

SPECIAL MEETING

TITUSVILLE-COCOA AIRPORT AUTHORITY

JULY 29, 2003

The special meeting of the Titusville-Cocoa Airport Authority was held on July 29, 2003, at 2:25 p.m., at the Titusville-Cocoa Airport Authority office, 355 Golden Knights Boulevard, Titusville, Florida. The following members were present: Frank Kinney, Vice Chairman; R. Craig Rastello, Treasurer; Jay G. M. Schenck; Russell Alarie; David N. Edwards, Jr., A.A.E., Executive Director; and Timothy F. Pickles, Esq.; Airport Attorney. Joel H. Taft, Chairman; Brian M. Lally, P.E., Secretary; and Philip R. Thompson were absent.

Roll Call

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

Business To Be Discussed

Item A – Discussion of the Airport Authority Debt Refinancing.

Mr. Edwards reviewed the background on this item and advised that after approval of the 3.5% rate at the last Board meeting, the rates have since increased to 4.37%.

Mr. Edwards provided a matrix comparing the amount approved at the last Board meeting and what the debt service amount is presently.

Mr. Edwards advised that the additional debt service with the current rate is approximately \$13,500 annually. Mr. Edwards recommended lowering the amount of the loan to \$2.45 million, which would lower the debt service to approximately a \$9,000 increase over what the Board previously approved. He stated that this amount would keep the Authority in a more comfortable position and explained his reasoning.

Mr. Edwards advised that he must respond to the bank by close of business in order to secure the proposed 4.37% rate.

Mr. Edwards also discussed a breakage clause included with this rate and advised the consequences should the Board decide to prepay or refinance the loan.

Discussion ensued among the Board.

Mr. Schenck asked how many lenders have been contacted regarding available rates for refinancing.

Mr. Edwards stated that 3 financial institutions have been contacted and Wachovia came in at 1-1½ points lower than the others.

Discussion continued.

Mr. Schenck asked for a recess to contact his financial officer at Wachovia to get a second opinion on the rate being discussed.

Mr. Kinney called for a short recess at 2:55 PM.

The meeting reconvened at 3:10 PM.

Discussion continued.

Mr. Rastello agreed with the Executive Director's recommendation to lock in the \$2.45 million at the rate of 4.37%.

Discussion continued.

Mr. Rastello motioned to authorize Staff to execute a letter of commitment with Wachovia Bank for \$2.45 million at a rate of up to 4.37% per year for a 15-year term, and authorize Staff to execute the necessary documentation to close the loan upon satisfactory review by legal counsel. He also motioned to authorize Staff to continue further negotiations in an attempt to possibly lower the rate. Mr. Alarie seconded the motion.


Mr. Kinney called the questions. All voted Aye. Motion passed unanimously.

Mr. Schenck motioned to adjourn the meeting, seconded by Mr. Alarie.

The special meeting was adjourned at 3:30 PM.



JOEL H. TAFT, CHAIRMAN



BRIAN M. LALLY, P.E., SECRETARY