

TITUSVILLE – COCOA AIRPORT AUTHORITY

The regular meeting of the Titusville - Cocoa Airport Authority was held on July 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; Larry Runyon, Vice Chairman; Dr. Matthew Boucher, Secretary; Patricia Patch, Treasurer; Ken Rivard; Ken Griffin; Scott C. Carr, C.M., Executive Director; Mr. Timothy Pickles, Esq., Airport Attorney. Veronica Clifford was absent.

Roll Call

Mr. Jay Schenck requested the roll be called and determined a quorum was present.

Swearing in of New Board Member –

Mr. Schenck welcomed new Board member Mr. Ken Griffin. Mr. Griffin was sworn in by Mr. Tim Pickles. Mr. Griffin introduced himself to the Board and gave them a brief background.

Approval of the Titusville – Cocoa Airport Authority Minutes**Item A – April 20, 2006 Regular Meeting**

Dr. Matthew Boucher stated that on page #22 there was a statement that he made that he didn't believe was true, and he asked if the audio recording of those minutes could be checked. Mr. Scott Carr stated Administrative Staff would review the recording and correct the minutes accordingly.

Mr. Schenck stated there was an issue on page #21 regarding four complaint letters. Mr. Schenck stated the minutes reflected that he called all the people that complained, but several of the people didn't provide phone numbers so he stated that he actually called two of the people that had complained and only talked to one. Mr. Carr stated that it would be double checked by Staff.

Mr. Schenck called the question. Dr. Boucher made a motion to approve the minutes as corrected. Mr. Griffin seconded. All voted aye. Motion passed.

Item B – May 1, 2006 Special Meeting

Mr. Larry Runyon made a motion to approve the minutes as they were. Dr. Boucher seconded. All voted aye. Motion passed.

Item C – May 16, 2006 Special Meeting

Mr. Runyon stated that he had a question about Page #5. Mr. Runyon stated that in his statement about Commissioner Carlson the minutes reflected that her opinion was about the same and he thought the minutes should reflect more clearly that her opinion was the same as his.

Mr. Rivard stated that on Page #3 in the bottom paragraph, the second line stated that FAA and FDOT scrutinized the grants. He remarked that FAA and FDOT did not approve the Master Plan. Mr. Carr stated that FAA did approve some parts of the Master Plan and that both FAA and FDOT provided comment on some sections. Mr. Rivard stated that it wasn't a true statement. Mr. Carr stated that he respectively disagreed with Mr. Rivard and that the minutes reflected what was stated at that time. Mr. Pickles, legal counsel, remarked that what was stated at the meeting was what should go in the minutes whether the statement was correct or incorrect.

Dr. Boucher made a motion to approve the minutes as corrected. Mr. Runyon seconded. All voted aye. Motion passed.

Item D – May 18, 2006 Regular Meeting

Mr. Rivard made a motion to approve the minutes as they were. Mr. Runyon seconded. All voted aye. Motion passed.

Item E – June 22, 2006 Regular Meeting

Mr. Runyon made a motion to approve the minutes as they were. Mr. Griffin seconded. All voted aye. Motion passed.

Mr. Schenck discussed the length of the minutes and stated that he wondered whether they were too detailed. Mr. Carr stated that the minutes had become more detailed based on input from the Board. He added that the minutes were not verbatim, but probably the next closest thing to make sure that everything was captured. Mr. Carr stated that this was putting an additional strain on the Administrative Staff, so if it was the desire of the Board, Staff would go back to a more summarized version of the minutes as they had in the past. Mr. Rivard stated that he was fine with the minutes as they were. Dr. Boucher stated that due to everything that was going on, he didn't believe it was a good time to change the format of the minutes, but perhaps it could be looked at in the future. Mr. Rivard stated that if the minutes were too condensed something important may get missed in the future.

Presentations**Item A – Valiant Air Command – Mediation Continuation Agreement**

Mr. Pickles, legal counsel, gave a brief history of the issue. He then stated that at a mediation meeting held in February of 2006 both parties agreed to see if they could come to some sort of resolution. Part of that agreement was that the Valiant Air Command (VAC) would make a presentation to the Board with regard to a conceptual plan for additional improvements to their leasehold. He stated that the Board at that point could consider it and if both parties could reach an agreement then perhaps the litigation could be ended. Mr. Pickles stated that if the parties could not reach a resolution then the VAC could re-notice the case for trial, but there was no trial date scheduled. He stated that since the meeting was an open forum the Board would be free to question whatever they wanted .

Mr. Schenck turned the floor over to VAC. Mr. Jerry Trachtman, legal counsel for VAC, commented that the context of the presentation was important and he didn't want to argue legal positions. He stated that what was proposed to the VAC by the Authority at the mediation was reasonable and the VAC agreed to the terms. Mr. Trachtman stated the agreement was that VAC would present a conceptual plan and if the Authority approved that plan, then VAC would make reasonable efforts to get the funding to implement it with cooperation from the Authority. Mr. Trachtman stated that the prime source of funding for the VAC was contributions from membership and grants. He discussed how VAC obtained the funding for improvements that had already been implemented to the leasehold. Mr. Trachtman stated that what VAC was stating was they would like to make the improvements provided that with all reasonable efforts they obtained the funding and if the Board agreed to extend their lease to 2028. Based on that, the litigation would be over and the VAC could move forward with their fund raising campaign.

