

TITUSVILLE – COCOA AIRPORT AUTHORITY

The regular meeting of the Titusville - Cocoa Airport Authority was held on April 20, 2006 at 8:00 a.m., at the Titusville - Cocoa Airport Authority Office at 355 Golden Knights Boulevard, Titusville, FL. The following members were present: Jay G. M. Schenck, Chairman; Patricia Patch, Treasurer; Dr. Matthew Boucher, Secretary; Philip Napolitano; Ken Rivard; Veronica Clifford; Scott C. Carr, C.M., Executive Director; Mr. Timothy Pickles, Esq., Airport Attorney; Larry Runyon, Vice Chairman was absent.

Roll Call

Mr. Jay Schenck requested the roll be called and determined a quorum was present. Mr. Scott Carr announced that Dr. Matthew Boucher was not present, but would arrive shortly.

Approval of Minutes

Mr. Jay Schenck called for the approval of the Titusville - Cocoa Airport Authority March 30, 2006 regular board meeting minutes. Mr. Jay Schenck had a question on Page #6 of the minutes about a comment from Mr. Tony Yacono where he referred to property east of the Merritt Island Airport, but should have said the property west/north of the Merritt Island Airport. Mr. Schenck asked if it should be changed. Mr. Carr replied that the minutes reflect what was stated in the meeting whether it was accurate or not. It was determined that the March 30, 2006 minutes should remain as is, because the current minutes would reflect the correction. Mr. Schenck entertained a motion to approve the minutes. Ms. Patricia Patch made the motion. Mr. Phil Napolitano seconded. All voted aye. Motion passed.

New Business**Item A – Approval to Negotiate a Lease Agreement with the Great Commission Fellowship at Arthur Dunn Airpark.**

Mr. Carr introduced the item explaining that on August 7, 1996 the New Covenant Baptist Church executed a month to month lease agreement with the Titusville - Cocoa Airport Authority for the facility located at 385 N. Singleton Avenue which is directly adjacent to Arthur Dunn Airpark. He noted that the Authority acquired the property through an FDOT land acquisition grant to help protect the approach to the runway. Mr. Carr stated that New Covenant Baptist Church had indicated that they are moving into their own facility, and will be terminating their lease effective April 30, 2006. He stated that the building was originally structured as a church; however, in the past the Authority has taken a strong stance against rezoning property adjacent to all three of the airports that would create an incompatible land use. He noted that this has historically included churches.

Mr. Carr stated that the potential tenants, Great Commission Fellowship, currently

convene at the Sandriff Community Center once a week which is also directly adjacent to Arthur Dunn. Mr. Carr stated that Staff wanted to raise the inconsistency issue, but also wanted to mention that the facility is well constructed for a church and may not be suitable for a commercial application without considerable modifications. Mr. Carr stated that Staff is seeking to move forward with a month to month lease agreement and that currently the facility generates \$23,500.00 in annual revenue.

Mr. Carr acknowledged Reverend Scott Brand from Great Commission Fellowship who stated that the church would like a more permanent facility, but didn't intend this to be a long term permanent relationship. Reverend Brand stated that there wouldn't be a problem with the church being in close proximity to the runway. Ms. Patricia Patch stated that she hadn't heard of any complaints, and since it's a month to month lease there should be no problem. Discussion ensued among the Board.

Ms. Veronica Clifford stated that she would prefer the Board stick to policy. Mr. Ken Rivard made a motion to approve the lease. Ms. Patch seconded for the sake of discussion. Discussion ensued.

Mr. Schenck stated that since the Authority owns the property, if the Great Commission Fellowship were to complain the Authority could terminate the lease. Ms. Clifford stated that since the Authority has shown strong opposition to churches, should they allow a congregation to lease on Authority owned property it would send the wrong message and could backfire on the Authority in the future. Discussion ensued among the Board members.

Mr. Carr stated that the Grant Assurances are very clear and that the Authority historically has moved forward in opposing churches surrounding the other airports, so it did create a consistency issue. He stated that the difference was that the Authority actually owns this property vs. the other issues which were rezonings. He added that what the Board needed to decide from a policy standpoint was whether or not it was enough of a difference to hang your hat on, so to speak, and still move forward in the future opposing proposed incompatible land uses. Ms. Clifford stated that the Authority acquired this land and facility as a buffer, and allowed the church to remain there for ten years, but now it was time to clean the slate and utilize the property for the purpose it was purchased for.

Mr. Schenck acknowledged that Dr. Boucher had arrived. Discussion continued among the Board members.

Mr. Tim Pickles, legal counsel, stated that Ms. Clifford had valid issues and that the Board needed to consider legal inconsistency and practical inconsistency. He stated that if the Authority were to approve the lease it would be an inconsistency, and if someone wanted to come in down the road and put in development that was also inconsistent, it would give the City of Titusville a legal reason to approve it. Mr. Pickles stated that in a practical sense it would be inconsistent because it could potentially cause a safety issue. The Board concurred that there were valid issues.

Discussion ensued.

Reverend Brand raised an issue in regards to the Authority's inconsistency in allowing the current congregation to remain in the church for ten years. Ms. Veronica Clifford explained to him that the Authority had a responsibility to maintain a good relationship with their tenants, and wanted to create an atmosphere of harmony with the City of Titusville and the County; therefore the Authority couldn't just throw the tenants out. She added that the Board was also trying to correct any decisions from former Boards that may have had negative results for the Authority in the past.

Ms. Michelle Richard from Great Commission Fellowship asked if there had been any safety issues in the past ten years regarding the church. Board members explained to her that it was really just a question of inconsistency. Discussion ensued.

Mr. Schenck asked Dr. Boucher if he understood the motion. Dr. Boucher requested a brief re-cap of the discussion that had transpired before his arrival to which Mr. Carr complied.

The Board discussed the loss of revenue, alternative uses for the building, and whether or not the building should be removed. Mr. Carr explained that FDOT grants do not require that the building be removed, but FAA land acquisition grants do require that the building be removed within twelve months. He stated that in this case it was an FDOT grant that was used to acquire the property. Discussion ensued.

Mr. Jay Schenck called the question. Mr. Ken Rivard and Mr. Phil Napolitano voted aye. The remaining Board members voted nay. Motion failed.

Item B – Consideration of the Pauley Management, Inc. Contract for Federal Legislative Services.

Mr. Carr gave a brief overview of the item, stating that on July 19, 2002 the Airport Authority Board approved a contract with Pauley Management, Inc. for the purpose of providing Federal Legislative services to the Titusville-Cocoa Airport Authority. He stated that the base contract consisted of a \$400.00 per month retainer fee, and if new grant funding sources were achieved an incentive fee of 5.25% of the grant amount would be paid. Mr. Carr stated that recently the Titusville-Cocoa Airport Authority was listed as one of 5 Florida airports to receive a Congressional earmark for a specified project. He added that in the Authority's case it was for continuation of the East Side Apron Rehabilitation Project at the Space Coast Regional Airport. Mr. Carr stated that historically Airport Authority Staff had received two grants in the subsequent fiscal years from both the FAA and the FDOT for that particular project. He stated that both of the projects were funded through the Airport Improvement Program, which is typically a competitive program based on the FAA funding priority system. Mr. Carr remarked that when

a Congressional earmark is placed into a transportation bill it's sent to FAA and they don't have an option as to whether or not to fund it.

