

**CHARLOTTE COUNTY AIRPORT AUTHORITY**

**MINUTES OF REGULAR MEETING – FEBRUARY 21, 2013**

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**1. Call to Order**

**2. Invocation**

10           Commissioner Andrews gave the invocation.

**3. Pledge of Allegiance**

**4. Roll Call**

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**Present:** Chair Herston; Commissioner Andrews, Coppola, Lee and Seay; Executive Director Quill; Attorney Garrard; Assistant Director Parish; Mrs. Cauley; Mrs. Worth-Dugan; Mr. Pizzi; Mrs. Schindler; Ms. Straw and Mrs. Sutcliffe. **Others present:** John Lee, Jeff Tuscan, Blair Fretwell, Councilwoman Freeland, Jerry O’Haloran, Gary Bayne, Lionel Schuman, Bob Herrington, Gary Harrell, Don Garner, Paul Ramonos, Paul Piro, Commissioner Deutsch, Tyler Ezzi, other people from the private sector and members of the press.

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**5. Additions and/or Deletions to the Agenda**

There were none.

**6. Citizen’s Input**

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**7. Consent Agenda**

**Commissioner Seay made the motion to approve the Consent Agenda. Commissioner Lee seconded. Motion passed unanimously.**

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**8. Secretary/Treasurer’s Report**

Mr. Quill reported that the income statement was a little better than budgeted. He commented that there is improvement in the accounts receivables from a year ago in some areas but there are still several areas of concern.

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**9. Committee Reports**

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**a) Land Use** – Chair Herston reported that there is more activity in other counties and Charlotte County seems to be lacking.

**b) Economic Development** – Commissioner Lee had nothing to report.

- c) **Personnel** – Commissioner Coppola had nothing to report.
- 5 d) **Public Relations/Special Events** – Commissioner Coppola reported that she attended the ECEC meeting along with Commissioner Lee and Mr. Quill, the Sheriff’s award luncheon with Commissioner Lee, Charlotte County Republican Club, Peace River Women’s Federated Republican Forum, Republican Executive Committee, a reception for Dr. Allbritten of Edison State College and participated in the Martin Luther King Day parade.
- 10 e) **Governmental Liaison** – Commissioner Seay reported that she and Mr. Quill were unable to attend the Florida Airports Council in Tallahassee due to a canceled flight because of weather. She commented that the Legislative Delegation supports the changes to the Enabling Legislation and foresees no challenges or problems. She explained that Senate Bill 358 deals with a requirement for all special districts to go to their general government where the special district is located before they can move forward with any projects and would need the approval of another entity before that special district can expend monies. She explained that the bill was to protect tax payers funds but since the Authority is not a recipient of tax payer funds, she talked to Senator Ring, and so did a lot of other people, so airports are going to be exempt.
- 15 20 f) **Metropolitan Planning Organization** – Chair Herston reported that Director Herrington and he attended the MPOAC meeting in Orlando and new officers were elected. He commented at the meeting they went over the upcoming bills. He commented that he attended the joint meeting with the Sarasota/Manatee MPO at which time it was reviewed and analyzed if there should be two MPOs and came to the conclusion that the MPO’s need to stay separately. Commissioner Coppola commented that there is an air cargo study being done and would like a copy when it is completed.
- 25 30 g) **Aviation Activities Report** – Commissioner Andrews reported that avgas sales were up from December and jet and airline fuel are holding steady. He commented that there were 9603 passengers last month which is down from a year ago due to the loss of Direct Air. He commented that Allegiant serves eleven cities. He reported that the tower operations are up from last month. He commented that there are fewer vacancies in the T-hangars than a month ago. He reported that there is now an area on the website for general aviation updates and the new access gate on Golf Course Blvd. is currently being added to the security system and will soon be operational.

40 **10. Attorney’s Report**

Attorney Garrard had nothing to report.

