

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JUNE 1, 2010**

PRESENT: G. Geoffrey Longstaff, Chairman
Tim Donihi, Vice-Chairman
William T. Litton, Secretary/Treasurer
David L. Cattell
Whitey Eckstein
William R. Miller
Stephen P. Smith
Brindley B. Pieters
John A. Williams
Commissioner Dick Van Der Weide, County Liaison
Brett R. Renton, Airport Counsel

ABSENT: None

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Bryant W. Garrett, Vice President of Finance
George Speake, Vice President of Operations & Maintenance
Diana M. Muñiz-Olson, Executive Secretary

OTHERS PRESENT: Bill Brooks, Wilbur Smith Associates
Krysty Carr, S.E. Ramp Development
Greg Dull, TBI
Tracy Forrest, Winter Park Construction
Marty Herbenar, Eden Site Development
Geoff Lane, Starport
Brady Lessard, CPH Engineers, Inc.
David Logan, TBI
Al Nygren, O.R. Colan Associates
Jack Reynolds, JRA, Inc.
Keith Robinson, TBI
Larry Sherman, U.S. Customs and Border Protection
Sandeep Singh, AVCON
Kevin Spolski, Spolski Construction
James Thompson
Bob Tunis, City of Sanford Economic Dev. Director

1. INTRODUCTION OF GUESTS AND CALL TO ORDER

The meeting was called to order at 8:35 a.m.

Chairman Longstaff congratulated Krysty Carr for her upcoming birthday.

On behalf of the Board, Chairman Longstaff recognized Larry Sherman, with U.S. Customs & Border Protection (CBP). This is Mr. Sherman's last Board meeting; he will retire and leave the country to do missionary work in Namibia. President Dale wished Mr. Sherman luck and thanked him for all his years of service and all he has done. Mr. Sherman thanked the Board and stated that for 14 years CBP has been successful in protecting the Airport in part because of its cooperation with the Authority and OSI.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON MAY 4, 2010

Motion by Board Member Donihi, seconded by Board Member Smith, to approve the minutes from the regular meeting held on Tuesday, May 4, 2010. Motion passed.

4. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Aerial – President Dale distributed the aerials.
- B. Extension of Runway 9L-27R – The grant for \$1.2 million for design has been received. The project will extend the Runway from 9,600 feet to 11,000 feet. President Dale has met with AVCON and CPH Engineers, Inc/Wilbur Smith Associates. He would like to give the project to both of them as a team. They will be meeting sometime today after the meeting to discuss.
- C. Large Commercial Aviation Hangar – With the exception of an incident on Friday, May 28th, the hangar construction is progressing well. Concrete had been poured throughout the night, and a little before 7:00 a.m., a boom truck grabbed a pole light while exiting. State Road 46 was completely closed, and President Dale directed traffic for 1 1/2 hrs. The Department of Transportation, Seminole County units, SAA Operations and Maintenance departments assisted in the efforts. Starport was without power most of the day. The contractor and subcontractors have good insurance.

All the slabs have been poured for the foundation; the slabs for the office complex will be poured the week of the meeting. The building permit was issued on April 27th, and the Notice To Proceed was issued on May 5th.

- D. Airfield Surface Painted Sign Markings – Markings will be at every intersection of the runways and taxiways to prevent runway incursions. The job was completed the

previous week. The final walkthrough is scheduled to take place in a couple of weeks. The Airport is one of the first to do it in its category; larger airports had to get it done by the previous year.

- E. Airport Inspection – President Dale commended George Speake and his entire staff for passing the Airport’s Part 139 inspection without demerits.
- F. Airport Law Enforcement Training Range – Board Member Smith will pull the permit for the project and will oversee the subcontractor. His architect is almost done with the plans.
- G. TSA Advanced Imaging Technology – President Dale met with TSA in a security meeting. Airports are beginning to get full body scanners, and the Airport is on the list to get one for the international terminal. The screener will be in an isolated room, and cannot see the person going into the machine. The passenger can decline; however, if they decline, TSA’s policy is that the person would have to be patted down. Board Member Donihi questioned what is the machine supposed to detect. President Dale clarified it can detect objects in underwear, body cavities, and under the arms. Board Member Smith questioned if the machine will see inside the body. President Dale clarified that it will not; however, the machine will pick up something inside a body cavity. Larry Sherman stated the machine will show any metal or plastic the person might have implanted. George Speake stated initially the Airport’s machine will have a metal detector. President Dale stated he would brief the Board when the Airport gets the machine; he does not expect to get it until the fall.
- H. Attorneys’ Fees – Distribution and discussion of May’s attorneys’ fees.
- I. Passenger Facility Charge (PFC) – Several things that will be capital funded are getting expensive to maintain. The first PFC application was authorized to begin on April 1, 2001 and was closed out on January 30, 2004. PFC application number two was authorized to begin on December 1, 2003. The sole project on this PFC application was reimbursement to the Authority for its costs involved in the domestic terminal expansion. The current rate is \$2.00; other airports (Orlando International Airport among them) are at \$4.50. OSI has requested to increase the PFCs from \$2.00 to \$4.00 per enplaned passenger, allowing SAA to collect remainder of PFC #2 within 12months of approval. If the Board approves the motions, Bryant Garrett and Don Poore will meet with the ADO to get the application started.

