**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**

**Thursday, April 23, 2020 at 4:00 p.m.**

**Virtual Meeting (WebEx) Permitted by Governor DeSantis’ Executive Order # 2020-69**

**Monthly Meeting**

**Highlights**

**Call To Order By the Chair** –Chair Grace Horvath called the meeting to order at 4:01 p.m.

**Roll Call**

Authority Members Present: Jean Calderwood, Craig Carter, Bill Conrad, Gerry Dedenbach, Grace Horvath, David Norton, Bob Page, Kinnon Thomas and Randy Wright were present on the virtual meeting at roll call.

**Invocation:** Mrs. Calderwood delivered the invocation.

**Pledge of Allegiance:** Ms. Horvath lead the Pledge of Allegiance.

**Determination of a Quorum**: A quorum was present at roll call.

Chair Horvath explained that, as a point of order, when the Chief Executive Officer concludes an explanation of an agenda item, she would call upon Board members for comments and/or questions. She reminded the Board members to state their names when making motions.

**Approval of Meeting Highlights of March 26, 2020**

***Mr. Dedenbach moved to approve the GACRAA meeting highlights of March 26, 2020. Mr. Carter seconded the motion. Motion passed.***

**Citizens’ Input – Non-agenda Items:** None. There were no members of the public present in the Board room. There were no comments received via email: meetings@flygainesville.com.

**Airport Authority Input – Non-agenda Items:** None

**Adoption of Agenda**

***Mr. Carter moved to approve adoption of the agenda. Mr. Page seconded the motion. Motion passed.***

**Airport Business**

**Information Items:**

*Coronavirus COVID-19 Impacts*

Mr. Penksa provided a status report on the impacts of the Coronavirus COVID-19. The full report is included as Attachment A. Key items are:

* No GACRAA employees are sick with COVID-19. Staff is not aware of any TSA or airline employees sick with COVID-19.
* Airlines are operating a reduced schedule:
  + Delta Air Lines: 2 trips per day to Atlanta
  + American Airlines: 2 trips per day to Charlotte, 1 trip per day to Dallas-Ft. Worth and zero trips to Miami.
* TSA is screening approximately 56 people per day including Tailwinds employees and airline crews versus 812 screenings per day normally.
* The parking lot has only 50-60 cars per day compared to approximately 900 per day pre-COVID-19.
* Two part-time parking lot employees have been furloughed. All other employees are still working normal schedules albeit some administration staff members are working from home.
* Hours have been reduced for the security guards at the front of the terminal.
* Maintenance staff members are working on deferred parking lot projects such as crack sealing, tree trimming, root removal and are also completing a grading project on the airfield. The maintenance staff will also start work on a crack sealing project on Taxiway E.
* CARES Grant: Grant amounts have been established but staff is still pursuing a recalculation of the amount awarded to GNV.
* Airline and Concessions Relief: Tenants and concessionaires have requested rent deferrals. Staff will continue to review financial impacts and will prepare a proposal to the Board at the next meeting. Under consideration is a provision of 90-day “breathing space” to see how recovery takes place; this would include a 90-day deferral of rent collection from the airlines, 90-day deferral of collection of MAG from the rental car companies and Departure Media. The deferrals would include payback in 18 months with interest. Rental car companies and Departure Media would still be expected to pay 10% of gross revenue during the 90 days. More details to follow at the May meeting.

Ms. Horvath commended Mr. Penksa for his work toward asking FAA to reconsider the distribution formula for Gainesville Regional Airport and encouraged Board members to reach out to members of Florida congressional delegation. She indicated that she had already written letters to Senators Rubio and Scott and Congressman Yoho in support of GNV and a funding distribution recalculation.

Mr. Penksa reported that he has contacted other airports that did not receive a fair share; he encouraged them to reach out to their congressional delegations.

*Terminal Expansion Project Phase II – Terminal Expansion and Improvements*

Mr. Penksa reported that this project continues as scheduled as it is 100% funded. He stated that change orders have been very minor. Mr. Penksa reported that the drainage system and site work are completed except for sodding. He stated that roughed-in plumbing and electric has been installed and the concrete flooring is scheduled to be poured on May 1st. He indicated that conduit work that was originally planned to be accomplished at night is now being done during the day due to the reduced level of passenger activity in the terminal. He stated that roof work is now underway; the contractor has begun removing the solar panels.