Mr. Carr quoted the contract with Pauley Management, stating that new funding sources are defined as sources of Federal funds which the Authority would not be reasonably expected to obtain without the services of the contractor. He went on to state that in the event a source of funding is obtained which is not a new source of funding obtained by the Authority for the prior year it shall be presumed to be a new funding source. Mr. Carr stated that in this case Pauley Management was requesting to be paid an amount of \$52,500.00 which is 5.25% of the \$1 million grant. He stated that typically Staff would move forward and not bring it to the Board for approval, but in this case the reading of the contract is inconsistent with what Pauley Management is requesting. Mr. Carr added that as Staff on its own did receive grants in the previous year from the Airport Improvement Fund Program, this was not a new funding source. He stated that in an effort to be fair Staff went to legal counsel and had the contract reviewed and an interpretation provided. Mr. Carr stated that he also contacted Mr. Dave Edwards, the former Executive Director of the Airport Authority who drafted the contract, and asked him what the intent was, and Mr. Edwards indicated that Staff's interpretation was correct based on what he had intended the language to state.

Mr. Carr stated that he firmly believed Mr. Pauley was operating in good faith. He added that he had asked Mr. Pauley if he would be willing to consider something less than \$52,500.00, and Mr. Pauley indicated that he wanted the Board to read not only on the contract, but whether the money was applicable in this case; therefore, this was an all or nothing situation. Mr. Carr stated that this was a policy decision of the Board in how they would like to move forward.

Mr. Carr turned the floor over to Mr. Pickles, legal counsel. Mr. Pickles provided an overview of his interpretation of the contract, stating that he didn't believe the Authority owed the money to Pauley Management. He discussed other considerations involving Mr. Pauley's intent in the scope of the contract, stating that if the Authority chose not to pay the fee, the chances of using Mr. Pauley's services in the future would be zero. Mr. Pickles also stated that the Board could decide to pay a portion of the fee and authorize Mr. Carr to negotiate a future agreement for services.

Mr. Schenck stated that he had spoken with Mr. Pauley, who told him that he had spoken with 2-3 different Congressmen. Mr. Schenck added that he believed Mr. Pauley put value on that, and asked Mr. Pickles what value it had to the agreement. Mr. Pickles replied that there was no question it was a benefit. Ms. Veronica Clifford asked if the Authority had ever received an earmark before, to which Mr. Carr replied to his knowledge they had not. Discussion ensued among Board members and Mr. Pickles.

Ms. Patch asked if Mr. Pauley had provided any documentation to show what he was doing during the period that he was doing it. Mr. Carr stated that he and the

two former Executive Directors, Mr. David Edwards and Mr. Fred Watts, had all spoken with Mr. Pauley about earmarking this project since the contract was executed. Mr. Carr also wanted to clarify that it was a 95% grant, and that 2.5% will come from FDOT and 2.5% will come from the Airport Authority. Ms. Patricia Patch restated her question regarding documentation, to which Mr. Carr replied that Staff hadn't received monthly documentation; however, in lieu of documentation, the Authority had consistently received verbal reports from Mr. Pauley. Mr. Carr stated also that Mr. Pauley had been instrumental in setting up meetings, but Staff had done an inordinate amount of work on these issues also.

Mr. Rivard asked for a figure on what the Authority would be paying. Mr. Carr stated that 2.5% would be \$25,000.00. He and Mr. Carr discussed how the \$1 million grant was actually acquired. Discussion ensued.

Dr. Boucher discussed whether or not there had been any other services that Pauley Management had provided that had a direct impact for the Authority. It was determined that there had not. Dr. Boucher asked Mr. Carr if the Authority would be adversely affected in the future without the use of Mr. Pauley's services. Mr. Carr replied that Mr. Pauley had obviously demonstrated that he can be effective, and he felt that it would be better to keep the same lobbyist vs. switching out every few years. Ms. Clifford commented that she was looking at the funding as an earmarked grant, and she felt that this did fall under something that Authority would not reasonably be expected to obtain without the services of the contractor. She stated that she felt if the Authority didn't pay Mr. Pauley, there would be impacts all the way up to the state level.

Mr. Schenck entertained a motion. Ms. Clifford made a motion to pay Pauley Management the amount that they requested. Ms. Patch seconded the motion. Discussion ensued.

Mr. Carr stated that he wanted to clarify that Staff on its own did obtain two separate grants through the Airport Improvement Program for this specific project through the competitive process. Ms. Veronica Clifford stated that she felt if Mr. Pauley earned it, he should be paid. Mr. Carr made a recommendation that Staff would like to receive direction from the Board to go ahead and renegotiate the contract.

Mr. Rivard commented on his concerns that the Authority was accepting too many grants, and couldn't afford to pay out their percentage. He also stated that he didn't believe it was necessary to pay someone to pursue grants, and that Authority Staff should take care of that. Discussion ensued among the Board.

Ms. Clifford amended her motion to include instructing Staff to amend the contract with clearer language and bring it to the Board for approval. Ms. Patch accepted the amendment. Discussion ensued.

Mr. Carr commented that the \$400.00 per month rate that the Authority is paying

Pauley Management is an extremely low rate.

Ms. Bobbie Lasher in the public forum commented that she spent twenty years in government contracting, and if the contract is written unclearly the decision is against the writer of that contract. Mr. Carr stated that Staff did some research, and based on the historic files that were obtained it did appear that Pauley Management was the one that authored the contract. He added that this was one of the reasons that he contacted the previous Executive Director to ask what the true intent was.

Mr. Schenck called the question. All voted aye except Mr. Rivard and Mr. Napolitano who both voted nay. Motion passed.

Information Section

Executive Director Report

Mr. Carr passed out a letter concerning night operations from Helicopter Adventures at Space Coast Regional Airport. He explained that the Authority had received a letter of concern from an adjacent neighborhood relating to a noise issue. Mr. Carr noted that Mr. Patrick Corr from Helicopter Adventures was in attendance, and stated that Mr. Corr had been extremely instrumental in addressing these issues as soon as they came up, and stated that a letter of response from Mr. Corr to the homeowners association was included with the first letter. Mr. Carr asked Mr. Corr if he had any thing to add. Mr. Corr stated that he had received a lot of support from one of the mobile home park managers, who told him that the individual who organized the petition more or less twisted arms to get the other occupants to sign it. Mr. Carr stated that there was no action needed by the Board.

Mr. Schenck asked Mr. Carr if there was a status report on the noise aviation easements with the City of Titusville. Mr. Carr stated that they were all currently in place with the City of Titusville through their Airport Ordinance. He added that the Joint Planning Agreement with the City of Titusville was still in progress. Mr. Carr stated that the agreement will consist of area surrounding Space Coast Regional Airport and Arthur Dunn Airpark in which Staff would be notified of any proposed construction based on the parameters that are going to be in the agreement. He added the Authority would act as a liaison in providing comments in the application process. Mr. Pickles, legal counsel, stated that a draft of the agreement had been submitted to the City and Staff was waiting on comments from them.