The first proposal would be to increase the PFC amount from \$2.00 to \$4.00 per enplanement. The second proposal would be to expedite PFC application number three. PFC number three could be fully invoked to coincide with the completion and closeout of PFC application number two. Under PFC application number three the Authority can be reimbursed for all of its administrative costs incurred over the duration of PFC application number two and its share of all FAA federally funded projects since 2001. In addition, this newest PFC application can provide funding for

improvement projects within terminal buildings, such as replacement of passenger loading bridges and baggage belt systems/carousels.

Board Member Miller stated that the baggage equipment was purchased used, as such, OSI should have determined its useful life at the time and there should have been a reserve account for the replacement. Nobody has discussed if there is an account to replace this equipment. He questioned why funding was not set aside for this situation. President Dale stated he was not sure if it is a function of OSI, as manager, to maintain it. Keith Robinson stated that from an accounting standpoint, there is no set account. Regarding budgeting, he stated they are planning now for the next 3-4 years. Now is the time to look at the jetways. Board Member Miller stated that regardless of what other fees are around the world/U.S.A., he would like to know more about the business plan of how to attract new business and keep current ones. He stated he is not prepared to vote for this at this point.

President Dale clarified the Airport will still have a competitive advantage over OIA. He believes OIA will take it from \$4.50 to \$7.00. Not only would we be lower, even at \$4.50, but also the bigger airports will get so much money from PFCs that they will not be eligible for AIP funding. Some airports are only at \$3.00; we are one of the few that is not at \$4.50. Board Member Miller asked the Board if it was understood how the proposed reauthorization bill impacts the PFC. President Dale clarified the proposed bill takes it from \$4.50 to \$7.00. Chairman Longstaff clarified the PFCs are used by airports to finance their capital improvements projects. The PFC has been used to repay the money used for the improvements of the terminal.

President Dale stated now is the time to do the planning, in order to coincide with the life of the equipment. He clarified the Airport was not eligible for PFC until 1998; the first PFC was not collected until 2001. Board Member Miller asked if the rate remained the same, how much would it generate versus the \$4.00. Chairman Longstaff clarified that based on the passenger numbers given by Mr. Garrett, the current rate would generate approximately 1 million a year versus 2 million a year with the new rate. Board Member Miller questioned if there was a time limit. Mr. Garrett clarified when the application is submitted, a finite list of projects has to be submitted as well. Board Member Miller questioned if Allegiant could use this as an excuse to leave. He also questioned if the vote needed to be taken on the day of the meeting or should the Board consider the item on another day or a lesser figure. If the motion was done on the day of the meeting, Mr. Garrett and Mr. Poor could meet with the ADO and do the pre-application. The application would take about 6-12 months for approval, before levying the charge. Board Member Williams questioned when is OIA expected to increase their rate to \$7.00. President Dale expects it to be done this year. Board Member Smith questioned what would happen if OIA does not increase the rate. President Dale stated they will still be at \$4.50 (\$0.50 more than SFB). Board Member Smith questioned if the rates could be adjusted and be brought down. Mr. Garrett stated it would require some administrative time, but it could be change by the Board. He will confirm with the ADO.

Board Member Donihi stated a competitive advantage of SFB is the smooth running operation and the location. Board Member Miller stated OSI has been providing funding for capital improvements; there is no mention of them participating in this endeavor. President Dale stated he had met with OSI to discuss if they would participate. PFCs are intended for new capital projects. OSI is affected by the economy too. They are in charge of maintenance but replacement is funded through user fees. Board Member Smith questioned if the replacement equipment will be used or new. President Dale clarified they will not make that mistake again and buy new.

Motion by Board Member Donihi, seconded by Board Member Williams to increase existing PFC from \$2.00 to \$4.00 per enplaned passenger. Vote was taken and Board Member Cattell, Board Member Donihi, Board Member Eckstein, Board Member Litton, Board Member Pieters, Board Member Smith, and Board Member Williams approved the motion. Board Member Miller opposed the motion. Motion passed.

