

REGULAR MEETING

TITUSVILLE-COCOA AIRPORT AUTHORITY

MAY 14, 2003

The regular meeting of the Titusville-Cocoa Airport Authority was held on May 14, 2003, at 1:40 p.m., at the Titusville-Cocoa Airport Authority office, 355 Golden Knights Boulevard, Titusville, Florida. The following members were present: Joel H. Taft, Chairman; Brian M. Lally, P.E., Secretary; R. Craig Rastello, Treasurer; Jay G. M. Schenck; David N. Edwards, Jr., A.A.E., Executive Director; and Timothy F. Pickles, Esq.; Airport Attorney. Frank Kinney, Vice Chairman, Russell Alarie, and Philip R. Thompson were absent.

Roll Call

Mr. Taft requested roll call and determined a quorum was present. All Authority members were present with the exception of Frank Kinney, Russell Alarie and Phil Thompson.

Mr. Taft addressed the public and advised that if they had a desire to speak on a specific item to fill out a card provided on the wall and turn them in to the Executive Secretary.

Approval of Minutes

Mr. Taft called for a motion to approve the minutes for the Special meeting on April 2, 2003.

Mr. Schenck motioned the approval, seconded by Mr. Rastello. All voted Aye. Motion passed unanimously.

Mr. Taft called for a motion to approve the minutes for the Regular meeting on April 9, 2003.

Mr. Schenck motioned the approval, seconded by Mr. Rastello. All voted Aye. Motion passed unanimously.

Mr. Taft called for a motion to approve the minutes for the Facilities Committee meeting on April 22, 2003.

Mr. Rastello motioned the approval, seconded by Mr. Lally. All voted Aye. Motion passed unanimously.

Appearances – None.

Presentations – None.

Consent Agenda

Item A – Approval of a Florida Department of Transportation (FDOT) Grant for the Rehabilitation or Replacement of the Rotating Beacon at the Merritt Island Airport.

Item B – Approval of Updated Airport Authority Travel Policy.

Mr. Edwards requested pulling item B from the agenda due to a change that has recently come to his attention. He stated that he would like the opportunity to research any recent approvals by the State Legislature and present an updated policy to the Board at a later date.

Mr. Taft called for a motion to approve the consent agenda. Mr. Lally motioned the approval of item A, seconded by Mr. Rastello. Mr. Taft called the question. All voted Aye. Motion passed unanimously.

Old Business

Item A – Discussion of Airport Authority Debt Refinancing.

Mr. Edwards reviewed the additional information concerning a potential refinancing of the Authority's existing debt, which was requested by the Board at the previous Board meeting.

Mr. Edwards reviewed the potential projects that could be funded with any additional funds obtained in the refinancing.

Mr. Edwards clarified the questions that the Board addressed at the last meeting, and presented two scenarios of a 3½% rate and a 4% rate over two different terms.

He recommended that the Board consider two options of either refinancing the existing debt at the current level and lock in at 3½%, or utilize the accumulated funds to date for payment and principle in order to pay down the existing debt and refinance at 3½%, which would lower the annual debt service amount.

Discussion ensued regarding the scenarios presented by Mr. Edwards.

Mr. Edwards reiterated that he is not asking the Board to make a final decision at this meeting, and wanted to be sure he had provided all the necessary information for them to make a decision in the future.

Discussion continued.

Mr. Rastello stated that the rates are at a very low point, and it would be advantageous to refinance within the next 4 – 6 months.

Mr. Edwards suggested monitoring the monthly rates on the current variable rate loan and move forward with the refinancing when there is a slight increase in the rate.

Discussion continued.

The Chairman requested that Mr. Rastello and Mr. Thompson work with Mr. Edwards to bring back a recommendation to the Board at their next meeting.

New Business

Item A – Approval of a Florida Department of Transportation (FDOT) Grant for the Corporate Aviation Terminal Complex at the Space Coast Regional Airport.

Mr. Edwards reviewed the background on this item and advised that the FDOT is offering a matching grant in the amount of \$1,000,000 based on the total project cost of \$1,250,000. He stated that the fiscal impact to the Authority is \$250,000.

Mr. Edwards stated that an Request For Proposal (RFP) for a Fixed Based Operator (FBO) for the Corporate Terminal has been advertised, which requests a financial commitment of up to \$800,000 to cover the Authority's match funding for the project. He stated that this investment would be returned to the future FBO through a rent credit over the term of the lease.

Mr. Edwards recommended that the Authority Board approve the matching grant being offered by the FDOT and authorize project funding in the amount of \$250,000 to come from the future FBO for the Authority's required funding match. He also suggested that the Authority authorize and Authority Officer or Executive Director to execute the necessary documentation up satisfactory review by legal counsel.

Mr. Lally motioned to approve the Executive Director's recommendation, seconded by Mr. Schenck.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

Executive Director's Report

RKT Update – Mr. Pickles reviewed the scenario thus far and stated that RKT has responded to his recent letter requesting a settlement in the amount of \$9,500 to the Authority for liquidated damages. Mr. Pickles stated that RKT's concern was not the question of money, but the question of being determined as having paid liquidated damages. RKT requested that Mr. Pickles consolidate the actual damages and negotiate that the monies paid to the Authority be considered other type of damages as opposed to liquidated damages. Mr. Pickles stated the should the Authority agree to this settlement, upon inquiry to

the Board at a subsequent date, the Board would have to acknowledge the fact that RKT did not pay liquidated damages.