Mr. Trachtman turned the floor over to Mr. Lloyd Morris, Commander for VAC. Mr. Morris distributed copies of a handout showing the conceptual plan for VAC and gave a brief overview of the plan. He stated that Phases 1, 2 & 3 had been completed and that Phase 4, which was the next step, was to enclose the front of the hangar building which housed VAC in glass. He explained the different phases of the development and how the funding was received.

Mr. Schenck asked Mr. Morris if VAC had any future grants, to which Mr. Morris answered that they did not but it was their intention to pursue them. Mr. Morris stated that he had spoken to FDOT about three or four years ago and was told at that time that there were funds available, but they had to go through the Authority. Dr. Boucher asked if it was realistic that VAC would get the funding. Mr. Morris stated that they had received funding from FDOT in the past. Dr. Boucher asked him if he knew the amount of that grant. Mr. Morris stated that he believed it was about \$300,000. Dr. Boucher asked if the VAC had fund raising ideas besides the grant. Mr. Morris stated that some of the money could be obtained through membership, but more then likely the VAC would have to borrow the money in

order to complete the project. Discussion continued.

Mr. Schenck stated that he would like to make a summation and asked Mr. Pickles for his assistance. Mr. Schenck summarized that VAC leased the land space from the Authority for \$1.00 per year with the condition that they made improvements of \$160,000 per every five year period. Mr. Pickles agreed with Mr. Schenck and stated that over the time the VAC had put in about \$1.5 million. Mr. Pickles stated that the legal dispute was whether or not VAC could basically prepay those five year options. Mr. Schenck stated that they contemplated \$162,500 worth of improvements for each five year option, but the question was whether or not that needed to be infused into the project as each five year increment rolled down the pike. Mr. Pickles stated that VAC's position was that they already paid all of the \$162,500s over the course of the lease and that they were entitled to free payment until 2028. He stated that the Authority's position was that the VAC was paid until 2013, but would have to put in additional capitol for each of the five years. Mr. Pickles stated that the VAC was saying that they would make a reasonable effort to put in at least \$700,000 to \$900,000 of additional improvements and if the Authority had reasonable assurances then they could take the position that it would be enough. Mr. Schenck stated that he also understood that at the end of the lease in 2028 the VAC was to return the buildings in good condition.

Dr. Boucher asked Mr. Morris about the mortgage that Mr. Trachtman had mentioned earlier. He asked how the mortgage would be used. Mr. Morris stated that it would be for the improvements. Mr. Evans stated that he would like to clarify and stated that VAC would do the same thing that was done in the earlier phases, which was to get the available contributions, max out the grants and then mortgage the difference to get it done. Discussion continued between the Board and the VAC representatives.

Mr. Ken Rivard made a motion to accept the conceptual plan. Mr. Runyon seconded. Discussion ensued.

Mr. Schenck asked Mr. Pickles who would pay the legal fees if the Board approved the conceptual plan. Mr. Pickles answered that each side would bear their own legal fees unless it went to trial. He stated that they would then be paid by the un-prevailing party.

The Board discussed the benefits of having VAC at the Space Coast Regional Airport and the potential of VAC to raise the funds to continue improvements to their leasehold.

Mr. Runyon stated that he would like VAC to provide some written documentation showing their intent. Mr. Trachtman stated that VAC could not guarantee that Phase 4 would be completed, but they could guarantee the effort to attempt to get it done in good faith. Mr. Pickles stated that it could be put in the amendment that the VAC would detail what they had done in order to achieve their plan. Discussion ensued among the Board.

Dr. Boucher stated that the motion should include that VAC provide details of their efforts to obtain funding. Mr. Schenck called the question. All voted aye. Motion passed.

Consent Agenda

Item A – Approval of Valiant Air Command – 2007 Warbird Air Show Dates at Space Coast Regional Airport

Item B – Consideration of a Staging Area Agreement with Florida Power & Light Company, Inc. at Space Coast Regional Airport

Item C – Consideration of a Contract with the Federal Aviation Administration for Administrative, Operating & Support Space in the Air Traffic Control Tower at Space Coast Regional Airport

Mr. Carr stated that the proposed dates for the VAC Air Show for 2007 were March 16, 17 & 18.

Mr. Carr explained that the staging area agreement with FPL was to provide services to the community after any disaster or severe storm. He added that the benefit to the Authority was that typically they would get their power turned on first.

Mr. Carr stated that the existing contract with FAA for the control tower had expired and Staff had renegotiated that agreement. Mr. Schenck asked if there was any cost to the Authority in regards to the agreement. Mr. Carr stated that the Authority was responsible for any costs related to maintenance and operation of the control tower and associated equipment because the tower was owned by the Authority and FAA provided the staff. Mr. Carr stated that typically any grants to maintain the tower or equipment were provided by FDOT. Mr. Carr briefly explained the history of the staffing of the tower. Mr. Rivard asked why an agreement was needed if the tower belonged to the Authority. Mr. Carr stated that it provided for the FAA to give their staff a space in the tower to operate from. Mr. Carr stated that 231 towers in the U.S. currently had the same agreement.

