

GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
Thursday, May 19, 2005– 5:00 p.m.
Gainesville Regional Airport
Passenger Terminal - Restaurant
Monthly Meeting
Highlights

Call to Order by the Chair

Chair Jim Stringfellow called the meeting to order at 5:04 p.m.

Invocation: Chair Stringfellow delivered the invocation.

Pledge of Allegiance: Chair Stringfellow led the Pledge of Allegiance.

Authority Members Present at Roll Call: Billy Brashear, C.B. Daniel, Joe Dunlap, Jim Gallagher, Jon Morris, Jim Stringfellow, and Kinnon Thomas were present. Marilyn Tubb participated via telephone but was ineligible to vote. Mr. Johnson arrived at 5:12 p.m.

Determination of a Quorum: It was determined that a quorum was present.

Approval of Meeting Highlights for April 21, 2005

Mr. Thomas moved to approve the meeting highlights of April 21, 2005. Mr. Dunlap seconded the motion. Motion passed.

Adoption of the Agenda

Dr. Gallagher moved approval of the agenda. Mr. Thomas seconded the motion. Motion passed.

Citizens' Input - None

Airport Authority Input – Non-Agenda Items

Jon Morris thanked the Board for their support following the fire which destroyed his family's home in April.

Consent Agenda - None

Airport Business:

Ad Hoc Personnel Committee Report

Mr. Daniel reported that the committee met several times with the most recent meeting taking place on April 28, 2005. He reported that the committee considered the CEO's annual performance appraisal for 2004 and salary adjustment, and developed the Proposed 2005 Personnel Goals presented in the agenda packet. Mr. Daniel stated that the proposed goals to be considered by the Board are shown on agenda pages 46 through 50. He reviewed the goals, objectives and the corresponding examples that demonstrate achievement of the objectives. He explained that the proposed goals and objectives cover the period

February 18, 2005 through February 17, 2006 and that all the Board members will be asked to score the CEO's performance in early 2006. Mr. Daniel reported that it was a goal of the committee to develop a procedure for conducting the CEO's annual appraisal. Mr. Daniel explained how scoring the proposed goals and objectives would be used as a tool for calculating a bonus award for the CEO.

Mr. Thomas moved to adopt the Proposed 2005 Personnel Goals and to adopt a procedure for conducting the CEO's annual appraisal. Mrs. Tubb seconded the motion.

Mr. Thomas recommended maintaining some flexibility to adjust the goals and objectives during the course of the year.

Mr. Dunlap reported that the CEO will be required to provide a report of his achievements for the Board members to consider when they score the results.

Mr. Don Stanley, Attorney for the Authority, cautioned that if approved, the Proposed 2005 Personnel Goals would be part of the CEO's contract and that it would not be fair to the CEO or to GACRAA to have "a moving target" in terms of goals. He stated that any changes to the bonus criteria would require the consensus of the Board and the CEO.

The Board voted on Mr. Thomas' motion. ***Motion passed 8-0.***

Mr. Daniel reported that the committee recommends adoption of Resolution 05-022 authorizing execution of Amended Employment Contract Amendment # 1 with Richard Crider. Mr. Daniel reported that the committee reviewed a compensation survey conducted by Wings Aviation Resources to determine the new base salary amount for the CEO. Mr. Daniel stated that the committee recommends raising Mr. Crider's annual base salary from \$112,000 to \$130,000 effective February 18, 2005. He stated that the committee recommends changing the bonus provision of the CEO's employment contract. Instead of awarding a bonus based on the financial performance of the airport, the committee recommends awarding a bonus of up to 15% of base salary based on the accomplishment of the annual Goals and Bonus Formula as approved by the Board for the appraisal period February 18, 2005 – February 17, 2006.

Mr. Thomas moved to adopt Resolution 05-022 authorizing execution of Amended Employment Contract Amendment # 1 with Richard Crider as presented. Mrs. Tubb seconded the motion. A roll call vote followed: Mr. Johnson – aye, Dr. Morris – aye, Mr. Thomas – aye, Dr. Brashear – aye, Mr. Daniel – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, and Mr. Stringfellow – aye. Motion passed 8-0.

Special Meeting Time Change

Mr. Daniel noted that some Board members plan to attend the funeral of former Board member Charles R. Perry on Saturday, May 21 at 10:00 a.m. This will conflict with the Special Meeting scheduled to begin at 9:00 a.m. on that date. He recommended starting the Special Meeting at 12:00 noon.