Motion by Board Member Donihi, seconded by Board Member Litton, authorizing staff to submit PFC application number three at \$4.00. Board Member Smith would like it to come to the Board for review before it is implemented. The motion is amended to include review by the Board before implementation. None opposed the motion; motion passed.

Board Member Miller suggested the Board revisit the first motion to include review by the Board before implementation. Board Member Donihi stated he would not like to revisit motion #1. He wanted the Board to go ahead and complete that one (motion to increase rate), and then review at the other one (the application), which will occur at a later time. The motion for the increase from the current rate of \$2.00 to \$4.00 should remain the same; Board Member Williams agreed.

- J. Worker's Compensation issue – An SAA Police officer was bitten by a K-9 from Seminole County Sheriff's Office. Staff billed the Sheriff's Office approximately \$7,510.83. The Sheriff's Office asked the Authority and the officer to sign a release. Originally, staff notified the Authority's Worker's Compensation carrier (PGIT) immediately, and upon the request from the Sheriff's Office, said SAA would contact the Sheriff's Office for reimbursement. When the release was received, Diane Crews contacted PGIT again and they said they will handle the claim and pay the Authority for the bill. Counsel stated that by the Authority signing the release, it relinquishes its rights to get any additional money from the Sheriff's Office in regards to this claim. President Dale clarified the Authority never received money, just the release/waiver. It was the consensus of the Board for President Dale to turn over the issue to PGIT.
- K. Millwork International – On December 1, 2009 the Board gave President Dale the authority to sign a month-to-month addendum with Millwork International each month on behalf of the Board, provided the tenant is current in their payment, to be reviewed by the Board in six (6) months. Tenant has paid on time, and staff would like to

continue to work with Millwork International on month-to-month basis. Motion by Board Member Eckstein, seconded by Board Member Donihi, to grant President Dale ongoing extensions in month-to-month increments, for a period of six (6) months before it is reviewed again by the Board. Motion passed.

- L. Budget – President Dale reminded the Board that the work session will take place on June 24, 2010 from 3:00 p.m. – 6:00 p.m.
- M. Visit from Vietnamese Delegation – Bill Brooks briefed the Board about the upcoming visit on June 2nd. The group includes officials from the Vietnamese equivalent of the FAA. They want to turn some of their domestic airports into international. Mr. Brooks' aviation division asked him to coordinate the meeting. The officials were coming to Florida for training. Nine aviation officials are traveling in this group, and will tour the facilities to get an idea of the Airport's operations.
- N. Wildlife Rule – President Dale briefed the Board about a new rule stemming from the wildlife legislation that passed the previous year. President Dale and George Speake have been working with Fish and Wildlife on the new rule. The draft rule has been adopted in Tallahassee already and it will be brought to the Fish and Wildlife Commission for final approval at their June 23, 2010 meeting in Lake Mary. They have asked President Dale to testify before the Commission during that meeting and attend a barbecue. On any state protected species, unless federally protected, the new rule states the Airport can take any species that is State protected without a permit, if it is a hazard to safety and the Airport has a wildlife hazard management plan. Currently, if gopher tortoises are found in the runway safety areas and there is a danger to humans and aircraft, the gopher tortoises cannot be killed and a special permit must be obtained to relocate the tortoises and cover the hole. Under the new rule the tortoises can be relocated and the hole covered without a permit. If gopher tortoises are found in a construction areas, the Authority must still acquire a permit to relocate. For federally protected species, the Authority must get the federal permits. The Authority has the required permits.
- O. Florida Airports Council Annual Conference August 8-12, 2010– The conference will take place in Tampa, at the Marriott Tampa Waterside Hotel. Twelve (12) rooms have been booked. Board members interested in attending need to contact Diane Crews or Diana M. Muñoz-Olson.
- P. Letter from Thomas Callan – President Dale briefed the Board about a solicitation letter Thomas Callan is mailing to various property owners. The letter states the Authority has identified their property and may seek to condemn a portion as part of its expansion project. The letter does not clarify the project. The people who have called in about receiving the letters are currently not in a project area or noise eligible area.

5. COUNSEL'S REPORT

Regarding the ACI and Moss Waterproofing issue, the depositions for President Dale and Frank Liberatore are scheduled for June 14, 2010. Counsel is waiting on the court to set the case management order. The Authority tried to mediate but Moss Waterproofing and the bond company refused. The judge will require a mediation to take place once the case management date is set.