Mr. Rivard asked Mr. Carr about the FPL agreement and how long they remain at the Space Coast Regional Airport after an event. Mr. Carr stated that it depended on the extent of the storm. Mr. Rivard asked if there would be a problem with contamination. Mr. Carr stated that there hadn't been any problems in the past, and that they didn't do the fueling or any type of maintenance at this site. Mr. Schenck asked if the agreement could be amended. Mr. Carr stated that it could.

Ms. Patricia Patch made a motion to approve the consent agenda. Mr. Griffin seconded. All voted aye. Motion passed.

Old Business**Item A – Discussion of Gryphon Group Security Solutions, Inc. Space Use Permit Compliance Issues**

Mr. Carr gave a brief timeline of the issue and explained the items that were included in the agenda package, which included a letter to Gryphon Group (GG) dated April 25, 2006 addressing the compliance issue, a copy of GG's space use permit, a copy of a letter dated June 27, 2006 to GG as a follow up to the June 22, 2006 request from the Board that Staff meet with GG, and a package with a letter from GG indicating the outcome of that meeting, which took place on July 11, 2006. Mr. Carr stated that he felt progress was made at the July 11, 2006 meeting. Mr. Carr stated that at the June 22, 2006 Board meeting Helicopter Adventures, Inc. (HAI) had expressed concerns about GG and Staff addressed those issues. He added that included in the Agenda package was a letter from GG, which acknowledged the section in their Space Use Permit that addressed over flight of aircraft above GG's leasehold.

Mr. Carr stated that in regards to the swale crossing structures that were outside the existing leasehold, GG went to the City of Titusville and the St. Johns River Management District (SJRMD) to obtain appropriate permitting. He added that SJRMD found that there was no impact to the water drainage system, which was Staff's primary concern. Mr. Carr stated that since those issues were satisfied, Staff was comfortable with moving forward and negotiated with GG to include that area into the leasehold boundaries at \$.13 per square foot, which would be retroactive to February of 2006.

Mr. Carr stated that there were issues related to structures, which didn't receive prior approval from Authority Staff. He added that the two 500 gallon fuel tanks had been permitted by one of the previous Executive Directors of the Authority. Mr. Carr stated that the Board had approved the shade structures, and that he believed they were more aesthetically pleasing and sturdier than the tents that were previously on the leasehold. He also stated that GG completed the privacy fence as required and retroactively went back to the City of Titusville to facilitate that completion. Mr. Carr stated that Staff recognized that there were also facades or mock buildings for training purposes that would be utilized on the leasehold and could be added to the Space Use Permit under section A-8 "Special Conditions".

Mr. Carr discussed the issue of motor vehicle maintenance and environmental impact to the leasehold, stating that GG was required to conduct a Phase 1 environmental assessment at the end of their space use permit in 2008. He stated that in regards to the vehicle maintenance lift and concrete pad on the leasehold, which was not approved by Staff or the Board, Staff conceded that the concrete pad actually somewhat protected the soil from any spills if vehicle maintenance was being done. He stated also that the Authority received a copy of GG's insurance policy, which included a pollution provision and also received a copy of GG's fuel tank liability policy.

Mr. Carr stated the issue of an additional security deposit was also addressed. He stated that GG agreed that they would obtain 3 estimates from local contractors based on an Authority provided list of remediation items that would need to be fixed in the future should GG just walk away. He stated that the amount would include a cost escalation through 2008. Mr. Carr stated that this deposit could be put in an interest bearing escrow account that the Authority had control over and at the end of the agreement if Authority Staff concurred that all items were met, then that money plus any interest would be turned back to GG. Mr. Carr stated that there were also some provisions worked out related to escalations within the Space Use Permit and when those would take place. He stated that those would be added in subject to Board approval.

Mr. Schenck asked Mr. Carr if all of the Board's concerns were addressed. Mr. Carr stated that Staff believed all issues were satisfactorily addressed and he deferred to Mr. Pickles to see if there was anything else he wanted to add. Mr. Pickles stated that the items that were identified in the default notice were addressed in Mr. Vaden's response, but the question was whether or not they were addressed to the satisfaction of the Board. Mr. Carr stated that GG also agreed that any additional improvements would be brought to Staff and approved in writing prior to anything being done.

The floor was turned over to Mr. Michael Vaden, President of GG. Mr. Pickles asked Mr. Vaden if he had been working on getting estimates for removal. Mr. Vaden stated that GG contacted three contractors and received a verbal estimate from Franklin Excavating and that he wanted to meet with Staff to get a punch list of items in order to get the estimates in writing. Dr. Boucher stated that he wanted to caution Mr. Vaden and the Authority that everything must be in writing to protect both parties. Mr. Runyon thanked Mr. Vaden for his cooperation. Discussion ensued among the Board.

