

**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
MONTHLY MEETING**

Highlights

Flightline - Conference Room

Thursday, March 20, 2003, 5:00 p.m.

Call to Order by the Chair

Chair Bainter called the meeting to order at 5:05 p.m.

Authority Members Present at Roll Call: Patrick Bainter, Billy Brashear, C.B. Daniel, Jim Gallagher, Janice Honeyman-Buck, Jon Morris, Jim Stringfellow, Bob Todd and Marilyn Tubb.

Determination of a Quorum It was determined that a quorum had been reached.

Chair Bainter welcomed Dr. Billy Brashear to the Authority and noted that it has been several months since the Authority met with a full complement of nine (9) members.

Approval of Meeting Highlights of February 20, 2003

Mrs. Tubb moved to approve the meeting highlights of February 20, 2003. Dr. Morris seconded the motion. Motion passed 9-0.

Adoption of the Agenda

Dr. Morris moved to adopt the agenda. Mrs. Tubb seconded the motion. Motion passed unanimously.

Citizens Input – Non-Agenda Items - None

Airport Authority Input – Non-Agenda Items

Dr. Gallagher stated that he was distressed to see the March 12, 2003 *Gainesville Sun* article questioning the ethics of Authority Chair Pat Bainter.

Dr. Gallagher moved that the Authority support Chair Bainter; and recognize that he follows all the rules in terms of ethics and guidelines regarding conflicts of interest. Mr. Daniel seconded the motion. Motion passed unanimously.

Mr. Daniel stated that although he was on the non-prevailing side of the vote reported in the article, he was irate when he saw the article and believed that there was no conflict of interest.

Consent Agenda – Passed with Adoption of the Agenda:

Agreement to Buy Atlantic Southeast Airlines (ASA) Fuel Tank in the Future

The City of Gainesville will not waive its requirement to install a fire resistant fuel tank at the ASA application. This additional requirement will add approximately \$1,000 in cost to the fuel tank installation. Staff was directed to write a letter to ASA offering to purchase this required fuel tank when the Authority develops a new consolidated fuel system near the Terminal Building.

Airport Business:

Information Items

Mr. Crider provided a report on the following Information Item which was included in the agenda packet:

- Air Traffic Volume Report: For the month of February, scheduled deplanements/enplanements are down 2.4% versus February 2002. This is attributed to the winter storms on the East Coast which caused the cancellation of several US Airways and ASA flights.

Mr. Crider asked Mr. Frank Stagl, Deputy Federal Security Director with the Transportation Security Administration (TSA), to provide an update on additional security measures in effect at the Airport due to the elevation of the threat alert to code Orange.

Mr. Stagl stated that the elevation to code Orange is based on an assessment of the risk to the population of a terrorist attack based on intelligence and not based on the war in Iraq. The precautions put into place for each threat level at Gainesville Regional Airport are tailored to the area.

Mrs. Tubb suggested that Mr. Stagl write a letter to *The Gainesville Sun* to explain the passenger safety precautions in effect at the Airport. Mr. Stagl indicated that he would contact the appropriate TSA public affairs personnel and obtain guidance on the issue.

Mr. Crider introduced two new employees who began working for GACRAA on March 10, 2003. Mr. Allan J. Penksa joins as Director, Facilities and Maintenance and reports to Mr. Crider. Ms. Jo Ann Wilbert joins as Lead Airport Operations Officer reporting to Mr. Tate Fisher, Director, Operations.

Mr. Crider reported that progress in closing out the Fencing / Access Control Project was complicated by the recent thunderstorms in the local area. A recent lightning strike exposed the use of used equipment and staff is working with the Attorney for the Airport and Access Limited to have the damaged equipment repaired and/or replaced. Staff is also looking into developing a manual access system as a back-up.

Finance Report

Mr. Gordon Rowell, Finance Manager, reviewed January 31, 2003 year-to-date operating budget and actuals.

Mr. Rowell reported that the City of Gainesville closed on Airport Industrial Park lot 7b to Crestwood of Florida, LLC, on March 3, 2003; proceeds will be reflected in the report for March.

In addition, Mr. Rowell reported that the Airport received over \$29,000 in Passenger Facility Charge (PFC) revenue in February; he indicated that the monthly amount expected is approximately \$30,000 - \$35,000.

