

CHARLOTTE COUNTY AIRPORT AUTHORITY

MINUTES OF BUDGET WORKSHOP – AUGUST 09, 2019– 9:00 A.M.

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1. Call to Order

2. Invocation

10 Commissioner Hancik gave the invocation.

3. Pledge of Allegiance

4. Roll Call

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Present: Commissioners Andrews, Coppola, Hancik and Herston; CEO Parish; Attorney Hackett; Ms. Hendren; Mr. Laroche; Mr. Ridenour; Mr. Mallard; Mrs. Cauley; Ms. Straw, and Ms. Desguin. **Others present:** Jim Kaletta; Mike Mapstone, others from the private sector and a member of the press. **Absent:** Chair Seay and Attorney Carr.

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5. Citizen’s Input

6. FY 2019/2020 Budget Presentation

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Mr. Parish reviewed the budget PowerPoint slides (copy attached). Commissioner Hancik inquired about an approximant net number on fuel sales. Mr. Parish commented that with avgas, self-serve is generally a higher profit than fuel truck service and that due to WMU, this current year shows more fuel truck service than normal. He commented that he does have net numbers that he can bring to the next meeting and that fuel sales alone do not bring enough profit to cover the FBO’s expenses. He confirmed with Mr. Mallard that the Authority currently leases three jet fuel trucks and two avgas trucks and that the remainder of the jet fuel trucks belong to Allegiant. He commented that Allegiant performs maintenance on their jet fuel trucks, which helps offset expenses. He opined that to make more money at the FBO, the Authority will need to raise prices, which is not something that he’d like to do. Commissioner Hancik opined that he’d like to have the information on the net fuel sales and inquired what the Authority’s liability insurance deductibles are. Mr. Parish commented that it is \$10,000 per event, that insurance is increasing in both health and liability and that there is an insurance fund which is not currently being funded as it was previously overfunded. Commissioner Coppola inquired if there will be an increase in insurance due to any situations that have happened at the Airport. Mr. Parish commented that there will be and that it’s within the budget. He commented that there is \$15,000 in the marketing budget for the Air Show fuel discount, \$2,500 for each Commissioner’s travel. Commissioner Hancik opined that he thought the Authority gave the Air Show \$20,000 for fuel last year and that the Board has not agreed to give the Air Show a fuel credit for this year. Mr. Parish commented that the Air Show asked for \$15,000-\$20,000 for this year and that \$15,000 was placed in the budget. Commissioner Hancik inquired if the Authority has committed to the Air Show fuel credit. Mr. Parish commented that it has not been committed as the budget has not been approved. Commissioner Hancik opined that the Commissioner travel budget isn’t enough and inquired if there will be enough money in the travel budget for Mrs. Cauley and himself to both attend the AAAE yearly conference as she hasn’t been able to attend previously due to his attendance. Mr. Parish commented that there is money within the budget for one staff member to attend. Commissioner Hancik confirmed with Mr. Parish that theoretically, a staff member

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and a Commissioner can both attend the AAAE conference for this upcoming year. Mr. Parish commented that the capital budget is slightly over \$2 million with most of that budget being the potential purchase of a building. Commissioner Herston discussed with Mr. Parish the specifications of the new portable generator that's included within the budget. Commissioner Coppola inquired as to the cost of the new generator and Mr. Parish commented that it's approximately \$30,000-\$40,000. Mr. Parish commented that grants and grant matching funds are not included within the capital budget. Commissioner Hancik inquired about the new general aviation area. Mr. Parish commented that he's still looking for funding which has included applying for a State Infrastructure Bank (SIB) loan and meeting with T-hangar management companies that are interested in leasing the Airport's T-hangars while paying tenure up front. Commissioner Coppola inquired as to the interest charged on the SIB loan. Mr. Parish commented that the current SIB loan is at 2.75%. Commissioner Herston inquired what the Airport's highest SIB loan balance has ever been and what the current loan is down to. Mr. Parish commented the highest was \$6.8 million and that the Authority has the capability to pay the old loan off if it's a requirement to obtain a new SIB loan. Commissioner Herston inquired as to what Mr. Parish opines is the best option to fund the GA facility. Mr. Parish opined that he doesn't want to wait until the funding is available from the FAA, that the privatization of the T-hangars is an option that would be fast and that there are a few options available. Commissioner Hancik opined that the Authority should review the maximum allotted amount of reserve cash to ensure that the Airport does not exceed the maximum threshold set by the government. Mr. Parish reported that a financial model is run monthly through all current and upcoming projects and that the balance will go down to approximately \$7 million in the next three years as a lot of PFC income has to be prefunded for upcoming projects. He commented that it will be approximately five to seven years before cash reserves will begin to build again and that his goal is to have \$10 million in unrestricted reserves. Commissioner Hancik inquired as to how many months \$10 million in reserves would cover operating expenses. He confirmed with Mrs. Cauley that operating expenses are approximately \$1.2 million per year. Commissioner Coppola inquired if Allegiant is planning any new destinations. Mr. Parish commented that they are and that the destinations are already built in the budget. He commented that any suggestions regarding changing the budget should be emailed to him prior to the next meeting.

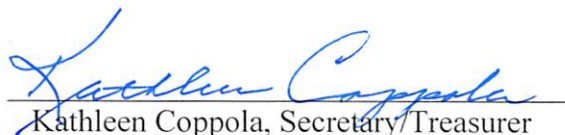
7. Citizen's Input

8. Adjournment

Meeting adjourned at 9:40 a.m.



Pamella A. Seay, Chair



Kathleen Coppola, Secretary/Treasurer