



MINUTES

**Finance and Audit Committee Meeting
Held via phone (as a Corona virus safety
measure) in accordance
with Governor's Order #20-69**

(call originated from JAA Administration Building
3rd FL Ed Austin Board Room)

June 1, 2020/8:30am (changed from May 25th due to the holiday)

Committee Chair/Board Treasurer Ray Alfred called the June 1, 2020 Finance and Audit Committee meeting to order at 8:30am. The following committee members were present via phone at the call to order:

Mr. Ray Alfred, Chair
Mrs. Giselle Carson, Member
Mr. Jay Demetree, Member

Attending via phone as well were:

Mr. Frank Mackesy, Member
Mrs. Michelle Barnett, Member
Mr. Pat Kilbane, Member
Mr. Russ Thomas, Member
Councilwoman Randy DeFoor/City Council Liaison to JAA

Also in attendance, in the board room, were JAA staff members:

Mr. Mark VanLoh, Chief Executive Officer
Mr. Ross Jones, Chief Financial Officer
Mr. Tony Cugno, Chief Operating Officer
Mr. Devin Reed, Director of Administration
Mrs. Melissa Marcha-Lee, Senior Executive Assistant/Recording Secretary

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

Chair Alfred welcomed everyone to the virtual meeting and advised a quorum was present.

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

Chair Alfred advised that the reasons for the meeting were (1) to hear the internal auditor report (which is normally presented in March but both the committee and board meetings for March were cancelled), and (2) to hear the presentation of the fiscal year 2020-2021 budget.

Chair Alfred called upon Mr. Jones to begin the audit report discussion. Mr. Jones advised that the firm RSM US LLP performed the audit, lead by Mr. Jeff Zeichner, and he called upon Mr. Zeichner to report on the findings. Mr. Zeichner advised JAA was given an unmodified opinion,



the strongest opinion, and went through each section of the report, answering questions along the way. Concluding, he advised that the audit process went very well due to the support and assistance of Mr. Jones and the entire finance staff. Chair Alfred thanked Mr. Zeichner, and the finance team, for a job well done. He then called for a motion from his committee to recommend the report to the board for approval and, upon motion made by Mr. Demetree and seconded by Mrs. Carson, the committee voted unanimously to recommend the audit report to the full board at its meeting which immediately followed this committee meeting.

Chair Alfred then again called upon Mr. Jones for a covid-19 impact and response report, then the budget presentation. Mr. Jones detailed the actions being taken by JAA in response to the virus, including the postponing of Concourse B construction, an employee voluntary separation program, terminal tenant relief, spending cuts and terminal sanitization/social distancing. Mr. Jones then began the budget presentation, detailing activity assumptions, income statement, operating and non-operating revenues and expenses, and schedule of positions, advising that the contingency fund is in the utilities and taxes line of the operating expenses. Mr. Jones then called upon Mr. Derek Powder, Senior Manager Engineering and Construction, who detailed the capital projects that will be happening at JIA, Cecil and Herlong.

Discussion of the entire budget then ensued, with Messers Jones and Powder answering questions from the committee and board members - specifically, Mr. Kilbane asked why the contingency fund is part of the utilities and taxes line, to which Mr. Jones replied it has always been a part of that line but can certainly be changed. Mr. Demetree advised that it should be a separate line – Mr. Jones advised he will separate out the contingency amount going forward. Further, Mr. VanLoh pointed out that the employee incentive program is a presumption to pay an incentive, and not to be deemed as a contract with any employee. Chair Alfred thanked Messers Jones and Powder for the presentation, and complimented CEO VanLoh and staff on the budget preparation. He then called for a motion to recommend the budget to the board for approval and, upon motion made by Mr. Demetree and seconded by Mrs. Carson, the committee voted unanimously to recommend the fiscal year 2020-21 budget to the full board at its meeting which immediately followed this committee meeting.

There being no further business to come before the Finance and Audit Committee, Chair Alfred adjourned the committee meeting at 9:40am.



MINUTES

Board of Directors Meeting Held via phone (as a Corona virus safety measure) in accordance

with Governor's Order #20-69

**(call originated from JAA Administration Building
3rd FL Ed Austin Board Room)**

June 1, 2020/9:40am (changed from May 25th due to the holiday)
**(immediately following the Finance and Audit Committee
meeting)**

Chair of the Board Russ Thomas called the June 1, 2020 Jacksonville Aviation Authority Board of Directors meeting to order at 9:40am. The following board members were present via phone at the call to order:

Mr. Russ Thomas, Chair
Mr. Pat Kilbane, Vice Chair
Mr. Ray Alfred, Treasurer
Mrs. Giselle Carson, Secretary
Mr. Jay Demetree, Member
Mrs. Michelle Barnett, Member
Mr. Frank Mackesy, Member

Councilwoman Randy DeFoor/City Council Liaison to JAA attended via phone as well

Also in attendance, in the board room, were JAA staff members:

Mr. Mark VanLoh, Chief Executive Officer
Mr. Ross Jones, Chief Financial Officer
Mr. Tony Cugno, Chief Operating Officer
Mr. Devin Reed, Director of Administration
Mrs. Melissa Marcha-Lee, Senior Executive Assistant/Recording Secretary

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

Welcome, Announcements, Pledge

Chair Thomas welcomed everyone to the virtual meeting, announced that a voting quorum was in place, and thanked the board members and staff for doing a phone meeting. He then called upon Mr. Mackesy to lead the group in reciting the Pledge of Allegiance.

Report from Finance and Audit Committee Meeting

Chair Thomas called upon Board Treasurer/Committee Chair Ray Alfred to present the report from his committee meeting. Comm. Chair Alfred advised that the committee met for the purpose of (1) hearing the internal auditor's report and (2) the presentation of the fiscal year 2020-21 budget, and voted to recommend the report and budget to the full board for approval. Upon motion duly made by Mr. Alfred and seconded by Mr. Mackesy, the board voted

unanimously to approve the recommendation of the Finance and Audit Committee.

Chair Thomas thanked Mr. Alfred for his committee report. Discussion ensued on the issue of JAA removing itself from the City's insurance program. Mr. Jones advised he has had many discussions with city auditors, with no resolution as of yet. Mr. Kilbane suggested we wait a while (for the new council year) and then pursue it again. Chair Thomas then called for approval of Submission **BD2020-06-02**, Approval of Operating and Capital Budget of Jacksonville Aviation Authority for Fiscal Year Commencing October 1, 2020 and ending September 30, 2021, and upon motion made by Mr. Alfred and seconded by Mr. Mackesy, the board voted unanimously to approve the submission. Mr. Kilbane congratulated Mr. VanLoh and management on the cost-cutting measures put in place.

Chief Executive Officer Report

Chair Thomas called upon Mr. Mark VanLoh to present his CEO report, but first complimented Mr. VanLoh on the wonderful job he's doing in keeping the board updated through the crisis – his communications are detailed, and he has been the consummate professional. Mr. VanLoh thanked Chair Thomas and the entire board, and advised that staff was phenomenal during the two-plus months of working from home, stating that everyone is back in the office as of today. Further, he advised over 50 employees took advantage of the voluntary separation agreement and we will have an event very soon to recognize and celebrate all that they contributed to the Authority. Lastly, he shared a slide presentation of our new "JAX Airport Cares" initiative, detailing the program designed to protect the health and safety of passengers.

Mr. VanLoh advised that this concluded his CEO report.

Old Business

Chair Thomas called upon Mr. Jones to present Submission **BD2020-01-01(tabled)/2020-06-01** Amendment to Investment Advisor Financial Services Award, RFP 17-08-31001, dated 11-1-2017, that was tabled from the January 27, 2020 meeting pending further information that the board asked staff to gather in response to the questions asked at that meeting and to present the item again at the March meeting. Mr. Jones advised that JAA's former CFO Mr. Rossi communicated the requested information to the board and heard no further comments, and that because the March meeting was cancelled it is being submitted at today's meeting.

Mr. Jones presented the submission again and before a vote was called, Mr. Demetree advised that he is recusing himself from the vote due to a personal tie with one of the companies, Augustine Management. Upon motion then made by Mr. Alfred and seconded by Mr. Mackesy, five of the six remaining voting members voted unanimously to approve Submission **BD2020-01-01(tabled)/2020-06-01**, Amendment to Investment Advisor Financial Services Award, RFP 17-08-31001, dated 11-1-2017, with Mr. Kilbane voting no. A Memorandum of Voting Conflict form will be signed by Mr. Demetree and made a part of the minutes of this meeting.

Public Comment

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

New Business - Submissions

(BD2020-06-01 and BD2020-06-02 were presented/voted on earlier in the meeting)

BD2020-06-03

**Jay Cunio/Director of Business
Development**

***Authorization to Proceed with Modifications to Existing Planned Unit
Development for a Portion of Non-Aeronautical Property located at
Jacksonville International Airport***

Chair Thomas called upon Mr. Cunio to present the submission, and upon motion made by Mr. Kilbane and seconded by Mrs. Carson, the board voted unanimously to approve Submission BD2020-06-03, Authorization to Proceed with Modifications to Existing Planned Unit Development for a Portion of Non-Aeronautical Property located at Jacksonville International Airport.

BD2020-06-04

**Paul Gerrety/Properties
Manager**

***Approval of Tower and Ground Space License Agreement at JAX International
Airport between the Jacksonville Aviation Authority and Cellco Partnership
d/b/a Verizon Wireless***

Chair Thomas called upon Mr. Gerrety to present the submission, and upon motion made by Mr. Demetree and seconded by Mrs. Barnett, the board voted unanimously to approve Submission BD2020-06-04, Approval of Tower and Ground Space License Agreement at JAX International Airport between the Jacksonville Aviation Authority and Cellco Partnership d/b/a Verizon Wireless.

Approval of Minutes

Chair Thomas called for approval of the minutes from the January 27, 2020 Board of Directors meeting (there was no meeting in March) and upon motion made by Mr. Demetree and seconded by Mr. Alfred, the board voted unanimously to approve the minutes.

Updates/Other Reports

Financial Update

**Ross Jones/Chief
Financial Officer**

Chair Thomas called upon Mr. Jones to present the financial report for the seven months ended April 30, 2020, and he answered questions about the report (the board had previously been provided with the unaudited financial report for January, February and March, together with summaries). Hearing no further comments or questions about the April 30th financial report, Chair Thomas moved on.

City Council Update

***Councilwoman Randy DeFoor/
City Council Liaison***

Chair Thomas called upon Mrs. DeFoor for her comments. She advised that the city has been busy with the pandemic and the Mayor is doing an excellent job in protecting our citizens. Regarding the city insurance issue, she suggested bringing the auditors to JAA for a meeting or writing them a letter – Mr. Mackesy commented that he thinks it would be beneficial for JAA to hear from the auditors but of course it is up to Mr. VanLoh if we would consider doing so.

Board Communication

Chair Thomas advised that the next bi-monthly board meeting will be on Monday, July 27, 2020 at 8:30am. He wished the best to all the board members and their businesses, advising everyone to be safe, then asked if there was any other business to come before the board.

Adjournment

There being no further business to come before the Board of Directors, Chair Thomas adjourned the meeting at 10:45am.

Approved July 27, 2020