

**CHARLOTTE COUNTY AIRPORT AUTHORITY**

**MINUTES OF WORKSHOP – MAY 18, 2017 – 9:17 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**

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**Present:** Chair Andrews; Commissioners Coppola, Hancik, Herston and Seay; Mrs. Cauley; Ms. Desguin; Mr. Ridenour and Mrs. Jennifer Smith. **Others present:** Steve Henriquez, Jim Kaletta, Mike Mooney, Bob Harrington, Gary Harrell, Lucienne Pears, Mike Mapstone, Jennifer Hamilton, Alan Boynton, Paul Piro, Kelly Rubino, Dave Goode, Commissioner Deutsch, Jerry Paul and other people from the private sector.

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**5. Citizen's Input**

Mr. Parish asked to move the Legislative Session Update item up on the agenda.

**13. Legislative Session Update**

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Jerry Paul reported on the debate on the budget, the number of bills that were filed and the number passed, the airport firearms bill, the bill to eliminate Enterprise Florida, the ride sharing bill, the bill on drones, the airplane sales and lease tax exemption, the budget increase and decline, not a good year for local projects, the airport funding projects and FDOT did well this budget cycle. He commented on Mr. Parish being well respected in Tallahassee and with FDOT. He commented on political capital and the relationships with the Legislators. He commented on the dates for the upcoming Legislative Session and the committees will meet in late September. He suggested if the Authority has any priorities they want presented during the upcoming legislative session to have them ready by then. Commissioner Seay commented that the Master Plan may have projects that may have the potential for requests for funding. She requested having a workshop with the consultants working on the Master Plan to prioritize the projects. Mr. Paul explained who the new members on the Legislative Delegation are. Commissioner Coppola asked if the delegation was aware of Western Michigan University coming to Punta Gorda. Mr. Paul commented that Charlotte County has been messaging that. He commented that the Delegation's knowledge of the details is not great. Mr. Parish explained the CIP request the Authority has made in FDOT's JACIP. He suggested asking for additional GA ramp facilities in the

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range of \$2 to \$3 million. Mr. Paul commented that the Governor and FDOT is looking for a return on funding investments. He commented on getting the requests submitted early. Mr. Parish explained that on June 15<sup>th</sup> there will be a Board update on the Master Plan along with a stakeholder update and public update. He commented it will be the alternative analysis presentation and after that the Authority needs to start talking about selecting the alternatives and getting a budget for those items.

## 6. Economic Impact Study

Mr. Parish explained that the Authority contracted to have an economic study completed. Mike Mooney of Volaire went over the Punta Gorda Airport Economic Impact Study power point presentation (copy attached). He commented on the Authority's business model and thinks it is very valuable. He commented that he works with Allegiant and Allegiant is tough when it comes to airport costs. He opined it is a very smart program and is why the Authority has the success it has. Commissioner Herston commented on slide 21. Mr. Mooney explained how he came up with the comments. He commented his figures are very conservative. Commissioner Herston commented on the economic figures. Mr. Mooney explained the software he uses lets him get a profile of the county. Commissioner Hancik asked how the southwest region is defined. Mr. Mooney explained it is Manatee County south to Collier County. Commissioner Hancik commented that Mr. Mooney commented on the Authority's model and he does not agree with it. He asked about the revenue base of Allegiant. Mr. Mooney commented it can be gotten from DOT but not the ancillary numbers. Commissioner Hancik commented on charging the airline. Mr. Mooney commented that Allegiant is obsessed with being assessed charges. There was further discussion charging airlines and FDOT's impact studies that were done in the past.

## 7. Six Months +/- Look at the Budget

Mr. Parish distributed financial information to the Board (copy attached). He explained he wanted to give the Board a snapshot of the first two quarters of the year and an estimate based on Frontier pulling back for the summer and not knowing what they are going to do in the fall. He commented on the expenses that have changed and the budget changes. He commented that the Authority has received Allegiant's schedule for the rest of the year and there are a lot of place holders designated by triple X's. Commissioner Hancik asked if this was the operating budget and it is not showing the capital improvements. He commented the Master Plan may have projects in it. He commented on there being revenue losses. Mr. Parish went over the slides related to the airline revenue. He commented that when the Master Plan is done that's the time for the Authority to analyze the PFC. Commissioner Hancik opined that the parking lot revenue and rental car revenue are not airline revenue. Mr. Parish explained how the model was derived and what the Authority is receiving from each passenger. He commented that the Authority has to look at the benefit of maintaining the current model or modifying the model and risking the freeze or slowing down of growth or reduction in service. He commented that the airlines look at the margins at both ends. He commented that he has been a proponent of the PFC since the Authority needed a PFC and it will go up as needed. He went over more of the slides. Commissioner Seay commented that if the Authority did not have the airline the Authority would not have the

parking revenue and rental car revenue. She commented on the success of the business model that was created and on adding fees only if necessary. There was discussion on Authority's model and if it needs to be changed. Chair Andrews commented that the Authority's debt service is very low and the model will evolve as time goes on. Mr. Parish commented that the airport will grow to a certain level and then level off. He commented on Allegiant's model changing.

