

CHARLOTTE COUNTY AIRPORT AUTHORITY

MINUTES OF REGULAR MEETING - OCTOBER 8, 2015 - 9:00 A.M.

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1. Call to Order

2. Invocation

10 Commissioner Seay gave the invocation.

3. Pledge of Allegiance

4. Roll Call

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Present: Chair Andrews; Commissioner Coppola, Hancik, Herston and Seay; Assistant Executive Director Parish; Attorney Garrard; Mrs. Cauley; Ms. Desguin; Mr. Laroche and Mr. Mallard. **Others present:** Jim Kaletta, Steve Henriquez, Alan Boynton, Jerry O'Halloran, Jeanette Worth-Dugan, Bill Dryburgh, Mike Hirsh, Jim Deutsch, Ned Rose, Paul Piro, Councilman Cavanaugh, Commissioner Doherty, Vic Poitrias, Bob Harrington, Gary Harrell, Larry McClure, Mark Kistler, Kelly Rubino, Mark Futch, Luther Fitch, other people from the private sector and a member of the press.

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5. Additions and/or Deletions to the Agenda

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6. Citizen's Comments

Luther Fitch - Commented that he had filed a complaint against Three Palms Speedway earlier and Mr. Haase has filed his complaint. He commented that he has filed a motion for judgement and they are waiting to hear from the Judge.

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7. Consent Agenda

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

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8. Secretary/Treasurer's Report

Mr. Parish reported that the Authority had budgeted a small loss in August but actually had a gain. He commented that the Authority budgeted for a loss in August and September and will see what happens in September. He commented that the Balance Sheet now shows the net position on all of the reserves. He commented that there is an agenda item to write off some bad debt.

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45 **9. Committee Reports**

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- a) **Land Use** - Commissioner Herston reported that in Charlotte County development is getting interesting and picking up. He commented that the Land Development Regulations that are being addressed and the codes will not be rewritten but modified.
 - b) **Economic Development** - Chair Andrews reported that Western Michigan University is coming to the airport. He pointed out the statistics for Charlotte County that was in the Southwest Regional Economic Indicators Report for September 2015 from the Florida Gulf Coast University Economic Research Institute College of Business which included the Authority's passenger counts, tourist tax increases, building permits increase and taxable sales that grew. He commented that reports from the Florida Association of the Board of Realtors states an increase in housing.
 - c) **Personnel** - Commissioner Coppola presented Mr. Parish with a plaque for his ten years of service.
 - d) **Public Relations and Special Events** - Commissioner Coppola reported that she and Chair Andrews attended the Teenage Republican Club. She reported that she attended the Charlotte County/DeSoto County Republican Club, Women's Republican Club, the Republican Executive Committee and along with the rest of the Board the Punta Gorda Chamber of Commerce Awards Banquet. She suggested having cards with the cities listed made a little larger. She reported that Cheney Brothers will be having their Grand Opening. She reported that she attended the Grand Opening for the Gasparilla Inn in Boca Grande and suggested that they be contacted to advertise at the airport. She commented on the exhibit that is displayed in the library depicting the Punta Gorda Army Airfield.
 - e) **Governmental Liaison** - Commissioner Seay reported that the Legislative Delegation meeting is coming up and the Authority does not have any specific legislation or local bills that the Authority needs to propose. She commented that the Authority does want to provide things that the Authority have done and what the Authority is continuing to do as an airport, and to congratulate the Delegation and thank them for the support that they have given the Authority. She suggested using an article that was in the Charlotte Sun on September 23rd and the editorial that was in the Charlotte Sun October 8th regarding Western Michigan University. She commented on Western Michigan University having a jump start on getting their application ready to do programs here because they already have some programs here. She commented that the programs could start here by September of 2016. She commented that last year the Authority asked the Legislative Delegation for funding in support of the Western Michigan University project and should let them know that the Authority is following up with that in conjunction with the County, City and Florida Southwestern State College. She suggested that when the Legislators are addressed to let them know this is an ongoing request from last year to continue with the progress. She commented that she has been in contact with Mr. Paul and he will be tracking the bills that she mentioned last month that may affect the Authority.