Mr. Pickles recommended that the Board authorize him to respond that the Authority would not consider this settlement as liquidated damages, however, the Authority still seeks the last payment offer of \$9,500.

Discussion ensued.

Mr. Lally motioned to allow legal counsel to request that RKT forfeit the \$9,500 as a penalty and the Authority would agree to drop the term of liquidated damages. Mr. Schenck seconded the motion.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

Mr. Pickles confirmed that should the offer be accepted, this motion allows legal counsel to officially close the issue. The Board agreed.

Ron Lueck – Mr. Edwards stated that the Authority has repaired the fence at Merritt Island, which was previously damaged by Mr. Lueck. Mr. Pickles has prepared a letter with the cost of the repairs in an attempt to collect reimbursement due to the Authority. Mr. Edwards stated that he would update the Board at the next meeting.

Airport Ordinance – Mr. Edwards stated that the City of Titusville has a proposed airport ordinance, which is in the initial review phase. Staff has worked with legal counsel and responded to the City of Titusville with their combined thoughts. Mr. Edwards stated that a copy would be provided to anyone who desires to review it.

Codification Bill – Mr. Edwards stated that the Bill passed out of the House and the Senate. The Bill is now being transmitted to the Governor's office. The Governor could choose to sign the Bill, or take no action at which time the Bill will pass on its own. Mr. Edwards anticipated that the Bill will pass.

Project Hawk – Mr. Edwards stated a commitment has not yet been received, however, the representative has been doing a significant amount of traveling concerning this project. Mr. Edwards stated that he still has a strong commitment from the project representative that the project will move forward.

Corporate Terminal Design – Mr. Edwards stated that there is an issue completing the 60% design for the project, therefore, the Facilities Committee meeting scheduled for May 15 has been postponed to June. Mr. Taft suggested that the meeting take place the week of June 11. Mr. Edwards advised that Staff would check the availability of the consultant and confirm a date.

RFP for FBO Services – Mr. Edwards stated that the mandatory pre-proposal conference is set for May 30. He also stated that Staff may need to provide an addendum to the RFP allotting more time for response.

Tower Dedication – Mr. Edwards stated that Staff is trying to coordinate a date and time for this event. Staff will advise the Board when this is set.

Bayside Lakes Property – Mr. Edwards stated that the closing for the Authority acquiring this land took place last week. The total amount of land acquired in this transaction was 433 acres.

Speaker Cards – Mr. Edwards recommended changing the speaker cards to allow the public to speak on any agenda item instead of only allowing for old and new business. The Board agreed to reflect this change on the speaker cards.

Roof Project – Mr. Edwards stated that per the purchasing policy, he is required to notify the Board that a roof project has been awarded for building 9 to Brevard Contractors in the amount of \$34,000 to renovate that building.

Newspaper Articles – Mr. Edwards pointed out a few newspaper articles for the Board to review at their leisure.

Discussion ensued.

NDB Survey – Mr. Edwards presented information related to the NDB at the Merritt Island Airport and Space Coast Regional. He stated that the results were at a 50/50 split for Space Coast Regional, therefore, that Staff will not make a recommendation to eliminate the NDB at this time.

Mr. Edwards reviewed the responses for the Merritt Island Airport. The results of this survey were 15/21, therefore, Staff will keep this NDB in service.

Sheltair T-Hangars – Mr. Anderson, Holland Sheltair, stated that the project has been completed at the Space Coast Regional Airport. All t-hangars are full with a start-up waiting list already in progress.

Finance – Mr. Edwards stated that the Board has been provided with the monthly check register and budget to actual report for March and April.

Authority Member's Report

Mr. Lally briefed the Board on his last trip to Alabama. He stated that he had the opportunity to meet with the former Executive Director, Bill Hutto, and reported that he is doing well at his current airport.

Mr. Taft commended the Airport Authority Staff for doing a great job.

Public Comment

Mr. Hall, tenant, questioned the RKT item and asked for a briefing on the issue. Mr. Edwards updated Mr. Hall on the events that lead up to the current situation.

Mrs. Lasher, tenant, stated that her hangar was refurbished at Merritt Island and expressed her happiness with the outcome. She also reminded the Board that Young Eagles Day will take place at the Merritt Island Airport on June 14. She asked everyone to pass the word.

Mr. Taft reminded the Board of a request to change the dates for the regular Board meeting for the remainder of the year. Mr. Taft suggested moving the meeting to the second Thursday of every month at 1:30 PM. The Board agreed on this date.

Mr. Rastello motioned to change the meeting to the second Thursday of each month subject to the concurrence of the other Board members not in attendance today. Mr. Schenck seconded the motion.


Mr. Taft called the question. All voted Aye. The motion passed unanimously.

Mr. Lally motioned to adjourn, seconded by Mr. Rastello.

The regular meeting was adjourned at 3:10 PM.



JOEL H. TAFT, CHAIRMAN



BRIAN M. LALLY, P.E., SECRETARY