Mr. Carr stated that the other issue he wanted to address involved Gryphon Group Security Solutions, Inc. at Space Coast Regional Airport. He gave a brief history of the Gryphon Group's relationship with the Airport Authority. Mr. Carr stated that there had been some leasehold improvements that were not contemplated under the Space Use Permit, and that Staff initially moved forward on February 8, 2006 and issued a letter to the Gryphon Group as well as had a conversation with Mr. Michael Vaden, president of the Gryphon Group. Mr. Carr stated that he indicated

to Mr. Vaden that alterations to the leasehold site needed to cease, and added that at the time there didn't appear to be any other leasehold improvements; however, Operations Staff reported last week that there was additional construction activity taking place on the site. Mr. Carr distributed a copy of a letter from Gryphon Group as a follow up to a telephone call between Mr. Vaden and himself concerning a vehicle maintenance lift that was installed on a concrete pad that was also installed. Mr. Carr stated that there had also been additional carports put in at the site. He remarked that Gryphon Group did install the fence that was requested, and it was put in the correct location; however, Staff did not approve the concrete pad or the addition of rock placed in the grass to stabilize the ground. Mr. Carr stated that the Space Use Permit did not contemplate leasehold improvements unless they were listed under the Special Conditions Section. He noted that there was a representative from Gryphon Group in attendance to distribute copies of a letter dated for that day from Mr. Vaden, addressed to Mr. Carr and copied to the Airport Authority Board members as well as the Brevard County Commissioners. He added that in the letter Mr. Vaden was requesting official determination of whether or not two carports with metal roofing could be installed in addition to what had already transpired. Mr. Carr indicated that Staff was trying to maintain the spirit of the Space Use Permit; however, Mr. Vaden did not seek written approval for any of the improvements. He added that he thought that his February 8, 2006 letter, which indicated until written approval was received from the Titusville - Cocoa Airport Authority to continue with any alterations or installations of improvements to the leasehold all construction activity must cease immediately, was abundantly clear; however, Mr. Vaden had indicated that he thought it didn't apply to the additional concrete pads, carports or stabilizing the ground. Mr. Carr went on to state that Staff had received complaints from other tenants on the airfield. Mr. Carr turned the floor over to Mr. Jay Schenck. Mr. Schenck called a recess to give the Board time to read the letter.

Mr. Schenck called the meeting back to order and asked Mr. Carr what action he would like to be taken. Mr. Carr stated that he had received full support from the Board at the February meeting to move forward with lease compliance on this issue. He added that he had spoken to Mr. Vaden on several occasions, and it didn't appear that the Authority would be able to obtain full lease compliance. Mr. Carr stated that he didn't believe all the items would be removed in an amicable fashion, but if the Board instructed Staff to allow the items to remain, then Staff would move forward in that fashion. Mr. Carr added that Staff was looking for additional policy instruction at this point.

Ms. Clifford asked Mr. Tim Pickles, legal counsel, if Gryphon Group was in breach of their Space Use Permit. Mr. Pickles stated that it was his understanding that there was also some construction that took place outside the lease space, which was a violation and it was his understanding also that whatever concrete pad was put up, may or may not have had the proper permitting. Mr. Pickles stated in regards to the installation of the concrete pad and the carports, he believed they were real property and should not have been allowed without an amendment to the lease. He added that an amendment would have needed both Board and Staff approval.

Mr. Carr stated that Staff had met with the Building Department of the City of Titusville to obtain any copies of building permits, and the initial indication from the City of Titusville was that no building permits had been pulled. He also stated that as the property owner, should the City of Titusville take any administrative action it would be construed against the Authority not against the tenant.

Ms. Patch stated that she wondered why Mr. Vaden had sent a copy of his letter to the County Commissioners, but not the City of Titusville.

Mr. Schenck asked Mr. Carr if the improvements had created any safety issues, and asked if these problems could be addressed with proper deposits. Mr. Carr stated that from an FAA and FDOT standpoint he did not believe that there were safety issues that would adversely impact the Authority; however, the safety issues that may have been created relate to the use of generators and electrical service at the site. He added that he and Ms. Clifford visited the site, and were surprised to find that Gryphon Group was installing a vehicle maintenance lift and that they were running wiring and conduit above ground. Mr. Carr stated that if they had gone through a plans and specs review with the Authority Staff, he would not have approved that. Mr. Schenck asked if the Authority was in direction to assist Gryphon Group with permitting, or was it being addressed as a complete violation. Mr. Carr replied that Staff was seeking additional policy direction. The Board discussed whether or not Staff was to help take up the permitting process. Mr. Carr stated that Brevard County had sent inspectors from the Stormwater Department to see if permits could be obtained. Ms. Patricia Patch stated that she didn't understand why the County was involved. Mr. Carr stated that to his knowledge the inspection had occurred under the direction of the County Manager's Office.

Dr. Boucher stated that he felt there was a loss of communication somewhere, and added that he felt Mr. Carr's February 8, 2006 letter clearly stated that if Gryphon Group wanted to do any additional improvements to the leasehold they needed to obtain written approval. Dr. Boucher went on to state that in the letter of response from Gryphon Group, Mr. Vaden addressed Mr. Carr stating that they had talked and Mr. Carr had agreed. Dr. Boucher added that the concrete pad and culverts, which were determined to be permanent structures, were clearly a violation to the agreement. He added that he is sympathetic to what the Gryphon Group is doing, but in his opinion he felt Mr. Vaden was undermining the Executive Director.

Mr. Napolitano stated that he felt the lease could be amended and any safety issues could be resolved. He added that he felt the Board should be working with Mr. Vaden because the Authority was in the limelight, and also that there were people involved in the war that depended on the Gryphon Group.

Mr. Schenck stated that he was concerned with environmental issues and that the Authority should require additional deposits to bring the land back to its original condition at the end of the lease. Mr. Schenck also stated that he would hope that

the Board would request the Gryphon Group to reimburse the Authority for the time and permitting costs. Mr. Carr asked Mr. Schenck if he was asking Staff to take up the permitting effort. Mr. Schenck stated that he was disappointed with the Gryphon Group, but felt that the Authority should work with them.

Mr. Rivard stated that Mr. Vaden had the entire Congressional delegation behind him, as well as Brevard County Commissioners. He made a motion to approve the current construction alternations and have the area be returned to the original condition at the end of the leasehold. Mr. Napolitano seconded the motion. Discussion ensued. Mr. Schenck asked Mr. Rivard if he would consider amending the motion to state that Gryphon Group should add a bond or additional deposit. Discussion ensued among the Board members.

Ms. Clifford stated that she believed that Mr. Carr followed the Board's instruction in asking the Gryphon Group to follow the guidelines that were set up for every tenant. She added that she understood what Gryphon Group was doing held importance, but she also understood there were other companies out there doing the same thing. She stated that she believed what they did was a breach of contract. She also remarked that Mr. Vaden had not attended any of the Board meetings to speak on his own behalf.

Ms. Patch stated that her biggest issue with this situation was that what Gryphon Group was doing was commendable, but it didn't give them the right to break the terms of the permit and violate the local building codes. She added that she felt Mr. Vaden was looking for political backing, which wasn't appropriate in this case.

Dr. Boucher echoed Ms. Clifford and Ms. Patch in their statements. He stated that he felt that Mr. Carr had attempted to work with Mr. Vaden; however, Mr. Vaden's tone indicated that he believes he's not being communicated with. Dr. Boucher stated that Mr. Vaden believes that Staff is being vindictive and on the edge of harassment, and with that tone, he didn't believe Mr. Vaden would be cooperative in returning the leasehold to its original state.

Mr. Schenck remarked to Mr. Rivard that he wished he would withdraw his motion, and that Mr. Carr should be able to handle the situation. Mr. Schenck stated that he felt that Mr. Rivard's motion placated what was going on, and he believed that Mr. Vaden will continue what he is doing if the Board keeps allowing it. Mr. Rivard stated that he believed that the motion will make it clear to the Gryphon Group that there are to be no more violations without discussion with the Authority. He added that he felt there was an obvious communication problem between Mr. Carr and Mr. Vaden. Mr. Rivard asked if Mr. Vaden was aware that the Gryphon Group would be discussed at this meeting. Ms. Patch stated that he obviously was aware, because his staff was in attendance and she got a call from the Brevard County Commissioners.

