**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**

**Thursday, May 28 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 4:07 p.m.

**Roll Call**

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

David Norton was absent.

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

**Pledge of Allegiance:** Ms. Horvath led 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. She also requested that Board members enter questions by utilizing the WebEx chat feature.

**Approval of Meeting Highlights of April 23, 2020**

***Mr. Dedenbach moved to approve the GACRAA meeting highlights of April 23, 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. Dedenbach seconded the motion. Motion passed.***

**Consent Agenda**

Mr. Penksa explained that the lienholder on the LifeSouth Community Blood Centers’ aircraft, U.S. Registration No. N414CY, requires that that GACRAA waive any claims, demands, or rights it may have or acquire with respect to the aforementioned aircraft ahead of BBVA USA.

***Mr. Thomas moved to adopt the Consent Agenda approving the Landlord’s Waiver as presented and direct the CEO to execute the document on behalf of GACRAA. 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.

Mr. Penksa displayed photos of COVID-19 related terminal modifications installed by staff:

* Clear plexiglass barriers at airline gate and counter locations,
* “Please skip this seat for social distancing” seat tents,
* Hand sanitizer stations and signage
* Passenger arriving from NYC-Metro Dept. of Health form collection station

Mr. Penksa described the work accomplished on the following projects as he displayed photos illustrating the work:

* Terminal Expansion Project Phase II
* GA Hangar Rehabilitation Project
* Runway 11-29 Approach Area Grading

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

Mr. Penksa reported that this project continues as scheduled and that re-roofing of the existing terminal is also underway above the front canopy and baggage claim areas. He noted that there are some unforeseen issues with the roof insulation. Staff will follow-up.

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

Mr. Penksa reported that the project has been advertised for bid and that the bid date has been extended to June 3 at 2:00 p.m. He reported that FAA determined the project will be funded at the standard 90%, not 100%, as originally stated. The remaining 10% will be funded from PFC collections.

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

Mr. Penksa reported that the project is on hold.

*GA Hangar Rehabilitation Project*

Mr. Penksa reported that the contractor is now working on the WWII hangar. He reported that work is completed on the Joint Aviation Unit and Air Methods hangars. He stated that T-Hangar A tenants have been relocated to other units and that work on steel door tracks, select wall panels and steel roof replacement will begin the week of May 26th.

*Air Traffic Volume Reports*

Mr. Penksa reviewed the Air Traffic Volume Reports, Fuel Flowage and Load Factors for the month of April, 2020. He reported that passenger traffic for this month, May, is slightly increased over last month. He reported that American Airlines is tentatively adding a second flight to Dallas-Ft. Worth to its schedule in July. He stated that American Airlines will resume a flight to Miami in August.

**Finance Report**

CFO Matthew Lyons provided the Finance Report for the month ending April 30, 2020 in the agenda packet. He briefly explained various revenue and expense items that varied from budget.

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue** | **April 2020 Actuals** | **April 2020 Budget** | **Variance Over / (Under)** |
| Total Operating Revenue | $1,006,318.35  | $571,580.72  | $434,737.63  |
|  |  |  |  |
|  |  |  |  |
| **Expenses** | **April 2020 Actuals** | **April 2020 Budget** | **Over / (Under)** |
| Total Expenses | $398,476.25 | $452,225.12 | ($53,748.87) |
|  |  |  |  |
|  |  |  |  |
| **Income (Loss) Before Depreciation and Interest** | **$607,842.10** | **$119,355.60** | **$488,486.50**  |
| Interest (Capitalized and Expensed) | $14,556.67 | $15,556.67 | ($1,000.00) |
| **Income (Loss) Before Depreciation** | **$593,285.43** | **$103,798.93** | **$489,486.50**  |
|  |  |  |  |

Mr. Lyons reported that there were two extraordinary revenue items totaling approximately $600K in April. One was for the recognition of the land sale to FedEx. He reported that the other item was for the 30-year lump sum payment on the lease of the Ali Air hangar by Gainesville Aircraft Sales, Inc.; the Lease Agreement was approved by the Board at its meeting on January 23, 2020. Mr. Lyons reported that parking and rental car revenue for April was below budget.

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

**Rental Relief for Airlines, Rental Cars and Concessionaires – Resolution 20-006**

Mr. Penksa reported that the resolution will provide staff with the flexibility to provide temporary rental relief for the airlines, rental car companies and concessionaires for three months. He stated that the $3.1 million CARES Act grant award was intended to permit airports to work with tenants on relief as well as provide funding to help maintain airport operations.

*Note: During this discussion, a thunderstorm and nearby lightning strike interrupted the internet connection and WebEx meeting for several minutes. IT staff reestablished the WebEx connection. In the meantime, a speaker phone was used to reconnect with Chair Horvath who still had a WebEx session with the other Board members.*

***Mr. Thomas moved to adopt Resolution 20-006 authorizing amendment of lease agreements for temporary rental relief for the airlines, rental car companies and concessionaires operating at Gainesville Regional Airport. Mr. Carter seconded the motion. A roll-call vote followed: Mr. Carter – aye, Mr. Conrad – aye, Mr. Dedenbach – aye, Mr. Page – aye, Mr. Thomas – aye, Mr. Wright – aye, Mrs. Calderwood – aye and Ms. Horvath – aye. Motion passed 8-0***

**Hertz Chapter 11 Bankruptcy**

Mr. Penksa reported that on Friday, May 22, 2020, Hertz Global Holdings, Inc. filed for Chapter 11 bankruptcy protection. He stated that staff shut off access to the fuel supply to this rental car company until discussion could take place with Hertz’s corporate airport management. Mr. Penksa stated that Hertz does have a past due balance of $68,777 with the Airport; he indicated that staff is providing copies of the invoices to Hertz for expediting payment. He noted that the bulk of the aforementioned amount is for March, April and May billing.