Mr. Rowell reported that commissions on vending machine sales are approximately \$1,000 per month.

Plan East Gainesville Presentation

Mr. Marlie Sanderson, Director of Transportation Planning with the North Central Florida Regional Planning Council presented a summary of the conclusions of the Plan East Gainesville study.

Mr. Sanderson reported that the Plan East Gainesville study was conducted by the Metropolitan Transportation Planning Organization (MTPO), which consists of the City of Gainesville Commission and the Alachua County Commission. The MTPO worked with Gainesville Regional Utilities, the Florida Department of Transportation and the citizens of East Gainesville to develop the Plan East Gainesville study.

The Plan East Gainesville conclusion includes the recommendation to develop an Airport Commercial Center on the Alachua County Fairgrounds site adjacent to the Airport. The recommendation proposes to transform the Fairgrounds into a mixed-use employment center with office, hotel and industrial uses. This recommendation includes a land swap to relocate the Fairgrounds to an unidentified site.

The following are recommendations of the study:

- Construction of a new airport access road with ingress from Waldo Road.
- Extension of East 27th Street from Hawthorne Road to NE 39th Avenue near the current entrance to the Airport.
- Establishment of an Industrial Development Authority to plan, market, and build infrastructure to attract manufacturing, service and office facilities adjacent to the Airport Industrial Park.
- Establishing a Bus Rapid Transit System to link East Gainesville with downtown, UF and the Archer Road commercial corridor. Stations would be established at major mixed-use centers.

Runway 10-28 Rehabilitation Study Presentation

Dexter Jones, Vice President, and Drew Genneken, Director of Airport Planning, for R.W. Armstrong & Associates, Inc. presented the R/W 10-28 Rehabilitation study recommendations. Following discussion from the last Board meeting, R.W. Armstrong & Associates, Inc. contacted the FAA to review the option of resurfacing R/W 10-28 with an asphalt layer as a short term fix and concentrate on relocating and extending R/W 6-24. The FAA was receptive to this approach; however the FAA will also require the elimination of a drainage ditch which exists between R/W 10-28 and T/W E. R.W. Armstrong recommends that work be started immediately on preparation for construction documents for R/W 10-28's immediate rehabilitation. Bidding on the project should take place in June-July so that a federal grant can be accepted before the end of September. Construction would begin by November 2003; however the actual timeframe would be planned to minimize disruption of scheduled airline service and charter flights. Another factor impacting the timeframe to complete the construction is the availability and capacity of local asphalt producers.

Task Order for Runway Rehabilitation Phase I Design

Mr. Crider reported that the proposed Task Order # 3 from R.W. Armstrong & Associates, Inc., is for Runway 10-28 Rehabilitation and Storm Water Drainage Improvement Design. An independent fee assessment, which is required by the FAA, will be ordered to validate the proposed cost of the task order. The Task Order will cover design, specification and bid documents associated with the project. The Task Order amount will not exceed \$245,000.

Dr. Morris moved to direct the Director of Aviation to complete an independent fee assessment from a third-party consultant and then fully execute Task Order # 3 of the General Airport Consulting

Engineering Services agreement with R.W. Armstrong & Associates, Inc, after 90% federal funding has been secured through a grant from the FAA, as well as all necessary documentation to accomplish a Runway 10-28 Rehabilitation and Storm Water Drainage Improvement Design in an amount not to exceed \$245,000. Mrs. Tubb seconded the motion. Motion passed unanimously.

By-Laws Committee Report

Mr. Stringfellow reported that the By-Laws Committee met on Tuesday, March 4, 2003. He reported that most of the recommended revisions were “housekeeping” in nature, with the exception of the suggested changes to the standing committee structure. The revisions recommended by the committee are summarized below:

- In ARTICLE I, SECTION 3, the committee recommends deleting the last phase “whose decision may be referred to the By-Laws Committee”, due to a restructuring of the Standing Committees, which is also a suggestion which will be recommended today.

