

# AGENDA ITEM NO. 5

## SARASOTA MANATEE AIRPORT AUTHORITY REGULAR MEETING

Monday, March 23, 2020 - 1:00 p.m.  
Dan P. McClure Auditorium (east)

### THOSE PRESENT:

Kristin Incrocci, Chairman  
John Stafford, Vice Chairman  
Doug Holder, Secretary  
Commissioner Carlos Beruff  
Commissioner Bob Spencer  
Commissioner Peter A. Wish  
Fredrick J. Piccolo, President, Chief Executive Officer  
C. Dan Bailey, Jr., Airport Counsel  
Martin Lange, Executive VP, CFO  
Kent Bontrager, Sr. VP Engineering & Facilities  
Mark Stuckey, Sr. VP COO  
Evan Knighting, Sr. VP, IT  
Karen Garofalo, Executive Assistant – SMAA

### THOSE ABSENT:

#### **Item 1. Call to Order, Invocation, and Pledge to Flag**

Chairman Incrocci called the meeting to order at 1:00 p.m., gave the invocation and led the pledge of allegiance to the flag.

#### **Item 2. Presentation: Civic Beautification Landscaping Award Received from Sarasota Garden Club**

Mr. Piccolo presented the Outstanding Commercial Landscaping Award for 2019 given to the airport in recognition of efforts to consistently maintain outstanding landscaping design and curb appeal contributing to the enhancement and beauty of our community. Tim Ressler, Facilities Manager and Greg Prasnjac, our landscaping foreman were present to receive the award at a luncheon and ceremony hosted by the Sarasota Garden Club on February 6. He noted that the Facilities employees continue to work diligently on the landscaping and plan to win the award again next year.

#### **Item 3. Introduction of New Employees**

No new employees were introduced at today's meeting.

#### **Item 4. Approval of the Minutes of the Regular Meeting of January 27, 2020**

The Board approved the minutes of the Regular Meeting of January 27, 2020 as presented.

**MOTION:** Commissioner Spencer moved approval of the minutes of the Regular Meeting of November 25, 2019 as presented. Commissioner Beruff seconded. **MOTION PASSED UNANIMOUSLY (6-0)**

#### **Item 5. Citizens Comments**

There were no Citizen Comments offered.

**SPECIAL BRIEFING by the PRESIDENT, CEO on COVID-19**

Mr. Piccolo gave a detailed briefing on the COVID-19 Mitigation Plan. He reviewed the effects and efforts by management, the employee workforce team, contractors, and our airport tenants in dealing with the COVID-19 crisis. He discussed the necessary changes and measures the airport is currently taking and requested the Board support the initiatives as presented. He noted that none of these changes were on our agenda just three weeks ago as we released February passenger traffic numbers that reflected the 24<sup>th</sup> straight month of record traffic. He reviewed a list of disease epidemics, which did not include a total meltdown of our economy as COVID-19 is causing. He reviewed various relief measures to rental charges for signatory and non-signatory airlines, relief measures to the rental car concessionaires' minimum annual guarantees, with an agreement from the rental car companies to allow the airport to increase the CFC to \$5.50 any time after the year end 2020. He reviewed relief measures for the food and beverage retail concessionaires for the months of April, May and June, with the concessionaires paying the percentage of monthly gross revenues and any taxes during those months and changes to the operating hours for Paradies and Host restaurants and kiosks in the terminal. Hampton Inn will defer rental payments for six months.

The Parking facilities will take a significant hit and currently are at less than 5% capacity, which should be at overflow capacity now. The Shade Parking lot and Valet parking will be temporarily closed; the shuttle bus into long term has been suspended. Except for six month deferred rental payments for Hampton Inn, all other measures are limited to a three-month term, with further mitigation efforts possible in the future.

Mr. Piccolo discussed the importance of ensuring our employee group not suffer through this incident and noted different options that he will request Board approval today to permit employees the ability to use various types of leave to stay home or self-quarantine as necessary. All hiring (with exception of essential vacancies) and overtime (except emergencies) will be frozen. He stated that we have suspended the Ambassadors Program as most of our volunteers are in the age demographic most susceptible to COVID-19. He stated that Martin Lange will be retiring at the end of April and thanked him for his twenty-four years of service to the Airport. There was discussion on possibly a short extension to his time given the current situation.

Mr. Piccolo stated that all airport projects not in progress are on hold except for the fuel farm project and he reviewed other conservation measures including fuel, lighting, and adjustments to HVAC temperatures around the airport. Some positive news for the airport is that we have no current debt payments, our unrestricted reserves are over \$19 million, the airport is in excellent physical shape and we will focus on keeping the airport's balance sheet healthy, maintain safety and security for the airport's workforce and tenants, and continue with numerous cost cutting objectives to reduce expenses as necessary. As the situation changes daily, he will keep the Board updated on new developments as they unfold. He requested the Board support the proposal and give blanket approval of the measures as discussed.