Mr. Penksa reported that the Airport currently holds $1.3 million in Customer Facility Charge collections; of this amount, Hertz’s contribution to the CFC is approximately $250K. He stated that staff is pursuing whether it is permissible to apply CFC collections to any Hertz default that might occur.

Mr. Carter requested more background information on the CFC. Mr. Penksa reported that equipment in the Quick Turn Facility has recently been updated and that there are no other current earmarks for the $1.3 million on hand.

***Mr. Thomas moved to explore whether Customer Facility Charge fee collections can be used to cover a potential Hertz default. Mr. Dedenbach seconded the motion. Motion passed.***

**Short-term Non-aeronautical Interest in a Portion of the Eclipse Hangar Building**

Mr. Penksa reported that a local commercial realtor has made an inquiry on behalf of a commercial packaging company interested in renting a portion of the Eclipse Hangar for 18 months. He reported that he received a proposal from the realtor shortly before this meeting. He explained that he has certain concerns about renting part of the building while the hangar is also used for aircraft storage. He stated that the company hopes to drill 150 holes in the floor of the hangar to affix fixtures. He noted that prior to COVID-19, there were three aeronautical companies interested in the building. He stated that the proposer is offering $4.50 per square foot.

Mr. Carter stated his opinion that $4.50 per sq. ft is too low. He stated that he is not in favor of the opportunity.

Mr. Page stated that he was not in favor of the opportunity per the reasons raised by Mr. Carter.

Mr. Dedenbach stated that the holes in the floor would be detrimental to the structural integrity of the building and that $4.50 per sq. ft. is not worth the problems that could occur.

Mrs. Calderwood stated that she did not feel that the risk is worth the amount the company is willing to pay.

Mr. Thomas stated that he would vote against this opportunity.

Mr. Carter stated that considering the holes in the floor, he would not be in favor of the proposal even at $10 - $12 per sq. ft.

Mr. Page stated that he was uncomfortable with asking the aircraft owners to share in the much higher cost of the air conditioning and lighting which is now kept to a minimum for only lighting when necessary.

Mr. Conrad stated that he was in favor of keeping the dialogue open with the realtor.

Mr. Dedenbach stated that the rent proposed by the company is only a fraction of the value of the any of aircraft stored in the hangar.

Mr. Thomas called the question.

***Mrs. Calderwood moved to decline the proposal. Mr. Thomas seconded the motion. Motion passed 8-0.***

**Tenant Reports:**

University Air Center Chief Operating Officer Debbie Frederick reported that business at the FBO seemed to bottom out in April and that business traffic is starting to ramp up. She indicated that medical flight air traffic volume is back to normal levels; she stated that 25 medical missions were operated last week.

**Airport Authority:**

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**Adjournment**

At 5:19 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

**Gainesville -Alachua County Regional Airport Authority**

**Meeting Highlights – May 28, 2020**

**Attachment A**

Board Report on COVID-19

May 28, 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.

Employees working from home have begun transitioning back to the office.

We continue enhanced efforts to maintain a safe and healthy facility in order to inspire confidence in potential passengers. Additional cleaning regimens are being maintained by airport, airline staff and TSA staff. Efforts are being made to create physical barriers, promote social distancing and use of masks via special signage and PA announcements. We are also communicating these efforts on our website.

Both American and Delta now require face coverings for all passengers while on the aircraft and while at ticketing and gate counters. The airlines will provide a mask to those that do not have them. These efforts are seen as essential to restoring passenger confidence.

Use of masks by TSA personnel is still voluntary. We received one very vocal complaint from a passenger about this.

We continue to operate with a greatly reduced flight schedule and airline passenger loads, however loads are steadily improving.

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.
	+ Weekend schedules are similar.
	+ American will improve its schedule in July, adding back a second, round trip to DFW with 7:45 a.m. and 2:45 pm departures. At this time, we have hopes that MIA will return in August. This will depend greatly on UF reopening to students.
	+ Airlines are continuing to petition DOT to allow them to drop some weaker markets, particularly those that are adequately served by nearby hubs (i.e. DL service to MLB in favor of MCO). As of October 1, the airlines will no longer have restrictions on dropping cities.

In general business has gone from about 5% of normal to around 15%. TSA screenings are slowly rising from an average of 53 per day 7 weeks ago to approximately 148 per day last week. This is tracking along with the national average.

Nationally, on Monday, 5/25, TSA screened 86% fewer passengers than they did the year before (340,769 vs. 2.5 million).

Our parking lot has averaged about 150 cars this week as compared to an expected 950 peak parkers anticipated this month.

I have continued conversations with some of our airlines and tenants with respect to rent and fee abatements. We have prepared a Resolution for you to allow this and placed it on the agenda. Coverage of reduced revenues to deal with the current crisis and maintain an airports employment and economic ecosystem was the main objective of the FAA CARE’s funding.

With respect to the grant, the amount is $3,113,693. We have prepared a pro-forma spreadsheet that shows the rental impacts and how the grant will address this. The grant application was submitted along with a letter protesting the process and the formula that was used. We have been actively working with other airports to try and affect any future CARES’ funding in favor of the 175 commercial airports that were shorted in the distribution. The grant is at the City of Gainesville for signature by the Mayor and City Attorney. It will then be routed here for final signature and most be fully executed by June 26th. We continue to maintain our staff and contract workers.

We had previously furloughed two part­ time temporary parking personnel and reduced hours for curb security. We continue to take advantage of the lower passenger traffic to get a number of maintenance projects completed on the airfield and in the parking lots. Sherer Construction has also been able to speed ahead on some of the construction items within the existing terminal.