

**CHARLOTTE COUNTY AIRPORT AUTHORITY**

**MINUTES OF REGULAR MEETING – FEBRUARY 20, 2014 – 9:00 A.M.**

5

**1. Call to Order**

**2. Invocation**

10           Commissioner Andrews gave the invocation.

**3. Pledge of Allegiance**

**4. Roll Call**

15

**Present:** Chair Lee; Commissioners Andrews, Herston and Seay; Executive Director Quill; Attorney Garrard; Assistant Director Parish; Mrs. Cauley; Mr. Laroche; Mr. Mallard; Mr. Montoya; Ms. Straw and Mrs. Sutcliffe. **Others present:** Jeff Tuscan, Jessica King, Jim Kaletta, Robert Hancik, Jim Deutsch, Commissioner Deutsch, Gary Bayne, Chuck Rinehart, Councilman Cavanaugh, Lionel Schuman, Sam Sanders, Tyler Ezzi, Paul Piro, Andy Stultz, Larry McClure, other people from the private sector and a member of the press.

20

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

25

**6. Citizen's Input**

**Tyler Ezzi** - Gave an update on the Air Show. He commented that the Thunderbirds were in Punta Gorda over the week-end. He commented that he is excited and stated that it will not be the same old Air Show and that ticket sales are going good. He explained that the team will be in Punta Gorda for the entire week of the show and they will fly in Monday and do practice on Thursday and Friday. He commented that it is shaping up to be a great year and the only concern is the weather.

30

**7. Consent Agenda**

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

35

**8. Secretary/Treasurers Report**

Mr. Quill reported that the Income Statement was better than forecasted. He commented that the Accounts Receivable is progressing slowly. He commented that Arcadia's account continues to go down.

40

45

**9. Committee Reports**

- 5
- a) **Land Use** - Commissioner Herston reported that the County is continuing to work on their combination land development regulations. He reported that there are chapters available on-line for review.
- b) **Economic Development** - Chair Lee had nothing to report.
- c) **Personnel** - Nothing to report.
- 10
- d) **Public Relations/Special Events** - Nothing to report.
- e) **Governmental Liaison** - Commissioner Seay reported that she had attended the Florida Airport Council Conference with Mr. Parish and met with the State Legislators and there were positive responses in regards to assistance for the Airport. She commented that Mr. Jerry Paul has been helpful in maintaining the Authority's contacts. She reported that there is a possibility of some movement and she will give more concrete information at the next meeting. She thanked Senators Detert and Benacquisto and Representative Roberson who continue to show interest and support of the Authority. She commented that they were impressed with the successes of the Airport and wanted to know what they can do to help. She welcomed Commissioner Deutsch and Councilman Cavanaugh for joining. Chair Lee commented that the Airport is recognized as an important part of the community. Commissioner Seay commented that when they saw one of the documents their eyes popped. She commented that the US Department of Transportation assesses airports for the past
- 15
- 20
- 25
- 30
- 35
- 40
- 45
- 25
- 30
- 35
- 40
- 45
- f) **Metropolitan Planning Organization** - Commissioner Herston reported that at the MPO joint meeting with Sarasota/Manatee they had agreed that the River Road widening project will be priority and they will support it. He commented that he missed the MPOAC meeting this month due to the loss of his mother, but Mr. Robert Herrington had attended and collected the information if anyone is interested. He apologized for missing the meeting.
- g) **Aviation Activities Report** - Commissioner Andrews commented that January was a very good month. He reported on the gallons of avgas, jet fuel and airline fuel that was sold for the month of January. He reported that Allegiant Air had 47,091 enplanements/deplanements for the month of January. He reported that the tower had a total of 5,046 operations including air carriers, air taxis, military and general aviation. He commented that the hangars are consistently occupied due to the beautiful weather. He reported that there are 17 vacancies in the 600 series and one

vacancy the 200 series. He commented that Mr. Ron Mallard spoke at the EAA meeting updating the group on the 2013 stats and noise mitigation.

