

**CHARLOTTE COUNTY AIRPORT AUTHORITY**

**MINUTES OF TENTATIVE BUDGET HEARING**

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**SEPTEMBER 4, 2014 – 5:01 P.M.**

**1. Call to Order**

**2. Invocation** - Commissioner Andrews gave the invocation.

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**3. Pledge of Allegiance**

Chair Lee read the meeting notice into the record (copy attached).

**4. Roll Call**

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**Present:** Chair Lee; Commissioners Andrews, Coppola, and Seay; Executive Director Quill; Attorney Garrard; Assistant Executive Director Parish; Mrs. Cauley; Mr. Laroche and Mr. Mallard. **Others present:** Rob Hancik, Jim Kaletta and other people from the private sector. **Absent:** Commissioner Herston.

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**5. Citizen's Input**

**6. FY2014/2015 Tentative Budget**

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Mr. Quill commented that he will be going over the slides a little more quickly than at the budget workshop (copy attached).

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Avgas – He commented that a couple of years ago the warbirds did training at the airport. He commented that the Authority anticipates the same amount of avgas to be sold next year as the current year. He explained that self-service is 60% of the avgas fuel sold.

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Jet Fuel – He commented that sales are falling off and anticipates that fuel sales will remain flat for next year. He commented that the airline makes up 92% of the jet fuel and the Authority has no credit exposure for Allegiant's fuel. He explained that the airline pays a fee for pumping the fuel through the Authority's system.

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All Fuel Pumped – He explained that the airline is 90% of all of the fuel pumped.

Fuel Sales – He explained the cost of fuel and the cost of goods sold. He commented that this slide shows the gross profit.

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Airline Enplanements – He commented that the enplanements may go over the projected numbers this year. He commented that the next slide is Allegiant's enplanements by month showing a jump this year. He explained that the Authority is not expecting radical growth this coming year.

Parking Lot Revenue – He commented that there was a nice jump this year tied to the additional airline flights and projecting it to be flat with a little growth.

Rental Car Concession – He commented that is similar to the parking lot revenue.

5 Revenue per PAX Distribution – He explained that this is all the revenue associated with having the airline. He commented that the rental cars start to peak in January but in the summer months more Floridians are going north and the parking revenue picks up. He explained that mid-August through mid-October the number of flights drop.

10 T-Hangar Occupancy Rate – He commented that the occupancy rates are slowly coming back. He commented that the FAA stated that there were no waiting lists for hangars but have heard that some airports have a waiting list. He commented that the Authority has not had a waiting list in ten years.

Operating Revenues – He explained this is for the year that is about to end.

15 Projected Operating Revenues – He commented that there is very little difference between this year and next year.

Operating Expenses and Projected Operating Expenses – He commented that there is very little difference.

20 Projected Fuel Cost Center – He commented that there were some changes made to what was shown at the last meeting. He commented that the fuel cost center on paper has a loss, but keep in mind if the Authority did not have that the Authority would not have the airline. He commented that the distribution of overhead in a proportionate size to each cost center.

25 Projected Airline Cost Center – He commented that this is an indicator and not exact.

30 Projected Aviation Lease Cost Center and Projected Non-Aviation Lease Cost Center – He commented that in the future when the Authority leases land, hopefully tenants in coming years will lease land in and around Cheney, is 95% profit.

20 Years Operating Revenue – He commented that after the hurricane things started to get better.

35 Operating Gain – He commented that the Authority tries their best to be conservative and will not know if next year will be as good as this year. He commented that it is tied to the number of cities that the airline is flying to now.

Mr. Quill went over the line item budget (copy attached).

40 Fuel and Oil Sales – He commented that it compares to the cost of fuel sold.

45 Industrial Park and Commercial Leases – He commented that the increase is related to the purchase of the units in Mr. Koth's hangar and the speedway which was not in last year's budget.

T-Hangar Rentals and Tie-Downs and Concessions, Vending and Fees – He commented that it is the same as last year.

Airline Related Revenues – He commented that it consists of parking, rental cars, the grant for the law enforcement officers and the food concession inside the terminal.

He explained that there is a slight increase in revenues over the current year.

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Salaries and Wages, Payroll Taxes, Retirement and Personnel – He commented that it is an 11% increase. He explained that the current year does not have all of the expenses that has been added to next year's budget and there is a 3% cost of living and budgeting for sick leave, bonus and vacation. He commented that the City and County were giving 3% raises this year. He explained that the personnel expenses include medical insurance, uniforms and training.