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- f) **Metropolitan Planning Organization** - Commissioner Herston reported that the last meeting was held in Murdock and the 2040 Long Range Transportation Plan was open for public comment at the previous meeting which was held over. He explained they took one or two more public comments and then public comment was closed. The MPO voted unanimously to accept the long range plan. He commented that it was a one year process to put the plan together. He reported that Mr. Harrington's evaluation was done and that it was Mayor Freeman's last meeting as she is leaving the City Council. He commented that the MPO will be submitting their 2016 legislative agenda to the Legislative Delegation. He commented that he suggested that the MPO mention that the MPO does support the airport. He reported that the MPOAC meeting will be in Orlando on October 29th.
- g) **Aviation Activities** - Commissioner Hancik reported that the passengers in August and September have a down turn due to the seasonal adjustments and that Allegiant suspends service to certain cities to later in the fall or after the first of the year. He reported that there has been in an increase in the fuel pumped. He reported that there are twenty nine empty hangars in the 600 series and anticipates those to be occupied as the northern pilots come back for the winter. He reported that there was an increase in passengers over August in 2014.

10. Attorney's Report

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- a) **Three Palms Speedway** - Attorney Garrard reported that after last meeting he filed a complaint under the Landlord Tenant Act for eviction and went through the process. He reported that he carried an order for possession over to the judge's office yesterday and should be signed today. He commented that the signed Writ of Possession will be given to the Sheriff's Office and they can take Mr. Laroche to the Speedway and he can change the locks.

11. Executive Director's Report

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- a) **Development Update** - Mr. Parish reported that the build out for the TSA space in the hangar has been completed and the Authority is working on a new lease with the TSA for that space. He reported that new signs are going up in the parking lot to help passengers find their cars by labeling the rows. He reported that the car wash will be done in early November. He commented that if anyone has gotten a noise complaint about a plane flying all over the place it is the FAA flying the ILS procedures to check the localizer, glide slope and the DME. He reported that the first phase of the terminal opened last month and everything seems to going well, and the demolition on the old building is underway. He reported that there will be a pre-construction meeting on the Taxiway "A" project this month. He commented that there will be changes on the airfield over the next six to nine months when Taxiway "A" gets extended from Taxiway "C" to Runway 15/33.
- b) **Miscellaneous Items** - Mr. Parish reported that the Jannus Award Banquet is November 5th honoring the Chairman of Allegiant and the Authority has a table for ten.

5 He commented to let Ms. Laishley know if you are able to attend. He reported that the
Veteran's Parade is November 7th and need to be there at 9:00 a.m., the Charlotte
County Chamber of Commerce Christmas Parade is December 5th, Cheney Brothers
Grand Opening is October 22nd and the Tenant Appreciation Bar-B-Que is November
10 10th at the EAA building. He commented that Shell Aviation Fuels and Cheney
Brothers have agreed to help sponsor the event. He reported that Allegiant Airlines
awarded the Large Base of the Year Award to the Allegiant and the Worldwide staff
based at the Punta Gorda Airport. He commented that they were in competition with
Mesa, Las Vegas, Sanford and St. Pete. He suggested that Ms. Laishley wait a few
15 weeks on the destination cards. Chair Andrews stated that it was a fantastic job on the
terminal change over by Mr. Parish, Mr. Laroche and staff. Mr. Parish thanked Mr.
Laroche who was there forty hours straight that day and maintenance was there all day.
He explained after the last flight all of the furniture and everything had to be moved.
Commissioner Coppola asked if the wall is torn down will everything get all dusty. Mr.
Parish explained that a temporary wall was built and now another temporary wall will
be built inside of that temporary wall and they will tear that temporary wall down to tie
the two together.

