



## MINUTES

### **Finance and Audit Committee Meeting Jacksonville International Airport International Conference Room May 22, 2017/8:00am**

Committee Chair Russ Thomas, attending via telephone, sounded a gavel and called the May 22, 2017 Finance & Audit Committee meeting to order at 8:05am. The following committee members were in attendance at the call to order:

Mr. Russ Thomas, Chair (via telephone)  
Mrs. Teresa Davlantes, Member  
Mr. Jay Demetree, Member

Also present were board members:  
Mr. Pat Kilbane  
Mr. Frank Mackesy  
Mrs. Giselle Carson (via telephone)  
Mr. Ray Alfred

Also in attendance were:  
Mr. Steve Grossman, Chief Executive Officer (CEO)  
Mr. Richard Rossi, Chief Financial Officer (CFO)  
Mrs. Debra Braga, Chief Legal Officer (CLO)  
Mr. Tony Cugno, Chief Operating Officer (COO)  
Mr. Rusty Chandler, Chief Cecil Airport & General Aviation (CCAGA)  
Mrs. Rosa Beckett, Chief Administrative Officer (CAO)  
Mrs. Melissa Marcha'-Lee, Sr. Executive Assistant/Recording Secretary

***A listing of all attendees is on file in the office of the Recording Secretary***

Chair Thomas welcomed everyone to the meeting, and advised a quorum was present.

Chair Thomas called for any public comment, hearing none he moved to the next agenda item.

Chair Thomas advised that the reason for the meeting was to hear from our independent auditors the results of their recent audit, and to hear from staff a presentation of the fiscal year 2017-18 budget.

He then called upon JAA Chief Financial Officer Richard Rossi, who advised that the firm of RSM US LLP had been engaged to do the annual independent audit and he called upon Mr. Brett Friedman, Jacksonville Office Manager & Partner, and Mr. Jeff Zeichner, On-site Manager, to present the audit report. Mr. Friedman advised that the delay in presenting the findings, which is normally done earlier in the year, was due to the discussion/decision surrounding the Florida Retirement Services (FRS).



He then began a discussion of the scope of the audit, specifically the impact of the FRS decision. Much discussion involving all board members ensued, with Mr. Mackesy suggesting to Committee Chair Thomas that the committee study the possibility of JAA removing itself from the FRS, eliminating a pension plan offer to new employees, and instead offer a 401K-type plan. Mr. Thomas acknowledged the suggestion, and Mr. Grossman advised that Ms. Braga will review that possibility; Board Chair Kilbane asked Mr. Grossman to please make the review available to the entire board during a board meeting.

City Councilman Doyle Carter, Council Liaison to JAA, arrived at this point in the meeting.

Mr. Friedman then called upon Mr. Zeichner, who went through each section of the audit report with the committee advising that no instances of material weaknesses, misstatements or non-compliance were found and further, that one issue involving long-term lease reporting was discovered by staff, noted and that process corrected going forward. Both Messers Friedman and Zeichner thanked Mr. Rossi, and Director of Finance Ross Jones, and their staff, for being courteous, professional and responsive during the audit period, and then answered questions from the committee and board members.

Board member Mrs. Giselle Carson arrived in person at this point in the meeting.

Chair Thomas thanked Messers Friedman and Zeichner for their report, and congratulated Messers Grossman and Rossi, and staff, for a job well done, then called for a motion to move the report to the board for approval. Upon motion made by Mr. Demetree and seconded by Mrs. Davlantes, the committee voted to present the report to the full board at its meeting which immediately follows this comm. meeting.

Chair Thomas called upon Mr. Rossi again, to present the fiscal year 2017-18 budget.

Mr. Rossi discussed each section of the slide presentation, highlighting the schedule of positions, capital and small capital sections. Mr. Rossi then called upon Mr. Derek Powder, Senior Manager Engineering and Construction, who provided a more in-depth review of the capital and small capital portion of the budget.

After questions and discussion among committee members, and with board members, Chair Thomas thanked Mr. Rossi and Mr. Powder for the presentation. Upon motion then made by Mrs. Davlantes and seconded by Mr. Demetree, the committee voted unanimously to recommend approval of the budget to the full board at its meeting immediately following this committee meeting.

There being no further business to come before the Finance and Audit Committee, Chair Thomas adjourned the committee meeting at 9:20am.