At the request of the Chair, Mr. Stanley provided advice for changing the time of the publicly noticed Special Meeting.

It was the consensus of the Board that the Special Meeting on Saturday, May 21 should begin with a working lunch at 12:00 p.m.

Information Items:

Mr. Crider reported that a Chamber after Hours event has been scheduled to take place at the airport on Thursday, June 16, 2005 at 5:30 p.m. He stated that Delta Connection will co-host the event. He recommended that the Board consider another date, June 23, for the monthly meeting which would normally fall on June 16 at 5:00 p.m. He indicated that staff will be busy preparing for the Chamber event and that the restaurant area, where the Board normally meets, is planned as a back-up location if it is raining. The Chamber event is planned to take place in the atrium.

Chair Stringfellow agreed with Mr. Crider's recommendation and it was the consensus of the Board that the next Board meeting should be held on June 23.

Mr. Crider reported that meetings have been scheduled with each City Commissioner to discuss the proposed transfer of ownership of airport lands from the City to GACRAA.

Mr. Stringfellow recommended that Board members refer to his letter, which was included in this meeting's agenda packet as an attachment to the April 28, 2005 Finance and Operations Committee meeting highlights, to become familiar with reasons for supporting the land transfer.

Mr. Crider reported that the FY03 Audit is complete.

Mrs. Elaine Funk, Public Relations Specialist, announced that Altrusa International featured the airport's "Welcome Home Troops" sign in district and national newsletters to its members. Altrusa International of Gainesville sponsored the installation of the sign.

Mrs. Funk announced that the "Art in the Airport" program, coordinated by the City of Gainesville Department of Cultural Affairs, recently installed new artwork in the terminal. One of the featured collections consists of ink drawings made by her father, Robert Carson.

Mr. Crider reported that the scope of work for Phase I development of the Multi-Modal Facility is underway. He indicated that improvements to parking lot facilities will be incorporated in the project.

Mr. Jeff Kyser, R.W. Armstrong & Associates, Inc. (RWA) reported that RWA received an award for "Project of the Year" from the American Society of Civil Engineers (ASCE) – Gainesville branch for its work on the R/W 10-28 Rehabilitation project. The project will be considered for a similar award by the statewide ASCE.

Mr. Crider reported that a firm has expressed interest in installing and operating a "stealth" consolidated communications antennae tower in the form of a flag pole on airport property. Working with the Airport Master Plan consultants, a site for the "flag pole" has been identified. He stated that the Finance & Operations Committee endorsed issuing an RFP to solicit proposals.

Mr. Crider distributed a revised copy of the Air Traffic Volume and Fuel Flowage report for the seven months ending April 30, 2005. Fiscal year 2005 enplanements are 41.65% higher than the same period of fiscal year 2004. Fiscal year-to-date tower operations are 16.88% higher than the same period last year. Fiscal year-to-date fuel flowage is 50.47% ahead of the same period last year.

Mr. Crider distributed a revised copy of the Commercial Passenger Traffic Load Factors. He reported the following load factors for April 2005:

Airline	Total Passengers	Total Load Factor
Atlantic Southeast Airlines (Delta)	17,225	77.7%
Mesa Airlines (US Airways)	8,290	76.8%
Pinnacle Airlines (NWA)	3,978	76.6%
Gulfstream/Continental Connection	1,827	52.3%
Gulfstream: GNV-MIA	1,445	57.6%
Gulfstream: GNV-TPA	382	38.7%

Mr. Crider reported that he met with Northwest Airlines on May 18 and that the airline is very pleased with the Gainesville load factors.

Finance Report

Mr. Garrick Crocker, CFO, reported that progress to streamline accounting processes and implement controls is underway in the Accounting Department. April year-to-date results are:

Operating Revenue	April Year-to-Date Actual (7 mos.)	April Year-to-Date Budget (7 mos.)	Variance Over / (Under)
Total Revenue	\$2,066,850.28	\$1,846,804.75	\$220,045.53
Operating Expenses	April Year-to-Date Actual	April Year-to-Date Budget	Over / (Under)
Total Expenses	\$1,732,802.53	\$1,841,411.32	(\$108,608.79)
Income (Loss) Before Depreciation	\$334,047.75	\$5,393.43	\$328,654.32

Mr. Crocker reviewed the following revenue and expense categories.

