

**CHARLOTTE COUNTY AIRPORT AUTHORITY**

**MINUTES OF WORKSHOP - MARCH 1, 2016 - 9:00 A.M.**

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**1. Call to Order**

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

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**2. Invocation**

Commissioner Herston gave the invocation.

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**3. Pledge of Allegiance**

**4. Roll Call**

**Present:** Chair Andrews; Commissioners Coppola, Hancik, Herston and Seay; Executive Director Quill; Attorney Garrard; Assistant Executive Director Parish and Mr. Mallard.

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**Other people present:** Jim Kaletta, Mike R. and Michael Mellon.

**5. Policy and Procedures/By-Laws – Continued**

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Chair Andrews explained that after the last workshop the Board left off on Section 5 Procedure for Authority Meetings E. Commissioner Coppola asked about the highlighted areas. It was explained that the highlighted areas were taken from the existing CCAA procedures and the new suggestions are not highlighted.

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Chair Andrews read item E. He commented that there is a draft proposal agenda (copy attached). He explained there is more areas for Citizen's Input. Commissioner Seay commented that a third area has been added. There was discussion on a time limit. Mr. Parish explained that it works if you have an entire subdivision that wants to argue about a subject and it can take a long time to listen to everyone. Commissioner Hancik commented that the Chair can enforce it if need be. After discussion there was consensus to have Citizen's Input before Additions and/or Deletions to the Agenda and to keep it during Old and New Business and at the end of the meeting.

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Chair Andrews read item F. Commissioner Hancik asked about the 100 point system to break it out among ten or twelve. Mr. Parish explained that generally that is included in the RFP. Commissioner Hancik asked how the grading is done. Mr. Parish explained the Board could either have a selection committee that includes a Board member and then it has to be a public meeting, or staff can grade them and give their recommendations to the Board and the Board can choose as they see fit. Commissioner Seay commented that it is rare that there is more than two or three. Mr. Parish commented that the Authority is out for consultants right now. Commissioner Seay commented that when the Authority talks about their consultants and services is there a time frame for those. Mr. Parish commented that

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the majority are three years with two one year extensions and five years is the maximum on engineering consultants. Commissioner Seay asked if there should be a policy. Mr. Parish commented that it is up to the Board. He commented that he and Mr. Quill see advantages to changing, not regularly, but to get a different view on certain things like audits. Commissioner Seay commented that is what she was thinking. She commented that the Authority has a great auditor but it never hurts to take a look to see if the Authority is getting the best they can, not spending too much money, everyone approves and not just the Board from twenty years ago. She commented that Mr. Tuscan is great and has done a great job. Commissioner Coppola opined that Mr. Tuscan is one of the best and his interest in the airport is 100% to protect the Authority and to watch over the Authority. Commissioner Seay suggested a policy that states that any consultant that the Authority hires would have to come back to the Board every three to five years to say that they are interested and who is working for them and what are the costs. Commissioner Hancik commented that depending what the Authority is going out for it would take some time to form a relationship. Mr. Parish explained that the State has a requirement on engineers at three years with two additional years, and at five years you have to go out for qualifications. He commented that on other things they are more open. He commented that it is the Board's decision if they want to do a three year, five year contract or one year. He opined that the Authority needs to look at all of the continuing contracts before Mr. Quill leaves. Commissioner Seay suggested to add that to their agenda for review what the Authority has. Mr. Quill suggested to dog that as part of the procurement policy workshop. Mr. Parish explained that under the Consultants Competitive Negotiations Act the Authority will see more RFP's. He explained that the FDOT has limited the total amount of an RFP to the general consultant's agreement to \$2 million total contract including construction. He explained that any project that is estimated to be close to \$2 million the Authority will have to go out for an individual RFP. He explained that the same consultant cannot do the construction management (CM) work. He commented that the Authority will either have to go out for construction management for each project or use one of three consultants that is selected so one would do the design and one would do the CM. Commissioner Coppola asked if it is money saving or what is the purpose. Mr. Parish commented that the RFQ the Authority is putting out for general consultants is very long and has to list every project the Authority can conceive of but the newer ones for individual projects are very short. He commented that he has been watching Sarasota and Tampa who go out for every project and he is starting to see the advantage of it. He commented that smaller airports like having just one consultant but the larger airports need more than one. He explained that none of the consultants that the Authority picked last time exist any longer. Commissioner Hancik commented on the last selection for the design/build. Mr. Parish explained that was for a limited time and it will expire soon. Mr. Quill commented that in the past the FAA and FDOT would have fall out money at the end of the year and that is not happening now. Mr. Parish explained that the cycle with the FAA is two years, design one year and construction the next. He commented that they are pushing environmental considerations on projects and even if the project is exempt they are making the airport do it which is making it a three year cycle. Commissioner Seay commented that would add to the cost. Mr. Parish opined that the FAA is not concerned with cost but concerned with documentation. He gave the example of a two page document that was not approved and turned in a two