45 **11. Executive Director’s Report**

- 5 a) **Development Update** – Mr. Parish reported that they will start paving on the Cheney Road addition to the industrial park on Monday. He explained that the ditch is 95% complete which will allow total area of the industrial park to drain into the Authority's pond. He reported that the entrance road project was started at the beginning of this month and won't see any actual construction for thirty days and the piping will start. He explained that nothing will affect traffic until after the air show. He reported that the Authority is engaged in a new terminal study and talked to the FAA about updating the Authority's terminal area forecast, which is an arbitrary number the FAA applies to airports growth factor. He explained that the Authority's forecast number is still zero even though there has been growth in the past five years and are trying to get the FAA to accept the Airport's growth. He explained the terminal design is on hold pending the new report. He opined that it is prudent that the Authority sit back and make sure the Authority can get funding in place and everything approved. He commented that the FAA is very paper orientated right now and they want big files. He hopes to have the funding in place next year for construction. Chair Herston asked if the ditch is in compliance with SWFWMD. Mr. Parish replied it is.
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- 20 b) **One Millionth Passenger** – Mr. Parish reported that the ceremonial one millionth passenger will arrive from Toledo on April 3<sup>rd</sup>. He explained a staff member will be in Toledo to pass out the survey and will randomly pick a winner from the survey who will have signed it allowing the Authority to use their name. He commented that currently the prizes include two round-trip tickets on Allegiant, two nights at the Wyvern, dinner for two at the Crab House, two breakfast or lunches at Dean's, a river boat cruise from the Nav-A-Gator and a \$50 Visa gift card from SunTrust Bank. He explained that the paper work is at Allegiant for their approval. Commissioner Seay asked if there is marketing plan and are we talking to the Visitor's Bureau. Mr. Parish explained when things are finalized, staff will send out press releases on it and get the Visitor's Bureau involved. Commissioner Andrews suggested getting with the fire department. Chair Herston suggested coordinating with the County Commissioners and City Council. Mr. Parish commented that when it gets closer, the dignitaries will be invited.
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- 35 c) **Miscellaneous Items** – Mr. Quill reported that there will be a Warbird Weekend on March 2<sup>nd</sup> and 3<sup>rd</sup>. He reported that the North American Training Association will have an event that is not open to the public on April 4<sup>th</sup> through the 9<sup>th</sup>. He commented that air show is coming up. He pointed out the Ponce de Leon parade is that morning and does not see how the Authority can participate in it and still have the air show. He commented that there's an article in the paper about the operator of the Punta Gorda Speedway purchasing the Desoto Speedway and the Authority has nothing in writing that the Punta Gorda Speedway wishes to exercise their option. He commented that the Speedway is \$30,000 behind in their taxes which is a violation of their lease and their lease runs out on March 31<sup>st</sup>. He explained that the Authority received an appraisal last week and has contacted the Speedway's Attorney to go over it but has not heard back. The appraisal came in slightly lower than the Authority has guessed and the monthly payment would be just under \$7,000 per month and they
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5 currently pay approximately \$3,800 per month plus tax. Commissioner Coppola  
asked if there is any liability on the Authority's part for the \$30,000. Mr. Quill  
commented that the Authority can't pay taxes. Commissioner Coppola asked what  
happens, can they take cars, equipment. etc. Attorney Garrard explained it is up to the  
County officials. Commissioner Seay asked is that a default of the lease right now.  
Attorney Garrard said as of April 1<sup>st</sup>. Commissioner Seay suggested circulating the  
Request for Proposals now since she doubts that the \$30,000 will be paid by a guy  
who is opening up a new track in another county. She opined it would be appropriate  
for the Authority to issue the Request for Proposals to see what the market will bear  
10 which is what the Authority wanted to do all along. She commented that the  
Authority knows what the appraised market value is but needs to know what the  
actual market value is for the property. She commented that, as she has mentioned  
before, an Anticipatory Repudiation and Attorney Garrard can look into this. She  
opined that there will not be an extension request by Mr. Williams since he is  
operating somewhere else. She commented that he has indicated his desire to cancel  
all operations here. She asked if there are current photographs, when was the last time  
there was an inspection of the property to make sure, if he is in default, the Authority  
needs to know what their responsibilities are and know what is out there. She  
suggested a current inspection of the property. She opined that by circulating the  
Request for Proposals now, it gives the Authority the opportunity to evaluate the  
viability. She commented that the chances of that property being used for anything  
else other than a racetrack is slim to none. She commented if the Authority gets some  
offers it would be a positive thing but if it doesn't she suggested that the Authority  
consider operating it for themselves to determine the financial record and auditable  
20 trail. If it is offered again as an RFP the Authority can show what the financials are  
for the track. She commented that there are no financial records anywhere on the  
track to show that the business is viable and based on representations by Mr.  
Williams, it isn't. She commented that she has records that show that it is a viable  
business and that it can be a profit center for the Authority rather than a cost center.  
30 She commented that if the Authority can establish that financial record and auditable  
trail, the Authority can create a second RFP that shows what the track can do. She  
stated that then somebody who knows what they're doing can come in and operate it.  
She knows that there are people out there who do know. She commented that the  
track in Manatee County is sixty some miles from here and it will be a long trek for  
35 those from Naples and having a local track is important. She commented that if there  
was an operator that the Authority finds that knows the business, the Authority  
operates the financial side and have operations and promotions side handled by  
someone who knows what they are doing that is responsible to the Authority's  
auditors for that operation. She opined that the Authority may discover that it is more  
40 than a viable operation and if the Authority discovers it is not, then at that point, talk  
to the County Commissioners and Economic Development Office on how to convert  
it into a different entertainment venue, a concert venue or what other options are  
there. She commented that as it stands right now the Authority does not have the  
money to convert it or the ability to get in there and do much of anything with it but,  
45 on the other hand, it is a heck of a track and would be a shame if the Authority did not  
do something appropriate with it. She commented that if Mr. Williams has refused to