ARTICLE I, SECTION 3. BY-LAWS. These By-Laws, and any future amendments hereto, shall be adopted by the affirmative vote of the Gainesville - Alachua County Regional Airport Authority. Notice of a proposed amendment, including the specific wording of same, shall be included in the agenda for any meeting at which an amendment is proposed. These By-Laws shall be interpreted to effectuate their plain meaning. Disputes as to the interpretation of these By-Laws shall be determined by the Chair

Deleted: , whose decision may be referred to the By-Laws Committee

- Mr. Stringfellow reported that the deletion of “and shall hold office until his/her successor has been appointed and qualifies” is recommended to make the By-Laws consistent with the Enabling Legislation. The Attorney has researched this item and reported that the Enabling Legislation takes precedence over the By-Laws.

ARTICLE II, SECTION 2. TERM. Each member shall be appointed for a term of three (3) years; except for appointments to fill vacancies, which shall be for the balance of the unexpired term; and except for the initial term of the first nine (9) members which is established pursuant to Special Act 86-469, Subsection 4, as amended.

Deleted: and shall hold office until his/her successor has been appointed and qualifies

- In ARTICLE III, SECTION 3a, the committee recommends adding “County”; this omission appears to be a typographical error.

ARTICLE III, SECTION 3. a) DUTIES OF CHAIR. The Chair shall preside at all meetings of the Authority and shall appoint necessary committees and shall be empowered to execute all legal documents in the name of the Gainesville - Alachua County Regional Airport Authority when the Authority has authorized or required the Chair to do so.

- In ARTICLE III, SECTION 3C, the committee recommends keeping the title Secretary/Treasurer consistent. He also recommends deleting the “or the City” at the end of the last sentence as this apparently refers to when most of the airport employees were City of Gainesville employees. Currently, the Airport has only 3 employees who are still City employees.

ARTICLE III, SECTION 3 c) DUTIES OF SECRETARY/TREASURER. The Secretary/Treasurer shall see to it that accurate minutes of all meetings of the members are kept. The Secretary/Treasurer or his/her designee shall perform all the duties commonly incident to his/her office and shall perform such other duties and have such other powers as the Authority shall designate. The Secretary/Treasurer or his/her designee shall have charge of the Corporate Seal and shall attest all written instruments of the Authority executed by the Chair and affix the Seal thereto. In the absence of the Secretary/Treasurer, his/her designee shall perform the aforesaid duties. The Secretary/Treasurer, or his/her designee unless otherwise provided, shall have the care and custody of the money, funds, valuable papers and documents of the Authority and shall have and exercise under the supervision of the Authority all the powers and duties commonly incident to his office. The Secretary/Treasurer shall cause to be kept accurate accounts of the Authority's transactions. Designees shall be restricted to members of the Authority and agents and employees of the Authority.

Deleted: or the City

- It was the consensus of the committee to consolidate to the four standing committees noted below:

ARTICLE III, SECTION 4. COMMITTEES.

a) STANDING COMMITTEES. The Authority hereby creates the following standing committees:

- i) Air Service, Business Development and Marketing
- ii) Finance and Operations
- iii) Facilities and Planning
- iv) General Aviation

Members of all committees shall be appointed by the Chair of the Gainesville - Alachua County Regional Airport Authority. A Chair shall be appointed by the Chair of the Gainesville - Alachua County Regional Airport Authority for each committee and proper highlights of all committee meetings and actions shall be kept. Meetings of any such committee are at the call of the Committee Chair and shall be subject to the Florida Sunshine Law, but shall not be subject to the notice requirements of full Authority meetings.

- Deleted:** Advertising
- Deleted:** Budget Review
- Deleted:** Signage¶
- iv) Tower Review and Safety¶
- v) Airpark development¶
- vi) By-Laws¶
- vii) Tenants Association¶
- viii)
- Deleted:** General Aviation
- Deleted:** and Secretary
- Deleted:**

- In ARTICLE X, SECTION 1, the committee recommended making the By-Laws consistent with the Director of Aviation’s contract. It was the consensus of the committee to retain the first five lines of the paragraph and to delete all text starting with “Commencing March 1st of each year...”

ARTICLE X, SECTION 1. ADMINISTRATION. The Authority shall employ the Director of Aviation to administer all operations of the airport and airport facilities and to supervise all airport projects. The Authority shall authorize the employment of other employees by the Director of Aviation, which are necessary to accomplish the objectives and purpose of the Authority.