hundred page document that said the same thing at the end and it was approved. He commented on the size of the grant applications now compared to years ago.

5 Chair Andrews read item G. Commissioner Seay suggested rewording it to “the Authority may only take action upon any matter, proposal or item of business which is listed upon the official agenda.”

Chair Andrews read item H. There were no changes.

10 Chair Andrews read item I. There were no changes.

Chair Andrews read item J. There were no changes.

## 15 Section 6

Chair Andrews read item A. His or her were added in two places. Commissioner Hancik opined A and B were the same. Commissioner Seay explained that A talks about the vote and B is about influencing your decision in making the vote happen. She commented on a member recusing themselves they can go down to the out to the public area and go to the podium like anyone else.

20 Chair Andrews read item B. There were no changes.

Chair Andrews read item C. Mr. Parish commented that some of the items in this document came from other airports who had members who were on bank boards.

Chair Andrews wanted to address conflict of interest if a Board member is a member of an organization that is on the airport. He gave the example of being a member of the CAP and voting on a lease for them if that is a conflict of interest. He commented that there is no personal gain. Commissioner Seay opined that being a general member would not. Commissioner Herston asked if the Board needs a disclosure that there is a conflict of interest or announce that the Board member is a member of an organization.

## 35 Article III. Organization

### Section 1. Officers

Chair Andrews read item A, B, C and D. There were no changes.

40 Chair Andrews read item E. Deleted the s on dates.

### Section 2. Committees

Chair Andrews read item A. Commissioner Hancik asked if it is an internal or external committee or both. Mr. Parish opined it is like a selection committee where there is Board member(s) and staff. He explained if there is one Board member and staff it is under the

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Sunshine Law. Commissioner Hancik asked if he wants talk to a staff member it is not under the Sunshine. Mr. Parish commented that it is not, but if a Board member is appointed to be on a selection committee and staff sat with him and went over the proposals and ranked them the meeting would have to be noticed.

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Article IV. Budget

Section 1. Budget

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Chair Andrews read item A. There were no changes.

Article V. Administration

Section 1. Executive Director

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Chair Andrews read item A. There were no changes.

Chair Andrews read item B. Commissioner Seay suggested changing it from State of the Airport to State of the Authority.

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Chair Andrews read item C. There were no changes.

Chair Andrews read item D. Commissioner Herston suggested that the Charlotte County Airport Authority be changed to the Authority.

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Chair Andrews read item E.

Section 2. Duties of the Executive Director

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Chair Andrews read item A. Commissioner Herston suggested removing the Charlotte County Airport Authority in the last bulleted item.

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Commissioner Hancik commented on the discussion at the last meeting about the Executive Director's job description needing to be updated. He commented that both the number one and number two positions need to be updated, and when sitting down with Mr. Parish the Chair will be able to negotiate. He commented that the personnel policy update did not include the number one and two positions in regards to job descriptions, salary and benefits. He commented that needs to be looked at to make sure that the Authority is being fair to everybody, including Mr. Parish and the Authority. He suggested going to the communities that were surveyed for the number one and number two positions, and for Mr. Quill to take a look at the airports by the number of enplanements and survey the five above and the five below as it relates to salaries and benefits and to look at what the market is doing in relationship to the complexity of this airport. He opined that the Chairman will need that information to sit down with Mr. Parish. Mr. Quill commented that staff can do that. He commented that the top two positions are under contract and perhaps in the contract it can reference the job description. He commented that on the number two position since