Ms. Clifford stated that although she did not attend the March 30, 2006 regular Board meeting, there was an item in the minutes she wanted to point out. She stated

that there was a statement from Mr. Rivard that Mr. Vaden wasn't authorized to do the work and wondered why the Authority should go along with that option rather than simply requiring them to remove the alternations from the leasehold. She stated that it seemed as though Mr. Rivard had agreed with her viewpoint at that time and now changed his mind. Mr. Rivard stated that he believed Mr. Vaden was complying with the terms of the permit now, and disputed the fact that pouring a concrete on the leasehold was a permanent structure.

Mr. Schenck discussed the motion on the floor stating that it alludes to support for what the Gryphon Group was doing, and he believed it should be handled by Staff. The Board suggested that Mr. Schenck call the vote. Mr. Schenck called the question.

Mr. Schenck acknowledged Ms. Amy Aiella from the Gryphon Group. Ms. Aiella stated that Mr. Vaden had not known the Gryphon Group would be discussed, and that she was instructed to bring a letter to the Board members. She added that Mr. Vaden had prior commitments. Ms. Aiella stated that there had been a verbal agreement that Mr. Vaden could make improvements to the area despite Mr. Carr's letter to cease any additional construction activity. She stated that more screening on the privacy fence was being put up to block the view of the operation, and the car ports could be removed. Dr. Boucher asked Ms. Aiella if she had a sense of Mr. Vaden's relationship with Airport Authority Staff. Ms. Aiella stated that she knew there had been conversations between the parties, but Mr. Vaden had never expressed his feelings about Authority Staff to her. Discussion ensued.

Mr. Rob Medina from Commissioner Colon's office made statements in support of the Gryphon Group and what they were doing. He stated that he would like to share his input as a former marine. Mr. Medina stated that the training the Gryphon Group provides is more specific than other companies and they truly dedicate time to the training and genuinely care. Ms. Patch stated that the Authority wasn't disputing the quality of the training; rather the fact that Mr. Vaden kept breaking the terms of his Space Use Permit even though it had been clearly communicated to him by Mr. Carr that approval for any improvements to the leasehold must be in writing. She added that Mr. Vaden continues to make these improvements without getting anything in writing from Staff. Mr. Medina stated that he appreciated Ms. Patch's point, but he addressed a comment made by Ms. Clifford about there being several companies doing the same thing that Gryphon Group does. Ms. Clifford stated that she agreed with both Ms. Patch and Mr. Medina, and that the real issue was the breach of the contract. Ms. Patch stated to Mr. Medina that he could take back to the Board of County Commissioners the fact that her problem was with the fact that Mr. Vaden made the issue political when he copied his letter to the County Commissioners and not the City of Titusville.

Dr. Boucher asked Ms. Aiella if she was in a position to offer a suggestion or anything that would be agreeable amicably. Ms. Aiella replied that she was not.

Mr. Carr stated that if all the additional items had been contemplated under the

Space Use Permit then the would have been listed under Section A-8 – Special Conditions of the permit, just as the privacy fence and the environmental assessment were listed. He added that these things may have been discussed during the negotiations, but they were not approved, and that is why the issue had been brought to the Board at this juncture.

Mr. Schenck asked Mr. Rivard to restate his motion. Mr. Napolitano wanted to amend the motion to add that Gryphon Group has to provide the Airport Authority with either an additional deposit or bond, so that the Authority is covered if the Gryphon Group leaves behind costly clean-up. Mr. Pickles stated that if the Board approves the motion it will require an amendment to the Space Use Permit, because some of the improvements were outside the leasehold. He added that the premises would then need to be expanded and the rent would need to be increased.

Mr. Jay Schenck re-stated that the question had been called. Mr. Phil Napolitano and Mr. Ken Rivard voted aye. The remaining members of the Board voted nay. Motion failed.

Mr. Jay Schenck entertained a motion to give Staff direction to rectify the situation and present his findings back to the Board. He added that Mr. Carr could let Mr. Vaden know that the Authority appreciates what the Gryphon Group does for the country, but he's in violation of the terms of his Space Use Permit.

Ms. Clifford asked Mr. Carr what the process would be for Staff to correct this issue. Mr. Carr replied that what Staff does when a violation occurs is send the tenant a letter indicating as such and that they also would be contacted. He stated that Staff would also outline a path for remediation and a specified timeline for it to take place in. Mr. Carr stated that Staff would move forward in this case and let Gryphon Group know that the structures need to be removed and that the drainage swale needed to be restored to its original state. Ms. Clifford asked Mr. Carr what the timeline was in this violation, and was there any paperwork from Gryphon Group stating when it will be cleared. Mr. Carr stated that Staff would come up with a thirty to forty-five day window for them to do that. He added that if Staff had moved forward as they normally do with similar situations, it would have resulted in additional problems. Ms. Clifford asked when a letter could be expected. Mr. Carr stated he could have it drafted and reviewed by legal counsel to send by the first part of the upcoming week. Ms. Clifford asked what the path of remediation was on the second set of violations. Mr. Carr stated that as it was a breach of the Space Use Permit for any improvements that were installed and that any items that were a breach would need to be removed within that forty five day window if that was the timeframe that the Board would like to set. Mr. Pickles, legal counsel, stated that the next step would be to put Gryphon Group in default of the Space Use Permit to determine if they were in violation of their agreement. He stated that his opinion was that the recently installed concrete pad was a violation. Mr. Pickles stated that the letter that would go out would identify the specific violations of the permit and give an opportunity to cure in a reasonable amount of time, and if they didn't comply the Authority could terminate the permit if it chose

to do so. He added that if the tenant disputes that it was a breach, they could send a letter back stating that they disputed it and it may ultimately be up to the court as to whether or not they are in breach. He stated that regardless of any breaches, the Authority does have a ninety day option to terminate the permit without cause. Discussion ensued amongst the Board.

Mr. Carr stated that Staff would recommend removal of the drainage swale improvements, because there could be permitting issues with the City of Titusville, as well as the St. John's River Water Management District. Mr. Carr also stated that Staff would recommend that the Authority should go ahead and place an additional security deposit that would cover the crushed rock being removed at the end of the lease term and having the site returned to a grassed site. He stated that Staff would recommend that the existing carports as well as the two additional carports be permitted, which would be contingent upon receiving previous as well as future permitting if required by the City of Titusville. Mr. Carr stated that the concrete pad and vehicle lift were a different story. He stated that there is no containment or oil/water separator, and he believed that those activities need to cease immediately and that the improvements be removed from the site. Dr. Boucher stated that he would like the record to reflect that the Authority is open to communication and wants to portray the spirit of cooperation in looking for resolve as well as ensuring consistency in compliance on all issues. Mr. Carr concurred. Ms. Patch stated that Mr. Vaden should understand that this was his responsibility, and that the letter Mr. Carr had written on February 8, 2006 clearly stated that there must be a written agreement, not verbal for any leasehold alterations. The Board concurred with the direction that Staff had proposed.

Mr. Carr continued with his report stating that Staff had been working on hurricane damage and that FEMA had indicated that the Airport Authority would be receiving \$43,765.04 in FEMA reimbursement. He stated that at this time FEMA did not know when the money would be available, but they have committed. He added that this money was in addition to the insurance claim.