## 10. Attorney's Report

5

Attorney Garrard had nothing to report.

## 11. Executive Director's Report

10

a) **Development Update** - Mr. Parish reported that the Authority is continuing with the terminal design based on the approved numbers by FAA. He commented that the FAA has confirmed that everything is on track and the grant application is complete. He commented that FAA hopes to have the authorization in late March to start competing for discretionary funds. He explained that the FAA will know how much the State gets and they will put that into the competition. He commented that the Authority should receive a grant this year, whether it is for the entire terminal or a partial grant. He commented that a partial grant would not be the end of the world because the Authority can phase the construction, because construction will take two years. He commented that the FAA rarely leaves a project unfinished. He commented that the Authority's goal is to get the funding this year and additional funds from the FDOT to cover non-eligible items, which the Authority matches 50%. He reported that the Authority is dealing with too many rental cars, which is a good thing, because that is one of the Authority's biggest income producing items on the Airport. He reported that the Authority had met with Cheney Brothers in regards to offsite things that they will need during construction, and they will provide the Authority with water and sewer. The Authority will have the ability to have them vacate in 60 days if the Authority needs the site.

15

20

25

30

Mr. Quill introduced Mr. Tim Montoya who will be handling the Authority's IT and computer systems. He commented that Mr. Montoya has aviation background and the Authority is happy to have him.

35

40

45

Mr. Quill commented on an article in the newspaper about fiscal forecasts and talking about tourism and visitors. He commented that the Economic Development Department has been running ads on the Weather Channel in the 23 cities that Allegiant Air flies to and it is working out real well. He commented that Tom Patton will give a report next month. He commented on the record flight cancellations across the country since December 1, 2013. He commented that the Airport had to cancel some flights because of fog. He commented that the Authority met with a group to discuss Instrument Landing System and GPS system. He commented that the Authority is evaluating the needs for the Airport in light of the changing environment and technology. He commented that the Authority is currently leaning towards the GPS. He commented on the fourth fastest airline growth of the top 300 airports, and the Authority is pleased with that. He commented that the January numbers were up 144% over last year which ties into the number of flights. He commented that avgas is increasing, which it normally does at this time of year, but

16,000 gallons is a very pleasant development. He commented that the weather has been spectacular and the flight schools have training going on. He commented that it is nice to see activity in the sky.

## 5 12. Old Business

- 10 a) **Noise Mitigation/Flight Tracking Presentation** - Mr. Quill presented slides of the Airport showing how the Airport has changed over the few years. He commented that the Authority has made efforts at noise mitigation by working with FAA on obtaining flight tracks and with Allegiant Air flight standards to ensure that procedures are distributed to all their flight crews. He commented that the Authority has contacted the different air carriers that fly for Allegiant making sure that their crews obtain the proper information. He commented that the tower has a letter of agreement with RSW for take-offs to minimize departure noise impact when they go south. He explained that the Authority has noise abatement procedures in affect and signage is on the airfield. He commented that the Authority has met with the local general aviation pilots on noise abatement procedures, met with home owners associations, reviewed purchase of a noise monitor and worked with noise consultants to provide the Authority with noise tracking. He commented that the Authority has encouraged Allegiant to base Airbuses here because they are significantly quieter than the MD80's. He commented on the Authority's procedures for when the pilots cannot come in straight from the north to swing around the harbor to get established for a straight approach is working well. He stated that the Authority's preference is to take off to the north. He commented that when the pilots take off to the south the Authority hopes that the pilots can curve to 180 degrees to the right. He commented that when the pilots have to go straight the Authority has asked the pilots to begin their turn and curve up over the harbor. He explained a slide showing flight patterns of departures and landings. He commented that the FAA stabilized approach rule for the last three miles need to be straight in on landing. He explained that the bulk of the pilots are complying with the preferred departures and landings. He commented that the Authority is going to purchase the noise tracking software and he went over the cost. He explained that it would give the Authority the ability to follow up on a complaint and the software would allow the Authority to track various flights the day after to see precisely where they flew. He commented that Allegiant had brought in an Airbus this past week for a flight and it was very quiet. He commented that the Authority is making an effort on noise mitigation and the Authority wanted to make the Board and the public aware of this purchase. Commissioner Herston asked about the cost of the tracking software and if the Authority would need a computer tech to be trained. Mr. Mallard commented that training will be done in house and he is familiar with the system. Mr. Parish explained that the software give the Authority the departures and arrivals at the specific time of the complaint. He commented that the software will show where the plane was and how low it was flying. He commented that the Authority will then be able to give those with concerns some data. He commented that this will not solve the noise problem but it will give them real information. Mr. Mallard commented that the Authority has been working with the Allegiant Flight Standards Division and they have been pro-active with the
- 15
- 20
- 25
- 30
- 35
- 40
- 45