## 8. Organizational Chart

Commissioner Herston asked about the CEO position. Chair Andrews asked what the By-Laws say regarding the Executive Director. Mr. Parish commented that they state, "The Authority shall employ an airport manager with the title of Executive Director who shall be its chief executive officer in the management of the Airport facilities". Commissioner Hancik commented that this was discussed at the last meeting. Mr. Parish commented that the Minimum Standards will state what the By-Laws state. Chair Andrews commented that it is a trend that is happening. Mr. Parish commented that the title of Director of Aviation was confused with the Executive Director. Commissioner Herston commented on abiding by the By-Laws. Commissioner Coppola opined she likes the Executive Director title. Commissioner Seay commented that if a department is part of a city or county the title director is used. She commented that when the organization is independent the individual is the president or CEO. She commented on the confusion of the Authority being part of the county which it is not and she opined that the Authority should consider it. Commissioner Hancik commented that the By-Laws will have to be changed and suggested leaving the organizational chart the way it is. Commissioner Herston commented that Mr. Parish will stay as the Executive Director. Commissioner Seay would like to see it changed. Commissioner Herston commented that this will be an upcoming Board item.

**Chair Andrews called for a recess at 11:10 a.m. The meeting reconvened at 11:20 a.m.**

## 9. Master Plan Update

Mr. Parish explained that there will be a presentation on the Master Plan and the alternative analysis at the June 15<sup>th</sup> meeting. Commissioner Seay and Attorney Carr commented that they will not be attending the meeting in June.

## 10. General Aviation (GA) Development

Mr. Parish commented that the ALP which is part of the Master Plan needs to be completed before the Authority can start the design on the general aviation area. He commented that the ALP would need to be submitted to the FAA for the FAA to participate with funding. He commented that he hopes to have the ALP submitted after the June meeting and start looking at the next steps. Commissioner Hancik asked if some of the items that are not eligible for funding be started. Mr. Parish commented that FBO design is FDOT funded. He commented that he wants to make sure the Board is comfortable with the alternative analysis before the ALP is done and to wait until after the June meeting. Commissioner

Hancik commented that the location will be the one that was already decided. Mr. Parish commented that it is still on the north side of the airport.

## 11. Jet Fuel Storage

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Mr. Parish explained that the Authority has 78,000 gallons of jet fuel storage. He explained that Allegiant would like to put in an additional 120,000 gallons of storage. He commented that Allegiant wants to pay for it and give it to the Authority. He explained that once it is amortized with the one penny savings that the Authority will get from Eastern Fuels for rebranding their fuel then Allegiant will pay the Authority to manage it and maintain it. Commissioner Hancik opined that the workshops are very valuable when it comes to asking questions. He commented that he had questions on who's fuel it is and how does it work. He commented that there are costs associated with owning a fuel farm and pumping fuel. Mr. Parish explained that the costs associated with it are incorporated in the turn fee. There was discussion on how many flights there are in one month. Commissioner Herston asked about the tank inspections. Mr. Parish commented that the agreement is being worked on. He explained Allegiant buys their fuel from a broker and Shell charges a penny a gallon to Allegiant to bring it here. He commented that Shell is the Authority's exclusive fuel provider and the fuel will be co-mingled. He commented that the penny charge will be dropped and that penny will be put into the Authority's fuel tanks. He commented that there will be four new tanks and they will be double walled so there is not a containment issue.

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## 12. WMU Discussion

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Mr. Parish commented that the Authority has been waiting for WMU to submit a draft developer's agreement and decided that the Authority should start producing one themselves. Attorney Carr commented that WMU does not have a draft format that they prefer so there are other formats that will be sent to WMU. Commissioner Coppola asked if there is not one that they use in Michigan. Mr. Parish commented that they have been there a long time, Commissioner Hancik asked who was going to pay for the developer's agreement. Mr. Parish explained that it is set up that the Authority has asked FDOT for a matching grant and WMU has the approval to match the FDOT grant from their Board. He commented all the Authority would have in it would be the parking lot. Commissioner Hancik asked if the State requires the Authority to recover revenue on the grant. Mr. Parish commented that they want to see a return on investment. He went over the length of the lease. Commissioner Coppola asked about those who can come here. Mr. Parish commented that their documentation will have to go through the process to get a badge from this airport and a badge from another airport cannot be used here. He commented that his concerns are getting everything done in the timeframe they want everything done. He commented that WMU wants to be under construction in 2020. He commented that the County is working on WMU's temporary building and the temporary classrooms. Commissioner Seay commented that she has been in contact with Dean Powell and he is pleased with the progress and is looking forward to starting the program in September. She commented that Jim Williams has been hired as director. She reported that the simulators

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will be housed at Florida Southwester State College and WMU has ordered airplanes. She went over the positions that they are hiring.

#### 14. Board Discussion

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Commissioner Hancik commented on the letter that was received from Gulf Contours. Mr. Parish explained that the building will be reappraised at the end of the lease. He commented on a couple of options for the insulation and looking at recapturing the costs if the Board wants to. He commented that the site, because of the fuel farm, is going to get more and more crowded as the airport grows. He commented that Mr. Goin has requested a two-year lease.

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Commissioner Hancik asked about the land swap. Mr. Parish commented that he needed to get back with the Industrial Development Authority. Commissioner Coppola asked if they just wanted to do a swap. Mr. Parish explained it would be dollar for dollar, value for value. Commissioner Hancik opined that land is precious at an airport and would not be giving up a square inch. He commented that if the Authority ever needs the land there is a way. There was discussion on access to the property. Mr. Parish suggested waiting until the Master Planners present the requirements and then move forward.

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#### 15. Adjournment

Meeting adjourned at 11:50 a.m.

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Paul Andrews, Chair

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Kathleen Coppola, Secretary/Treasurer