hiring
2 someone. We're just looking at what's the
3 potential.

4 MR. GEORGE: Number one. Yeah.

5 CHAIRMAN GREEN: Right.

6 MR. CIRIELLO: Well, number 1, I have no
7 problem with. It's number 2 I --

8 MR. DiCARLO: And Gloria was going to talk
9 about number 2. They are very independent.

10 CHAIRMAN GREEN: We need -- let's go -- we
11 may not.

12 MR. GEORGE: Let's get it on now.

13 CHAIRMAN GREEN: Entertain a motion.

14 MR. GEORGE: Let -- let me make a motion.
15 And before I make it, I'll make a summary comment.
16 If you're trying to run a business, you don't run
17 a business this way. If you and five other people
18 that are in the know agree on a forecast, that's
19 the forecast that you use, because that's the
20 basis of the decisions the management team has
21 going forward.

22 Listening to what everybody has said and
23 kicking in that this -- we need some approvals and
24 this, that, and the other, I would like to make a

25 motion that we approve the forecast that's been

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1 given with the footnote or the appendix

2 identifying the potential of an accelerated

3 schedule.

4 CHAIRMAN GREEN: Any second?

5 MR. CIRIELLO: I'll second it.

6 CHAIRMAN GREEN: Further discussion?

7 MR. CIRIELLO: What did that last statement

8 mean, identify the potential to accelerate?

9 Accelerate what?

10 MR. GEORGE: He volunteered to make an

11 appendix --

12 MR. DiCARLO: Essentially --

13 MR. GEORGE: -- to the Master Plan.

14 MR. DiCARLO: -- an alternative forecast.

15 CHAIRMAN GREEN: More aggressive.

16 MR. CIRIELLO: Not concentrating on one area

17 over the other.

18 MR. GEORGE: No. Huh-uh.

19 MR. DiCARLO: That you're not asking the FAA

20 to approve -- you're not asking the FAA to

21 approve, but you are -- we are documenting the

22 fact that this was an alternate track that was

23 felt is an option, and if you need to switch over

24 to that, then it's a matter of submitting that to

25 the FAA for their approval which will help later

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1 with processing funding.

2 MR. CIRIELLO: All of this future growth
3 we're looking at, I still think that once
4 commercial moves in here, that part -- the growth
5 that we think --

6 CHAIRMAN GREEN: Well, we're just on 1 right
7 now, just on 1.

8 MR. CIRIELLO: -- that would be here would be
9 diminished.

10 MR. WUELLNER: We're going to talk about
11 commercial in just a second.

12 CHAIRMAN GREEN: Any further discussion?

13 (No further discussion.)

14 CHAIRMAN GREEN: All in favor of the motion?

15 MR. CIRIELLO: Aye.

16 CHAIRMAN GREEN: Aye.

17 MR. GEORGE: Aye.

18 CHAIRMAN GREEN: All opposed?

19 (No opposition.)

20 CHAIRMAN GREEN: Motion passes.

21 MR. DiCARLO: Well, real quickly, Gloria's
22 going to talk about number 2 and some of the
23 highlights in that and how that may or may not
24 impact the forecast.

1 items in our scope of work was to address the
2 question of whether it was possible, sometime
3 within the 20-year period, for commercial air
4 service to begin in St. Augustine.

5 And go one more. Thanks. In doing so, in
6 setting up that study as it was documented in the
7 report, we looked at economic conditions,
8 population growth, tourism in the area, and the
9 condition of the airline industry. Those were
10 kind of the key things we had looked at.

11 And based on some of the things Mr. George
12 brought out already tonight is St. Johns County is
13 in a very vital, vibrant, high-growth period now
14 and it's expected to continue for some time. And
15 so, we really felt that sometime within the
16 20-year period, later in that period, that air
17 service could be a possibility here. And that
18 those results in the study are kind of based on
19 some key -- key assumptions which are presented
20 here on the slide.

21 I want to just kind of focus on two of them.
22 One -- I'll just start with the second one about
23 having to have enough passengers so the airline
24 would be profitable. I mean, they're a business.

25 They -- they have to make money.

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1 And one of the reasons why is kind of not --
2 we don't really see it probable in the short term;
3 it has to do with the state of the airline
4 industry today. I mean, September 11th, economic
5 recession, SARS, I mean, just so many different
6 things have negatively affected it, that it will
7 take some time for the airline industry to rebound
8 and get to the point where they're in another
9 high-growth period, such as in the mid-'90s. So,
10 that was kind of one of the key things in whether
11 and when air -- air service could begin here.

12 The other assumption -- and that's kind of
13 what I think we're looking to y'all to kind of get
14 a decision on today, is the assumption is that the
15 Airport Authority, the airport staff, and the
16 local community would actively pursue airline
17 service.

18 Commercial service will not just show up
19 generally and say, hey, we -- we want to go there.
20 A lot -- I mean, the airport has to work to
21 attract that, has to supply the airline, in many
22 cases, with air -- a full air-service study, which
23 includes ticket review, surveys of local
24 population, businesses, travel agents, and

25 demographics on the area. I mean, the airlines

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1 want that information from the community. And so,
2 it's not going to happen, though, unless the
3 Authority and the community sets it as a goal and
4 works towards that.

5 And so, kind of following on those few
6 assumptions, if all of that came together, we did
7 feel it could be a possibility in the last half of
8 the planning period. And we developed forecasts
9 of passenger enplanements, which were based upon
10 the growth and population forecasted by the State
11 of Florida through a project they had with the
12 University of Florida, based upon area airports
13 here in northeastern Florida, what their general
14 enplanement-to-population ratios were. And so,
15 it's kind of based on what the local or regional
16 aspect of a passenger growth is. And then that
17 was translated into operations.

18 If you can go to the next slide, Ed. One of
19 the things that was brought up last month and also
20 this month is what would be some of the impacts of
21 commercial service here at St. Augustine? And we
22 thought about and have listed here some of the --
23 some of those impacts.

24 The first, as Mr. Ciriello has already

25 mentioned tonight, is that -- is one of them is

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1 that the commercial area would be off limits to GA
2 users. The apron is a highly secured area when
3 you have commercial service, and you have to have
4 a 10-year background check, fingerprints. I mean,
5 there's a lot of federal regulations as far as who
6 can go into that area.

7 But there's also some -- a potential benefit
8 to the community overall. One, you would be able
9 to serve more people than just the -- the GA
10 community currently. As growth continues in the
11 area, traffic congestion on 95, trying to get to
12 Jacksonville or Daytona and stuff, could get
13 worse. And so, if you had service here, it would
14 be more convenient and would thus be more of a
15 benefit to the community.