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Insurance – He commented that normally there is a rebate from the insurance company, but it is not guaranteed.

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Marketing and Promotion – He commented that this year the Authority used the Small Community Air Service Development grant for marketing.

Computer Maintenance and Expense – He commented that the Authority was using an outside contractor and have now hired an in-house employee.

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Travel and Auto Allowance – He commented that there are some additional seminars that will be attended next year.

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Airline Related Expenses – He commented that it includes ARFF and ARFF training, noise program and related expenses, Sheriff's Office, janitorial services for the terminal, parking lot expenses and SIDA expenses.

Non-Operating Expenses – He commented that it includes bad debt and interest expense.

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Fixed Assets – He commented that it includes a truck for the janitor, new phone system, replace existing computer network, terminal network, software licenses, trailer for ARFF foam and ARFF truck tires.

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Capital Improvement Program – Mr. Quill explained that it is the best guesstimate for projects in the next five years. Mr. Parish explained that he will be going over the upcoming projects in detail for 2015 and touch on the other projects in the schedule for the next few years. He commented that the terminal is a big project and has been bid and the FAA grant would be here soon. He commented that the ILS will be installed and the installation, site work and improvements are covered under a FDOT grant which is 80/20. He commented that the Stars Elite is a radar display for the tower and it is a 100% grant from FDOT and the FAA may maintain it. He commented that security and baggage system are upgrades in the new terminal and it is included in the 100% grant from FDOT. He commented that he is trying to get pavement index numbers on runway 4/22. He reported that the pavement on 4/22 is sixteen years old and the average cycle for asphalt is fifteen to twenty years and would like to make it last twenty years. He is suggesting conditioning pavement this year. He has not talked to the FAA about it and has had an asphalt expert look at it and the consensus is that a conditioning project would get the

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runway through 2020. He will be running this by the FAA for funding. He commented that the terminal annex is the unit that the Authority is building out next to the rental car office for TSA training. He explained that extending the rental car car wash project and there are discussions if it should be an automated system. He commented that there is a requirement that the Authority would have to have a full parallel taxiway because of the ILS. He explained that the Authority has been trying to get a full parallel on 4/22 for the past ten years and the FAA has turned it down. He commented that the tower is pushing for it as a safety issue. He commented that the Authority is looking at the full parallel design in 2016 along with the environmental assessment and do the design of the expansion of the terminal apron. He explained that the projects in 2016 would be all FAA projects. He commented that in 2017 the Authority will be talking to the FAA and FDOT to construct the taxiway and apron. He explained that the FBO project is in the FDOT program. He commented that there are questions associated with the FBO project, such as getting the local funds and where to put it. He commented in 2019 is a south ramp project. He explained that the south ramp, located by the EAA, was constructed about 18 years ago and is in rough shape. He explained the project would be to design and overlay it. He commented that the parking lot project would be a FDOT project and it would be a manned exit station with three or four unmanned stations like the Authority has now. He commented that the big project in 2020 will be the overlay on runway 4/22. He commented that there will be variables that aren't included in the cost. He explained the Authority would like to extend runway 15/33, get rid of the displaced thresholds and do an EMAS and extension at the 33 end. He opined that he does not see that happening. He explained it would be a juggling of schedules to get 4/22 closed and overlaid and could be a combination of converting taxiway A into a runway or doing a lot of night work. He commented that there are some projects on the horizon but the time frame is unknown. He explained that the maintenance facility is in a building that has four different elevations. He explained that the Authority's old maintenance building is a cabinet shop, the next one blew away in the hurricane and the Authority inherited the current building. He commented that there are parts stored in five different buildings on the airport and won't build it until there is funding for it. He explained the parking lot expansion would be about 400 additional parking spots between Viking and Beechcraft and will build it in pieces as necessary. He explained that the only way the Authority will do the projects is if the Authority gets the grants to fund it. **Commissioner Seay made a motion to adopt the FY 2014/2015 Tentative Budget. Commissioner Coppola seconded. Motion passed unanimously.**

## 7. Citizen's Input

## 8. Adjournment - Meeting adjourned at 5:34 p.m.

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Don Lee, Chair

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Kathleen Coppola, Secretary/Treasurer