- In ARTICLE X, SECTION 2, (7), the committee recommends changes which would state that the Director of Aviation would serve as the designee to carry out the Authority bookkeeping.

ARTICLE X, SECTION 2, (7) Serve as designee of the Secretary/Treasurer to the Authority and keep and provide meeting highlights, tapes, and a record of all meetings.

Mrs. Tubb moved to accept the recommendations of the By-Laws Committee. Dr. Gallagher seconded the motion. Motion passed unanimously. Chair Bainter stated that the recommendations would be presented to the Authority for final approval at the next regular monthly meeting of the Authority.

Mr. Stringfellow reported that the Attorney for the Authority had been requested to define when resolutions are needed instead of motions to approve certain items. Mr. Stanley reported that resolutions are required when the Authority binds itself to contracts; he suggested that this information should be incorporated in the By-Laws. Chair Bainter referred the matter to the By-Laws Committee for consideration.

General Aviation Committee Report

Dr. Morris reported that the General Aviation Committee met on Tuesday, March 4, 2003. He reported that the Director of Aviation was authorized to proceed with negotiating an FBO Agreement with Gulf Atlantic Airways, d.b.a. University Air Center.

Mr. Crider reported that he has met with Mr. Jay Curtis, Gulf Atlantic Airways, and has consulted with the Attorneys for the Authority, Mr. Don Stanley and Mr. Ben Morris, on several items added to the FBO Agreement at the direction of the General Aviation Committee. He stated that the negotiations were still underway and the FBO Agreement was not in a proposed final version suitable for review and approval by the Authority.

Mr. Stringfellow suggested that the General Aviation Committee should meet to review the FBO Agreement when it is ready to be sent to the Authority for approval. Dr. Morris concurred with this recommendation.

Dr. Morris recommended that the Airport's Insurance providers be given access to Gulf Atlantic Airway's Insurance carriers to insure that the GACRAA and GAA insurance coverages are closely aligned.

Mr. Stringfellow requested that a legal opinion be obtained to clarify if a new RFP is required for management of the Fuel Farm and T-Hangars, since these items were not included in the RFP for the

Deleted: Commencing March 1st of each year, or as soon thereafter as is practicable, the Chairperson of the Authority shall initiate a process to evaluate the Director of Aviation's performance. The performance evaluation should cover the annual period ending March 31 of that year. Using an evaluation tool sanctioned by the Authority, the Chairperson shall obtain input from members of the Authority. The evaluation tool shall allow the members and the Director to address the attainment of the specific and general goals, objectives, and purposes of the Authority and any other stated duties of the Director. The Chairperson shall meet with the Director to discuss his/her performance, utilizing the input from Authority members. The Director shall respond to the matters raised. The Chairperson shall summarize the results of the evaluation, considering the information provided by the Director, in a presentation to the Authority on or before the May meeting. At this Authority meeting, the Chairperson shall make recommendations regarding adjustments to the Director of Aviation's terms and conditions of employment.

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FBO site. Mr. Crider reported that he consulted with counsel and that a new RFP would be required.

Mr. Roger Brower, citizen, provided to the Authority a letter in which he outlined suggestions for the FBO Agreement. (Attached)

Tenant Relations Committee Report

Mr. Todd reported that the Tenant Relations Committee met on Wednesday, February 26, 2003. He stated that the committee discussed the increase in operating permit fees for Taxicabs; he indicated that several cab companies have paid for the new permits and there has not been a significant decrease in the level of service at the Airport. He reported that the committee discussed fees for hotel shuttles and for "occasional" users which would include limousines and taxis called in by the airlines to transfer passengers to another airport in the event of a flight cancellation. The committee recommends the following operating fees and referred their recommendation to the Budget Committee to revise the Schedule of Rates and Charges.

- \$200.00 per year for hotel shuttles
- \$10.00 per trip for occasional users

Mr. Todd reported that the Rules and Regulations were referred to staff with the direction to present staff's final draft to the Tenant Relations Committee for consideration.

Budget Review Committee Report

Dr. Gallagher reported that the Budget Review Committee met on Tuesday, March 18, 2003 and would have four (4) items to present to the Authority for consideration and approval.

Dr. Gallagher reported that a copy of FY2002-2003 Budget Amendment # 2 was distributed to the Authority members for review. The budget amendment consists of 11 items; the first nine items were approved by the Authority at the February 20, 2003 meeting. Item # 10 is a \$19,928 increase in rental income for TSA offices. Item # 11 is an estimated \$39,023 reduction in car rental commissions due to the decrease in fleet sizes by the car rental agencies. The net effect of the 11 items is an increase of \$14,348 in net income.

Dr. Gallagher moved to approve FY2002-2003 Budget Amendment #2 as presented. Mr. Stringfellow seconded the motion. Motion passed unanimously.

Dr. Gallagher reported that the contract for GACRAA's outside auditor, Purvis Gray and Company, is due to expire with the conclusion of the FY2001 Audit; staff recommends retaining Purvis Gray and Company to conduct the FY2002 Audit. Dr. Gallagher reported that the fee for the coming year is \$18,420 which is approximately \$2,000 more than the fee for FY2001.

Dr. Gallagher moved to approve a contract with Purvis Gray and Company for one additional year for a fee of \$18,420. Dr. Morris seconded the motion. Motion passed unanimously.

Referring to the recommendation of the Tenant Relations Committee, Dr. Gallagher reported that the Schedule of Rates and Charges was revised to include the hotel shuttle permit fee of \$200.00 and a one time pick-up fee of \$10.00 for "occasional" users (limousines and taxicabs not in queue), effective immediately. Additionally, the Air Service, Advertising and Marketing Committee recommended to

the Budget Review Committee a reduction in the fee charged to charter passengers who park in the grassy area at the east end of the passenger terminal. The Schedule of Rates and Charges was revised to reflect a reduction in the parking fee for charter passengers from \$6.50 to \$5.00 per day, effective 3/1/03.

Dr. Gallagher moved to adopt the revised Schedule of Rates and Charges as presented. Mr. Daniel seconded the motion. Motion passed unanimously.

Dr. Honeyman-Buck was excused from the meeting at 6:25 p.m.

Dr. Gallagher reported that the Budget Review Committee reviewed the draft FY2001 Audit Report; he asked that Mr. Rowell discuss this item on behalf of the committee. Mr. Rowell stated that the Gainesville - Alachua County Regional Airport Authority financial statements conformed with generally accepted auditing standards in the United States and with Government Auditing Standards issued by the Comptroller General of the United States. Mr. Rowell discussed highlights of the FY2001 Balance Sheet, Statements of Revenues, Expenses and Changes in Retained Earnings, Statements of Cash Flows, and their accompanying notes. Furthermore, he discussed Revenue and Expense Comparisons of Budget versus Actual.

Dr. Morris noted that the Authority is paying 5.39% on the Parking Lot Note and suggested refinancing the note to obtain a lower rate. In addition, he noted that the FY2001 Audit is behind schedule.

Dr. Morris moved to accept the draft FY2001 Audit Report as presented. Dr. Gallagher seconded the motion. A roll call vote followed: Mr. Todd – aye, Mr. Stringfellow – aye, Dr. Morris – aye, Dr. Gallagher – aye, Mr. Daniel – aye, Dr. Brashear – aye, Mrs. Tubb – aye, and Mr. Bainter – aye. Motion passed 8-0.

Air Service, Advertising and Marketing Committee Report

Mrs. Tubb reported that the Air Service, Advertising and Marketing Committee met on Monday, March 17, 2003. The committee recommends extending the contract with Sabre Consulting for a three year period at the rate of \$5,000 per month (\$60,000 per year) plus expenses. The contract extension will include a sixty (60) day notice by either party to cancel the agreement.

Mr. Todd stated his opposition to extending the consulting contract; he cited the ongoing softness of the airline industry and airlines' cutbacks on regional jet orders as reasons for not supporting the motion.

Dr. Morris stated his support of the motion; he cited the need to have Sabre Consulting work on our Air 21 Application which will be due before the end of May 2003 and the ability to get out of the contract with sixty (60) days notice if the industry continues to falter, signaling the unlikelihood of increased service to Gainesville.

Mr. Stringfellow stated his support of the motion; he indicated that air service development is a long term project and close relationships with airlines need to be maintained despite the industry downturn.

Dr. Gallagher stated his support of the motion citing the need to compete with other airports for funds and service; he indicated that the work assigned to Sabre Consulting is needed to remain competitive.

Mrs. Tubb moved to extend the contract with Sabre Consulting for a three (3) year period at the rate of \$5,000 per month (\$60,000 per year) with a sixty (60) day cancellation provision. Mr. Daniel seconded the motion. Motion passed 7-1 with Mr. Todd dissenting.

Mrs. Tubb, referring to a note she received from one of the US Airways planners who visited in March, stated that the planner was not too enamored with Gainesville prior to the trip, however he changed his mind during the visit and now supports additional service for Gainesville.

On other business, Mrs. Tubb reported that the committee recommends extending an invitation to have the Chamber of Commerce executive director sit on the Authority in an ex-officio (non-voting) role.

Mr. Stanley, Attorney for the Authority, stated that such a move would require an addition to the By-Laws.

Chair Bainter referred the matter to the By-Laws Committee.

Tenant Reports - None

Airport Authority Attendance – No Issues

Adjournment

Dr. Morris moved to adjourn. Chair Bainter adjourned the meeting at 6:55 p.m.

GACRAA Monthly Meeting

Patrick Bainter
Chair

Date

Janice Honeyman-Buck
Secretary/Treasurer

Date

ROGER J. BROWER
1002 S.W. 78TH TERRACE
GAINESVILLE, FL 32607

March 20, 2003

Mr. Patrick J. Bainter
Chairman
Gainesville Regional Airport Authority
3880 NE 39th Avenue, Suite A
Gainesville, Florida 32609

Dear Mr. Bainter:

I came to Gainesville in November of 1980 as the Eastern Airlines Manager of Sales and Service and served in that capacity until the airline ceased operations in 1991. Shortly thereafter I served as an airport consultant for the Gainesville Regional Airport. The purpose of this consulting work was to provide a marketing analysis of our air service area and the competitive issues facing our airport. Following this activity I served as a city appointee to the Gainesville Regional Airport Authority. Also, during the more than twenty years I have lived in Gainesville I have been a customer of the airport using airline and car rental services.

The purpose of this background information is to make you aware that I have some historical understanding of the issues that we have continually dealt with as we attempted to provide improved commercial and general aviation services to the community. During this entire period the predominate theme, or goal if you like, was to provide a more competitive environment so that the citizens of this community might enjoy increased levels of air carrier service, lower air fares and more direct flights to popular destinations. On the other side of the airfield, where general aviation activities take place, the same theme or goal was a priority. General aviation customers wanted lower aviation fuel prices, improved aircraft storage rates, increased levels of services and extended hours of operation. The common theme for both sides of the airport, commercial and general aviation, was a desire that there be a competitive environment to benefit the customers.

So where are we today in achieving the goal of creating a competitive environment that would benefit our community?

Well, we have an ongoing campaign to attract other airlines, particularly Continental Airlines. Many dollars have been committed to a fund that will provide incentives that may help to attract new commercial airline service. The Airport Authority continually looks for ways to market the Gainesville Regional Airport to make it more competitive with other regional airports. Reduced parking fees, airport amenities such as the business center, numerous choices for car rentals and a terminal environment that is visually and functionally pleasing.

On the general aviation side of the airport we have worked to make many facility improvements, improve FBO services and extend operating hours to maintain existing and to attract new customers. We have continually talked about creating a competitive environment that would allow free market forces to take place, again to benefit the community and our general aviation customers.

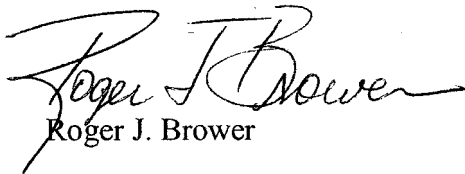
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You and the Airport Authority are now in the process of letting a contract for FBO services that flies in the face of everything else you have said or done that would create a competitive general aviation environment to benefit the community.

Why only one FBO? Why choose any bidder that provides substantially less facility and operational investments in general aviation? Why is this scenario so significantly different from every other initiative that the Airport Authority has embraced to create competition? Why change at all if there is not a substantial increase in service to the customer?

I would encourage the Airport Authority to withdraw the request for proposal for FBO services until such time as these and many other questions about the appropriateness of this action are answered.

Sincerely,



Roger J. Brower