Authority and they understand the impact of noise to the community and they have worked extremely well with the Authority. Mr. Parish commented that by looking at the tracks the pilots are 95% on track and the pilots that are not following the track are told by departure control to turn on course. He commented that the Authority is working with RSW to make sure that all the shifts know this.

**13. New Business**

a) **Audit Presentation** - Mr. Jeff Tuscan, Tuscan and Company, commented that he had met with the Authority’s management to review the audit report and graphs (copies attached). He briefed the Board on the audit process. He commented that the Authority’s staff was prepared and completed the audit on schedule. He commented that the Authority did not have Management Letter comments. He stated that the staff did a great job during the audit and is one of the first audits to be done during the audit process. He commented that the State had changed their laws and that they only have nine months to do the audits. He commented that it is really important that the audits are completed when scheduled. He commented that the Audit Opinion is different from last year because the Feds had changed the rules and it is called SAS 122, Statement on Auditing Standards. He commented that historically this report had been called “Unqualified” and now it is called “Unmodified”. He explained that Unmodified is the highest level of opinion an auditor can issue. He explained that the report is more explanatory than the last and all the paragraphs have headings. He commented on page 2, paragraph “Opinion”, and pointed out the key words to an unmodified opinion, “present fairly and all material respects”. He commented that the report is thicker because of the changing standards, and the Authority had spent more than \$500,000 in grants which triggers a “single audit”. He commented that page 37 shows the grants that were open, and the revenue and expenses. He explained because the Authority is a government entity there are three levels of standards that are triggered, US Audit Standards, Government Auditing Standards and being in Florida, Florida and the US requires them to audit under those standards. He reported that the results are on page 40. He commented on highlighted areas “no material weaknesses and internal control” and “no instances of non-compliance”. He commented that this is an example of internal control and he explained what was audited. He commented on a report that was triggered by the single audit which requires the auditors to issue an opinion shown on page 42, paragraph “Opinion”, stating that the Authority complied with “all material respects”. He explained that the Auditors had to test the grants where the Authority had expended and/or received dollars to make sure it was spent on the allowable items and documentations. He commented that the Feds and the State had produced an audit program that is used to test the grants. He commented on staff attracting other grants. He commented on page 46-48, “Report to Management”, where there were no comments. He referred to the bullet points on page 46 which are specific requirements in the State Auditor General’s rules and the auditors have to test and respond. He explained that each item talks about a rule and the results follow. He commented that the last page talks about no financial or significant comments. He commented that over all the highest level of opinion, no non-compliance and no internal control issues noted. He