	April Actual	April Budget	Variance Over / (Under)	Comment
Operating Revenue				
TSA Screening Ckpt Reimburse	\$6,734.28	\$0.00	\$6,734.28	Received a check for reimbursement for electricity and other costs.
Terminal Parking	\$92,409.42	\$72,568.42	\$19,841.00	Parking revenue exceeds budget due to increased passenger traffic.
Air Carrier Landing Fee	\$28,426.08	\$21,230.67	\$7,195.41	
Restaurant/Lounge/Gift Shop	\$4,726.91	\$1,758.83	\$2,968.08	Increased passenger traffic.
Rental Car Excess Rents	\$10,604.51	\$6,164.67	\$4,439.84	Business strong for rental car operators.
Industrial Park Land Sales	\$0.00	\$3,112.50	(\$3,112.50)	No activity in April
Fuel Storage Facility Fees	\$14,983.63	\$7,916.67	\$7,066.96	Consistent with the fuel flowage report.
Operating Expenses				
Administration	\$87,335.45	\$92,804.43	(\$5,468.98)	Insurance expense budgeted but not billed.
Operations	\$64,756.70	\$70,922.83	(\$6,166.13)	Savings on fuel, maintenance and security expenses.
Lounge	\$4,819.52	\$2,439.31	\$2,380.21	Higher cost of goods sold consistent with additional revenue.

Facilities & Maintenance	\$56,591.86	\$65,527.35	(\$8,935.49)	Salary expense lower due to open positions.
General Aviation Operating	\$3,107.68	\$5,905.33	(\$2,797.65)	Budgeted amount includes principle and interest on debt instead of just interest.

Mr. Crocker reported the following non-operating revenue and expense results:

	April Actual	April Budget	Variance Over / (Under)	Comment
Non-Operating Revenue				
Grants	\$188,310.00	\$0.00	\$188,310.00	Collected funds on FAA Grant AIP 21
Passenger Facility Charges	<u>\$70,293.87</u>	<u>\$0.00</u>	<u>\$70,293.87</u>	
Total:	<u>\$258,603.87</u>	<u>\$0.00</u>	<u>\$258,603.87</u>	
Non-Operating Expenses				
Construction in Progress	\$366,895.65	\$0.00	\$366,895.65	Have not had to draw against the Compass Bank line of credit yet.
Fixed Asset Purchases	\$4,372.50	\$0.00	\$4,372.50	
Note Principle Repayment	<u>\$3,980.79</u>	<u>\$0.00</u>	<u>\$3,980.79</u>	
Total:	<u>\$375,248.94</u>	<u>\$0.00</u>	<u>\$375,248.94</u>	

Mr. Thomas moved to accept the Finance Report. Mr. Johnson seconded the motion. Motion passed.

Mr. Daniel left the meeting prior to the Facilities and Planning Committee Report.

Facilities and Planning Committee Report

Mr. Crider stated that the Facilities & Planning Committee considered the Consolidated Facility Charge (CFC) Implementation Report / Recommendation and the Leibowitz & Horton Task Order for CFC Implementation at a meeting on April 7. He introduced Ms. Kim Ridings, Gainesville Airport Station Manager, The Hertz Corporation.

Ms. Ridings endorsed the implementation of the proposed program. She stated that a consolidated service facility would be a huge asset to the rental car operators at the airport. She stated that the consolidated service facility would allow Hertz and the other operators to increase the availability of rental vehicles to customers because the facility would greatly reduce the turnaround time to service vehicles. Hertz alone processes 75 to 100 vehicles per day. She indicated that the rental car operators are constrained by the size of the ready/return lot and the time needed to prepare cars for rental. Ms. Ridings stated that it takes thirty (30) minutes to wash, clean and service a returned vehicle. She invited Board members to visit with her personnel on any weekday to experience firsthand the impact of not having a service facility on-airport.

A lengthy discussion followed regarding the merits of collecting a Consolidated Facility Charge from rental car customers versus requiring the rental car operators to fund construction of a service facility.

Dr. Gallagher and Dr. Brashear opposed implementing a Consolidated Facility Charge and favored having the rental car operators fund a share of the construction cost.

Dr. Morris moved to adopt Resolution 05-015 authorizing execution of Task Order #2 with Leibowitz and Horton Airport Management Consultants, Inc. for the financial consulting services associated with the implementation of a customer facility charge (CFC) associated with rental car transactions at Gainesville Regional Airport. Ms. Tubb seconded the motion.