Mr. Carr also reported that he had a meeting with Aircraft Engine Services (AES), Inc. formerly known as Bombardier at Space Coast Regional Airport earlier that week, and that Mr. Rivard had been in attendance at that meeting. He stated that he received a subsequent letter from AES about the meeting, and he passed out a copy of the letter to the Board. He added that Staff had been moving forward to bring any outstanding lease negotiation issues to a close to facilitate construction of a permanent facility for Aircraft Engine Services' North American headquarters at the Space Coast Regional Airport. Mr. Carr stated that Staff had looked at different financing options and whether to use a third party developer, have the Authority finance the project, or to have the tenant construct the facility on their own. He added that AES had notified the Authority that they had no desire to construct the facility and would like to lease back directly with the Authority or a third party developer. Mr. Carr stated that during the meeting he had left the room for a moment, and Mr. Rivard apparently spoke with AES. He stated that Mr. Rivard had also contacted a representative from AES the evening before the meeting and

spoke with him, giving him the impression that representations were made that AES was not welcome at the Space Coast Regional Airport, and that the financing options that were on the table from Airport Authority Staff would be met with resistance from at least one Airport Authority Board member, if not others. Mr. Carr stated that what AES was seeking in their letter was the Board's overall and reaffirmed support for their project, or formal notification if the Board's position had changed so that they may search for another location. Mr. Carr stated that he was asking the Board to take a formal position and instruct Staff to either continue negotiations with AES or to terminate the negotiations and let them relocate to another location.

Mr. Rivard stated that this item should have been included with the Agenda Package. Mr. Carr stated that the meeting had just occurred that Tuesday prior to the Board meeting, so the agenda packages had already gone out. He added that it wasn't Staff's intent to spring anything on the Board, but based on his conversations with AES he thought there was a real possibility that AES may leave the community due to Mr. Rivard's conversations and representations to them.

At the request of Ms. Clifford, Mr. Carr gave a brief history on the issue. Ms. Clifford stated that what she was really requesting was the data and the actual proposal to AES.

Ms. Patch asked Mr. Carr if Mr. Rivard had relayed his words as his personal opinion or as a representative of the Board. Mr. Carr stated that he couldn't say because he was not in the room at that time. Mr. Rivard stated that he was representing his own opinion. Ms. Clifford stated to Mr. Rivard that if he was going to attend a Staff meeting he cannot go in as a citizen. Mr. Rivard then stated that he had gone as a Board member and simply listened to the meeting and only spoke with AES when Mr. Carr got up to get some paperwork. He added that he believed the third-party developer would be Holland-Sheltair and he has a problem with them. Mr. Rivard stated that he told AES that his philosophy had always been to oppose Holland-Sheltair coming on any of the airports. Mr. Carr added that AES needed to be into a permanent facility by summer of 2007. Mr. Schenck told Mr. Rivard that Board members do not normally go to Staff meetings. Mr. Rivard stated that he believed the Board members should go to Staff meetings because Staff doesn't always tell them what is going on with all of issues that they are dealing with. He added that he didn't know that the Authority had committed to a \$2 million facility, and asked Mr. Schenck if he knew about it. Mr. Schenck stated that he did know about it, and the Board had always welcomed AES to relocate to the Space Coast Regional Airport.

Dr. Boucher stated that he would like to make a motion and perhaps a resolution that the Airport Authority reaffirm their support for the AES project, and to continue negotiations regarding their future business at the Space Coast Regional Airport. Ms. Patch seconded the motion and stated that she knew the City of Titusville very much wants AES in the community. Discussion ensued.

Ms. Clifford asked if there was some documentation or agreement that Mr. Carr could present to the Board. Mr. Carr stated that there was no agreement, but there was a presentation that Staff had given to AES that outlined the general terms for a lease agreement. Mr. Rivard asked if there were copies of that presentation. Mr. Carr stated to Mr. Rivard that the Airport Authority Board was a policy setting Board and should not to get involved in the day to day operations of the three airports. Ms. Patch stated that Mr. Rivard had no business saying anything at the meeting or even contacting them. She told Mr. Rivard that he should not have been at the meeting and that he was micro-managing the Staff which obviously had created a problem with AES.

Ms. Bobbie Lasher from the public forum stated that the Authority had wooed Bombardier for years and there was a special person who had devoted a lot of hours to get them to come to the Space Coast Regional Airport. She stated that the Authority should proceed or not, and go on with things to keep AES here. Ms. Veronica Clifford stated that she wanted the record to show that she believed AES was an appropriate business for the Space Coast Regional Airport and she would like to see them stay, but she didn't know if she would agree with what Staff came up with concerning their lease agreement as she hadn't reviewed the general terms of it. Mr. Schenck called the question. All voted aye. Motion passed.

Mr. Carr concluded his Executive Director Report.

Attorney Report

Mr. Tim Pickles reported that at the April 6, 2006 Brevard County Board of County Commissioners Meeting the County Commissioners approved the River Fly-In Condominium project at the Merritt Island Airport. He stated that he was waiting for a transcript of that meeting, and he suggested that prior to the filing deadline of May 5, 2006, the Authority hold a special meeting to discuss the pros and cons of bringing an action against the County. Mr. Pickles stated that once he received the transcript he would be able to evaluate it and give the Board his opinion on whether to proceed. Ms. Clifford asked Mr. Pickles if he would be reviewing the developer's report that was handed in. Mr. Pickles stated that he would, and that there has been a subsequent binding development plan that had been submitted to the County which included additional concessions that were made at the meeting. Ms. Clifford stated that this information was very last minute. Mr. Carr stated that there was only a thirty day window for the Authority to determine whether or not to file an appeal. Dr. Boucher stated that the Authority will lose their right for an appeal if something isn't done quickly, and in the event the Board decides to appeal that appeal could be rescinded if after reviewing the documents the Board decided not to appeal. Mr. Pickles explained that once the appeal was filed it could be rescinded, but there were costs with attorney time. He added that the better solution was to determine a decision before proceeding.

Mr. Carr stated that if the Board decided to put in an appeal, then there could be an Executive Session at the May meeting to discuss the pros and cons. Discussion

ensued among the Board.

Mr. Schenck entertained a motion. Ms. Patricia Patch made a motion to appeal the decision of the Board of County Commissioners to approve the River Fly-In Condo Development. Dr. Matthew Boucher seconded the motion with an addition to add the language that the Authority is just preserve their rights to make a better decision regarding continuing that appeal in the future. Ms. Patch concurred. Discussion ensued.

Mr. Patrick Corr from Helicopter Adventures addressed the Board stating that he had attended the County Commission meeting with hopes that the Authority could sway the County Commissioners to their side. He added that at this stage, though, he feels it's a dead horse. Mr. Corr stated that he didn't believe the developer would ever get financial backing to build the project. He also stated that he was very encouraged by Commissioner Pritchard's comment that he would like to see explosive growth at Space Coast Regional Airport. In conclusion, Mr. Corr stated that the project will never get built, so he felt it wasn't worth the Authority's time and money when instead the Authority could use it as a political chip. Dr. Matthew Boucher validated Mr. Corr's comments, stating that it made him have second thoughts on his motion. Discussion ensued among the Board.