Mr. Rivard made a motion to approve the items contained in the document and to authorize Staff and legal counsel to work out an amendment to the lease that was consistent. Ms. Patch seconded.

Mr. Schenck called the question. All voted aye. Motion passed unanimously.

Mr. Vaden asked if he could address the issue regarding Helicopter Adventures (HAI). Mr. Schenck complied. Mr. Vaden stated that he wasn't present at the June 22, 2006 regular board meeting, but that he received a copy of the audio minutes of that meeting. He stated that he wanted to give the Board his side of the HAI issue so that it was at least reflected in the current minutes. Mr. Vaden stated that as of June 3, 2006 GG entered into a dialogue with some of HAI's staff members and also Mr. Paul Gaukel from the Air Traffic Control Tower to ask if the traffic above their leasehold could be minimized. He added that GG acknowledged fully that there would be aircraft flying over their leasehold, but the issue was the height that they were flying. Mr. Vaden stated that on June 3, 2006 he met with Jens Jennis, of

HAI and thought they had worked out an amicable solution. He also stated that Mr. Jennis requested that GG talk to the control tower. Mr. Vaden stated that he met with Mr. Gaukel afterwards and Mr. Gaukel said that HAI's clear flight patterns had them avoiding the majority of GG's leasehold and that there was a red line on both ends of the leasehold that they should try to avoid. Mr. Vaden stated that HAI was making short cuts across the leasehold at very low heights and he went back to Mr. Jennis who told him that he would communicate with HAI's independent contractors and that Mr. Vaden should report any N numbers back to them. Mr. Vaden also stated that there were three subsequent visits and GG did report the N numbers to HAI and almost immediately there was a dramatic drop in the low fly - overs. Mr. Vaden stated that he wanted to address statements from Mr. Patrick Corr, HAI. He stated that Mr. Corr had said GG brought two of the County Commissioners, the Director of Valkaria Airport, Mr. Steven Barowski, and Mr. Frank Gallagher, the former of Director of the Flight School at Florida Institute of Technology (FIT) to the airport to observe the flights over the leasehold and that they had found no issues. Mr. Vaden stated that it wasn't true that they found no issues and he stated that Mr. Barowski was in attendance if the Board wanted to ask him about that. Mr. Vaden stated that the County Commissioners visited the GG leasehold of their own accord.

Mr. Vaden stated that he wanted to address Mr. Corr's statements regarding the issue that he had contacted one of HAI's biggest customers. He stated that this was not true and that they actually contacted him and asked him about the issue between HAI and GG. He added that he had no interest in contacting the customers of HAI or any other tenants. Mr. Vaden continued to discuss this issue.

Mr. Vaden distributed a handout describing GG's services and gave a brief overview. Dr. Boucher stated that he would like Staff to enforce some type of policy or written memo with an idea of communication. Mr. Carr stated that Staff, Mr. Vaden, and Mr. Gaukel of the control tower staff actually had a conversation that morning and the end result of that was a recommendation that if there were issues Mr. Vaden should either contact Authority Staff or HAI rather than the tower. Dr. Boucher asked if that information could be put in writing in memo form and sent out to the involved parties.

Mr. Gordy Cox from HAI stated that they would do whatever they could to avoid over flight of the GG leasehold. Mr. Rivard asked about HAI's staffing and whether or not they had contracted personnel. Mr. Cox stated that all of HAI's instructors were employed by them, and were not contracted. Discussion continued.

Mr. Schenck called a five minute recess.

New Business**Item A – Consideration of a Contract with Pauley Management, Inc. for Federal Legislative Services**

Mr. Carr gave a brief history of the issue. He stated that on April 20, 2006 the Board gave Staff direction to renegotiate the contract with Pauley Management, Inc. (PMI) and change it from a small monthly fee with incentive fees to a straight monthly fee. Mr. Carr stated that Staff successfully negotiated a new contract and the terms were as follows:

1. A month to month contract term with a 30 calendar day termination provision by either party with a written notice
2. A \$2,000 per month retainer fee
3. Quarterly grant progress reports
4. No grant incentive fee provision

Mr. Carr stated that there was a copy of the draft contract included in the agenda package for review.

Mr. Rivard asked Mr. Carr what he based his recommendation on. Mr. Carr stated that PMI helped Staff with several issues, including the \$1 million grant and the grant for the East Side Rehabilitation Project. He stated that in addition, Mr. Pauley was working with Staff to obtain an AWOS at Space Coast Regional Airport. Mr. Rivard stated that there was an AWOS at Space Coast Regional. Mr. Carr stated that it was an ATIS not an AWOS. Mr. Rivard suggested that an ATIS was better than an AWOS. Mr. Carr stated that in the requirements for operating a control tower it suggested that an AWOS be provided to give the controllers hard data that they can rely on. Mr. Carr and Mr. Rivard continued to discuss the logistics between an ATIS and an AWOS and why Space Coast Regional Airport should have an AWOS. Mr. Carr included a brief history on the why there wasn't an AWOS at Space Coast Regional currently.

Mr. Griffin made a motion to approve the renegotiated contract for PMI. Ms. Patch seconded. Discussion ensued.