Regarding the letter by Mr. Callan, Board Member Donihi stated he had a client that lives in the area, who received the letter and wanted to relist her property. Chairman Longstaff stated it is an inappropriate behavior used to scare people. Counsel stated David Shontz is looking into it and doing an analysis. He noted when letters such as these are mailed, they have to be stamped as advertisement. The advertisement notice is in small letters at the left bottom of the page. Counsel will brief the Board when he receives more information.

6. TBI REPORT

TBI Director of Finance Keith Robinson reported on the following:

A. Monthly Statistics for May 2010

i. Percentage

International traffic is down 27% compared to May 2009. Domestic traffic is down 57% compared to May 2009. Two to three international carriers are showing improvement; however, one is showing a decrease.

B. Airlines/Tour Operators Update

- i. Cargo – A new cargo manager will join OSI in a couple of weeks. He used to be a Virgin Atlantic cargo manager.
- ii. Allegiant – Chairman Longstaff stated load factors are basically identical on the cities we have compared to previous years. Greg Dull stated the big hit came from the 10 destinations that moved to OIA, the markets that we have are doing really well. President Dale stated load factors are better here by 4-7 points than in OIA. Mr. Dull state it is the second month in a row we are higher.

Board Member Pieters questioned the projection of international traffic. Mr. Robertson stated they were still hearing positive comments for 2011 and 2012. If the dollar still continues to strengthen, it will put more pressure on them. Mr. Dull stated that the feeling is that we have bottomed out in 2010; we can look for growth at about 5% next year. President Dale stated that some airlines under discussion are waiting on the economic impact and the outcome of the election in the UK.

C. Miscellaneous Updates

- i. FAC Conference – The dinner with AVCON and TBI is scheduled for the evening of August 8th. Invitations will be forthcoming.

7. LIAISON REPORTS

City of Sanford

None

Seminole County

Commissioner Van Der Weide reported the fire station would be kept open and the County is doing well.

8. CHAIRMAN'S REPORT

Chairman Longstaff stated he had written a letter to each City Commissioner. In his letter, he explained that four members would end their term in the next 15 months. He stated his concern about continuity, and losing engineering, financial, legal, and construction experience when these members are gone. He also requested the Commission to take the fact that the Board will be losing their experience into consideration, and to try to replace their background (area of expertise) when they consider new members. President Dale stated he has talked to several of the Commissioners, and with the Board's consent, will continue to do so. There was no objection from the Board for President Dale to continue to talk to the Commissioners regarding this matter.

Chairman Longstaff reminded the Board that they should have received their annual financial disclosure forms. The form is due by July 1, 2010; members will be penalized \$25 a day if they do not submit the form by the deadline.

9. CONSENT AGENDA

- A. Consider approval of Addendum D to Lease No. 2006-37 with ALLEGIANT AIR, LLC for Building No. 502-4, located at 2919 Carrier Avenue (Office).

Staff recommends approval of Addendum D to Lease No. 2006-37 with ALLEGIANT AIR, LLC for Building No. 502-4, located at 2919 Carrier Avenue (Office). Addendum D extends the lease term for one (1) additional year, effective June 1, 2010. The building consists of 280 square feet, at \$17.14 per square foot. The annual rental rate is \$4,800.00; the monthly payment is \$400.00 exclusive of taxes.

- B. Consider approval of Lease No. 2010-12 with LIZETTE MIRANDA for Building No. 301, located at 2822 Aileron Circle (Residence).

Staff recommends approval of Lease No. 2010-12 with LIZETTE MIRANDA for Building No. 301, located at 2822 Aileron Circle (Residence). The lease shall have a one (1) year term, commencing on May 15, 2010. The annual rental rate is \$9,901.20; the monthly payment is \$825.00.

- C. Consider approval of Lease No. 2010-09 with SEMINOLE COUNTY BOARD OF COUNTY COMMISSIONERS for Building No. 416 [Fire Station No. 41], located at 3355 E. SR 46, Sanford, Florida, contingent upon the Seminole County Board of County Commissioners' approval on June 8, 2010.

On July 8, 1980, the SAA entered into Lease No. 17-80 with the Seminole County Board of County Commissioners for property on which they built Fire Station No. 41. That lease had a thirty (30) year term, which expires on July 7, 2010, with an additional twenty (20) year option. The rental rate was \$2,100.00 annually to be paid in general firefighting services. A new lease, Lease No. 2010-09, is proposed to exercise the additional twenty (20) year option period.