Ms. Patch asked if there had been any repercussions from FAA or FDOT in regards to the County's decision. Mr. Scott Carr stated that he had not heard anything definitive, but Staff had placed calls to FDOT and they had not taken a position on the issue yet. Mr. Tim Pickles stated that Mr. Corr's comments were absolutely correct, and based on the restrictions that the developer had agreed to, he didn't believe any lender would finance the project. Mr. Pickles stated that the only way Dr. Niazi could get around the binding development agreement now is to petition the County to amend it in the future. Mr. Pickles recommended that it may not be worth pursuing, and that was why he recommended a special meeting prior to the deadline. He added that because the Board's position had already been stated they could make the decision to file the appeal, go over the information and then make the determination whether or not to go through with it. Mr. Pickles stated that it would be difficult to turn over a decision by the County Commissioners, so the success on an appeal was not great and he would not recommend it; however, it was not his decision. Ms. Clifford asked Mr. Pickles if the Board filed the appeal, would it give the Authority any advantage in the future. Mr. Pickles stated that simply filing the appeal had no effect. Mr. Pickles also stated the Authority could appeal on the grounds of inconsistency in the land surrounding the airport, or they could sue the Brevard County for violation of statute 333. He added that more times than not the courts would be on the side of the County, but that didn't mean the Board couldn't make a decision because it's the right thing to do. Dr. Boucher asked how long the Board had to take their next action after filing an appeal. Mr. Pickles stated that it would depend on how quickly the other side responded. Discussion ensued among the Board.

Ms. Clifford stated that she had issues with the fact that she had spoken with

Commissioner Colon at the meeting who told her that the issue of access to the Merritt Island Airport would come up at the meeting; however, it was never put on the record. She stated that she believed the issue of access was detrimental. Dr. Boucher stated that the Board really needed to set up a special session. After much deliberation the Board determined that a special meeting to decide whether or not to appeal would be held on May 1, 2006 at 8:00 AM. Discussion ensued.

Mr. Schenck called the question. All voted nay. Motion failed.

Check Register & Budget to Actual

Mr. Carr stated that revenues were at 61.30% with expenses at 36.44%. He asked the Board to keep in mind that there was a significant delta between the revenue and expenses; however, Staff is moving forward with using the operating budget to fund additional hurricane damage repairs. He added that the \$52,500 for Pauley Management will be coming out of the operating budget as well.

Mr. Rivard asked what the \$37,000 fee for Airport Engineering was for. Mr. Carr stated that it was for a variety of projects. Mr. Rivard asked if Airport Engineering was paid by the month, hour by contract. Mr. Carr stated that it is paid by project based on the consulting agreement, which is typically a percentage. He added that a majority of those costs are actually eligible for FAA or FDOT reimbursement for those projects.

Administration & Project Reports

Mr. Carr highlighted some updates on the Administration and the Project Report.

Mr. Carr stated that on the Administrative Report Staff the issue with Maglev is being closed out. Mr. Schenck inquired about the litigation with Valiant Air Command. Mr. Carr turned the floor over to Mr. Tim Pickles, legal counsel, who stated that the Valiant Air Command is presumably going to meet in May and will then propose a modification to their potential building plans in June for the Authority Board to consider. He added that until that time there was nothing moving on the case. Mr. Carr stated that Staff was still working on plans with the City of Titusville on their public works facility as well as their new fire station.

Mr. Carr stated that on the Projects Report, the Authority had broken ground on the Brevard County Sheriff's Aviation Unit at Merritt Island. He stated that the existing building had been demolished, and discussed an issue with muck under the apron and in that area. He added that since the building was now demolished, they were able to determine how far the muck had extended and were in the process of de-mucking the area. Mr. Carr stated that at Merritt Island Airport the Taxiway and Runway Lighting Rehabilitation Project had begun. He stated that at Space Coast Regional Airport, Staff is moving forward with the Water Main Expansion on the west side of the airport. He also stated that he had been told by the City of Titusville that Staff could expect to receive a site permit for the East Side Apron

Project and the Corporate Terminal Facility at Space Coast Regional Airport by the end of the following week. Mr. Carr also commented that Staff had executed the contracts for the Rotating Beacon Projects at Space Coast Regional Airport and Arthur Dunn Airpark.

Mr. Rivard asked several questions in regards to the reports. Mr. Scott Carr discussed his questions and answered them satisfactorily. Discussion ensued.

Authority Members Report

Mr. Napolitano stated that he would like Mr. Carr to come to the Board before acquiring grants to get their approval. He commented that he hadn't seen that in the past, and would like to see it in the future. Mr. Schenck addressed the issue, stating that Mr. Carr is offered opportunities between meetings that sometimes need quick decisions, and the Authority would lose those opportunities to participate in some grants if he had to come to the Board every time. Mr. Napolitano stated that he didn't believe it looked favorable for Mr. Carr to get a grant and then the Board says no. Several Board members stated that it was the normal process with past Executive Directors. Mr. Carr stated that the Board had approved the Master Plans, and part of the Master Plan was a fiscal plan that outlined the selected alternative in all the improvements. He added that 90% of the grants that Staff achieves have already been outlined and approved by the Board through their approval of the Master Plans. Mr. Napolitano asked if he could get a copy of all three Master Plans. Mr. Carr stated that Staff could comply with that.

Mr. Napolitano also stated that he believed more emphasis should be placed on the airport tenants, because they are the ones paying Staff's salary. He added that he had heard several complaints. Mr. Carr stated that he was a bit at a loss and that from what he understood as direction from the Board, was that the Authority was moving forward and always trying to take care of the tenants. He mentioned grants that had been acquired for the repair of t-hangars at Arthur Dunn Airpark and also that Staff had been repairing t-hangars at the other airports as well. Mr. Napolitano remarked that one issue he had heard frequently was the building of new t-hangars. Mr. Carr gave Mr. Napolitano a list of everything that had been done to rehabilitate all three airports, as well as projects that were still in the works. Mr. Carr stated that even the tenants can't agree on what projects should be done. Mr. Schenck stated that perhaps the Authority should put out a newsletter or give the pilots some type of review on what was going on. Mr. Rivard asked Mr. Carr if he could give him a definitive date when new t-hangars would be built at Merritt Island Airport. Mr. Carr stated that he couldn't give a definitive date as there were site constraints for the building of new hangars at the 140 acre airport.

Ms. Clifford stated that she felt the Board didn't meet frequently enough to cover everything that was going on. She stated that she had been asking for financial statements and hadn't gotten them. Mr. Carr stated that the statements are available for all Board members at the front desk as the Board had previously requested, and that Steve Ellis, CPA, had sent them directly to Ms. Clifford. Ms. Clifford moved

along stating that if the Board members had the financial statements they would have a better feel of what's going on. She addressed Mr. Napolitano's and Mr. Rivard's concerns regarding grants.