Mr. Rivard stated that he had spoken with Mr. Pauley about the negotiated contract. He also stated that he didn't agree with paying \$2,000 a month. Mr. Schenck stated that for every dollar the Authority spent, six to nine dollars was brought back in. He added that one way to accumulate assets was through grants and funds and one way to do that was through a lobbyist. Discussion continued among the Board.

Dr. Boucher asked why Mr. Rivard called Mr. Pauley to talk about the contract. Dr. Boucher stated that he felt Mr. Rivard could have jeopardized negotiations. Mr. Rivard stated that he could talk to anybody he wanted. Mr. Schenck explained to Mr. Griffin, as a new Board member, that one thing the Authority asked was to

try and not have Board members interfere. He stated that there were complaints from FAA and FDOT that Authority Board members had called them with complaints and it was confusing to them. Dr. Boucher stated that as a point of clarification he believed it was only one Board member.

Mr. Griffin stated that he wasn't overly fond of paying \$2,000 a month for someone to do nothing and he wasn't sure what would happen, but after some time if Mr. Pauley didn't do a good job the contract could be terminated.

Ms. Patch stated that she thought it was a good idea that Mr. Pauley had to give a quarterly report.

Mr. Schenck called the question. All voted aye except Mr. Rivard who opposed. Motion passed.

Mr. Schenck asked Mr. Carr about a proposed t-hangar project at Space Coast Regional Airport that had previously been tabled. Mr. Carr stated that Staff was currently working with FDOT as well as other entities to come up with a plan that would be more favorable to allow that project to move forward. He stated that he thought it would be brought back to the Board in the upcoming 30 to 60 day time frame one way or the other.

Executive Director Report

Mr. Carr distributed a copy of a letter he received from Congressman Tom Feeney that was in regards to a meeting that Staff and Mr. Pauley had with him about the proposed AWOS at Space Coast Regional Airport. Mr. Carr added that Congressman Feeney was interested in facilitating something to assist and that Congressman Feeney suggested the Authority actually meet with Congressman John Mica's office to get something done in a more expeditious manner.

Mr. Carr reported that the previous weekend, Zero G operated at the Space Coast Regional Airport due to the scheduled landing of the shuttle at the Shuttle Landing Facility (SLF). Mr. Carr added that because Space Coast Regional was the alternative for the SLF, Zero G would be operating there on regular basis. Mr. Carr passed around a photo of the passengers on the weekend Zero G Flight. Mr. Schenck pointed out some cracks in the pavement on the East Apron. Mr. Carr discussed the East Apron Rehabilitation Project and gave a brief history of how that apron was built. Discussion continued among the Board.

Mr. Carr reported that Staff had met with Mr. Ken Ward who sat on the Board for the Sculptor Charter School adjacent to Space Coast Regional Airport. Mr. Carr stated that they discussed the Notice of Disclosures, which were to be signed by each parent and that one of the things in the disclosure was that the Authority was to receive it, but there was nothing on how that procedure would be administered. Mr. Carr stated that he and Mr. Ward tentatively agreed that the Authority would receive all of the notices within 30 days of the first day of school and that if a

student was new to the school they would have 14 calendar days to provide the Notice of Disclosure to the Authority.

Mr. Carr stated also that the Charter School requested approval from the City of Titusville to seek Conduit Debt Financing of \$5 million to purchase their current facility and to do renovations. Mr. Carr stated that one question, which was raised at the City Council meeting, was did the Airport Authority have any input on the issue. City Staff indicated that input from the Authority wasn't sought and therefore wasn't received. He also stated that the issue was coming before City Council on Tuesday, July 25, 2006. Mr. Carr stated that there was an agreement between the Charter School and the Authority and that some of the Council thought the intent of the agreement was that the location of the Charter School was temporary. He added that in all fairness to the Charter School that wasn't reflected in the agreement. Discussion continued among the Board in regards to the intent of the Charter School and the protection of the airport.

Mr. Runyon stated that it was the understanding of the Authority the school would seek another location. Mr. Schenck stated that he was concerned about protection of the airport and wondered how it could be worked out without creating a crisis. Mr. Carr stated that under the grant assurances with FAA and FDOT the Authority had an obligation to promote compatible land uses surrounding the three airports. He stated that it was the obvious crux of the matter and why litigation was originally initiated by the Authority with the City of Titusville. Mr. Carr stated that he thought the Board, Staff and legal counsel could come up with a letter to the City Manager reminding the City of the Authority's grant assurances with FAA and FDOT and also remind them that it had been an issue previously and the Authority was still concerned about the proximity of the school to the airport. Mr. Runyon stated that the letter should also remind them that the Authority understood at the time that the school would seek another location and that it raised concerns by the Authority Board that the school may not be trying to find another location in the future. Mr. Pickles gave Mr. Griffin a brief history of the issue with Sculptor Charter School. Discussion continued among the Board.

Mr. Runyon made a motion to approve Mr. Carr's recommendation to outline a letter to the City. Dr. Boucher seconded. Discussion ensued.