5 talk to the Authority, won't come to see us and doesn't come to the meetings. She  
 commented that she is disturbed by Mr. Sarppraicone the owner of the Desoto  
 Speedway who wrote to the Authority saying he will help the Authority and then sells  
 the track. She suggested that Mr. Quill take a look at what the options are and asked  
 10 to put out an RFP for that property. Attorney Garrard stated before the Authority does  
 that is there a time limit to exercise the option in the lease. Mr. Quill commented that  
 is by end of the lease itself. Commissioner Lee suggested sending them a registered  
 letter giving them so many days to pay up their taxes. Attorney Garrard commented  
 that they are not in default until April 1<sup>st</sup>. Commissioner Seay commented that they  
 15 are behind on past years so Mr. Williams is already in default. Attorney Garrard  
 commented that a regular default letter should be sent. Commissioner Coppola  
 commented that the County sends it out. Commissioner Coppola asked if there was a  
 grading system for race tracks. Commissioner Seay said there are accreditations that  
 NASCAR does and the track in Manatee was sanctioned at one time but not here  
 because they have never attempted and opined that this track would not pass the  
 20 safety requirements for NASCAR. Commissioner Andrews asked how the industry is  
 doing based on fuel prices and the economy. Commissioner Seay commented that she  
 went to a dirt track and it was well attended but there were not a lot of cars racing.  
 She commented that at the Punta Gorda Speedway have been well attended and the  
 numbers of cars have been strong. She commented that NASCAR has seen a drop in  
 attendance and number of cars. She commented that the Whelen series have increased  
 along with others that are restricted in region. She commented on young drivers that  
 have come from the Punta Gorda Speedway that are doing well. Mr. Quill  
 25 commented that staff will do a letter along with Attorney Garrard on the taxes and try  
 to outline the options and put together an RFP and wait until the lease ends.  
 Commissioner Lee commented that the Authority would not be getting any money  
 and the lease is going to expire and when it expires to go forward. Mr. Quill asked if  
 he should report back next month. Commissioner Lee said yes. Commissioner Seay  
 suggested having the RFP ready and start the process of seeking out persons and  
 30 organizations that the Authority wants to specifically target to let them know this is  
 available so the Authority can have a broad grouping. She commented that she has  
 already sent out some feelers to organizations and has already heard back. She opined  
 that there are people and organizations out there that are interested. She commented  
 that she will help compile the list.