20 12. Old Business

25 13. New Business

30 a) **Allegiant Operating Agreement** - Mr. Parish explained that staff had discussed with
each Board member an Airline Operating Agreement. He commented that the
Authority has not had one since the Skybus days. He explained that it is an operating
agreement that outlines how they operate, what the Authority controls and what the
airline controls, rates and charges, termination, insurance, FAA provisions and
security. **Commissioner Seay made a motion to approve the operating agreement.**
35 **Commissioner Herston seconded.** Commissioner Hancik commented that he wanted
to ask his fellow Commissioners if they understand. He commented that he was
surprised to see the agreement come up and opined that this is a move in the right
direction. He commented that he would like the other Commissioners to tell him how
they understand this agreement is working. He commented that he has some interesting
questions that relate to the agreement. Commissioner Coppola asked him if he brought
them up when he discussed this with staff. Commissioners Hancik commented that he
only had an hour and took it home and read it with some thought. He commented on
the definition of a qualified airline. He commented if Delta or United Express wanted
to provide service with CRJ900's that are jets with 90 seats they would not qualify. He
40 asked if the Authority is prohibiting anyone other than those flying Airbus 319 and 320
or having aircraft with less than 150 seats from coming in here. He commented that
this is not defined as it would normally be defined the airline in the industry. He
commented under "B" airline related revenues are talked about and what the Authority
is giving them credit for but the Authority does not define what the airline related
expenses are going to be. He commented that there are three types of contracts. He
45 commented that this document does not provide any additional revenues from Allegiant
and how that happens is the way the document is constructed. He commented that the

Authority receives a hook up fee for fueling and that is going to be used as a credit against the per turn fee. He commented that this document talks about one way of getting revenues from an airline is on a per turn basis that is established at \$65.00. He commented that basically there is no income in this type of agreement because it is off setting the fueling dollars against the per turn fee. He commented that historically there is an in-the-plane fueling agreement with the airline which usually has a hookup fee that the Authority is not getting and a lot of times a per gallon fee. He commented that the document has in it that the Authority has the right to charge a Passenger Facility Fee. He commented that it is a ten year agreement with a 120 day contract termination by the airline and 30 days by the airport. He commented that the rest of the items in there is not bad and standard items in an airline operating agreement. He commented that there is a scheduling question should other people come in. He opined it is not too bad other than the things he mentioned. He opined that the agreement should be signed by the Chairman of the Board rather than the Executive Director. Mr. Parish commented that the Authority will get a fee for every aircraft, not just those that fuel here. He explained that the document is based on 2014 revenues and expenses. He commented that it does not preclude any other airline from coming in. He commented that the Authority can offer the same agreement to someone who is bringing in a forty passenger jet. He commented to get this agreement they would have to meet those same requirements. He commented that if Delta came in with a thirty, forty or seventy passenger plane the Authority would negotiate with them an agreement that is favorable to the Authority. He opined that the airport will be a low cost/ultra-low cost carrier airport. He commented on those who were interested in the airport not that the Authority would not talk to the majors. He commented that the Authority tried very hard with Southwest. Commissioner Hancik commented on per turn rates and the more you use it the less you pay and that is what is behind this kind of agreement. He commented that if you look at someone coming in that has forty three less landings per month they are going to be charged more. He commented that at the Budget Workshop the Chairman thought this was a hot topic along with the other hot topics and the Board should have a workshop on this. He commented that he knows that they all were briefed individually on this but he keeps going back to the Sunshine Law and does not know how the others feel about something. He encouraged the Board to have a workshop when items like this come up. He commented that if you read the agreement and the wording on the Agenda Item Sheet stating to enter into operating agreement with Allegiant Airlines outlining rates and charges. He commented that the agreement is predicated on that then it changes the business philosophy that is talked about. He commented that the business philosophy was to not charge the airline anything and now the Authority is going to start charging. He commented that there are some gray areas in there and he is not comfortable with it. Commissioner Coppola commented that if Allegiant is so successful in their way of operating are the other airlines going to change their way of operating. Mr. Parish commented that the airline industry wide the air carrier industry is changing. He commented that the majors are going through consolidation and limiting the number of flights and getting rid of smaller aircraft. He opined that is why there is a pull back from small and non-hub airports to the major hubs. He commented that he does not see them changing their model. He commented

that there may be some start-ups in the future. **Motion passed four to one with Commissioner Hancik casting the nay vote.**

5 **b) Accounts Receivable - Write-Off Bad Debt** - Mr. Parish explained there are three items on the accounts receivable that the Authority has been carrying for a while. He explained that the Authority has been unsuccessful in collecting them. He recommended writing off \$9,933.03 in bad debt. Commissioner Coppola asked about the Air Show account. Mr. Parish explained that the Authority charges them their hard costs such as fuel which they pay. He explained that this is staff labor costs. He commented that in the past the Authority has written it off or given it as a donation. **Commissioner Hancik made the motion to write off the bad debt. Commissioner Herston seconded. Motion passed unanimously.**

10 **c) Executive Director's Evaluation** - Commissioner Coppola commented that the evaluation documents have been distributed and are due back to staff by October 27th. Mr. Parish commented to return them to Ms. Laishley or Ms. Desguin.

14. Citizen's Input

20 **Jim Kaletta** - Commented that on October 17th, 2015 there will be a Wings program at the EAA building at 1:00 pm. He commented that the airport has cooperated with them and they will go through all the new things that are happening at the airport, and it will be put into a Wings program and the pilots will get credit for this with the FAA. He commented that there will be a big press coverage. He commented that they will go into the Master Pilot's Award at 2:00 pm. He stated that there were over 800,000 pilots in the 80's and 625,000 pilots today, and out of these pilots 3500 have gotten a Master Pilot's Award. He commented that it is a pretty prestigious award. He commented that six of these pilots are at the airport. He will be giving out four awards and three of them will be for pilots at this airport. He commented that each of these pilots are professional in the field and have fifty years of no accidents and no violations. He stated that the FAA goes into this pretty heavily and they go back through the records from the time of the first solo of an airplane checking to make sure that this is true, and they will present each pilot with a thick report showing all the documents that the FAA has kept over all the years. He commented that the ones that will be given out this year are pilots that are not only commercial airlines, corporate pilots, but are executives of companies.

35 **Bill Dryburgh** - Approved of what the Authority had done with the new terminal. He commented that he often flies in from Knoxville and when arriving in the dark it is hard to find the path leading to the terminal and he is suggesting to install brighter lights. He commented that he is proud to fly non-stop to Punta Gorda from Knoxville. He commented that the new terminal is a nice and beautiful building and he was on the first flight to arrive at the new terminal. He commented that when you go out of the building to the long term parking lot you have to walk along the building to the center aisle and cross over to the long term parking lot, and there are no awnings on the building to protect you from the rain as you walk along the building. He suggested when the Authority expands the parking lot to include another set of exits. He commented that the flight from Knoxville was an hour

and twenty-six minutes and it took an hour to get out of the parking lot because one of the ticket gates was broken, and there was someone in a car at the gate that didn't know how to operate it and someone from another car went to the terminal to get help. He commented that the Authority is doing a great job.

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Councilman Cavanaugh - Congratulated the Authority for their efforts in bringing Western Michigan University to the community on behalf of his colleagues on the City Council. He believes it will be a really significant event for the economic future of Charlotte County. He invited everyone to the ground breaking ceremony for the Vietnam memorial wall at Laishley Park on Veteran's Day, November 11, 2015 at 4:00 PM and he anticipates that Governor Scott, Congressman Tom Rooney, many of Charlotte County Delegation, the County Commissioners and other important people will be in attendance.

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Jerry O'Halloran - Commented that it was a great job on Western Michigan University and he opined that it is a plug for the Airport Authority, the County Commission and the City Council and it was a collaborative effort that has a positive outcome. He commented that they will have buildings, will hire people and will have trainers and it will be a long term positive endeavor. He commented that not too long ago that he, Mr. Don Lee and Mr. Gary Quill were fighting with the County Commissioners to make sure that the developers were kept from ruining the airport and they were successful in doing that and there is no interference of a lot of noise complaints that could have. He commented on the cards showing the cities where Allegiant flies to. He commented on the dunk tank in which the chairman was being dunked. He commented that when you start the meeting you asked all of us to turn off our cell phones and when he leaves he misses a lot of phone calls because the Chair didn't invite him to turn it back on.

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15. Commissioner's Comments

Commissioner Herston - Welcomed everybody to the meeting and he recognized Commissioner Doherty, Councilman Cavanaugh, Executive Director Mr. Harrington, Assistant Director Mr. Harrell and Kelly Rubino. He thanked staff for another great month. He congratulated staff on the opening of phase I of the terminal. He commented that after all the hard work a finishing touch was put on the building with a prayer meeting held prior to opening the building. He commented that the temporary wall is still in the wrong place. He congratulated the County, the City and the Airport on Western Michigan University.

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Commissioner Seay - Commented that the number one most important thing in her mind is Western Michigan University. She commented that she had been talking with them for over two and half years, and it is so thrilling and exciting to see that they have chosen this airport over all the others that they could have gone to. She commented that they were looking at a lot of different locations in Florida and different states. She commented that a large part is due to how well the staff had worked with them and how the community greeted and welcomed them, especially the Charlotte County Board of Commissioners and the Punta Gorda City Council. She commented that Tom Patton did a tremendous job in shepherding that process. She commented that Allegiant named the Punta Gorda Airport as the large base of the year, and winning that award is exciting and is a testament to the

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5 good work that staff has done in working with Allegiant, and it also showed in the new
terminal building. She commented that there are a lot of wonderful things going on. She
commented that the Airline industry is evolving and has changed dramatically over the last
several years. She commented that the staff, Mr. Parish and Mr. Quill have been ahead of
the curve on the things that are changing in the industry. She opined that it is important that
the Board acknowledge staff for their forward thinking and to look to the future instead of
looking into the past. She applauded the Authority's staff for that and she opined that the
Airport will continue to be successful because of that approach. She commented that she
is looking forward to more good things happening. Commissioner Herston asked that the
10 Authority's staff to stand up for applause.

15 **Commissioner Coppola** - Commented that she attending the Unity Meeting held by the
NAACP and the local School Board. She commented speakers included the new head of
the prison at Oilwell Road, the outgoing and incoming Superintendents of Education, a
representative from the Punta Gorda Police Department and a representative from the Punta
Gorda City Council. She commented that it was a very interesting meeting. She commented
that she had invited two pastors to come to the grand opening to bless the terminal. She
commented that she will be at the Vietnam War Memorial because her husband fought in
the very beginning of the Vietnam War. She commented that Commissioner Seay gets all
20 the accolades for the Western Michigan University project. She commented that she
remembered when Commissioner Seay introduced the gentleman to the Board several
years ago and it has been a continuing ongoing negotiation effort and it has come to
fruition. She commented that it is all of us getting together, the County Commission and
the Authority, bringing Western Michigan University to Punta Gorda, and congratulated
25 Commissioner Seay because she was the lead person on the Western Michigan University
project. She thanked everybody who made comments today at the Citizen's Input and she
appreciates them for coming.

30 **Commissioner Hancik** - Commented that he was disappointed that the Board did not have
the desire to have workshops on major items. He thought the Board would have had a
workshop as indicated by the Chair at one of the last meetings on the Allegiant deal. He
commented that he is being very honest about it, and he had asked for input from his fellow
commissioners on what they thought about that contact, how they understood and how that
worked and he didn't get any answers.

35 **Chair Andrews** - Thanked everyone for coming especially Commissioner Doherty and
Councilman Cavanaugh. He commented that per the Boards normal procedure this will
most likely be his last meeting as Chair, because a new Chair will be elected next month.
He commented that it has been a very interesting year. He commented that he had done
40 quite a bit research on the airline over the last year by looking at the ultra-low cost business
model and the ultra-low cost airline and he definitely sees the trends as the commissioners
saw at FAC. He commented that this is something that he sees as working and it has been
working since the Authority had it. He commented that his position has always been to
continue on and as the process evolves and as the business evolves changes will be made
45 as needed. He commented that there is a lot more that he could talk about but he'll save
that for another day. He commented that Western Michigan University, and he can't say

5 he is biased because he is from Michigan, is a good school and it is a good move and it will be good for the airport and the community. He commented that he looks forward to the day when Western Michigan University will be on the airport. He thanked everybody for coming and thanked staff. He commented that he knows what all went on during the changeover and he can't say enough for the hard work that staff did.

16. Adjournment

10 Meeting adjourned at 10:56 a.m.

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Paul Andrews, Chair

Kathleen Coppola, Secretary/Treasurer