Mr. Tony Yacono suggested that the Authority contact the AOPA and have a representative explain the safety issues to the City Council.

Mr. Schenck called the question. All voted aye. Motion passed.

Mr. Carr reported that the City of Titusville was requesting an easement at the intersection of Golden Knights Boulevard and Ponce DeLeon Drive at Space Coast Regional Airport. He stated that as part of the Corporate Terminal Project, Staff was able to get the City to agree to install the sewer line from Ponce DeLeon underneath the Florida East Coast railroad tracks and connect it to the existing sewer line at the U.S. 1 right-of-way. He stated that this would save the Authority

from having to put in a lift station. Mr. Carr requested authorization to move forward subject to approval and review by legal counsel. Ms. Patch made a motion to grant the easement. Mr. Griffin seconded. Discussion ensued.

Mr. Schenck called the question. All voted aye. Motion passed.

Mr. Carr discussed proposed dates for the upcoming joint workshop between the Titusville – Cocoa Airport Authority and the Brevard County Board of County Commissioners and distributed copies of correspondence between the County and himself in regards to the workshop. Mr. Carr stated that the dates that were proposed by the Authority were September 12, 2006 with an alternative date of August 29, 2006. He added that the Authority had requested the workshop to be in the morning and also that it was held at a neutral location. Mr. Carr stated that the County Commissioners approved keeping the date of August 17, 2006 at 6:00 pm at the Brevard County Government Center. Mr. Carr discussed that the August 17 date was not amenable to the Authority, which was why other dates were proposed. Mr. Carr asked the Board for direction in this matter.

Mr. Schenck stated that he met with Commissioner Helen Voltz the previous day to go over the agenda. Mr. Schenck stated that he asked Commissioner Voltz to share Brevard County's agenda with him and she told him that they didn't have an agenda. Mr. Schenck stated that Commissioner Voltz explained to him that she had received a packet of letters, which were complaints from the Valiant Air Command, Gryphon Group and other various entities. Mr. Schenck stated that he responded to her by explaining some of the Authority's agenda. Mr. Schenck also stated that he went through several of the complaint letters with Commissioner Voltz and explained that most of the issues had been or were presently being addressed. Mr. Schenck added that Commissioner Voltz suggested that he meet with Commissioner Pritchard. Mr. Schenck stated that he and Mr. Carr were able to meet with Commissioner Pritchard four hours after that meeting and that he expressed his concerns to Commissioner Pritchard, who then mentioned the same letters that Commissioner Voltz had discussed. He added that Commissioner Pritchard stated that the County was concerned about the direction of the Airport Authority. Mr. Schenck stated that the bottom line was that the County wanted a workshop and they didn't have an agenda other than to address the complaint letters. Mr. Schenck stated that Commissioner Voltz told him she wasn't opposed to approving the ad valorem taxes for this session. He stated that he believed three of the Commissioners would support the ad valorem tax and two would oppose it. Discussion continued among the Board.

Mr. Schenck stated that he thought Mr. Carr should address the letters of complaint and make sure that the County is copied on any correspondence in regards to that.

Dr. Boucher stated that he felt it was the Board's responsibility to make sure the airports continued with a good solid financial budget and a good relationship with the local government as well as the state government. He added that there were comments by one particular Board member that the tenants weren't being served in

a timely manner with hangar maintenance, yet also stating that more Staff was needed. Dr. Boucher stated that he thought Staff was dealing with a lot of garbage on a day to day basis. He also stated that it was obvious that the County Commissioners were getting phone calls from someone that was giving them misinformation and that a letter was written to the County Commissioners addressing those rumors, which all of the Authority Board members signed with the exception of Mr. Ken Rivard. Dr. Boucher discussed a gentleman named Milo Zonka who told him that one of the Authority Board members called him or e-mailed him daily about the Authority. He stated that this Board member was acting with two hats. Dr. Boucher stated that Mr. Rivard directly contacted him wanting to discuss Authority business, and he felt that it was a clear violation of the "Sunshine Law". Dr. Boucher stated that he felt Mr. Rivard also contacted other Board members. Ms. Patch stated that she agreed with Dr. Boucher, and that she had received phone calls asking her if she would second a motion to fire Mr. Carr and she believed that Mr. Rivard was behind those phone calls. Discussion continued among the Board.

Mr. Schenck stated that Commissioner Colon and Mr. Zonka met with Senator Posey and asked that the County take over the Airport Authority. Dr. Boucher stated that he felt it was because of misinformation given to them by Mr. Rivard. Mr. Schenck stated that as long as he had served on the Authority Board he had never seen a Board member do the things that Mr. Rivard had done. Mr. Runyon stated that he believed the Board had to attend the workshop when the Commissioners requested or else the public would be misinformed. He added that he also disagreed with Mr. Rivard's claims and positions, but it was his right to disagree. Mr. Runyon stated that Mr. Rivard had an integrity requirement to make sure that the allegations he presented were accurate and if not he would be subject to some corrective action as a result.