Mr. Napolitano stated that he understood Mr. Schenck's comments on the window of opportunity, but he was concerned that the Board didn't have an opportunity to review grants before Mr. Carr says yes or no. He added that if the Board were to continually say no, it may not look good. Ms. Clifford stated that since she had been on the Board she doesn't recall the Authority ever saying no to a grant. She added that she felt if the Authority wanted to say no they should and it shouldn't stop the Board from taking another grant. She also stated that if all the Board members had the financial statements with a list of the grants, which she didn't believe she had, it would be easy to make a decision. Ms. Clifford stated that she also had a problem with the Project and Administrative Reports, and that she didn't understand most of them. She added that perhaps the Board should start going through some of the reports. Mr. Carr addressed Ms. Clifford, stating that she should keep in mind that the Board hadn't even received those reports previously, and that they were provided at the direction of the Board in the format that were in too. He stated that once again he was at a loss, because he felt that he was doing what the Board asked him to do. Ms. Clifford stated that she wasn't trying to criticize, but felt she needed all of the information when people ask questions. Ms. Patch asked Ms. Clifford why she didn't direct those people to Mr. Carr, who was being paid to do that job. Ms. Clifford stated that she had been, but there had been some issues in that regard. She discussed that the church issue shouldn't have been brought to the Board. Dr. Boucher stated that if the Board hadn't known about the church issue and Mr. Carr had gone ahead and turned them down, then the Board would be asking why he was turning down revenue without bringing it to the Board as she was just stating that she wasn't getting enough information from Staff. He asked her if she was saying that the Board should know more, or if they should rely on Staff more. Ms. Clifford stated that she thought the guidelines should be changed. Ms. Clifford discussed Airport Authority owned land, stating that she received a map from Mr. Carr but all the property didn't show. Mr. Carr stated that everything the Authority owns was on the map. Ms. Clifford apologized, but stated that if she could get the financial statements she could alleviate a lot of time. She added that she couldn't backup Staff unless the data was given to her, and she had been asking for the financial statements for months and hadn't gotten them. Mr. Carr stated that the Authority was about to go through a budget cycle and four of the current Board members had not yet been through a budget cycle. Ms. Clifford stated that she didn't want a budget cycle and that she was capable enough to read financial statements. Mr. Carr stated that Staff had produced the financial statements and they were available at the front desk per the Board's direction. Ms. Clifford stated that it would be easier if the Board had those statements with a list of grants. Ms. Patch asked Mr. Carr if the statements were ready. Mr. Carr stated that they were and confirmed it with Ms. Kim Paschke, Administrative Assistant, who also stated that they were. Ms. Clifford stated that perhaps Mr. Napolitano should look at those statements so he would be able to see where the money was going.

Mr. Schenck asked the Board if any of them had been denied an opportunity to meet with Mr. Carr. Ms. Clifford stated that she had not been denied and that she was overwhelmed at work and didn't have the opportunity to do so. Mr. Rivard stated that he hadn't asked to meet with Mr. Carr, but had met with him a couple of times in the past on various items. Mr. Schenck stated that he would suggest if any of the Board members had issues, they should meet with Mr. Carr. Ms. Clifford stated that there was only so much time in the day, and she had heard so many things at the Board meetings that had been repetitive and didn't understand why it took several months to complete some projects. Mr. Schenck stated to Ms. Clifford that her comments were repetitive. He added that the Board had agreed the Project and Administrative Reports would not be discussed at Regular Board meetings, but would be discussed at annual or semi-annual Workshops, yet she kept wanting to discuss them. Mr. Schenck stated that Ms. Clifford kept talking about the financial statements, and that Mr. Carr had promised to give them to her and he thought she had been getting them. Ms. Clifford stated that Mr. Ellis had called her and they had worked on the format of the statements together, but those statements shouldn't be just given to her. However, Ms. Clifford did acknowledge that she was incorrect and had indeed received the statements as requested. Mr. Schenck asked if there was a construction workshop timeframe. Mr. Carr stated that Staff was going to come back with a date in June or July. Mr. Schenck asked Ms. Clifford if she could communicate with Mr. Carr on the items that she particularly wanted to address.

Mr. Schenck recognized Mr. Rivard who stated that he thought the repair of t-hangars was going to be the number one priority on the Board and he didn't feel it was at the top of the list. Mr. Rivard stated that in regards to the grant money, he agreed with Mr. Napolitano, stating that the Authority was in debt because there were too many grants. He asked how many different accounts there were with money to draw down from, and stated that there was \$250,000 in a reserve fund that should have been used to fix t-hangars. Ms. Clifford stated that from what she understood from Mr. Carr if the Authority used their own money to fix the hangars and tried to acquire the other grant, they wouldn't get the grant because construction had already begun and the project wasn't eligible for reimbursement. She stated that she also understood Staff would not be able to look at the other funding opportunity until July so there would be no point to meet regarding that issue until then. Ms. Clifford stated that in regards to the repairs, she thought if the Board looked at the financial statements they could utilize other money for repairs and then come up with a plan to replenish it. She added that the Authority was throwing money away, and the tenant complaints continue. Ms. Clifford also stated that if she had the information she could come up with a solution and added that the repairs should be done immediately. Mr. Carr stated that he believed Staff was trying to come up with the money for repairs and had already completed a large amount of the repairs. Ms. Clifford stated it was taking too long and it wasn't an acceptable time frame that the contractor was working on; that there was money in the bank and it should be utilized for that. She stated that she believed Staff was doing the best that they could with the resources they had, but she knew that there

was some money set aside for reserve and it should be utilized now and then replenished with the funds Staff was trying to get from a grant or loan. Mr. Carr stated that he was still working on that, and that he couldn't get the funding if the work was already started. Ms. Clifford told Mr. Carr that he needed to keep an open mind, and that she strongly believed that there is a way to solve this issue, but without going through the books she didn't feel she could help the Airport.

Mr. Rivard asked Mr. Carr if he had found the sublease on Buildings 40 and 41 for Holland Sheltair. Mr. Carr stated a sublease didn't exist and that he was still researching as to why. Mr. Rivard also asked about a sublease between Baer Air at Merritt Island Airport and Atlas Aviation. Mr. Schenck stated that Staff was working on that as well. Mr. Carr stated that he didn't believe Atlas Aviation had closed yet. Mr. Rivard stated that he hadn't realized Atlas Aviation was taking possession until May 1, 2006. Dr. Boucher replied that the owner of Atlas Aviation had stated at the last Board meeting when they were taking possession. Mr. Carr stated that the record should reflect that their intention was to close on May 1, 2006. Mr. Rivard asked about the progress on the \$100,000 in improvements that Island Aviation at Merritt Island Airport owed to the Authority. Mr. Carr stated that as the Board had discussed, again they had been moving forward with that. He added that on numerous occasions he had indicated to the Board that Island Aviation was held up at the request of the Authority so that they could complete the doors. Mr. Rivard stated that he thought the Authority should immediately put a fuel tank in on the Northeast corner of the Merritt Island Airport. Mr. Schenck asked Mr. Rivard if he was suggesting the Authority run the fuel farm and compete with the FBO. Mr. Rivard replied that he was, because Voyager Aviation was buying fuel for their flight school and they are at the mercy of Atlas Aviation. Board members told Mr. Rivard that Voyager Aviation doesn't have to buy their fuel from Atlas Aviation. Ms. Patch stated to Mr. Rivard that it seems that it seemed he was going after everyone at Merritt Island Airport. Mr. Napolitano stated that there was nothing wrong with competition. Ms. Patch stated that Mr. Rivard had just stated the Authority shouldn't waste money, and now he's asking the Authority to waste money to put in a fuel farm to compete with the FBO. Mr. Napolitano stated that it wasn't a waste of money if money was being made.

Mr. Rivard stated he would like to see the Airport Authority web site brought up to date. He asked why there wasn't a Facility Meeting posted. Mr. Carr stated that he couldn't provide minutes for a meeting that didn't take place. Mr. Schenck asked Mr. Carr what the status was on filling the open Administrative Staff position. Mr. Carr stated that there were ads out, and that he's sure replies will be coming in. Mr. Schenck asked if he would share the applicant information with the Board members. Mr. Carr stated that Board members were welcome to come to the office any time to review them. Mr. Schenck asked if Mr. Carr would mind sharing the short list with the Board. Mr. Carr replied that if the Board would like to micro-manage that process he would. Ms. Clifford stated that she wasn't trying to micro-manage and that she did believe Staff was doing the best they could. Mr. Carr stated that he felt the majority of the Authority Staff didn't feel they had the full support of the Board, and as the Director he didn't feel that they did either. Ms.