16 Security regulations, as we've mentioned,
17 would be enhanced or somewhat different, kind of
18 along the perimeter of the airport outside of that
19 kind of commercial apron area. You would have a
20 ARFF facility on-site. That would be one of the
21 requirements to get service by what we -- we
22 assume to be regional jets, which are in the range
23 of about 50 to -- there's some new ones coming out
24 with 70, but we really felt the 50-seaters would

25 be the -- the key here, which would really

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1 increase rescue, EMT response time, if there was
2 an accident, not just for commercial operations,
3 though, for -- for any GA user, for any pilot out
4 there, using the airport. And it would also help
5 to generate -- well, a new or expanded revenue
6 source to help pay for future facility
7 improvements through both the AIP program and
8 passenger facility charge funds, which is PFC.

9 On AIP money, there have been GA entitlements
10 in recent federal funding levels at \$150,000 a
11 year. However, if you go to commercial service
12 and have more than 10,000 passengers, your -- your
13 base entitlement goes up to a million dollars --
14 well, currently in the current funding, it's at a
15 million dollars.

16 And at a very minimum, if they didn't fund
17 it, if Congress did not fund it as high as they
18 have been, it could be as low as \$650,000. So,
19 there's an increase in additional revenue that
20 could be used for airfield improvements, access
21 improvements, that -- those sort of things around
22 the airport, as well as passenger facility
23 charges, which are a per-passenger charge which
24 range from three, generally, to four and a half

25 dollars, which based on our forecast could

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1 generate an additional \$150- to \$500,000 a year
2 that could be used for specific developments.

3 So, those are some of the -- the impacts that
4 commercial service could bring, both on a positive
5 and a negative. I think you could probably be
6 either side, depending on where you stand on the
7 issue.

8 And with that, we'd like to just kind of get
9 your input as to how y'all would like us to move
10 forward. Approving going forward with pursuing,
11 leaving the option open to pursue commercial
12 service in the future would let us set aside an
13 area on the airport for that facility to identify
14 any improvements that might be needed prior to the
15 start of that service.

16 Disapproving that would mean we wouldn't do
17 that, that we would just use whatever land we have
18 and develop it strictly for GA uses. But what
19 that does for future -- for the future community
20 and future boards is it means that there may not
21 be that land in the future if they do decide to go
22 ahead and pursue commercial service.

23 So, approving us going ahead helps to --
24 helps to preserve an area where it could be used

25 in the future. It doesn't say that it's

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1 definitely coming, but it does say that -- that
2 it's a goal that you want to leave an option open
3 for. And so, with that, I'll turn it over for
4 questions and comments.

5 CHAIRMAN GREEN: Do we have any public
6 comment?

7 (No public comment.)

8 CHAIRMAN GREEN: No public comment. Board
9 discussion? Joe?

10 MR. CIRIELLO: Yes. You made a statement
11 that there have been no mixing between general
12 aviation and the commercial aviation because of
13 security and everything, which means -- and we're
14 hurting right now for space to put anything new on
15 this airport. So, that general aviation facility
16 over there, the terminal, if that was to be given
17 to the -- the commercial airlines, where is our
18 people going to go?

19 And then you say the ramp space can't be
20 mixed. So, where are we going to put these
21 people? We don't have anyplace on the airport
22 with enough space to build a terminal and a
23 parking area for these jets.

24 I went over to Gainesville a year ago, and I

25 started to taxi over towards the main terminal

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1 because that's where I was going to meet some
2 people, and of course there was one of those lines
3 there and you have to stop and talk to the tower.

4 And they said, "Where do you think you're going?"

5 Get your butt back over to the other side."

6 So, you're cutting off a lot of the airport
7 with commercial people in here to start with. So,
8 I still can't see why you're bringing it in here
9 unless we have an alternative, another airport, to
10 move our general aviation facilities.

11 So, have you looked into the area where we
12 would put a terminal and a parking ramp for a
13 couple of jets?

14 MS. LONGEWAY: We have not done that yet, and
15 that would be part of the alternative analysis.

16 We could end up saying, "Well, you don't have the
17 land to support that within your current boundary,
18 so you would -- we could recommend that you need
19 to look offsite -- off of current property in
20 order to meet that need."

21 But, no, we have not yet said, "Well, they'll
22 definitely go -- they would definitely go in
23 the -- the current GA terminal, and thus all of
24 the GA people would be kicked out."

25 The GA terminal is not really designed to

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1 handle commercial service. It -- I mean, you have
2 to have a kind of designated choke point where you
3 can go through security, because at a commercial
4 terminal, you have a nonsecured area where
5 anybody, you know, can get into, but then you have
6 the secured area past the checkpoint where only
7 ticketed passengers and staff with the proper
8 identification can get past. And so, I'm not
9 really sure that the current terminal is the
10 answer to that.

11 MR. CIRIELLO: But where --

12 MS. LONGEWAY: We're kind of a step ahead.

13 MR. CIRIELLO: We already know we don't have
14 room for doing anything like that. We're
15 talking -- not me, but the board is talking about
16 taking people's homes and moving over here in
17 Araquay Park just to build hangars for little
18 airplanes. And if we have to do something as
19 drastic as that because we have no room for
20 expansion, how can we say we have anything on the
21 airport to expand for commercial? And so, why
22 should we put any money into this -- what are we
23 building?

24 MR. GEORGE: Araquay Park?

25 MR. CIRIELLO: No, not -- we're putting in

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1 money on -- you're looking into what we could do,
2 and we know we don't have the space to start with.

3 CHAIRMAN GREEN: Mr. George?

4 MR. GEORGE: Gloria, you said that one of the
5 first things that made sense was that before you
6 get a -- an airline in here, it's got to be
7 conducive to an airline making a profit.

8 Now, if I'm not mistaken, you did some
9 forecasts on the population and movement in and
10 out of the airport, and didn't you come up with
11 a -- like the earliest possible of an air -- would
12 be 2013?

13 MS. LONGEWAY: 2013.

14 MR. GEORGE: Okay.

15 MS. LONGEWAY: And that -- that was based on
16 two daily --

17 MR. GEORGE: Okay. So, the earliest is
18 20- -- right. The earliest is 2013. We just went
19 through two hours' worth of discussion on my
20 little about the --

21 MS. LONGEWAY: Right.

22 MR. GEORGE: -- based airplane, and Ed is
23 saying that's only 40 percent of the activity
24 that's going.

25 In your opinion, in the year 2013, are the

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1 other forecasted transients and -- and other
2 activity going to put us in a position that we're
3 going to require a second runway?

4 MR. DiCARLO: I would jump in and answer that
5 the initial answer, and that's -- foreshadowed a
6 little bit, is no. If you look -- and I don't
7 know if you're thinking of the last Master Plan,
8 but if you look at the numbers of this Master Plan
9 compared to the last Master Plan, there is a world
10 of difference, for lack of a better word.