Mr. Griffin stated that he was impressed that most of the issues that were ongoing had been resolved and most of the complaint letters were about those issues. Mr. Griffin stated that if it was communicated to the Commissioners that these issues were resolved, perhaps there wouldn't be a workshop. Mr. Griffin stated that he would not be able to attend the workshop if it was on August 17, 2006. Mr. Schenck asked Mr. Carr if a letter could be written to the Commissioners showing resolution to the Valiant Air Command and Gryphon Group issues. Mr. Carr asked if it should come from Staff or the Board members. Mr. Schenck stated it should come from the whole Board. Mr. Schenck discussed with Mr. Rivard his refusal to sign a previous letter from the Board to the County Commissioners and asked him if he would sign this resolution. Mr. Rivard stated that he would. Discussion continued.

The Board continued to discuss proposed dates for the joint workshop between the Authority and the County Commissioners. Mr. Carr stated that after he proposed the September 12 and August 29 dates to be held in the morning at a neutral facility the County decided to keep the date of August 17 at 6:00 pm in the Brevard County Government Center. Mr. Carr discussed the e-mail correspondence in regards to

the workshop. Mr. Schenck suggested that the joint workshop be held at the airport so that they could actually tour the facilities. Mr. Runyon stated that he agreed but didn't think the County Commissioners would agree. Discussion continued among the Board in regards to proposing other dates to the County along with the letter about resolving the outstanding issues. Mr. Carr stated that he would coordinate with the County and other Board members to come up with some additional proposed dates for the workshop, and also that he would start working on the letter to the Commissioners.

Mr. Griffin discussed the Dr. Wasim Niazi and the River Fly-In Condo Project and asked what the issue was about that. Mr. Schenck gave Mr. Griffin a brief summary of the issue. Discussion continued.

Mr. Carr discussed dates for Budget Hearings for the Titusville – Cocoa Airport Authority. He recommended moving the Regular Board Meeting on August, 17, 2006 from 8:00 am to 3:00 pm, holding the First Budget Hearing at 5:01 pm that same day, moving the Regular Board Meeting on September 21, 2006 from 8:00 am to 3:00 pm and holding the Second Budget Hearing at 5:01 pm that same day. Ms. Patch made a motion to approve the changes to the Regular Meetings and the addition of the Budget Hearings. Mr. Rivard seconded. Mr. Schenck called the question. All voted aye. Motion passed.

Mr. Carr reported that Operations Staff successfully retrained all of the Titusville Firefighters on airfield driving at Space Coast Regional Airport, as required by FAA. He added that there were about 60-70 firefighters trained in classroom as well as actual hands on driving on the airfield.

Mr. Carr reported that Authority Staff would be attending the Florida Airports Council Conference in Fort Myers, FL in the upcoming week. He added that it would be a good opportunity for networking. Discussion continued among the Board.

Attorney Report

Mr. Pickles stated that he had nothing to report.

Check Register & Budget to Actual

Mr. Carr stated that there was nothing out of the ordinary to report.

Administration & Project Reports

Mr. Carr reported that he was unable to print the Administration & Project Reports due to an issue with Microsoft Access. He stated that since there was a Construction Workshop coming up on August 3, 2006 the majority of the projects would be covered in detail at that time. Mr. Schenck suggested that the Authority invite the County Commissioners to attend that workshop. Mr. Carr stated that he

would do that. Mr. Schenck mentioned that in the past the Authority had held workshops on Saturdays. Mr. Carr stated that historically they had been held on Saturdays, but because Administrative Staff had to be paid overtime for that Staff was trying to keep it during regular hours.

Authority Members Report

Mr. Rivard mentioned the GG issue, and asked if it was clear to tenants what they should do to get permits for their leasehold. Mr. Schenck stated that a permit was needed for virtually anything. Mr. Rivard stated that Atlas Aviation at Merritt Island Airport had put in a 500 gallon fuel tank and asked if they came to the Board for permission to do that. Mr. Carr stated that they did not. Mr. Tim Pickles, legal counsel, stated that the first question was if they were required to get a permit by the government entity. He stated that if there was a permitted use under the lease then they wouldn't necessarily have to get permit approval from the Authority Board. He added that the only time approval would be needed from the Board was when whatever was being done on the leasehold was outside of what was permitted. Mr. Carr stated that the issue was an administrative issue not a policy issue. He gave a brief explanation to Mr. Rivard. He stated that Atlas Aviation already had a fuel farm and the 500 gallon tank was added to that existing fuel farm. Mr. Rivard asked Mr. Carr about the Condo Hangar issue at Merritt Island Airport. He stated that the leasehold was in bad shape. Mr. Carr stated that Staff had contacted them and they were going to come back with some alternatives to correct the issue. He stated that Staff would follow up on that. Discussion continued.

Dr. Boucher stated that he wanted to mention that his earlier comments were not personal in any nature and that he looked forward to working with everyone on a level playing field. He added that he wanted to implore any other Board member to report getting information requests or persuasions from other Board members either directly or indirectly. Dr. Boucher requested that Mr. Pickles counsel him on what to do according to the "Sunshine Law" infractions. Dr. Boucher also stated he hoped the Authority could maintain a good working relationship with the new FBO at Merritt Island Airport so that the past transgressions with the former FBO were not repeated in the future. He urged all Board members to work as a team when it came to issues with the tenants, not as individuals. Discussion continued among the Board.