Staff recommends approval of Lease No. 2010-09 with the SEMINOLE COUNTY BOARD OF COUNTY COMMISSIONERS for Building No. 416, located at 3355 E. SR 46, Sanford, Florida, contingent upon the Seminole County Board of County Commissioners' approval on June 8, 2010. Please note that Lease No. 2010-09 replaces Lease No. 17-80 in its entirety. The lease shall have a one (1) year term, commencing on July 8, 2010. The lease consists of a 4,840 square foot fire station [Station No. 41] at \$6.00 per square foot. The annual rental rate is \$29,040.00, to be paid through the availability of general firefighting services (structure fires, brush fires, rescue services, transport services, mass casualty and triage, ARFF assistance and response, disaster response and other common events) as needed.

- D. Consider approval of Lease No, 2010-14 with FMS AIRSPARES, INC for Building No. 436, located at 1930 E. Airport Boulevard [Hangar/Office].

Staff recommends approval of Lease No. 2010-14 with FMS AIRSPARES, INC. for Building No. 436, located at 1930 E. Airport Boulevard [Hangar/Office]. The lease shall have a month-to-month term, commencing on May 24, 2010. The lease consists of 900 square feet of office space at \$10.66 per square foot. The annual rate is \$9,494.00; the monthly payment is \$855.47, including taxes. The tenant is an aircraft maintenance company and has been leasing the new international ramp to do B-checks on DC-8 aircraft.

NOTE: The hangar and ramp space of Building No. 436 shall not be used for any purpose without prior approval of the SAA, and the lease may be terminated by the SAA with five (5) days written notice.

Motion by Board Member Eckstein, seconded by Board Member Cattell, to approve Consent Agenda Items A through C, and add-on Item D. Motion passed.

President Dale, clarified add-on Item D includes an additional charge of \$50.00 per night if the tenant brings an aircraft.

10. DISCUSSION AGENDA

None

11. COMMENTS FROM THE PUBLIC

None

12. OTHER BUSINESS

Previously, Board Member Donihi had recommended to President Dale a checklist be done for new board members. He distributed the checklist to the Board and asked for it to be discussed at the next board meeting. Chairman Longstaff requested the item be added in the discussion agenda for the next meeting.

President Dale reminded the Board once again to let Diana M. Muñiz-Olson know if they were planning on attending the FAC Conference.

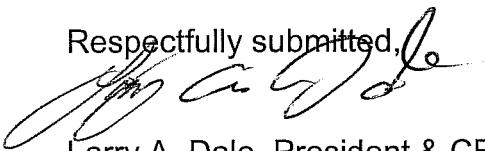
13. REMINDER OF SPECIAL BOARD MEETING (JUNE 24, 2010 – 3:00 P.M.)

14. REMINDER OF NEXT BOARD MEETING (JULY 6, 2010)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:08 a.m.

Respectfully submitted,



Larry A. Dale, President & CEO
/dmm



SANFORD AIRPORT AUTHORITY
1200 Red Cleveland Boulevard
Sanford, Florida 32773
(407) 585-4001 • Fax (407) 585-4045
www.orlandosanfordairport.com

May 14, 2010

Via email: legals@mysanfordherald.com

The Sanford Herald
P. O. Box 1657
Sanford, Florida 32772 1657

Attn: Scott, Legal Classified

Please publish the following Public Notice one (1) time in the **Wednesday edition (May 19, 2010) of the Sanford Herald Classifieds.** Please confirm receipt of this advertisement by email to dmuniz@osaa.net.

PUBLIC NOTICE

SANFORD AIRPORT AUTHORITY

Notice is hereby given that the Sanford Airport Authority will conduct its June meeting on Tuesday, June 1, 2010, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

Certified proof of publication and invoice should be sent to:

Attn: Diana M. Muñiz-Olson
Sanford Airport Authority
1200 Red Cleveland Boulevard
Sanford, FL 32773

Please do not hesitate to call me at (407) 585-4002 if you have any questions.

Sincerely,

Diana M. Muñiz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority will be held on Tuesday, June 1, 2010, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

SANAC

The Sanford Airport Noise Abatement Committee (SANAC) meeting scheduled for Tuesday, June 8, 2010, has been cancelled. Information may be obtained by calling (407) 585-4006.

USER GROUP

The Airport User Group meeting scheduled for Tuesday, June 8 2010, has been cancelled. Information may be obtained by calling (407) 585-4006.

DESIGN REVIEW COMMITTEE (DRC)

The Sanford Airport Design Review Committee (DRC) meeting scheduled for Wednesday, June 2, 2010, has been cancelled. Information may be obtained by calling (407) 585-4002.

The Sanford Airport Design Review Committee (DRC) will conduct a Special DRC meeting on Monday, June 21, 2010, at 3:00 p.m., in the Authority's Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by calling (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO