

CHARLOTTE COUNTY AIRPORT AUTHORITY

MINUTES OF REGULAR MEETING – JUNE 16, 2021 – 9:00 A.M.

5 **1. Call to Order**

2. Invocation

 Chair Herston gave the invocation.

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3. Pledge of Allegiance

4. Roll Call

15 **Present:** Chair Herston; Commissioners Andrews, Coppola, Hancik and Oliver; Attorney Carr; CEO Parish; Mrs. Paglialunga; Mr. Montoya; Mr. Laroche; Mr. Mallard; Mr. Duncan; Mrs. Straw; Mrs. Miller; Ms. Desguin, and Ms. Pedigo. **Others present:** Mark Kistler; Stan Smith; Paul Piro; Commissioner Deutsch, and others from the private sector.

20 **5. Citizen’s Input**

6. Additions and/or Deletions to the Agenda

7. Employee Service Recognition

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 Ms. Desguin commented that the two employees receiving awards are off today and are therefore not present. She commented that Lisa Scott is a Landside Agent who is being recognized for five years of service and Alan Sprockett is an Airside Operations Technician who is also being recognized for five years of service.

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8. Consent Agenda

 Commissioner Oliver pulled Tuscan and Company, PA Audit Services from the Consent Agenda. She commented that she understands the Board’s duty is to provide oversight, transparency, and fairness in everything the Board does. She opined that she believes in this instance that the Board abdicated its duty in the interest of convenience as the lucrative contract is being awarded without process as no other firms were permitted to compete or demonstrate their qualifications or expertise, including any local Charlotte County firm. She commented that the process is critical as it ensures transparency and fairness and shows the Board is committed to fulfilling its duty to provide oversight. She commented that if the Board would like to say the Airport is the best small airport in the country that the Board needs to be held to a higher standard which involves going through the process of an RFP as it ensures fairness and transparency, which leads to greater public confidence in the Board and in government. She commented that because the contract was awarded without process, she will be voting against it. **Commissioner Oliver motioned to deny the compliance letter and letter of engagement with Tuscan and Company, PA as presented. Commissioner Coppola seconded the motion for discussion purposes.** Commissioner Hancik commented that if Staff were to go out for other proposals, it would be a disservice to Tuscan and Company as their contract price has been exposed. Commissioner Coppola commented that Mr. Tuscan has been the Airport’s CPA for many years, has done an excellent and thorough job, and that she trusts him completely. Commissioner Andrews commented that in light of the pandemic, he’s a little hesitant to make

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changes as he feels Mr. Tuscan has done a great job. He commented that Mr. Tuscan knows the Airport's model and that he'd like to get further down the road before changes are made. **Motion failed 4-1 with Chair Herston, Commissioners Andrews, Coppola and Hancik voting no. Commissioner Andrews motioned to accept the Tuscan and Company, PA engagement letters as presented. Commissioner Coppola seconded.** Commissioner Oliver opined that other members of the Board brought up great points that could have been addressed through the RFP process. She commented that it could have been decided after receiving bids that there was no desire to make a change and opined that the process is critical. She commented that it's not about the Board wanting to stay with the same person but instead about the process, which is why she's voting against it. **Motion passed 4-1 with Commissioner Oliver voting no.**

9. Secretary/Treasurer's Report

Commissioner Hancik reported that revenue to date is about \$9.1 million, which is over budget by about \$737,000. He commented that expenses are about \$6.1 million, which is about \$300,000 below budgeted expenses. He commented that operating gain and profit is up about \$3 million with a variance of about \$2 million. He commented that cash to date is slightly over \$25 million. Mr. Parish commented that Staff is working diligently to keep cost down and that they're doing a great job. He commented that the only item on accounts receivable that is not up to date is Hertz, who is in bankruptcy, and that he hopes to receive a resolution to the matter. He commented that Commissioner Hancik provided annual amounts and that he can provide monthly reports. He commented that in April there was a net operating gain of \$536,000, which is \$21,000 above the projected amount, and that the CARES Grant and one other grant from the FAA continues to be drawn down, which will continue for the next year. Commissioner Hancik inquired as to what Mr. Parish attributes the revenue being over the anticipated amount to. Mr. Parish commented that the car rental rates are high as cars are hard to get so there are less rentals but more revenue per passenger. He commented that parking has been up but it's what was expected and that if anyone would like to sit down and go over financials, he would be happy to do so.