Mr. Rivard stated that Bobbie Lasher made a comment at the last Board meeting about Board members not attending BAA meetings. He stated that he would attend the next BAA meeting.

Mr. Runyon commended Staff for working out the issues with the VAC and GG.

Mr. Griffin stated that he enjoyed the meeting and that all of the Board members seemed to be reasonable and sensible people. He added that he was glad that the issues were worked out.

Mr. Schenck stated that there were lessons to be learned from the issues with GG and VAC.

Public and Tenants Report

Mr. Schenck addressed Mr. Tony Yacono, Brevard Aviation Association (BAA), in regards to a letter he had written to the County Commissioners on behalf of the BAA. He stated that he was miffed that Mr. Yacono told the Commissioners he didn't see that the Authority was going in any direction. Mr. Yacono stated that he also had to work with a Board and that he had to do what they suggested. Mr. Yacono stated that the concrete trucks that were working on the Sheriff's Department hangar were running up and down the ramp area at Merritt Island Airport as opposed to the designated route that they were supposed to be taking. Mr. Yacono discussed the Enabling Legislation of the Airport Authority. He stated that several letters would be coming in regards to that issue. Mr. Schenck asked Mr. Yacono if he would please copy those letters to all of the Board members. Mr. Yacono stated that he would. Mr. Yacono requested a copy of the Merritt Island Airport Master Plan. Mr. Yacono discussed an article in the newspaper about Comp Air at Merritt Island Airport. He stated that a letter would be coming from Comp Air that explained some things and he would try to elaborate on those items once the Board members received their copies.

Mr. Yacono stated that the BAA needed approval on the dates for the upcoming Young Eagles event on November 4, 2006 and the Toys 4 Tots event on December 9, 2006 at the Merritt Island Airport. Mr. Schenck stated that the Board would leave it to Staff to approve those dates.

Mr. Schenck asked Mr. Yacono if he called Operations Staff when he noticed the problem with the concrete trucks. Mr. Yacono stated that he did not, and that he actually spoke with the foreman and that the action was corrected. Mr. Runyon stated to Mr. Yacono that if he felt the needs of the tenants were not being met he should communicate with the Authority. Mr. Yacono stated that he was attempting to send copies of his letters and emails to the Authority as well as the FBO. Mr. Schenck asked Mr. Pickles for a recommendation on replies to emails because he wanted to make sure the "Sunshine Law" wasn't being violated. Mr. Pickles stated that if replies started to generate that were copied between Board members there could be an issue. He suggested that the Board not discuss any of the issues until they came to the Board meeting.

Mr. Carr stated that he wanted to address the issue Mr. Yacono had mentioned in his letter, which was about Comp Air. He distributed copies of a letter he sent to AeroComp regarding their request for a site at the Merritt Island Airport. He explained that the site they were looking at had issues that made it difficult to move forward. Mr. Carr stated that Staff took the time to write the letter and provided drawings to articulate the information from the letter.

Mr. Schenck turned the floor over to Mr. Bill Baer from Baer Air at Merritt Island Airport. Mr. Baer addressed an editorial that had appeared in the "Hometown News" that was written by Commissioner Pritchard. He discussed a meeting in Commissioner Pritchard's office in which Mr. Rivard and his attorney were present and he stated that Commissioner Pritchard discussed that meeting in his editorial. Mr. Baer stated that in that meeting Mr. Rivard was asked about doing aircraft maintenance on other people's planes. Mr. Baer also stated that an ethics complaint was filed against Mr. Rivard and the conclusion was that Mr. Rivard did violate the statute. Mr. Baer read the violation to the Board stating that it was also a violation of the rules and regulations for the Airport Authority. Mr. Schenck addressed Mr. Rivard and stated that if he was violating the rules he should stop. Mr. Rivard stated that Mr. Baer left things out and that what the violation was really about was that he failed to leave out his Social Security income. Mr. Schenck stated that if Mr. Rivard enjoyed working on other people's aircraft and wanted to continue doing that then he shouldn't be a Board member. Mr. Griffin stated that Mr. Rivard had worked on his aircraft several times and he never paid him a dime. He also discussed the "Sunshine Law". Mr. Pickles, legal counsel, stated that if Mr. Rivard was receiving compensation for maintenance it would be a potential leasehold violation, but if he was receiving compensation and could somehow benefit by something that was voted on with regards to an FBO being approved or not, then that would be a conflict. He stated that at this point he wasn't sure if there was enough information to make either determination. He stated that the Board could either do nothing, advise Staff to research it further and come back with a report or based on the current information could declare a resolution to admonish Mr. Rivard.

Adjournment

Mr. Schenck entertained a motion. Mr. Runyon made the motion to adjourn the meeting. Mr. Rivard seconded. All voted aye. Mr. Schenck adjourned meeting.

JAY G. M. SCHENCK, CHAIRMAN

DR. MATTHEW BOUCHER, SECRETARY