11 MR. GEORGE: What I was getting at is if
12 there's no way to make a profit, and if we don't
13 have the land, then I say I disapprove; don't do
14 anything with it. And if it comes in with one of
15 these changes, we'll add to the plan and analyze
16 at a later date.

17 But if we try to cut out on the limited real
18 estate that we have with the acquisition of
19 Araquay Park to put in a terminal for air service,
20 you've got to have five or six airlines beating at
21 the door wanting to come here to ensure that --
22 that we're going to get our money back from it.
23 So, I'd say -- my feeling is to disapprove it;
24 don't worry about it.

25 MR. DiCARLO: Well, and I'd like to say one

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1 thing here. And it's unfortunate. This was
2 something that we were asked to look at, and it
3 was a very small element of the whole forecast
4 chapter.

5 MR. GEORGE: I understand.

6 MR. DiCARLO: And typically, if a community
7 is very serious or an Authority is very serious
8 about an air -- you know, pursuing air service,
9 they would do a much more detailed, larger air
10 service analysis that would give you -- we did --
11 I think we did a great job with what we had
12 resource-wise and what we were given budget-wise.

13 But a full-blown air service study might tell
14 you you don't -- it might go into the details
15 foreshadowing well, where could it go, before you
16 ever get to the decision of --

17 MS. LONGEWAY: Right.

18 MR. DiCARLO: But the way the Master Plan is
19 set up and the way this task was set up, you know,
20 if we decide to pursue it, you're right; we may
21 come down at the end of the Master Plan and say
22 that was a good idea but not here; it can't happen
23 here because it's cost prohibitive, or what have
24 you, for the rail line and U.S. 1. Or --

25 MR. GEORGE: I think it would be outstanding

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1 if we could give the residents of St. Johns County
2 an opportunity to start their trips and end their
3 trips closer to home.

4 But if you're looking at -- at forecasts, you
5 know, now, and 2013 is the first time that we
6 could ever even have one come in here, I don't
7 think it's going to happen until the population
8 really gets here, and then we take a look at,
9 okay, where do we go, Joe? Where do we go put
10 that general aviation airport in?

11 I think to put that in the Master Plan and to
12 spend the money would further jeopardize Bryan's
13 14 months that he's so precious about.

14 CHAIRMAN GREEN: Do you want to put that in a
15 motion?

16 MR. GEORGE: I make a motion we disapprove
17 looking further into commercial airline service.

18 MR. DiCARLO: And it's -- just something I
19 meant to clear up earlier. The reason we split
20 those two out, because they really are
21 independent, and I talked to the FAA about that.
22 And if one is to fall out, which is certainly your
23 prerogative, it will not affect the FAA's review.
24 I already talked to Richard Owen about that.

25 MR. GEORGE: Okay.

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1 MR. DiCARLO: They're independent as far as
2 he's concerned because, in fact, they really care
3 about the first ten years. And since we're
4 showing it occurring in ten years, to him it's
5 here nor there.

6 CHAIRMAN GREEN: There's a motion on the
7 floor. Is there a second?

8 MR. CIRIELLO: Second.

9 CHAIRMAN GREEN: Any further discussion?

10 MR. CIRIELLO: Is this an area where, when we
11 talked about if it seems feasible ten years from
12 now, we can add it, revise it?

13 MR. WUELLNER: Sure.

14 MR. DiCARLO: Absolutely.

15 MS. LONGEWAY: Certainly. You would.

16 MR. DiCARLO: You just may not have the space
17 at that point at all.

18 MS. LONGEWAY: Right.

19 MR. CIRIELLO: While you're looking into
20 this, why can't I still get an answer to finding
21 an area down around 206, between there and
22 Flagler --

23 MS. LONGEWAY: Well, what we would --

24 MR. CIRIELLO: -- for a second airport?

25 Because if you don't start -- if we don't start

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1 buying the land now, ten years from now, it might
2 all have homes on it, the way they're building
3 homes around here, and there won't be any land.

4 Right now, you drive down U.S. 1 or A1A below
5 206, there's tons of open -- open land, you know,
6 with trees and things on it, but there's also a
7 lot of development going on.

8 So, if -- if somebody's thinking in the
9 future that we might need a second airport, now is
10 the time to start acquiring the property.

11 MR. DiCARLO: You'd have to first identify
12 where best to fly, because there's airspace
13 issues. You need to identify where best to fly.

14 That's a whole --

15 CHAIRMAN GREEN: That's a separate issue.

16 MR. GEORGE: That can be covered with a -- in
17 a separate --

18 MR. WUELLNER: It's required to be covered in
19 a separate --

20 MS. LONGEWAY: Right. Right. And, actually,
21 what we would recommend if we came to that point,
22 was that -- that a separate study needed to be
23 done.

24 MR. CIRIELLO: Yeah. But when you're talking

25 about thinking of the future and things, sometimes

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1 you have to act now or what you want in the future
2 will be gone, you know.

3 Like I said, the way homes are being built
4 anymore, it's all up in the northeast right now.

5 But eventually, when that gets all clogged up and
6 people see all of that space down there, you drive
7 down to Daytona like I do on a lot of occasions,
8 down U.S. 1 or even on 95, you see all of that
9 open space and you wonder a lot of room here for
10 an airport. And --

11 CHAIRMAN GREEN: Well, I think for now, we
12 have a motion on the floor --

13 MR. CIRIELLO: Yeah, we do.

14 CHAIRMAN GREEN: -- about disapproving, and
15 then what I'm hearing is that would be what you're
16 suggesting, though, would be a whole separate
17 study; we'd have to look at acquiring property.

18 So, the motion has been first and seconded.
19 Any further discussion?

20 (No further discussion.)

21 CHAIRMAN GREEN: All in favor of the motion?

22 MR. CIRIELLO: Aye.

23 CHAIRMAN GREEN: Aye.

24 MR. GEORGE: Aye.

25 CHAIRMAN GREEN: All opposed?

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1 (No opposition.)

2 CHAIRMAN GREEN: Motion carries.

3 MR. GEORGE: Thanks.

4 MS. LONGEWAY: All right. Thank y'all.

5 MR. DiCARLO: And that -- I know we're
6 getting up on the holidays, but the sections we
7 talked about, we will get those out prior to the
8 first of the year.

9 MR. GEORGE: Okay. Sounds good.

10 CHAIRMAN GREEN: Thank you.

11 MR. GEORGE: Merry Christmas.

12 MR. DiCARLO: We'll copy the TAC numbers.

13 CHAIRMAN GREEN: Thanks. In the interest of
14 time, we'll go on to the next agenda item.

15 MR. GEORGE: Master Plan update?

16 CHAIRMAN GREEN: That's the legal services
17 ranking?

18 7.C. - LEGAL SERVICES RANKING

19 MR. WUELLNER: A part of the reason we
20 delayed a decision last month was because we
21 didn't have full board attendance, which we don't
22 again; however, the alternative reason was that
23 individual members had expressed an interest in
24 getting with me, and I can tell you no one did.