10. Liaison Reports

- a) **Punta Gorda City Council** – Commissioner Hancik had nothing to report and commented that Councilmember Miller is not present as their meeting overlaps with the meeting today.
- b) **Board of County Commissioners** – Commissioner Andrews had nothing to report and commented that Commissioner Deutsch is present. Commissioner Deutsch commented that during his first few years on the County Board there was a vote on giving a contract to Waste Management and that the Board decided to go out to bid. He commented that the bid cost millions of dollars more as three companies bid and Waste Management came back much higher than the initial deal. He commented that there's a lot going on in the county including a much-needed water quality program, an increase in impact fees, and an accelerated population explosion. He commented that Chair Herston helped the County to receive approvals from the Southwest Florida Water Management District to move ahead with the first responders and military service veteran monuments. He commented that if anyone would like to contribute to the park, the organization is a 501c3, and that if you donate \$5,000 or more the individual is invited to a County Commission meeting to present the check. Commissioner Oliver commented that it is her children's favorite park.

Commissioner Deutsch commented that the County is working on their budget and that they're in a much better position than expected. He commented that the entire Board is invited in the fall to a dedication of a liberty tree at William R. Gaines Jr. Veterans Memorial Park and on the Saturday prior to Veterans Day, there will be a Veterans Day parade that he hopes the Airport will participate in. Attorney Carr inquired as to how one would donate to the park. Commissioner Deutsch commented that anyone who wishes to donate can make a check out to the William R. Gaines Jr. Veterans Memorial Park and send to him to hand off. Attorney Carr inquired as to what type of organization it is. Commissioner Deutsch commented that it's a 501c3, that he is a member of the Board but does not sign checks as he only deposits checks and handles paperwork. He commented that a non-profit volunteer Coast Guard group raised funds for a handicap accessible kayak launch, which is currently out to bid. He commented that funding has been approved and is permitting for an exercise walking trail around the circumference of the park with ten exercise stations. He commented that the two memorials will frame the entrance to the park and that permitting is very close to being completed on the observation tower. He commented that all donated funds go directly to the park. Attorney Carr commented that after a search it appears the organization is a 501c3 called the W. R. Gaines Jr. Veterans Memorial Fund, Inc., which is to whom the check should be payable. Commissioner Deutsch commented that they accept checks listed as the William R. Gaines Jr. Veterans Memorial Fund or Park. Chair Herston confirmed with Commissioner Deutsch that this will be the second annual Veteran's parade and will start at the beach complex. Commissioner Deutsch commented that the parade is the Saturday before Veterans Day, and a Veterans Day program will be held on November 11th at the park. Commissioner Coppola commented that it is a nice playground. Chair Herston inquired if the Space Force has been implemented into the park yet. Commissioner Deutsch commented that it would cost the organization about \$50,000 to recognize the Space Force so the County has taken it over, which does make it more expensive. He commented that it is a public private partnership and the organization is doing everything possible to raise the funds to recognize the Space Force.

c) **Metropolitan Planning Organization/Economic Development** – Chair Herston commented that the last MPO meeting was held on May 17th, which he reported on at a previous meeting. He commented that there is a special meeting coming up on June 21st to review MPO Director applications as Director Harrell is retiring. He commented that last meeting for the MPO-AC was April 29th in Orlando with the next meeting in July. He commented that he met with Danny Nix, the Economic Development Partnership President, regarding coordinating economic development activities and that Mr. Nix requested to meet with Commissioner Hancik.

d) **Community** – Commissioner Coppola commented that she has attended a couple of Republican Executive Committee meetings and that there is a large one at Kings Gate this Saturday from 8 a.m. to 12:30 p.m.

e) **State Legislation** – Commissioner Oliver had nothing to report and commented that committee week is bumped up this coming year to September. She commented that if the Airport has any specific request that now is the time to create a plan. Mr. Parish commented that he would like to sit down with the School Board as he feels the Airport should submit a joint request for a larger facility for the A&P school. He commented that he will bring the matter back one he has met with them.

11. Attorney's Report

5 Attorney Carr commented that there are a number of issues regarding contracts that are in process or have been awarded. He commented that he has completed a significant amount of research and responded to two of the current contractors, that neither contractor has indicated that they're going to refuse to perform, and that given current escalating prices, they're looking for relief. He commented that there are various lease issues from trying to evict an aircraft to renting out a major piece of land. He commented that he received a very nice letter from the Attorney for the School Board thanking him for his efforts, which he passed on to everyone. He commented that accounts receivable remains minimal and the Airport is not being sued or threatened to be sued at this time.