Clifford stated that she felt she had been supportive and that she was only doing what was best for the Airports. She stated that Mr. Carr was right about the financial statements and that Mr. Ellis had given her some, but she hadn't received current statements. Mr. Carr acknowledged Ms. Debbie Jimenez, Manager of Accounts. Ms. Jimenez remarked that at the Board meeting it was stated that the financial statements would be put in a binder which would be available at the front desk, and copies will be made for anyone who requested them. She added that some of the Board members wanted the reports and some didn't. Ms. Clifford asked Ms. Jimenez if the grant breakdown was also available, to which she replied that it was. Ms. Clifford apologized.

Mr. Carr stated that related to staffing issues, if the Board didn't have full confidence in their Director he would suggest that they move forward in replacing him with someone that they feel they could have full confidence in. Mr. Schenck stated if Mr. Carr didn't have full support of the Board he wouldn't blame him if he left for another opportunity. He added that the Board and Staff should be working as a team and not against each other. Mr. Schenck stated that he was thoroughly disappointed with Brevard County in approving the River Fly-In project. He added that he was worried that if the Board didn't work together and help Mr. Carr instead of criticizing him, he will leave for another job in the near future.

Dr. Boucher stated that he felt Mr. Carr was doing a great job and he didn't know how he could possibly do what he does. He added that the River Fly-In project has eaten up half of Mr. Carr's work week if not more. Mr. Schenck stated that County Commissioners had received about eight letters of complaint about Mr. Carr. He added that he called two of those people and left messages and one of them called him back. Mr. Schenck stated that when he asked that person why they wrote the letter, he responded that a group of them were standing around and he was asked to write the letter by Dr. Niazi. Ms. Patch stated that she had also asked two of the people why they wrote the letters and one said he had been asked to write it even though he didn't agree with what he was being asked to write. She stated that she had told a group of people that the only thing the letters had accomplished was that they caused problems for the Authority with Brevard County, and for punishment the County could take the Authority's tax base away causing the Authority to have to make it up by charging higher rent on the t-hangars. She stated that she asked the group if that was what they wanted, and three of them stated that they wouldn't send a letter. Mr. Rivard asked if the Board was aware that the County Commissioners wanted to meet with the Authority and have a workshop. Ms. Patch stated she wasn't going to meet with them. Mr. Schenck stated that nothing had been set up. Ms. Clifford stated that the County Commission had to ask and the Authority Board had to agree. She added that she had set up individual meetings with the Commissioners to see what their concerns were and to see if they had facts to back them up. Ms. Clifford also stated that she felt the Board members should speak to the Commissioners one on one. Mr. Schenck stated that there were three County Commissioners that refused to talk to the Airport Authority before they voted on the River Fly-In project, so for them to say that they want to create a workshop and create Mr. Carr as a "Whipping Boy" should not be allowed. Ms.

Patch asked Mr. Rivard why he thought the Board was supposed to meet with the County Commissioners. Mr. Rivard stated that he thought it was a courtesy. Ms. Patch stated that she felt the County Commissioners needed to give the Board an agenda. Ms. Clifford stated that a public lynching is not appropriate and that was what the County Commissioners did to Mr. Schenck at one of the County Commission meetings. She added that she felt it was appropriate that if they had concerns they could meet with the Authority Board members one on one. Mr. Schenck asked the Board to work together. The Board concurred.

Discussion ensued among the Board members.

Public and Tenants Report

Mr. Terrell Yon from the public forum stated that he would like to go over some things that were mentioned in a letter from Mr. Tony Yacono, BAA, to the Authority. He stated that tenants were still waiting for repairs to the hangars at Merritt Island Airport, and that Mr. Yacono was still waiting for an updated mailing list. Mr. Carr asked Ms. Kim Paschke if she had sent Mr. Yacono an updated mailing list. Ms. Paschke replied that she had. Mr. Yon asked if the Authority could check with the tenants before finalizing the rules & regulations. Mr. Carr stated that to his knowledge Staff had not proposed any changes to the rules and regulations. It was determined that what was stated as an updated mailing list was meant to say waiting list. Mr. Carr stated that the updated waiting lists were on the website. Mr. Yon asked about the new hangar numbers. Mr. Carr stated that Staff was re-numbering the hangars and was approximately 90% finished. Mr. Yon asked if the new numbers would be on the bills. Ms. Debbie Jimenez stated that the account number will remain the same. Mr. Yon requested updated diagrams with the new hangar numbers, to which Mr. Carr stated that the new diagrams were in progress and will be provided when finished.

Ms. Bobbie Lasher from the public forum stated that she would like to address Mr. Phil Napolitano's comments in regards to tenant complaints. She stated that she had lived through five Executive Directors and the tenants have never stopped complaining. She added that a few months ago Brevard Aviation Association set up a meeting for Mr. Carr to come and address the group, and every pilot on the airport was invited to the meeting so Mr. Carr could give them an update and answer their questions. Ms. Lasher stated that 24 people showed up and when Mr. Carr asked if any of them had questions, all of them were mute. She added that after the meeting Tony Yacono, president of the BAA, asked the tenants what they thought of the meeting and they replied that that Mr. Carr hadn't answered any of their questions.

Mr. Bill Baer from Island Aviation stated that this would probably be his last meeting as the owner of the FBO at Merritt Island Airport and he felt that they had built a great business at Merritt Island. He added that he will keep his principal operations of his charter business, Baer Air, at Merritt Island Airport. Mr. Baer

stated that they are going to try and build a large hangar at Merritt Island Airport in conjunction with Holland Sheltair. Mr. Baer made remarks that from his perception he believed that one Authority Board member was doing maintenance for another Board member and he felt that to be a real problem. This Board member, he stated, had been on record with the State of Florida's Ethics Commission for receiving revenues from aviation related services. Mr. Baer stated that this was the reason he was being forced to sell his FBO. He added that there was one whole section of a hangar building at Merritt Island Airport where airplanes were being built. Mr. Baer stated also that he had a personal hangar at Merritt Island and he felt he was paying half of what the real rate for that hangar should be. He added that it isn't a great hangar, but it's good and solid and he doesn't have the gall to complain because his rate was so inexpensive. He stated that Island Aviation agreed to match the Authority up to \$100,000 on maintenance to their facility and they are gladly doing that. Mr. Baer added that so far they've put in about \$68,000 and the balance was going to be assumed by Atlas Aviation, who will put in a lot more. He addressed the Board telling them that they should let Mr. Carr run the Authority as a business and that third party development could work well for the Authority, providing rapid growth and real development.

Mr. Schenck spoke to Mr. Rivard about violating the rules and regulations. Mr. Rivard stated that he was being harangued by Mr. Baer, and that he had been investigated by the State Ethics Commission, but was found to not be guilty of any violations. Mr. Schenck stated that the Authority had never had a Board member do things like that, and if it's against the rules and regulations Mr. Rivard should be careful. Mr. Schenck addressed the Board telling them to be careful about their actions.

Adjournment

Mr. Schenck called the question. Mr. Rivard made the motion to adjourn the meeting. Dr. Matthew Boucher seconded. All voted aye. Mr. Schenck adjourned meeting.

JAY G. M. SCHENCK, CHAIRMAN

DR. MATTHEW BOUCHER, SECRETARY