35 **12. Old Business**

**13. New Business**

40 a) **Audit Presentation by Tuscan and Company** – Jeff Tuscan, Tuscan and Company,  
 distributed the audit and supporting graphs (copy attached). He explained that he is  
 presenting the final report for the Boards approval and submission to the State. He  
 commented that the Authority did not spend over \$500,000 in state or federal grants  
 so the single audit portion on the grants was not required. He commented that the  
 45 Management Discussion and Analysis (MDandA) has to be written by staff and is  
 included which is nice for the public or for the Board to use. He reported that the staff

5 did a good job and finished on time. He reported that page 6 shows the Authority's  
cash flow and may want to reference that page. He commented that page 34 compares  
this year versus last years' budget. He explained that the Audit Opinion states that it  
is an unqualified report. That means that they are issuing the highest level of comfort  
that any auditor can issue and the term Unqualified has been in use since the  
10 inception of accounting rules. He commented that the law has been changed and it  
will be termed Unmodified. He went over several more pages that contained new  
paragraphs that explained the extra work that has to be done because of government  
auditing standards. He commented that they did not identify any deficiencies in  
internal control. He explained how they test compliance. He commented that the last  
15 report is the Management Letter and there are no comments which are extremely  
positive. He commented that there is an explanation on page 39 that talks about  
testing the Authority's financial condition and will explain when he goes over the  
graphs. The bullet points in the letter are from the Auditor General's rules and include  
their conclusions and the Authority is in compliance with all of those items. He  
20 explained that they have to test the financial condition of any government they audit.  
He commented that the Authority's historical financial data is on the Auditor  
General's website and compares it with other governments and airports of similar size  
and they have to enter the current year data that checks eighteen different criteria. All  
governments have to do it to test their financial condition. He explained that there  
25 were some items that come up unfavorable and there is an explanation that there have  
been many factors in the five year trend. He referred to page 6 and the Authority  
operates as a business from income that comes from airport operations. He went over  
the first graph that comes from page 4 of the audit and cash is down because the  
Authority cash funded capital improvements last year. The second graph comes from  
30 page 4 and this is all the capital type assets. He commented on depreciation and that  
the Authority has rebuilt a lot in the past eight years and there are higher cost assets  
now being depreciated. He commented that the Authority has not been putting cash  
away to rebuild the asset. He commented that the third graph comes from page 4 that  
and reflects the money that was thought would be paid back to FEMA but was not  
35 necessary and short term liabilities. He commented the next graph reflects long term  
liability including insurance. He commented that the next graph comes from page 4  
reflects equity and reserves. He explained the sixth graph show a lot of up and downs  
and that is partly because of the way grants were recognized and had to be reported as  
revenue. He commented that in the last year there was not a lot of major  
40 reconstruction, not a lot of insurance money coming in and then the Authority spent  
cash on improvements. He commented that the next graph give a summary of  
operating income and expenses. He commented on the Authority setting aside money  
to replace assets. He commented that the next graphs give the Authority an idea of  
what their operating numbers are. He commented that the Authority had a net profit  
45 last year, but a lot of operational activity happened. He commented that the ninth  
graph gives a summary of the operating net income. He explained the tenth graph  
gives an idea on non operating expense and the detail is on page 5 of the audit. He  
explained miscellaneous income. He commented that on the eleventh graph shows the  
capital contributions over the prior years. He commented that this was one of the  
items that popped up and he gave an explanation to the Auditor General. He

explained that any audit that an auditor does has to do this procedure; the Auditor General does it independent of them. When the report is submitted they take the data and put it in the same program and if they get results the Auditor General looks at the auditor's report to see if the auditor reported it the same way the Auditor General did.

5 **Commissioner Lee made the motion to approve the audit. Commissioner Coppola seconded. Motion passed unanimously.**

#### 14. Citizen's Input

10 **Councilmember Freeland** – Offered the City's support for Senate Bill 358. She congratulated the Authority on their upcoming one millionth passenger and that the City is planning to pass a resolution showing their support.

15 **Richard Pitz** – Thanked the Authority for taking them on a tour. He suggested taking more citizens around and show them the airport and would get more people who would want to use it. He commented that he used to take a connecting flight from here to Tampa and wondered if there is an ability to do that again. He commented that Mr. Parish commented on the Jacksonville, NC airport and bringing someone here. Mr. Parish commented that is the team that the Authority just hired to do the report for the FAA. Mr. Pitz commented on wanting to see a rendering of the proposed terminal expansion and  
20 opined that a two story building would be better than a one story building.

**Lionel Schuman** – Commented on the Conquistadors being present for the Authority's first flight and could get them to come for the one millionth passenger celebration. He commented that the Warbird weekend is a Wounded Warrior fund raiser project. He commented that the air show and Warbird weekend are put on by volunteers.