12. CEO's Report

15 a) **Development Update** – Mr. Parish commented that Staff is currently constantly dealing with price increases and request for changes and that he's trying to work with the FDOT and FAA but neither can change contracts once they're bid as the money is allocated resulting in no extra funds. He commented that phase one of the General Aviation Center (GAC) is under construction, which includes the ramp and taxiway, that phase two includes the building, parking and access, and that two additional pieces were just bid and awarded which includes the 60 feet by 60 feet hangars and the T-hangars. He commented that the letter received from Stellar Development is showing almost a 60% increase and a significant delay in materials and that if they were to litigate and get it approved, the project would not be financially feasible for the Airport or end users. He commented that he's currently analyzing a lot of cost by looking at the futures for construction material and that Monday or Tuesday was the largest single day drop in wood futures in history. He opined that he feels material cost is at a tipping point and that he would like to put Stellar Development on a 90-day contract suspension to let prices stabilize and the supply chain return to normal. He commented that Stellar Development has tentatively agreed to his suggestion but he wanted to ensure the Board was comfortable with doing so. He commented that it would delay the implementation of the buildings and opined that the pause will not stop the project but instead stabilize things. He opined that if the Board were to move forward over the next 90 days that he believes there would still be a 90-day delay in the process as material is hard to get due to the significant supply chain disruption. He commented that he will also be bringing to the Board a small planning document to review relocating the rental car center although he is not enthusiastic that will be completed but feels it's prudent to review at this point. He commented that relocating the rental car center across the street will save approximately \$3 million from no longer needing to relocate hangars, which can then be put into a new rental car center, while still building the ten hangars planned. He commented that over the next 90 days Staff will also prelease the new T-hangars and box hangars to ensure that there are actual tenants. He commented that the Airport has the shortest waitlist around with 49 waiting for T-hangars which compares to the 120 on Page Field's waitlist. He commented that he would like to ensure there are users for the hangars as last time there were 180 people on the waitlist, the Airport built 45 new hangars, and there were vacancies for almost eight years. Chair Herston inquired if there is any pause fee due or payable by either party during the 90-day pause. Mr. Parish commented that the Airport would need to have an agreement with Stellar Development in order to pause the contract and that it was the contractor's suggestion, too. Attorney Carr opined that it should be a mutual agreement to defer issuing a notice to proceed for 90 days without wavering anyone's particular rights

5 under the contract as signed and agreed. Mr. Parish commented that Attorney Carr is correct. Commissioner Hancik commented that he agrees and that the contract could also be extended by 90 days, which would effectively do the same thing. Attorney Carr commented that the Airport is entitled to issue the notice to proceed at any time and that the Airport would simply be deferring the notice to proceed for a period of time by agreement between parties with no one waiving their particular rights under the contract. Commissioner Hancik inquired if there is any requirement in the contract to issue a notice to proceed within a certain number of days after contract award. Attorney Carr commented that he does not recall any such requirement. Mr. Parish commented that Staff has had preliminary discussions with Stellar Development, that the pause was one of their suggestions, and that they would like to continue with design. He commented that without a notice to proceed, they would complete the design and then put it on the shelf until the Airport is ready. He commented that Staff will continue to monitor prices and Stellar Development will be providing true updates at the same time as the 60% increase is only in certain materials. He commented that he will bring the matter back to the next meeting to provide an update. Commissioner Hancik confirmed with Mr. Parish that preleasing will begin now for the T-hangars and the 60 feet by 60 feet hangars. Mr. Parish commented that phase one of the GAC is under construction and on schedule and that the master drainage plan has been completed. Chair Herston commented that he is glad the outfall pipes are out of the way for the possible extension of Challenger Boulevard. Mr. Parish commented that PFC Application Number Three is still in process and Staff is still working with TSA on their Other Transaction Agreement to have a grant in place in the near future. He commented that the new red lot is complete and signage is being put up in the blue, orange, and red lots. He commented that the Woodlawn Drive project is being closed out although the land swap still needs to occur as all parties have agreed upon the details but the transaction has not taken place yet. Chair Herston inquired if the land swap is for storm water management. Mr. Parish commented that it's for storm water management and due to the road moving. Chair Herston confirmed with Mr. Parish that the county will continue to maintain the road.