25 So -- not that some of us are surprised. But

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1 it didn't occur. So, at this point, it's back to
2 you folks for -- for where we left off, which is
3 determining the ranking of the firms in
4 consideration for legal services contract with the
5 Airport Authority.

6 So, you -- you folks need to consider and at
7 some point issue a rank order of those five firms.
8 And that would assume -- provide direction to the
9 Airport Authority as to which firm would -- we
10 would begin contract negotiations with for a
11 return trip to the Authority with some version of
12 that contract, presumably to be in January or at
13 January's meeting.

14 So, that's the summary as I understand it at
15 this point.

16 CHAIRMAN GREEN: Okay. And I just -- I need
17 to say for the record, and I've checked with
18 Tallahassee, it's not a conflict, but I was
19 formerly an attorney with Commander, Legler, which
20 is the Foley Lardner branch, and that's not a
21 conflict, because -- but I just wanted to put that
22 out so everyone knew that.

23 MR. GEORGE: Public Comment?

24 CHAIRMAN GREEN: Yeah. Is there any public

25 comment with regards to the legal services

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1 ranking?

2 (No public comment.)

3 CHAIRMAN GREEN: Seeing no public comment,
4 board discussion?

5 MR. WUELLNER: Think you know that. I mean,
6 I don't know. He was just pointing out that
7 the -- the minutes from the meeting and all that
8 were a part of what y'all approved at the
9 beginning, so presumably you've had -- those that
10 weren't in attendance or were not in attendance
11 for the entire meeting, have had the ability to
12 review those minutes and hear what was said by
13 each individual firm.

14 MR. GEORGE: I'll go ahead and talk.

15 CHAIRMAN GREEN: Board? Wayne?

16 MR. GEORGE: Okay. I have Rogers, Towers
17 ranked as my number-one choice. And I had some
18 concerns when I first came on the board when we
19 had the terminal fiasco that was going on from the
20 construction. And I didn't hear anybody really
21 bellying up to the bar and saying it's my fault,
22 you know, or taking, you know, full responsibility
23 for those things. I -- I was not too pleased with
24 the -- with the weekly reports that we got on the

25 status of it.

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1 But since we've added a new member to the
2 staff here, I've been exceptionally pleased with
3 everything that's going on. I -- I look at the
4 association of Rogers, Towers with the other
5 agencies in the county, and I look at them being
6 local, and I come to a conclusion that's my
7 number-one choice.

8 My number two choice is Lewis, Longman &
9 Walker. I thought that their proximity to the
10 airport was good, and that Wayne Flowers did an
11 excellent presentation. They've got people in
12 other offices that are airport savvy, you know,
13 quite a bit. And I -- I was impressed with that.

14 My third choice, I would love to make my
15 number-one choice, and that would be Williams,
16 Wilson & Sexton. I was very much impressed with
17 their presentation, their credentials, as far as
18 what they've done with FAA. And I would strongly
19 urge that we utilize them in some of our dealings
20 that we might have with Tallahassee, you know, in
21 the -- in the future. Those are my top 3.

22 CHAIRMAN GREEN: Joe?

23 MR. CIRIELLO: Well, I -- I've got my ratings
24 that I've had ready for last month, and I guess it

25 was recorded. I haven't changed my mind on

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1 anything. And with no particular comments on why,
2 my ratings, I have Lewis first, Foley second,
3 Rogers third, Vernis fourth, and Wilson five.

4 And I haven't -- I don't know that we're
5 going to decide on one tonight, two or three. So,
6 Mr. George gave three and I have five. So, I
7 don't know what our purpose is right now, but
8 anyhow, that was my rankings.

9 MR. GEORGE: Well, at the last meeting, you
10 remember we decided to wait until we had --

11 MR. CIRIELLO: Yeah.

12 MR. GEORGE: -- all of the board members
13 here, but I don't think it's -- it's right for
14 these people that have come and made presentations
15 and presented, you know, their proposals to us, to
16 keep dragging them out when --

17 MR. CIRIELLO: Yeah, that --

18 MR. GEORGE: -- that was an indication --

19 MR. CIRIELLO: -- was my concern, too.

20 MR. GEORGE: -- at the last one that if
21 anybody had any discussion, to get with Ed, and as
22 Ed said, nobody did. So, I -- I think we need to
23 come to a decision today and go.

24 CHAIRMAN GREEN: And I read through the --

25 the minutes, and I only ranked three as well. And

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1 that was Rogers, Towers; Lewis; and then Williams.

2 I liked Williams, also. Location was kind of a

3 concern.

4 MR. GEORGE: Right.

5 CHAIRMAN GREEN: But their background was --

6 was quite good. And I ranked Rogers one, mostly

7 because I've watched what George McClure has done

8 and what Mr. Burnett's done now, and were

9 intricately involved in litigation.

10 I think with the insistence of this board,

11 they've come around a lot. They've gotten online

12 reports to us now, so...

13 MR. CIRIELLO: Who did you have as number

14 two?

15 CHAIRMAN GREEN: So, Rogers -- I had Lewis.

16 MR. CIRIELLO: Lewis.

17 CHAIRMAN GREEN: Uh-huh. And I just did

18 three, also. So, I don't know what you want us to

19 do.

20 MR. WUELLNER: Well, I think you need to

21 rectify -- well, essentially, two of you have the

22 exact same ranking.

23 CHAIRMAN GREEN: Yeah.

24 MR. WUELLNER: And as such, that appears to

25 probably reflect the order of negotiations, I

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1 would think, or the rank order of Rogers, Towers
2 first, Lewis, Longman is second, and Williams,
3 Sexton as third, leaving a default number four of
4 Foley, Lardner, and a default number five, which
5 garnered no votes, in a sense, Vernis -- Vernis,
6 Bowling.

7 If everyone's agreed with that, or if that's
8 the general direction, then we'll proceed toward
9 negotiations with Rogers, Towers and again bring
10 that draft contract or proposed contract back to
11 the Authority presumably at the June -- not the
12 June, yeah -- at the January meeting for
13 consideration by the Airport Authority at that
14 point, if that's -- if I'm -- everybody's in
15 general agreement with that's the order at this
16 point.

17 CHAIRMAN GREEN: That's fine. Board? Okay.
18 Bring it back to us.

19 MR. WUELLNER: Okay, then.

20 MR. GEORGE: Do we need to vote on that?
21 Probably need to get Joe's, you know, okay on
22 that.

23 MR. CIRIELLO: On what?

24 MR. GEORGE: What Ed was just saying.

25 MR. CIRIELLO: Well, I had a question. I

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1 don't know -- we didn't have a motion on there to
2 make any discussions or a question there, but I
3 just had a question. We could go into the minutes
4 and look and see what Mr. Gorman had as his list
5 and include that, right? He has to be here.

6 MR. WUELLNER: He needs to be here for a
7 vote.

8 MR. CIRIELLO: Well, not for the vote, just
9 to see what -- oh, well. Okay.

10 MR. WUELLNER: I don't think he provided
11 comments relative --

12 MR. CIRIELLO: Well, I don't remember.

13 MR. WUELLNER: -- because you -- you elected
14 to defer those till --

15 MR. GEORGE: That's right.

16 MR. CIRIELLO: Okay.

17 MR. GEORGE: Remember, Joe, you and I were
18 the only ones that had the ranking. No, Mr. Cox
19 had ranking, and that's when we invited everybody
20 out.

21 MR. CIRIELLO: Okay. All right.

22 MR. GEORGE: So, let me see if I can
23 summarize it in the form of a motion then, okay?

24 I make a motion that we direct Staff to start

25 in the following pecking order, if you will, of

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1 coming up with a contract: One, Rogers, Towers;
2 two, Lewis, Longman; three, Williams, Sexton;
3 four, Foley, Lardner; five, Vernis & Bowling.

4 CHAIRMAN GREEN: Okay. Is there a second?

5 MR. CIRIELLO: Second.

6 CHAIRMAN GREEN: Any discussion?

7 (No discussion.)

8 CHAIRMAN GREEN: All in favor?

9 MR. CIRIELLO: Aye.

10 CHAIRMAN GREEN: Aye.

11 MR. GEORGE: Aye.

12 CHAIRMAN GREEN: All opposed?

13 (No opposition.)

14 CHAIRMAN GREEN: Motion carries.

15 Okay. Next agenda item is the Memorandum of
16 Understanding.

17 7.D. - MEMORANDUM OF UNDERSTANDING

18 MR. WUELLNER: I think the Board was going to
19 provide direction after some time to consider,
20 according to last month's, some direction to Staff
21 relative -- I think the issue, as I recall, or the
22 issue that Mr. George had kind of deferred and
23 brought to the attention of the Authority was
24 relative to the rental rate being considered for

25 the Phase II portion of the terminal project and

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1 whether -- whether to elect to provide Staff
2 direction, open that discussion with Aero Sport
3 relative to the rental of the Phase II, given that
4 the facility scope is different to some extent,
5 and certainly the -- from our perspective, the --
6 the original budget was exceeded in -- in
7 providing a facility on there, and albeit, it's a
8 slightly different character than what was
9 originally proposed.

10 So, you know, from Staff, we're looking for
11 some direction as to what -- what becomes
12 acceptable, and then -- and some direction for us
13 to move toward discussing that with Aero Sport if
14 that's the Board's desire.

15 CHAIRMAN GREEN: Any public comment? Mike?

16 MR. SLINGLUFF: The -- I just want to clarify
17 that the Phase II changes that we tried to
18 facilitate were done after it was evident that the
19 original Phase II construction had to be removed
20 and the buildings reconstructed, thus there would
21 be considerable added cost there. It would also
22 incur in today's dollars, not dollars that were
23 contracted several years ago.

24 At the outset, meeting with Ed, we discussed

25 the fact that basic square footage would remain

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1 the same. Square footage under roof would remain
2 the same. It would have less interior walls, thus
3 there's more usable space. But the square footage
4 still falls within the parameters of the
5 Memorandum of Understanding, which is 16,000
6 square feet, thereabouts. I think both the
7 older -- the individual hangars, was 15,700 square
8 feet, and I think we're at about 15,800 square
9 feet, plus or minus 25 square feet or so under
10 roof. The one was, you know, four-sided buildings
11 with extensive hangar doors, and the new building
12 is a simple three -- three-sided structure.

13 I think the budget has changed for that, but
14 has to be weighed in today's dollars versus the
15 contracted dollars originally planned for. And I
16 would hope that the -- the makeup there should be
17 part of any recovery sought in -- in the
18 litigation. Thank you.

19 CHAIRMAN GREEN: Any further public comment?

20 (No further public comment.)

21 CHAIRMAN GREEN: Close public comment. Board
22 discussion?

23 MR. GEORGE: I'm the one that brought it up
24 just so that we -- we have -- we the Board have

25 gotten attuned to investment and return on

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1 investment, and there was a document of
2 understanding that was written with Aero Sport
3 when they went into the Phase I and Phase II. And
4 my main purpose for bringing it up was to make
5 sure that the Board was aware of rental rates and
6 what we were trying to accomplish there.

7 Our board, you know, signed off on a document
8 of understanding. I think we need to continue
9 with the letter of -- you know, of the spirit, you
10 know, of the document of understanding, the only
11 difference being that in February of this year,
12 the Board elected to take a second configuration
13 for the Phase II portion of it. And that second
14 configuration or the increase in prices because of
15 the delay came out not \$600,000, but \$850-.

16 And I just wanted to make sure that the -- I
17 wanted to find out how the Board felt about the
18 \$850- being recaptured, you know, in the form of a
19 lease, because that's -- the design was changed to
20 better -- a better design, one that was more
21 acceptable to Aero Sport, okay?

22 It did cost us, you know, more money. One of
23 the options that we had when we went with this
24 revised Phase II was to stop Phase II all together

25 and don't do anything. So, we could have elected

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1 not to do that.

2 The -- the Board, however, said, you know,
3 we've -- we've inconvenienced the people on the
4 airfield long enough; let's take the money out of
5 our reserve fund to get this thing going.

6 I feel that a reasonable return at the
7 construction cost of the Phase II hangar should be
8 included in the event that the letter of
9 understanding and the spirit of that letter of
10 understanding would complement that decision.

11 CHAIRMAN GREEN: Not to conflict it.

12 MR. GEORGE: Right.

13 CHAIRMAN GREEN: I -- I agree, but I would
14 like to make sure whatever's incorporated, that
15 it's -- includes the percentage dollar amount,
16 whatever we're looking for, that was the design
17 change or the design increase, not just the cost
18 of -- it costs us \$5 to put up a wall and now it's
19 costing us \$6 because of the construction problem.

20 MR. GEORGE: Okay.

21 CHAIRMAN GREEN: So, if we went and upgraded
22 the floors, let's say, at Aero Sport's request or
23 whatever the zone requests -- and I don't know if
24 we can section that out. If a hundred thousand

25 was for improvements and \$200,000 was for just

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1 construction increase and costs in general --

2 MR. GEORGE: Yeah.

3 CHAIRMAN GREEN: -- then we might want to
4 leave that out. But if there's improvement cost
5 for design changes, yeah, I would like to see that
6 recaptured.

7 MR. GEORGE: One of the other options was to
8 build -- finish Phase II the way it was originally
9 designed. And the reason that was scrapped was we
10 felt like some of the material had to be taken off
11 to get started again, but we still could have used
12 some of those structures that were, you know,
13 there.

14 I think that the new design is one that Aero
15 Sport had the contribution, you know, of what they
16 would like to see in lieu of the other Phase II
17 that's there. I think that that carries some
18 costs with it.

19 CHAIRMAN GREEN: Right.

20 MR. GEORGE: Now, if we're going to eat some
21 cost, then some of eating of some of that cost
22 maybe should be part of our Earth Tech lawsuit and
23 attempt to recovery that, you know, cost that's
24 there.

25 CHAIRMAN GREEN: Well, I think part of it is.

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1 That's why I was saying if there was a cost, we're
2 going on the cost to complete the actual dollars
3 out of pocket for damages now. So, I think it
4 would be incorporated in there, anyway.

5 MR. GEORGE: Plus, the material that we've
6 got sitting on the ramp over here, that after we
7 get through with this \$850,000, three-sided
8 hangar, we're still going to have that material,
9 and a credit should be given toward that, you
10 know, for what our cost is.

11 MR. WUELLNER: Right. And we -- we
12 identified that cost.

13 CHAIRMAN GREEN: Uh-huh. That's in there.
14 Okay. You want to make that in a motion, then,
15 that we --

16 MR. GEORGE: I so-move.

17 MR. WUELLNER: You know, I'd love to hear it
18 again.

19 MR. GEORGE: Well, let's see. Joe might have
20 some comments.

21 MR. CIRIELLO: No, I have no comments.

22 MR. GEORGE: I make a motion that we give
23 Staff the direction to continue with the spirit of
24 the document of understanding, but to ensure that

25 our reasonable cost increases for the new Phase II

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1 are included in the rental rate and the return on
2 investment.

3 CHAIRMAN GREEN: A second?

4 MR. CIRIELLO: Second.

5 CHAIRMAN GREEN: Discussion?

6 (No discussion.)

7 CHAIRMAN GREEN: All in favor?

8 MR. CIRIELLO: Aye.

9 CHAIRMAN GREEN: Aye.

10 MR. GEORGE: Aye.

11 CHAIRMAN GREEN: All opposed?

12 (No opposition.)

13 CHAIRMAN GREEN: Motion's carried.

14 7.E. - MARKETING AND PUBLIC RELATIONS

15 CHAIRMAN GREEN: The last item on the agenda

16 is -- and I'm not sure how much, Ed, you need us

17 to go into that, is the marketing and public

18 relations since we --

19 MR. WUELLNER: Actually, it was Mr.

20 Gorman's --

21 CHAIRMAN GREEN: Okay.

22 MR. WUELLNER: -- item. I think --

23 MR. GEORGE: Can we carry it over to next?

24 MR. WUELLNER: I think his biggest issue,

25 anyway, that I understood was the second floor

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1 which, you know, I briefed you on and -- and I'll
2 bring him up to speed on.

3 MR. CIRIELLO: Can we table that until next
4 month since Mr. Gorman's not here?

5 MR. WUELLNER: It's actually -- I didn't see
6 the necessity of it as an agenda item. He was
7 insistent. It'll -- it'll be a recurring item on
8 the project updates --

9 MR. CIRIELLO: Okay.

10 MR. WUELLNER: -- and certainly can be, you
11 know, issued --

12 MR. GEORGE: The only thing -- the only thing
13 that I thought that you were going to include
14 under the public relations was a discussion of the
15 MPO and any participation.

16 CHAIRMAN GREEN: I got that. I was going to
17 add that under my comments.

18 MR. GEORGE: Oh. Okay. All right.

19 CHAIRMAN GREEN: So, we can do it under that.

20 MR. GEORGE: I just thought it was going to
21 be public relations, because that is, you know,
22 part of that.

23 8.A. - CHAIRMAN SUZANNE GREEN

24 CHAIRMAN GREEN: All right. Then I'll bring

25 this up. Bruce Maguire handed me a note. He

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1 forget to mention that Governor Bush did approve
2 the MPO last Wednesday, and we need an Airport
3 Authority member appointed to the MPO board by the
4 new year, which means today.

5 MR. WUELLNER: No. You've got some time.

6 CHAIRMAN GREEN: Well, they meet the second
7 Tuesday of each month from 9:00 to 11:00, and the
8 training sessions will begin in January.

9 MR. WUELLNER: Not according to the MPO.

10 CHAIRMAN GREEN: No, I'm going Bruce Maguire
11 law (indicating).

12 MR. GEORGE: At the last -- at the last
13 meeting --

14 MR. WUELLNER: I was trying to find it
15 because I got -- we got today the -- an e-mail
16 from the executive director of the MPO. And the
17 MPO director was requesting your address to
18 generate a letter to the Authority. And they're
19 basically looking at a training venture at the end
20 of February.

21 CHAIRMAN GREEN: Oh, okay.

22 MR. WUELLNER: That their organizational
23 meeting with new members will not occur until near
24 the end of February.

25 They're looking for their first of that

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1 technical coordinating committee, which Staff will
2 be attending as the -- I want to say it's the very
3 first week of February. There's nothing going on
4 in January related to it. You have until your
5 January meeting to identify someone to do that.

6 If you want to do that tonight, that's fine, too.

7 CHAIRMAN GREEN: No, we can wait to generate
8 more board members.

9 MR. WUELLNER: You've got a little bit of
10 time there. It's not a rush, have-to-do-it-today
11 decision. So, I think they're look -- going to be
12 making the formal request to the chairman to get
13 someone appointed. But that --

14 CHAIRMAN GREEN: Wait until January then when
15 we have everybody here?

16 MR. GEORGE: Sounds good. Okay.

17 MR. WUELLNER: We'll -- we'll make sure it's
18 on the agenda for that. If we receive any other
19 backup material that we can use from the MPO,
20 we'll -- we'll include that in the agenda item.

21 CHAIRMAN GREEN: Okay. Well, that was my
22 comment, so that was over.

23 Joe, do you have any Authority board member
24 comments?

1 MR. CIRIELLO: On this thing? No.

2 CHAIRMAN GREEN: No.

3 MR. WUELLNER: In general.

4 MR. CIRIELLO: Oh, down here? Oh, yeah,

5 yeah. One quick question. How many total

6 employees do we have with the Authority?

7 MR. WUELLNER: We have 12 total employees.

8 MR. CIRIELLO: Twelve total. Okay. I don't

9 know if anybody that's on staff, all 12 of the

10 employees, ever gets any comments from the general

11 public about how good of a job they're doing or

12 whatever. And as a board member, I consider the

13 Board as management, because we're elected, and

14 everybody else on staff, including you, is

15 employees. Even though you have management

16 responsibilities in your job, you're not elected;

17 you're hired.

18 And I know it's a small -- a small amount,

19 but I'd like to make a motion that in appreciation

20 for all of our 12 employees and the work they've

21 done through the year, to reflect this

22 appreciation from the Board, to give them a bonus

23 of a hundred dollars.

24 And this is, you know, a special time of

25 year. It would be a bonus of a hundred dollars.

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1 And -- and I know it's not budgeted, but every
2 year, we get a kickback, I guess you might say, a
3 kickback from Mr. Hollingsworth on tax refund.
4 And so, this would be a total amount of \$1,200,
5 which would be a drop in the bucket and wouldn't
6 hurt anything.

7 So, I'd like to put that in the form of a
8 motion for the Authority board to show
9 appreciation to its employees for the year that
10 they've done, even though it's not a great amount,
11 of a hundred dollars. Can we do that?

12 MR. GEORGE: We have to ask the lawyer, the
13 president.

14 MR. BURNETT: One -- one thing that I'm
15 familiar with on -- on the law in this regard and
16 the Attorney General opinions related to it, you
17 cannot -- for example, say that a certain employee
18 was paid \$30,000 for this past year, and they were
19 underpaid, so we're going to go give them an extra
20 \$5,000 retroactive for this past year.

21 You can't pay someone additional money for
22 what they've already done. And it really wouldn't
23 matter the dollar amount, if you agree with the
24 philosophy, and that's the -- this sort of --

25 that's the Attorney General's opinion related to

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1 the subject.

2 Now, you can say that, going forward, we
3 recognize this person should be compensated more
4 and compensate them more.

5 Your issue of a bonus is -- is an interesting
6 one. And one thing that you know is that you have
7 the ability and the power to have some flexibility
8 with how employees are compensated. But, what
9 you, I guess, generally do not have the power to
10 do is to give gifts or give things away to
11 employees.

12 Now, what you could do is tweak the employee
13 compensation plan, and from this point forward, I
14 believe -- and I'll have to check to make sure,
15 and if you give me till tomorrow, I'll check and
16 make sure, but you can certainly carry out your
17 motion pending, you know, our legal opinion that
18 it's authorized by law.

19 But I believe you could have a -- amend your
20 compensation plan that every year, the employees
21 are given a hundred-dollar bonus. But it would
22 have to be compensation plan, as part of their
23 compensation and part of -- as part of how you
24 attract and retain employees, not on a per-year

25 basis that it's changed or modified every year.

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1 It would be part of your compensation plan and
2 part of the reason, the way you attract and retain
3 employees.

4 MR. CIRIELLO: So --

5 MR. BURNETT: It's certainly not a gift.

6 MR. CIRIELLO: -- the way I worded my motion
7 has to have the wording changed?

8 MR. BURNETT: Yes, sir. It would be that
9 you --

10 MR. CIRIELLO: You're an attorney. You know
11 what he's talking about?

12 CHAIRMAN GREEN: And I think these guys have
13 done a great job, but I have to vote no, because
14 we're going to be spending more hours for attorney
15 time researching now whether we can do it or not.

16 MR. CIRIELLO: Well, if we do it the way he's
17 recommending --

18 CHAIRMAN GREEN: But then we have to make
19 it a --

20 MR. CIRIELLO: -- we can do it, right?

21 CHAIRMAN GREEN: But then it's going to be
22 every year it has to be done.

23 MR. CIRIELLO: Well, every year, we get a
24 refund from Mr. Hollingsworth. A couple of years

25 ago when I first got this idea before I got on the

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1 board, we got something like 12 grand from him or
2 something.

3 I was thinking well, why can't we give a
4 little bit that to the -- our staff, you know, I
5 mean, because it's not in the budget. We don't --
6 it's not in our budget that we're going to get X
7 number of dollars, is it, Ed, back every year?

8 MR. WUELLNER: No.

9 MR. CIRIELLO: But it happens. It happened
10 every year since you've been here, hasn't it?

11 MR. WUELLNER: Yeah.

12 MR. CIRIELLO: So, if this motion goes
13 forward, like you say, it will be an every-year
14 adjustment, is there anywhere down the road that
15 if we see we don't get this refund from the
16 Hollingsworth or something, and we find it's going
17 to be a burden, that we can take it out? Once
18 it's in there, it can be removed?

19 MR. BURNETT: You could change your
20 compensation plan, but again, you're getting into,
21 I guess, beyond the -- the issue of a legal issue
22 is once you start a bonus plan, traditionally in
23 workforces -- you know, this is going beyond legal
24 advice; this gets into another area of advice, and

25 your staff can certainly advise you, but typically

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1 with businesses, once they start one of those
2 plans, they don't take them away, because folks
3 have expectations. So --

4 MR. CIRIELLO: Well, it's still a hundred
5 bucks isn't that much. So, I don't think it's
6 going to break us and we're not going to have to
7 raise the ad valorem taxes for it.

8 CHAIRMAN GREEN: Wayne?

9 MR. GEORGE: I agree with Joe, that the
10 employees, their spirit, their can-do attitude
11 throughout the year has been outstanding. I
12 disagree with a bonus without spending the time to
13 find out what other government agencies in St.
14 Johns County is doing.

15 I would -- I would hate to take St. Johns
16 County taxpayer money and give it as a bonus, when
17 no other agency in the county or the city is doing
18 that, and all of a sudden we're sticking out like
19 a sore thumb. So, I could very -- I would love to
20 give Staff direction to do an investigation and
21 find out what is being done with the rest of them.
22 Do you know?

23 MR. WUELLNER: It's much more typical that
24 it's not -- it's set up as some sort of an

25 incentive program or something along that line. I

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1 mean, I've seen that done in other counties and
2 other governmental settings. But it's not related
3 to holiday or a time of the year or whatever.
4 It's -- it's more something that's well thought
5 out, well reasoned, relative to how you do it, and
6 it's typically some tangible performance-based
7 something.

8 MR. GEORGE: Yeah. I think in this case
9 that's a tying of our hands and that -- to not do
10 that, because as Joe said, the employees are --
11 have done a heck of a good job throughout the
12 year.

13 MR. WUELLNER: Absolutely.

14 MR. GEORGE: And it's a -- if you had a
15 private business, you know, Joe, you'd make the
16 decision, do it, and you wouldn't care about what
17 the private business did next door. But I think
18 we need to find -- I would prefer -- I would feel
19 more comfortable in doing it after I found out
20 what other agencies are, you know, are doing.

21 MR. CIRIELLO: You've already answered that
22 one. You said you didn't think anybody else in
23 the county did that --

24 MR. GEORGE: I said I don't know. I have not

25 asked that --

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1 MR. CIRIELLO: -the Mosquito Control or
2 nobody else.