Mr. Crider stated that approval of Resolution 05-015 indicates that the Board is in favor of moving forward with the implementation of the CFC. He reviewed the scope of services included in Leibowitz and Horton Task Order # 2

A roll call vote followed: Dr. Morris – aye, Mr. Thomas – aye, Dr Brashear – nay, Mr. Dunlap – aye, Dr. Gallagher – nay, Mr. Johnson – aye, and Mr. Stringfellow – aye. Motion passed 5-2.

Mr. Crider reviewed the scope of services included in Leibowitz and Horton Task Order # 2 and stated that the fee is estimated to be no more than \$34,065 and is anticipated to be funded through CFC collection.

Mr. Allan Penksa, Director of Facilities and Maintenance, presented the “Conceptual Study Final Report on the Maintenance Equipment Building”. The report was prepared by Reynolds, Smith & Hills, Inc.

Mr. Penksa reported that the current maintenance equipment storage facility consists of open, run-down sheds which are not adequate for protecting the airport’s equipment. The site is in the path of the proposed airport access road from Waldo Road.

Mr. Penksa reported that the Board previously accepted an FDOT JPA grant in the amount of \$75,000 to fund 50% of the conceptual design work for a maintenance equipment facility.

Mr. Penksa reviewed the details of the conceptual design report which included floor plans, architectural elevation designs, suggested site locations and estimated construction costs. He indicated that the estimated total project cost is \$2.1 million, and stated that another cost estimate will be generated during the design process. The estimated project cost included substantial amounts of road construction to access the facility, and further design may well yield a lower project cost estimate. He stated that the project is not eligible for federal funding.

A lengthy discussion followed with Board members asking for more details on site development, the proposed building and its access road, project costs and financing.

Mr. Dunlap moved to acknowledge the need for a maintenance facility, to proceed with design work to utilize the existing FDOT JPA grant and to develop more details regarding the estimated costs and the proposed financing of construction for consideration by the Board. Dr. Morris seconded the motion. Motion passed.

Mr. Johnson left the meeting following the vote and prior to the Finance & Operations Committee Report.

Finance & Operations Committee Report

Dr. Gallagher reported that the committee met on April 28, 2005.

Dr. Gallagher reported that the FY03 Audit Report was received and accepted by the committee on April 28, 2005. He reported that a management response letter was included in the audit report and that the demand letter to Flightline is in process.

Dr. Gallagher moved to adopt Resolution 05-023 authorizing execution of an audit engagement letter with Purvis Gray and Company to complete the FY04 Audit. Mr. Thomas seconded the motion. A roll call vote followed: Mr. Thomas – aye, Dr. Brashear – aye, Mr. Dunlap – aye, Dr. Gallagher – aye, Dr. Morris – aye, and Mr. Stringfellow – aye. Motion passed 6-0.

US Airways Pre-petition Debt Recommendation

Mr. Crider reported that US Airways has requested that the airport forgive 50% of its pre-petition debt and the airline proposes to repay the remaining 50% over a 6 month period beginning 30 days after emergence from bankruptcy. He recommended forgiving 50% of the pre-petition debt and negotiating more favorable payment terms on the remaining 50%. The pre-petition debt amount owed to Gainesville Regional Airport is \$27,773.

Mr. Dunlap moved to accept staff's recommendation regarding the US Airways proposal. Mr. Thomas seconded the motion. Motion passed.

Automated Flight Service Station (AFSS) Letter of Support

Mr. Crider reported that the Board directed staff to draft a letter of support for maintaining the Automated Flight Service Station at Gainesville Regional Airport. The proposed letter of support was included in the agenda packet for Board review and comment.

Dr. Morris moved to approve the AFSS letter of support. Mr. Thomas seconded the motion. Motion passed.

Mr. Mac McEachern, citizen, stated that the letter was a move in the right direction but recommended that the Board continue its lobbying efforts to keep the AFSS at Gainesville Regional Airport.

Tenant Reports

Ms. Carolyn Bomberger, Gator Aviation Services, LLC, reported that her company has removed four truckloads of trash from the bi-fold door hangar and that the former tenant has vacated the space. She reported that she intends to install new carpeting in the upstairs office in the hangar and use it as a training room.

Airport Authority Attendance

No issues to report at this time.

Adjournment

There being no further business, the meeting was adjourned by the Chair at 6:58 p.m.

GACRAA Monthly Meeting

James L. Stringfellow, Sr., Chair

Date

T. James Gallagher, Secretary/Treasurer

Date