30 **b) Marketing Update** – Mrs. Miller commented that the Charlotte Technical College is getting ready to start their Airframe and Powerplant program in August and would like to hold a grand opening in September in the form of a lunch, which the entire Board will be invited to. She commented that a new LED animated sign has been installed on Viking Avenue and that it will display messages for things such as which food trucks are present and the Air Show dates. She commented that an RFP has been released for a restaurant operator at the GAC and is due July 30th. She commented that she'd like the Board's opinion on a couple of very large photographs for the main lobby area of the GAC the represent Punta Gorda. Mr. Parish commented that Staff is trying to get a direction for a theme, such as historical photos or photos of the surrounding environment. He commented that he'd like ideas to be discussed with Mrs. Miller and at a later date, a Board member could be selected to be on a committee to help create a theme and bring it back for approval. Mrs. Miller commented that there will also be four large screens in the lobby area that can display slideshows, which may be the best option for displaying historic photos and telling the Airport's story as older photos can get fuzzy when printed large. Chair Herston inquired if the LED sign is leased or owned. Mr. Parish commented that the Airport owns it. Chair Herston inquired as to what the dimensions of the sign are. Mr. Parish commented that the Board approved it a few months ago. Mrs. Miller commented that it's four feet high by eight feet wide. Mr. Parish commented that there will be a companion sign at the GAC entrance.

5 Mrs. Miller commented that the GAC sign will be the same size and that she'd love to consider at a later time a larger one on the highway, which could also be used to advertise tenants. Mr. Parish commented that the Airport can't put a billboard on the freeway but can advertise the Airport. Chair Herston inquired if the sign is hardwired or Wi-Fi. Mr. Parish commented that it is a permanent cell phone and that the Airport pays one fee for the life of the sign. Commissioner Hancik inquired if Mrs. Miller has considered making the GAC LED sign double backed so those leaving and exiting can both receive messages. Mr. Parish commented that the sign is in the center median and that Staff can look into it as he agrees that the higher end clients may need the information when leaving. Mr. Kistler commented that the sign is going in the median at the GAC but will be visible along Challenger Boulevard so that as you're coming out of the GAC, you won't see the sign face itself. Commissioner Hancik requested that Mr. Kistler take a look at making the sign double faced. Mr. Kistler commented that you'll see it as you go both ways down Challenger Boulevard. He commented that if you turn the sign the other way, the median is only so wide, so something else will have to go on the endcap. Mr. Parish opined that for a restaurant to be successful at the GAC, the entire industrial park will need to be made aware of its presence. Commissioner Coppola confirmed with Mrs. Miller that planes can be watched from the restaurant.

20 c) **Aviation Report** – Mr. Mallard reported on passenger counts, fuel sales and gallons pumped, aircraft ops, and hangar vacancies. He commented that Allegiant has started service to Baltimore, Washington, and Rapid City. He commented that the FAA has provided 2020 data for 19 Florida airports and that the Airport had the least decline of passenger's percentage wise of all of Florida with Jacksonville down 60 percent, Melbourne and Daytona Beach down 54 percent, Fort Myers down 41 percent, and the Airport was only down 23 percent. Mr. Parish commented that Staff has worked out a seven-day shutdown with Allegiant in September 2022, which is when the contractor will be doing the intersection of the two runways. He commented that general aviation will still be able to operate on runway 9-27. Chair Herston opined that May of this year had the third highest passenger count shown on the chart.

13. Old Business

35 a) **IDA Land Update** – Mr. Parish commented that there was a presentation at last month's meeting from a group trying to purchase the IDA land, which would result in the Airport receiving the land at the end of the project. He commented that the group would remove dirt and sell it to the Airport. He commented that he's been in discussions with the IDA and the Airport's engineers and opined that it would be prudent for the Airport to look at purchasing the land. He commented that he would like the Board to provide him the authority to negotiate and bring back a contract with the IDA for the purchase of the land or at least for a price and then have the Board determine if they'd like to move forward with the purchase. **Commissioner Hancik motioned to authorize Staff to move forward with negotiations to approve the acquisition of the IDA real estate. Commissioner Andrews seconded.** Commissioner Oliver inquired if Mr. Parish can provide a little more information on the cost and benefits of the purchase, commented that she has not discussed the matter with Mr. Parish and opined that other Board members are more informed on the matter than she is. Mr. Parish commented that during the last meeting there was a presentation by a group that would like to purchase the land. He commented that their offer is \$100,000, that the Airport would get the land at the end of the construction, that they would remove the