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the airport director from time to time reorganizes things, there is a lot of input that needs to be from the number one position. He commented that the contractual relationship between the Board and the Director and an updated job description could be referenced. Commissioner Hancik commented that there are things in the by-laws that should reference back to the job description or state that the duties in the by-laws are part of the job description. Mr. Quill commented that the bulleted items that the Board just went through are a basis for the job description, the foundation. Commissioner Hancik commented that the document talks about the Executive Director but not the number two position. He commented on how the organizational chart should be organized. Mr. Quill commented that situations may vary from time to time. He commented that the Authority's development in the past ten to twelve years has been very different and may evolve further as the Authority moves forward. He opined that the Authority has gone from entrepreneurial stage to managerial stage but does not want to get away from the entrepreneurial stage. He suggested to keep the guidance generic the way that it is on the bullets giving the director some flexibility to shape the organization and respond to changes. He opined that aviation is a dynamic business and can change in six months. He commented on the challenges in general aviation. Commissioner Hancik commented that he understands what Mr. Quill is saying. He commented that he is trying to make sure that the Chairman had the tools that are necessary to sit down and pull something together. He commented on the job descriptions needed to be updated. There was discussion on the last bullet to be left as is.

### Section 3. Authority-Executive Director Relationship

Chair Andrews read items A, B and C. There were no changes.

### Article VI. Open Meetings and Public Records

#### Section 1.

Chair Andrews read item A. There was discussion on the last sentence copying or labor costs and why it can't be changed to and labor costs. Mr. Parish commented on the fifteen cents a page rule and it is rare that the Authority charges for time.

### Article VII. Amendments

#### Section 1.

Chair Andrews read item A. There were no changes.

### Article VIII. Acceptance of Grant Offers

#### Section 1.

Chair Andrews read item A, (a) and (b). Mr. Parish explained that the Authority gets grant offers that have to be turned around almost immediately. He explained that in the past the Authority has had emergency meetings to accept the grant. He commented that the grants

are never a surprise. He commented that the language came from Sarasota and is acceptable to the FAA and FDOT. He commented that the State grants require a resolution and are not going to change but will work for the FAA grants. He explained that there are different types of State grants. He commented that the Board would know when the Authority is waiting on a grant from the Feds and it would not just pop up. Commissioner Herston suggested making sure it is known about at the next meeting.

Chair Andrews commented that approval of this will be at the meeting in March.

## 6. Citizen's Input

**Michael Mellon** - Thanked the Board for their services and stated that it seems like everything is going very well. He commented that the Airport is doing well and on a larger county bases there is never enough money to do roads and things of that nature, and he asked if the landing fee is a contractual obligation or a decision of the Board not to charge the fees, and given how well Allegiant is doing, especially with the lower fuel costs, is there a chance that the Board might impose landing fees in the future to generate more income. Mr. Quill commented that the Authority has a ten-year agreement with Allegiant that does not call for any fees. Mr. Mellon commented that is contractual. Mr. Quill agreed. Chair Andrews commented that it is a tool that is available if needed. Mr. Parish commented to keep in mind that any income derived at the Airport must stay at the Airport. Mr. Mellon commented that he was not inferring that the Airport could, but if the Airport could generate more income and seeing how successful Allegiant is why wouldn't the Authority charge fees. He commented that he understands it now with the contractual agreement. He suggested that after ten years the Authority might change and do it differently. Commissioner Seay clarified that the Airport Authority is not part of the County and the money that comes to the Airport by federal and state requirements has to stay at the Airport. She commented that the Airport is an independent special district and not part of the County government. She commented that if money is generated at the Airport it stays at the Airport and the Authority is not permitted to pave roads or build bridges. She commented that it is great if the Airport is making more money, but the Airport cannot invest in the County. Mr. Mellon commented that if the airlines are doing so well and if there were more revenue opportunities the Authority could invest that money into the Airport for things that the Authority would want to do in the future. Commissioner Hancik explained his position that the Airport is a low cost airport and he does not agree with the current business model. He commented that he is an old airport guy and he believes the airlines should be paying their fair share of maintaining the Airport through landing fees, space rental and all of those kind of items. He commented that he is the minority and was voted down. He commented that since Mr. Mellon brought up the contract issue he opined that the ten year contract the Authority has with Allegiant will not withstand an FAA contract review. He commented that he would like the Airport Authority Commission to consider at some point in time sending the contract to the FAA because he doesn't think it will pass the mustard. He commented that if there was any litigation on that contract the Authority missed the communication clause that it has to be done in Nevada and not in Florida. He opined that there are some holes in the contact. He believes that the Authority should be extracting revenues from Allegiant. Mr. Mellon commented that the question

comes up a lot. He commented that logically when you have a thriving airport an airline fee would be charged. He commented that Allegiant's prices and luggage have gone up and people want to know that. He commented as an independent board the Authority constituting in such a way that the Airport serves the taxpayers and the community. Chair Andrews commented that the end of the year review covered a lot of the fees. He commented on fair share and charging additional revenue. He commented on the things that the Authority was able to do on the general aviation side that this business model has provided. He commented that over the years as things develop and change the Board will change, and the object is to make minor adjustments which has worked, it is paid off and the Authority has money to improve the airport. He commented that rents have not been raised in some areas and repairs have been done to the T-hangars without increasing rents. He commented that you have to look at the whole picture. He commented the question he would have is has the community been impacted negatively as a result of this. He commented that he has seen the economic impact, tax revenue and tourism tax revenue that the Airport is responsibility for. He commented that as a tax support every rental car that leaves the airport is subjected to the 1% sales tax which is used for some of the projects that were mentioned. He commented to look at the overall impact and he has learned the world is changing and it is changing daily because of technology changes in the industry as a whole. Mr. Mellon asked if there are any airports in the state of Florida that are similar in size and have a structure where they don't charge landing fees. Mr. Quill answered no and stated that the Punta Gorda Airport has the highest growth rate in Florida and very possibly in the country. Chair Andrews commented to take a look at the debt that some of the airports are carrying. He commented that this Airport's total debt is less than many of these airport's annual debt service. He commented that he sees responsibility and positive things overall for the community. Mr. Mellon commented that an observation is that given the Board's body language this has been a sore point over a period of time. Commissioner Herston opined that every time that fees are raised the recipient would turn around and charge extra for every person walking through the Airport. He commented that when he goes into the Airport and sees happy families that paid to get to where they need to go see their families and he is honored to keep the Airport costs low. He commented just because the Authority can, doesn't mean the Authority should. He commented on the government's tax budgets. He commented that he never would have believed that some property real estate taxes would be twenty to forty thousand a year. Mr. Mellon commented that Allegiant has a very successful business model and have had many quarters of continuous profit over profit and the Commissioners and management have done a very good job aligning the Authority with Allegiant. He opined that if the Authority had landing fees it would not make a bit of difference to Allegiant. He commented that he understand why the Authority doesn't charge a landing fee and have a ten year window that some feel passionate about it but that is not his business experience in the businesses he has been in and that is why he was curious.

**Mike Rettahavor (sp?)** - Commented on a conversation he had with Mr. Gary Quill who said he was working very hard trying to bring in different airlines. He commented that the Authority has all their eggs in one airline and asked Mr. Quill if he is still trying hard to bring in another airline or is the Authority happy with the one airline. Mr. Quill commented that the Authority is still trying to bring in another airline and he doesn't think it will happen

5 in the short term. He commented that he is very happy with Allegiant. He commented that  
the Authority had the highest growth rate in the country in the last couple of years. He  
commented that there are spinoffs in the community. He commented that based on the 2014  
study on the 2012 data the number that came up was two hundred twenty million dollar  
10 economic impact. He commented that the passenger traffic has more than tripled since the  
study and he opined that the economic impact in the community and region easily exceeds  
five hundred million dollars. Mr. Rettahavor commented that Allegiant does not go any  
place that he wants to go and he would like to see some competition. He commented that  
he and his friends go to the Skyview Café couple of days a week and asked why the  
15 Authority couldn't find something else to put up instead of the wall so they can have the  
beautiful view of the airport. Mr. Quill commented that the options came to a wall, having  
two parallel chain linked fences and all you would see is baggage and tugs, and if you go  
into the other room you will be able to see a little bit it, and there were security aspects  
related to TSA. Mr. Rettahavor commented that Ronald Reagan would say "tear down that  
wall".

## 7. Adjournment

20 Meeting adjourned at 10:43 a.m.

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Paul Andrews, Chair

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Kathleen Coppola, Secretary/Treasurer