## MINUTES

**Board of Directors Meeting  
Jacksonville International Airport  
International Conference Room  
May 22, 2017  
Immediately following 8:00am Finance and  
Audit Committee meeting**

Chair of the Board Patrick Kilbane called the May 22, 2017 Board of Directors meeting to order at 9:20am, immediately following the 8:00am Finance and Audit Committee meeting. The following board members were present at the call to order:

Mr. Patrick Kilbane, Chair  
Mrs. Giselle Carson, Vice Chair  
Mr. Jay Demetree, Secretary  
Mrs. Terri Davlantes, Member  
Mr. Frank Mackesy, Member  
Mr. Ray Alfred, Member  
*(Mr. Russ Thomas, Treasurer, attended via telephone)*

Also present at the call to order were:

Mr. Steve Grossman, Chief Executive Officer (CEO)  
Mr. Tony Cugno, Chief Operating Officer (COO)  
Mr. Rusty Chandler, Chief Cecil Airport & General Aviation (CCAGA)  
Mrs. Debra Braga, Chief Legal Officer (COO)  
Mr. Richard Rossi, Chief Financial Officer (CFO)  
Mrs. Rosa Beckett, Chief Administrative Officer (CAO)  
Councilman Doyle Carter, City Council Liaison to JAA  
Mrs. Melissa Marcha-Lee, Sr. Executive Assistant/Recording Secretary

***A listing of all attendees is on file in the office of the Recording Secretary***

### **Welcome, Announcements, Pledge**

Chair Kilbane welcomed everyone to the meeting, announced that a quorum was in place and that Treasurer Russ Thomas was attending via telephone – he then called upon guest Mrs. Albert Hipps to lead the Pledge of Allegiance.

### **Going Beyond, Daily**

Prior to the next agenda item, CEO Steve Grossman showed a photo demonstrating one of our board members Going Beyond, Daily – that being Vice Chair Giselle Carson in her finish line photo during the recent Boston Marathon.

## **Report from Finance and Audit Committee**

Chair Kilbane then called upon Committee Chair Russ Thomas to present the report from his committee meeting. Chair Thomas advised that the committee met for the purpose of hearing the report from independent external auditor RSM US LLP and to hear the fiscal year 2017-18 budget presentation.

Upon motion duly made by Mr. Demetree and seconded by Mr. Alfred, the board members in attendance (in person and via telephone), voted unanimously to approve the Finance and Audit Committee's report from the independent external auditor.

Chair Kilbane then called for approval of the Finance and Audit Committee's report regarding the budget presentation, and referenced Submission BD2017-05-05, Approval of Operating and Capital Budget of Jacksonville Aviation Authority for Fiscal Year Commencing October 1, 2017 and Ending September 30, 2018 – upon motion duly made by Mr. Demetree and seconded by Mr. Alfred, the board members in attendance (in person and via telephone) voted unanimously to approve the Finance and Audit Committee's report of the budget, and Submission BD2017-05-05.

Chair Kilbane thanked Mr. Thomas for his report, and commended Mr. Rossi and the finance team for a job well done on the audit and budget presentations.

Chair Kilbane then advised that the agenda order for the rest of the meeting would be a bit different for this meeting.

### **Old Business**

Chair Kilbane asked the board if there was any old business to be discussed and hearing none, he moved to the next agenda item.

### **Public Comment**

Chair Kilbane advised that no speaker cards had been submitted, and moved to the next item on the agenda.

### **New Business** **Submissions**

**BD2017-05-01**

***Kimberly Howard/Interim Senior  
Manager Aviation Planning***

#### ***Approve Sale of 4.38 Acres at Jacksonville International Airport***

Chair Kilbane called upon Mrs. Howard to present the submission and after discussion, and upon motion made by Mrs. Davlantes and seconded by Mrs. Carson, the board members in attendance (in person and via telephone) voted unanimously to approve Submission BD2017-05-01, Approve Sale of 4.38 Acres at Jacksonville International Airport.

**BD2017-05-02**

**Kimberly Howard/Interim Senior  
Manager Aviation Planning**

**Accept Florida Department of Transportation Supplemental Joint Participation  
Agreement for the Eastside Utility Corridor at Cecil Airport**

Chair Kilbane called upon Mrs. Howard to present the submission and after discussion, and upon motion made by Mr. Alfred and seconded by Mrs. Carson, the board members in attendance (in person and via telephone) voted unanimously to approve Submission BD2017-05-02, Accept Florida Department of Transportation Supplemental Joint Participation Agreement for the Eastside Utility Corridor at Cecil Airport.