5 fill dirt and leave the Airport with a few wetlands and some usable land. He commented that a cost benefit analysis needs to be completed, that he doesn't believe the IDA will approve the groups price, that the price may increase if the Airport purchases the land and that an appraisal is being worked on now. He commented that if the Airport purchased the land, the Airport would have control of the entire piece of land. He commented that excavation can still be completed but the dirt wouldn't have to be purchased. He commented that there is a large wetland at the end of runway 22, that the water usually contained in the wetland needs to go somewhere, and that it would be much simpler to put it to the east as it won't have to be dealt with again if the runway is extended. He opined that he would like to have the authority to negotiate with the IDA to bring back a price and get approval to purchase the land. Commissioner Hancik opined that he believes there is also a possibility that real estate acquisition can be reimbursable in the future if it qualifies. Mr. Parish commented that it is correct. Commissioner Hancik opined that it would be a good purchase. Chair Herston commented that once the land is gone, it will be gone and opined that it will be a good investment and the Airport should purchase any land that becomes available. 10 15 **Motion passed unanimously.**

14. New Business

20 a) **State Lobbyist RFP** – Mr. Parish commented that at the request of Commissioner Oliver Staff has assembled a draft RFP for a state lobbyist. He commented that the last time it was put out was 2015 and that the Board unanimously decided upon Jerry Paul's company. He commented that there is a contract somewhere with Mr. Paul, that he has never seen it, and that it was apparently emailed to Mr. Quill but has since been lost. He commented that Staff 25 nor Mr. Paul have a copy of the previously signed contract. He commented that Mr. Paul has been working under what the RFP approval was and opined that it's prudent that there is at least a contract in place even though it is only \$3,000 per month for Mr. Paul's services. He commented that Mr. Paul has been very successful in lobbying for the Airport, that he's enjoyed working with him, that his current contract has an automatic renewal and opined that it is potentially time to put the services back out to bid. Commissioner Hancik commented that the Airport would go out to bid when purchasing something and would accept proposals when looking for services. He commented that the act provides the opportunity to work numbers with who you select and if negotiations cannot be complete, you can move to the next proposer. Mr. Parish commented that proposals are not strictly 30 low in cost as the proposal and price are considered together. He commented that the last time it went to bid the Board completed a preassembled matrix and made the selection. He commented that all proposals from this RFP would go to the Board to analyze and make a selection. He commented that a draft has been presented to the Board and he needs to know if the Board would like him to proceed to make it a final and put it out to bid. **Commissioner Oliver motioned to finalize the draft Request for Proposals and put it out to bid in order to accept proposals from qualified proposers. Commissioner Coppola seconded.** 35 Commissioner Oliver commented that Mr. Paul has done a phenomenal job for the Airport and that it will be something to consider when reviewing any received proposals. She commented that when she first got on the Board, she requested all of the professional services contracts and noticed that there wasn't one for a lobbyist even though one is being paid. She opined that it is really important to have the contract in writing for transparency, 40 openness, and accountability in government and that it is the best way to proceed moving forward. **Motion passed unanimously.** 45

15. Commissioner's Comments

5 Commissioner Coppola commented that in regard to the lobbying, she'd like to know what exactly is out there to be offered. She commented that the Airport has been with Mr. Paul a long time and knows him well but feels it's still nice to know what else is available.

Commissioner Hancik thanked everyone for attending.

10 Commissioner Oliver thanked Staff for their work.

Commissioner Andrews thanked everyone for coming and commented that he's looking forward to the upcoming years.

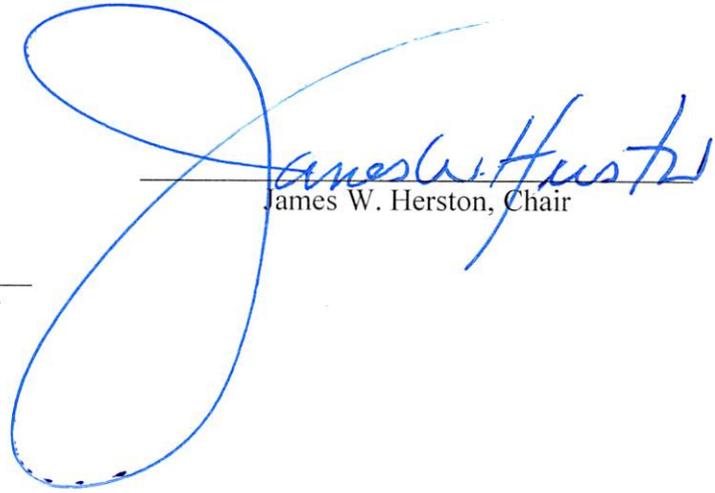
15 Chair Herston thanked Commissioner Deutsch for attending and commented that Staff is doing an incredible job.

16. Adjournment

20 Meeting adjourned at 10:09 a.m.

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Robert D. Hancik, Secretary/Treasurer



James W. Herston, Chair