commented that it is a very positive report. He stated the information on the graphs is audited information and it will be easier to follow than flipping through pages (copy attached). He reported that there is two years of information in the audit report which is allowed by standards. He reported that the first page looks consistent, except that cash went up significantly. He explained that it is a combination of grant revenue reimbursement for prior expenditures and operations. He commented that the Authority is able to continue to attract grants, and operations are producing cash. He reported that payables are up because payables came in at the end of the year due to construction. He commented on the capital assets, fixed assets, non-liquid assets and he stated that there are increases in the depreciable assets. He explained that it was the transferring of the administration building into depreciable assets, the expansion and rehab on the terminal. He commented that the big number to keep an eye is depreciation. He commented that the depreciation number was a smaller number before rebuilding after the hurricane. He explained that when you bring on assets at current dollars it will cost more than those originally on site. He commented that the depreciation number serves as a marker on the level which assets are deteriorating. He explained that the Airport has been able to attract grants over time to rebuild, and it is important to build the cash reserves for when the grants don't come around. He commented that current liabilities are things that are due within one year and he pointed out the significant change in payables, which were all construction related. He commented that the Authority has no long-term liabilities. He commented that net assets use to be called reserves and is now called net position or equity. He commented that the Authority has a net negative position and he explained that it is because of the dollars in depreciation, and operations are not generating revenue to cover the depreciation. He commented that page 6 of the graphs gives the Authority some prospective on the fluidity of management over the last 14 years that the Authority had to be nimble with the changing environment, hurricane and the rebuilding. He commented that was a combination of insurance, grants and loans. He reported that there is a significant change in 2013 versus 2012 because the Authority received more grants in 2013 so it offset depreciation. He commented to focus on page 7, Operating Income/Loss before depreciation which will give the Board a better prospective. He commented that the important thing during the rebuild was to focus on rebuilding in a way that operations would generate net income, and it has because 2013 was up over 2012. He commented that airline revenue consists of parking and rental cars which are up, and they are up exactly to what the net income jumped from the prior year. He commented that the last several years have all been generating a positive operating income. He pointed out on the graph on Operating Expense and Depreciation how depreciation jumped before and after the hurricane. He commented on page 9 emphasizing the Operating Income and this is definitely the one to keep an eye on. He commented that page 10 gives an idea of the types of non-operating expenses and income, which comes from page 6 of the financials. He reported that the significant jump in non-operating income was because the Authority paid FAA during the tower construction and the Authority received a refund on part of that money, and the Authority collected some bad debts that the Authority had written off in the past. He commented that page 11 gives an idea of capital contributions, which is basically grants, and it shows how that has gone in the past several years. He

commented that it shows how successful the Authority has been in attracting the grants. He asked the Board to approve the report so management can submit it to the State, banks and the different groups. **Commissioner Seay made a motion to approve the audit as presented.** She complimented Mr. Tuscan and the Authority's staff for all their work. She commented that it is always good to see how much improvement the Authority continues to have. **Commissioner Andrews seconded. Motion passed unanimously.** Mr. Quill thanked the auditors and the Authority's staff for their efforts on the audit.

b) **Entrance Sign** - Mr. Parish commented that four options were presented to the Authority by the sign design company. He commented that the one being shown had received the most votes (copy attached). He is proposing that the Authority proceed with the design of this sign and to be brought back showing a day and night view to get final approval for the construction of the sign. He commented that he would like the sign to be built with the terminal. He commented that the sign would go on Viking Avenue at the entrance and street lights will be installed by FPL along Viking. He commented that the signs and street lights will help the people get to the terminal. Commissioner Herston asked if the Authority would draw a site plan so the Board can see exactly where they are going. Mr. Parish commented that the signs would sit on the berms behind the ditches.

c) **Leasehold Acquisition** - Mr. Quill commented that Targa Inc. had developed four buildings on the east side of the north ramp and three of the buildings are 10,000 square foot each with one of them 18,000 square feet divided into five units of 60 x 60 each. He commented that the rental cars are located at the end of the longer building and the Authority is paying \$1500 rent a month and the other three spaces are leased at \$1500 month. He asked the Board for approval to purchase the building subject to Attorney Garrard's approval. He commented that the Authority would get financing through a state infrastructure bank loan. He commented that the Authority would own the building giving the Authority control as the Authority develops that area. Chair Lee opined that is a no brainer. Commissioner Seay commented that she liked the idea. She commented that Mr. Quill has worked this out very well with Mr. Koth. She commented that there are a lot of opportunities for the Authority and she sees it as a very positive thing. **Commissioner Seay made the motion to approve the purchase if the building for \$900,000. Commissioner Herston seconded. Motion passed unanimously.**

#### 14. Citizen's Input

**Lionel Schuman** - Commented that when he saw Mr. Tuscan smiling he knew that they would hear good news. He commented that the Authority and the staff are doing a great job. He commented that the Air Show is a charitable organization and all of the profits go to charities. He commented that it is amazing they can bring this type of show and the expense of making that show come to fruition by charging \$15 to \$20.