*Terminal Expansion Project Phase III – Acquire & Install Two Passenger Boarding Bridges*

Mr. Penksa reported that due to the CARES Act, this project now will be 100% funded by the FAA instead of 90%. He reported that the project will be advertised for bid on April 26 and that bid results will be presented to the Board at its meeting, along with the FAA grant application, in June.

*Terminal Expansion Project Phase IV – Construct Baggage Handling System and Airline Ticket Office Expansion / Renovations*

Mr. Penksa reported that the project is on hold. He reported that staff has applied for an additional $3.1 million in FDOT Strategic Intermodal Systems funds which would require a $3.1 million local match. He indicated that staff is prepared to apply for a TSA grant for the baggage handling system, however TSA advises that the agency is utilizing its funding for its own security related capital needs. (Note: TSA ticket tax collections are down due to COVID-19.) Mr. Penksa stated that although TSA was noncommittal, he was encouraged to apply for funding.

*GA Hangar Rehabilitation Project*

Mr. Penksa reported that work on the Air Method hangar is essentially finished with the exception of gutter and downspout work which was to be completed on April 25th. He stated that there are a few minor punch list items that are underway.

Mr. Penksa reported that the Joint Aviation Unit has been operating out of the former Silver Airways hangar while work is underway on the JAU hangar. He reported that the JAU hangar has been painted inside and out, gutters and downspouts were to be installed on April 25th and roof work is underway. He stated that there may be a Gainesville Regional Utilities requirement to install additional electrical disconnect switches instead of the number included in the plan. He stated that Airport staff is working on improvements to the bathroom in the JAU hangar. He indicated that staff is preparing a new lease agreement for the JAU.

Mr. Penksa reported that work on the WWII hangar, leased by UAC, is now beginning. He reported that the contractor is prepping the interior steel for painting and that a new roof coating is underway. Mr. Penksa reported that it was originally planned to replace the glass in the windows, however a complete window replacement is now recommended and the contractor is exploring options to minimize the cost of this element of the project.

Mr. Penksa reported that the next part of the project will be T-Hangar work and that staff is coordinating the timing for movement of tenants’ aircraft out of the T-Hangars.

*Air Traffic Volume Reports*

Mr. Penksa reviewed the Air Traffic Volume Reports, Fuel Flowage and Load Factors for the month of March, 2020. He reported that typical loads on Delta Air Lines are 5 – 7 passengers and 7 – 15 on American Airlines. He noted that the airlines are currently obligated to maintain service due to the CARES Act.

**Finance Report**

CFO Matthew Lyons provided the Finance Report for the month ending March 31, 2020 in the agenda packet. He briefly explained various revenue and expense items that varied from budget.

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| --- | --- | --- | --- |
| **Revenue** | **Mar. 2020 Actuals** | **Mar. 2020 Budget** | **Variance Over / (Under)** |
| Total Operating Revenue | $531,376.30 | $586,307.72 | ($54,931.42) |
|  |  |  |  |
|  |  |  |  |
| **Expenses** | **Mar. 2020 Actuals** | **Mar. 2020 Budget** | **Over / (Under)** |
| Total Expenses | $420,240.32 | $439,764.24 | ($19,523.92) |
|  |  |  |  |
|  |  |  |  |
| **Income (Loss) Before Depreciation and Interest** | **$111,135.98** | **$146,543.48** | **($35,407.50)** |
| Interest (Capitalized and Expensed) | $15,041.89 | $16,041.89 | ($1,000.00) |
| **Income (Loss) Before Depreciation** | **$96,094.09** | **$130,501.59** | **($34,407.50)** |
|  |  |  |  |

***Mr. Thomas moved to accept the Finance Report. Mr. Carter seconded the motion. Motion passed.***

**FAA CARES Act Grant Applications and Acceptance – Resolution 20-005**

Mr. Penksa stated that Resolution 20-005 is for the application and acceptance of a CARES Act grant in the amount of $3,113,693. He stated that the funding can be utilized to pay for any legal purpose such as operating expenses and capital improvements. He noted that FAA has not responded with any requested adjustments to the amount.