30 **Commissioner Deutsch** – Commented that he was riding a stationary bike last summer and they flashed up on TV Jacksonville, NC and they had instituted a special parking privilege for Wounded Warriors. He explained that Charlotte County Commission unanimously approved at their last meeting the installation of Wounded Warriors parking signs. He commented that there will be signs available for purchase once they are done.

35 **Jerry O'Halloran** - Commented that Jacksonville, NC is home to Camp Lejeune and there are a lot of wounded warriors there. He asked if Tallahassee was to address the partisan election. Commissioner Seay explained that it is in the Enabling Legislation. Mr. O'Halloran asked if the Warbirds was a low key thing. He commented that on the race track being behind on their taxes. Commissioner Seay commented that the Authority was not aware they were behind. Mr. O'Halloran commented on page 23 of the audit and read  
40 a section regarding the airport being an economic engine in the county. He asked if there was a better way to use the current cost of money to expand the borrowing power.

**Jim Kaletta** - Commented that the CAP will be supporting both of the air shows and on March 13<sup>th</sup> the Air Force will be having a major disaster relief program here.

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#### 15. Commissioner's Comments

5 **Commissioner Lee** – Commented the Authority needs marketing here rather than the county. He sees the County is going to do marketing for the Authority and has never been happy with the marketing the County has done for the Authority. He commented the Airport Authority used to be the Development Authority and that got lost and should get that back and get someone to market the airport. He said there were several things said today about marketing and opined that the Authority does not do a good job. He commented that he has been doing tours of the airport for two years.

10 **Commissioner Seay** – Thanked Mr. Tuscan and it is always good to hear that the Authority is doing a good job and thanked the staff that keeps the Authority on track and thanked Mr. Quill for making sure the Authority has these great people in place and overseeing things. She commented that the Speedway is very disappointing but Mr. Williams made the business decision. She commented that the FAA has been very clear and the Authority's requirements are that the Authority must have fair market value and fair market value is what the appraisals tell. She commented the alternative is through an RFP process and it is good that the Authority is going ahead so the Authority can find a way to operate as a race track and an entertainment venue. She asked about Silver Airlines and they are talking about expanding. She thanked staff again.

20 **Commissioner Coppola** – Thanked Mr. Tuscan and knows that he cares about the Authority and gives the Authority suggestions and most of the things he suggests the Authority does and are successful because of that. She thanked his staff also. She opined that the Wounded Warrior parking lot is a good idea. She suggested saying thank you to someone you see in the parking lot. She commented that she would like to see a plan to start putting money in reserves. She commented that she heard on the radio this morning about the Warbirds coming. She commented that the Speedway is an opportunity for someone. She announced that Governor Scott will be at the Lincoln Day dinner and Rep. Tom Rooney will be there.

30 **Commissioner Andrews** – Thanked Mr. Tuscan. He thanked the Authority's staff and the Board is as good as the people behind them. He commented that Commissioner Seay has the Speedway under control and thinks there is opportunity there. He thanked Mr. O'Halloran for pointing out the importance that the Authority is in economic development in the county. He opined that there will be good things coming from the airport as the economy improves. He thanked everyone for coming.

40 **Chair Herston** – Welcomed Commissioner Deustch, Councilmember Freeland, Mr. Herrington and the two new tenants Dr. Kregel and Suncoast Trucking. He thanked Mr. Tuscan for the great report and thanked staff. He commented that he was invited to a meeting on compressed natural gas. He commented that he set up a meeting with Mr. Quill and Mr. Parish to go over it with the two gentlemen who gave the presentation. He opined that it is taking over the trucking industry. He commented that the Authority has an opportunity to combine efforts with Publix, Cheney Brothers and the school districts.

45 He opined that this area between the two interchanges is a great potential for a compressed natural gas facility. He explained it takes about \$1 million to \$1.5 million to

put the facility in and about five to six acres of land. He commented that the Commissioners are excited about it. He commented that there is money available for this.

**16. Adjournment**

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Meeting adjourned at 10:37 a.m.

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James W. Herston, Chair

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Kathleen Coppola, Secretary/Treasurer