3 MR. GEORGE: -- specific question.

4 CHAIRMAN GREEN: Well, we can ask that -- I
5 mean, Staff can do that.

6 MR. WUELLNER: We can do that investigation;
7 we'll find out. I know it's done, used to be done
8 in -- and some of the school boards have
9 performance-based programs. Your policy provides
10 that you could create that. It's not been done
11 here before. But that -- mostly because no one's
12 dedicated the time to figure out if there's a way
13 to do that.

14 MR. CIRIELLO: We have one lady here
15 representing the Mosquito Control. She has her
16 hand up. Could she answer that question?

17 MS. WILLIS: May I say something?

18 CHAIRMAN GREEN: Well, I was going to open up
19 to public comment as soon as we finish Airport
20 Authority comments.

21 MR. CIRIELLO: Well, I was trying to get a
22 motion passed here.

23 CHAIRMAN GREEN: Well, you can make your
24 motion.

25 MR. CIRIELLO: Yeah, but if it doesn't get

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1 passed, then why listen to what she has to say?

2 CHAIRMAN GREEN: Well, if there's a motion on
3 the floor, is there a second for the motion?

4 There's no second. Then the motion will fail.

5 Do you have any Authority board comments, and
6 then we'll put it under public comment?

7 8.C. - MR. WAYNE GEORGE

8 MR. GEORGE: No. I'd just like to apologize
9 to the audience for us getting started late. We
10 apologize for that. And I also apologize --

11 CHAIRMAN GREEN: I admit my fault. I did it.

12 MR. GEORGE: No, no, no. And I apologize for
13 my long-winded discussion on the forecast.

14 MR. WUELLNER: It was a good discussion. It
15 was needed.

16 CHAIRMAN GREEN: Okay. Public comment?

17 9. - PUBLIC COMMENT

18 MS. WILLIS: Can I give it from here?

19 CHAIRMAN GREEN: Sure.

20 MS. WILLIS: I can tell you right now, Wayne,
21 in my 17 years serving on the Mosquito Control
22 Board, we have never given a bonus. And I was
23 told, and Mr. Burnett, I certainly have no legal
24 training, that it's illegal for government

25 entities to take taxpayer's money for a Christmas

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1 bonus or any other.

2 MR. GEORGE: I think that's what he said.

3 MS. WILLIS: Secondly, in 53 years, almost,

4 since I graduated from college, I can tell you the

5 school board here does not give bonuses. I can

6 tell you that.

7 MR. WUELLNER: You're right there.

8 CHAIRMAN GREEN: Thank you.

9 MR. WUELLNER: My wife works for them, too,

10 and it's never happened.

11 MS. WILLIS: What?

12 MR. WUELLNER: I said my wife works there,

13 too, and it's never happened. You're correct.

14 MR. GEORGE: It doesn't -- it doesn't mean

15 that much, but maybe a letter from our, you know,

16 chairperson to each one of the employees thanking

17 them for their support, you know, for the last

18 year would be --

19 CHAIRMAN GREEN: Put it on my list.

20 10. - NEXT REGULAR BOARD MEETING

21 CHAIRMAN GREEN: The next agenda items, we

22 have to discuss our meeting for January and

23 February. Because we come into this every year.

24 We have holidays on our Mondays.

25 MR. WUELLNER: My -- my suggestion, the week

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1 before -- let me get my dates right here, but the
2 19th of January, as well as the 6 -- 16th of
3 February, are both national holidays. And we've
4 traditionally not tried to hold that. It's not a
5 day we actually work here, anyway. Not to say we
6 couldn't, but we don't, as contrasted from other
7 days we don't work here.

8 What we have traditionally done is try to
9 move that to the fourth Monday of each month,
10 where necessary. I think in a couple of instances
11 in the last eight years, we've actually eliminated
12 one meeting in the middle of that. And my
13 recommendation this year is to perhaps consider
14 the February 2nd or February 9th as a combined
15 January-February meeting, and then rejoin the
16 normal meeting track on the March 15th date.

17 CHAIRMAN GREEN: So, bypass January?

18 MR. WUELLNER: So, it splits the difference.
19 I'm sorry?

20 CHAIRMAN GREEN: Bypass January?

21 MR. WUELLNER: Effectively. It would be kind
22 of a combined January-February meeting, and hold
23 February's a week or two early and January's a
24 week or two late. Pick up the normal schedule in

25 March, but because March's meeting is the first

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1 possible -- or earliest possible date in March,
2 being the third week, but it's also the earliest
3 date it can happen, kind of puts it to a point
4 where you -- if you choose the fourth-week option
5 in both months, you're two weeks away from the
6 next meeting effectively and when you come down to
7 the February-March meeting.

8 So, my suggestion is to select either the 2nd
9 or the 9th as your next Authority meeting. You
10 could do it the 26th and then -- and move it out
11 if you'd like, January 26th and move it out, but I
12 think at this point, you know, the holidays for
13 the next couple of weeks tend to be relatively
14 slow in the development of things that really need
15 an urgent action from the Authority. You're going
16 to have a lot of leases already and --

17 MR. GEORGE: How is that going to impact the
18 MPO designee?

19 MR. WUELLNER: I don't think it does.

20 MR. GEORGE: Huh?

21 MR. WUELLNER: I don't think it would.

22 CHAIRMAN GREEN: Except for the training.
23 But you're saying the training's in February, not
24 January, like Bruce said.

25 MR. WUELLNER: That -- there's no meeting of

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1 that member until the meeting in February. So,
2 you'd have someone selected.

3 MR. GEORGE: Okay. Well, since I volunteered
4 for it, you know, I'll just keep open the end of
5 February in case that's what we're going to do.

6 CHAIRMAN GREEN: Yeah. I suggest we do the
7 2nd so we get it sooner than later.

8 MR. GEORGE: Sounds good.

9 MR. WUELLNER: Fine by me.

10 CHAIRMAN GREEN: Joe, is that all right?
11 February 2?

12 MR. CIRIELLO: At 4:00?

13 CHAIRMAN GREEN: Four o'clock? Okay.
14 That concludes our calendar.

15 MR. CIRIELLO: No meeting in January, then.

16 CHAIRMAN GREEN: No, sir.

17 MR. WUELLNER: Correct.

18 MR. GEORGE: Did you have any closing
19 comments? I cut you off.

20 CHAIRMAN GREEN: No. I was the first. Okay.
21 With that, we'll adjourn the meeting. Thank you
22 very much.

23 MR. WUELLNER: Thank you.

24 (Thereupon, the meeting concluded.)

1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA)

4 COUNTY OF ST. JOHNS)

5

6 I, JANET M. BEASON, RPR-CP, RMR, CRR, certify

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the

9 transcript is a true record of my stenographic

10 notes.

11

12 Dated this 9th day of January, 2004.

13

14

JANET M. BEASON, RPR-CP, RMR, CRR
Notary Public - State of Florida
My Commission No.: DD102224
Expires: April 30, 2006

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