5 **Jim Kaletta** - Thanked the Airport management. He commented on a meeting they had trying to come up with a solution to the approaches to the Airport. He commented that the meeting was productive and he opined that the first effort has been made to go forward. He commented that Mr. Mallard came to the meeting with his homework and is very knowledgeable which made the meeting great. He thanked Mr. Mallard for his efforts. He commented that thousands of hours were devoted to the search of a missing airplane from Marathon to Fort Pierce. They found the wreckage with the pilot's briefcase. He commented that the rest of it must be in the ocean and the pilot is presumed deceased.

10 **Councilman Cavanaugh** - Read a letter from the Mayor of the City of Punta Gorda (copy attached). Commissioner Seay suggested that the letter be appended to the minutes and to send a thank you note to the City Council. Chair Lee commented that it is the appropriate thing to do.

15 **Commissioner Deutsch** - Commented that the MPO is a great group and he opined that they have worked hard at building bridges. He commented on a quote he had made on the River Road project that "we'll do anything we possibly can at that end of the County" except he did not check first. He commented that when he is out in the community he does not hear anything negative on the Airport. He commented that there will always be noise issues with the Airport and 99.9% of everything that is heard is positive, and the people will accept weather situations as things that can't be control. He opined that it is a good idea to have Mr. Patton come in because they have graphs and statistics in their marketing program. He commented that they are marketing the areas where they have had the worst winter in a long time. He commented that there are constantly efforts being made to expand the Airport and to make the Airport better. He commented that he feels good about the working relationship they have with the Airport Authority.

## 30 15. Commissioner's Comments

35 **Commissioner Herston** - Commented that it is good to see Councilman Cavanaugh, Commissioner Deutsch and everybody else attending the meeting. He thanked the Authority's staff for working with Mr. Tuscan. He commented that it was a great report.

40 **Commissioner Seay** - Commented that the noise report is one of the best noise reports that she has heard. She thanked everybody for doing a great job on helping to lessen the impact of noise for the residents around the Airport. She commented that the residents are appreciative of the efforts and they do know that with an airport you do have noise. She commented that to gain the benefits the Airport has and to get the positive economic development and impact that the Airport does, there will be noise. She commented that the Authority is doing what they can to lower that impact. She commented on Commissioner Deutsch's comment of hearing nothing but positives about the Airport. She commented that has not always been the case, but for the last several years the Authority has been doing the right things and building on what has happened before. She commented that there are a lot of people flying in and out and Allegiant Air has helped a lot. She suggested looking at her Facebook page and it is there every day. She



commented that the Authority is doing what they can and the Authority has the help of a good airline to do that. She welcomed Mr. Montoya. She thanked everybody for coming. She thanked Mr. Tuscan and everybody for a good job.

5 **Commissioner Andrews** - Thanked Commissioner Deutsch, Councilman Cavanaugh and everyone for coming to the meeting. He complimented the staff on their efforts with the audit and addressing noise mitigation and being very pro-active. He is looking forward to a positive 2014.

10 **Chair Lee** - Thanked the staff and all the people for coming to the meeting. He wished that the Authority had more people come to the meeting to see how well the Airport is doing. He commented that the Authority has been doing this for years and it didn't start yesterday. He commented that fortunately people are starting to recognize the Airport by seeing it in the papers and by individuals. He thanked everyone for coming.

15 **16. Adjournment**

Meeting adjourned at 10:03 a.m.

20

---

Don Lee, Chair

25

---

Kathleen Coppola, Secretary/Treasurer