***Mr. Thomas moved to adopt Resolution 20-005 authorizing application and acceptance of a Coronavirus Aid, Relief and Economic Security (CARES) Act (H.B. 748) grant from the U.S. Department of Transportation, Federal Aviation Administration, on behalf of the Gainesville-Alachua County Regional Airport Authority. Mr. Dedenbach seconded the motion.***

In response to a question from Ms. Horvath, Mr. Penksa stated that staff would delay submitting the application until the last possible moment pending additional requests for review and submit the application with a letter of protest regarding the method in which FAA calculated the grant award amount.

***A roll-call vote followed: Mrs. Calderwood – aye, Mr. Carter – aye, Mr. Conrad – aye, Mr. Dedenbach – aye, Dr. Norton – aye, Mr. Page – aye, Mr. Thomas – aye, Mr. Wright – aye and Ms. Horvath - aye. Motion passed 9-0***

**Tenant Reports:**

University Air Center Chief Operating Officer Debbie Frederick reported that fueling is down about 80% which is about average compared to other FBOs that share their fueling application. She stated that the charter business rebounded slightly in April and is down approximately 35%-40%. She stated that military has not fueled at GNV since mid-March although they are operating missions. Ms. Frederick stated that UAC secured a PPP loan and staff is busy with cleaning within their buildings.

**Airport Authority:**

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**Adjournment**

At 4:47 p.m., there being no further business, Ms. Horvath adjourned the meeting.

**GACRAA Monthly Meeting**

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Chair Date

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Secretary/Treasurer Date

Attachment A

Summary to GACRAA Board Regarding Corona Virus,

4/23/2020

No employees have called in sick due to flu like symptoms. No employees have tested positive for

COVID-19. We know of no airline or TSA employees that have likewise been ill.

Those employees that can continue to work from home. We continue to spend additional effort to clean touch surfaces although human traffic through the terminal is extremely light.

* + We continue to operate with a greatly reduced flight schedule and airline passenger loads. Weekdays at this time:
  + Delta has 2 roundtrips to Atlanta
  + American has 1round-trip to DFW and 2 to CLT. There are no Miami Flights. American flight times vary.
  + Weekend schedules are similar.
  + The airlines are required to keep all pre-COVID cities on the schedule according to the terms of the CARES legislation, unless they receive an exemption. We are not sure why MIA has been dropped yet.
  + We understand American has taken about $5.8 billion, with 1.7B {30%) of this being a low interest loan. The funds can be used for payroll and benefits and does not include fuel, maintenance, rents and fees. The airlines must maintain staff.
  + I understand Delta has taken about $4 billion under similar terms.

TSA screenings are down to approximately 56 people per day. A few of these are Tailwinds employees going back and forth and airline crews, which can outnumber passengers. This compares to about 812 per day last year at this time. The word from other airports is similar at about 5% of normal.

Our parking lot has averaged about 50 to 60 cars as compared to an expected 900 peak parkers anticipated this month.

I continue conversations with some of our airlines and tenants with respect to rent and fee abatements. We are still waiting to see if the CARES grant issue gets resolved but at this point, for general discussion,

I have been considering the following effective April 1or the month of last payment:

* + 90-day rent deferral for Airlines for airline terminal space (non-exclusive) with up to 18-month payback and interest after 1year.
  + 90-dau MAG abatement for rental cars and continue to collect 10% concession fee on gross.
  + 90-day counter rent deferral with interest due after 1year and payment within 18 months and interest after 1year.
  + Tailwinds- 90-day abatement of MAG and 90-day rent deferral with payment within 18 months and interest after 1year.
  + Terminal Advertising- Abatement of the MAG for 90 days with payment based on proof of % of gross. This would be evaluated in 60-90 days.

In the mean-time- We continue to maintain most of our staff. We had previously furloughed two part­ time temporary parking personnel and reduced hours for curb security. We are maintaining our maintenance staff and utilizing them for deferred airfield, buildings and grounds maintenance, including crack filling, tree trimming and root removal in the parking lot, taxiway crack filling, and numerous other projects that are difficult to accomplish when traffic is heavy.