Commissioner Spencer made a motion to approve the plan as discussed by Mr. Piccolo and commended management and all employees for their participation in taking decisive action by moving forward to help the airport and community through this crisis.

**MOTION:** Commissioner Spencer moved to give blanket approval in support of the mitigation plan measures as presented by the President, CEO and authorize staff to prepare any documents necessary to implement these measures and authorize the Chair to execute any documents

needed once completed. Commissioner Beruff seconded. **MOTION PASSED UNANIMOUSLY (6-0)**

Mr. Piccolo noted that many of the suggestions came from our rank and file employees and stated on a good note there is a proposal in the U.S. Senate that would authorize the use of AIP funding for operational and maintenance costs by airports. Mr. Piccolo answered questions on the status of the FBOs. He noted with the uncertainty of commercial travel, FBO traffic has increased, but still uncertain for the future. We have seen an uptick in private international jet traffic. There were questions on how our legacy and other airlines are doing. Mr. Stuckey gave an update on the flights and stated currently we have not lost any destinations, but the legacy airlines are reducing the number of daily flights to the same destination. We are seeing less passengers inbound and more outbound. We typically have about 5,000 outbound passengers, with today's outbound at 1500.

**Item 6. ITEMS NEEDING ACTION**

- A. **Approval Second Amendment to the General Ground Lease with Airport Flyers Inc.**
- B. **Construction Contract Award to Magnum Builders of Sarasota for the Parking Lot Expansion Project**
- C. **Approval: Construction Contract Award to Stellar Development for the Fuel Farm Expansion Project**
- D. **Approval: Professional Design Contract to Sweet Sparkman Architects for the Rental Car Office Renovation Project**
- E. **Approval: SMAA Resolution 2020-03, Customer Facility Charge Imposed on Rental Car Companies**
- F. **Approval: Set Public Hearing on SMAA Resolution 2020-04, Amending FY 2020 Budget**
- G. **Approval: Temporary Adjustment to Allowed Use of Sick Leave and One Time Medical, Dental and Vision Insurance Benefit Offer to Certain Employees**

**MOTION:** Commissioner Beruff moved approval of Agenda Items 6A, 6B, 6C, 6D, 6E, 6F, 6G as presented and authorize staff to prepare any documents needed. Commissioner Holder seconded. **MOTION PASSED UNANIMOUSLY (6-0)**

Mr. Piccolo stated we will continue to build one tank for the fuel farm project and plan to put all other projects not started and previously approved by the Board on hold until we have a better idea how and when to proceed. Commissioner Beruff felt that to the extent that we have the financial power to continue the projects it is important for the Airport to lessen the impact of COVID-19 to the community by keeping people working, look at our balance sheet to see how much the Airport can tolerate. Mr. Piccolo stated we will hold up on the Parking lot expansion project (150 additional spaces) as that project is totally funded by the Airport and not subject to FAA or FDOT money. If the federal government passes a relief bill as previously discussed, we may be able to proceed with the projects depending on the numbers. Commissioner Beruff stated that if it becomes necessary in between our board meetings, he would support keeping the projects moving if the federal government passes a stimulus bill, and to support Mr. Piccolo by consenting to keep projects moving if our balance sheet is not detrimentally affected.

**Item 7. Department Reports**

**The following department reports were accepted:**

- A. **Financial Statements**
- B. **Investment Portfolio**
- C. **Finance & Administration Department**
- D. **ARFF, Operations & Police Departments**
- E. **Development/Community Relations, Activity Report**
- F. **Engineering, Planning & Facilities Departments**
- G. **Internal Audit & Investment Compliance**
- H. **Information Technology Department**

Mr. Piccolo presented the department reports. Mr. Lange stated that he will not be able to give the March numbers as they come out on the 10<sup>th</sup> of each following month.

**Item 8. Attorney Presentations**

Mr. Bailey stated that due to the COVID-19 epidemic, his office is now operating from home.

**Item 9. Old/New Business**

No old/new business discussed.

**Item 10. Public Comments:**

No Public Comments offered.

**Item 11. Commissioner Comments:**

No Comments by Commissioners offered.

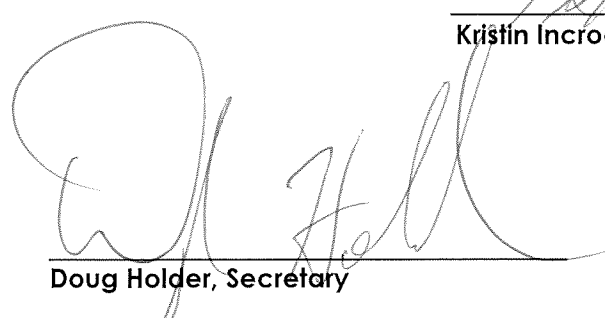
**Item 12. Adjournment**

There was no further business to come before the Authority. The meeting adjourned at 1:38 p.m.

**APPROVED:**

  
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Kristin Incrocci, Chairman

**ATTEST:**

  
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Doug Holder, Secretary