**BD2017-05-03**

**Jeffrey Taylor/Properties  
Administrator**

**Cancellation, Termination and Mutual Release of the Ground Lease  
Agreement ("Lease Termination") Between Jacksonville Aviation Authority  
and William Victor Aviation LTD at Jacksonville Executive At Craig Airport ("JAXEX")**

Chair Kilbane called upon Mr. Taylor to present the submission and after discussion, and upon motion made by Mrs. Davlantes and seconded by Mrs. Carson, the board members in attendance (in person and via telephone) voted unanimously to approve Submission BD2017-05-03, Cancellation, Termination and Mutual Release of the Ground Lease Agreement ("Lease Termination") Between Jacksonville Aviation Authority and William Victor Aviation LTD at Jacksonville Executive At Craig Airport ("JAXEX").

**BD2017-05-04**

**Matt Bocchino/Properties  
Administrator**

**Approval of Second Amendment to Building and Ground Lease Between  
Jacksonville Aviation Authority and Jacksonville JetPort, LLC, A Florida Limited  
Liability Company**

Chair Kilbane called upon Mr. Bocchino to present the submission and prior to the presentation, Secretary Jay Demetree advised he has a voting conflict on this item, and signed a Voting Conflict Form. The presentation then began and after discussion, and upon motion made by Mr. Thomas and seconded by Mrs. Carson, six of the seven board members in attendance (via in person and telephone) voted to approve Submission BD2017-05-04, Approval of Second Amendment to Building and Ground Lease Between Jacksonville Aviation Authority and Jacksonville JetPort, LLC, A Florida Limited Liability Company; Secretary Demetree abstained (a copy of his Voting Conflict Form is attached hereto and made a part of these minutes.)

## Approval of Minutes

Chair Kilbane called for approval of the minutes from the March 27, 2017 Board of Directors meeting and upon motion made by Mrs. Davlantes and seconded by Mr. Alfred, the board members in attendance (in person and via telephone) voted unanimously to approve the minutes.

## Chief Executive Officer Report

Chair Kilbane called on Mr. Steve Grossman to present his CEO report.

- (1) Transportation Network Companies (TNCs)
- (2) A retirement
- (3) Going Beyond, Daily (*addressed at the beginning of the meeting*)

Mr. Grossman advised that the Governor signed the new TNC Bill, effective July 1<sup>st</sup>, our one year agreement with Lyft was effective May 1<sup>st</sup> and we will be talking with Uber very soon.

Mr. Grossman reported on an item not shown under his report – the recent Cecil Bus Tour, an annual event, advising it was very successful.

Lastly, Mr. Grossman advised the board that while he normally does not comment on employee retirements, he did want to advise them that a very familiar face they see any time they are at the administration building, Mrs. Cassandra Newberry, our JAA Organizational Services Assistant/Receptionist, will be retiring effective June 1<sup>st</sup>. The board joined in on a round of applause for Cassandra and asked Mr. Grossman to wish her well on their behalf.

Mr. Grossman advised that this concluded his CEO report.

## Updates/Other Reports

### Financial Update

***Richard Rossi/Chief  
Financial Officer***

Chair Kilbane called upon Mr. Rossi to present the Unaudited Financial Report for the seven months ended April 30, 2017 (in the non-meeting month of April, Mr. Rossi provided the board with the financial report for the six months ended March 31, 2017, together with his written summary in memo form).

### City Council Update

***Councilman Doyle Carter/City  
Council Liaison***

Councilman Carter reiterated CEO Grossman's comment of the very successful Cecil Bus Tour, advising that it started back in 2001 and is coordinated each year by former Councilwoman Mrs. Albert Hipps who does a wonderful job. He further commented that he is excited by the spaceport expansion.

Vice Chair Carson left the meeting at this point.

### **Board Communication**

Chair Kilbane advised that the next bi-monthly board meeting will be on Monday, July 24, 2017 at 8:30am at the JAA administration building. He then called upon Ms. Jennifer Murray, JAA Arts Coordinator, for comments prior to her leading the board on a tour of the new aviation museum – she advised what they will be viewing and how the museum was created.

Chair Kilbane then asked if there was anything further to come before the board and hearing no further comments, Chair Kilbane proceeded to adjourn.

### **Adjournment**

There being no further business to come before the Board of Directors, Chair Kilbane adjourned the meeting at 10:10am – the board then proceeded to the new aviation museum for the tour.

Approved July 24, 2017