



## MINUTES

### **Finance and Audit Committee Meeting JAA Administration Building 3<sup>rd</sup> FL Ed Austin Board Room May 23, 2016/8:30am**

Committee Chairman Giselle Carson called the May 23, 2016 Finance & Audit Committee meeting to order at 8:33am. The following committee members were in attendance at the call to order:

Mrs. Giselle Carson, Chair  
Mr. Patrick Kilbane, Member  
Mr. Russ Thomas, Member

Also present were board members:

Mr. Ray Alfred  
Mr. Frank Mackesy  
Mrs. Terri Davlantes  
Mr. Jay Demetree

Also in attendance were:

Mr. Steve Grossman, Chief Executive Officer (CEO)  
Mr. Richard Rossi, Chief Financial Officer (CFO)  
Mrs. Rosa Beckett, Chief Administrative Officer (CAO)  
Mr. Tony Cugno, Chief Operating Officer (COO)  
Mr. Rusty Chandler, Chief Cecil Airport & General Aviation (CCAGA)  
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 Carson called for any public comment, hearing none she moved to the next agenda item.

Chair Carson advised that the reason for the meeting was to hear results from the recent independent audit, she then called upon CFO Richard Rossi. Mr. Rossi 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 briefly discussed the scope of the audit, also explaining that the reason for the delay in presenting the findings, which is normally done earlier in the year, was due to recent GASB rule changes, then he 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, he advised that RSM US LLP had issued an unmodified opinion which is an opinion at the highest level. Both Messers Friedman and Zeichner thanked Mr. Rossi, and Director of Finance Diane Pinkerman, and their staff, for being courteous, professional and responsive during the audit period, and then answered questions from the committee and board members.



Chair Carson 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. Thomas and seconded by Mr. Kilbane, the committee members in attendance voted to present the report to the full board at its meeting which immediately follows this comm. meeting.

Chair Carson called upon Mr. Rossi again, to discuss two proposed submissions to be presented shortly at the board meeting – the revenue bonds loan and the employee incentive pay plan amendment. Mr. Rossi explained both in detail via a slide presentation (Councilman Carter arrived at this point in the meeting), then answered questions from the committee and board members.

There being no further business to come before the Finance and Audit Committee, Chair Carson adjourned the committee meeting at 9:25am.

Approved June 27, 2016



## MINUTES

### **Board of Directors Meeting JAA Administration Building 3<sup>rd</sup> FL Ed Austin Board Room May 23, 2016/9:25a**

Chairman of the Board Ray Alfred called the May 23, 2016 Board of Directors meeting to order at 9:25a, immediately following a meeting of the Finance and Audit Committee. The following board members were present at the call to order:

Mr. Ray Alfred, Chairman  
Mr. Patrick Kilbane, Vice Chairman  
Mrs. Terri Davlantes, Secretary  
Mrs. Giselle Carson, Treasurer  
Mr. Frank Mackesy, Member  
Mr. Jay Demetree, Member  
Mr. Russ Thomas, Member

Also present at the call to order were:

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

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

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

Chair Alfred welcomed everyone to the meeting and announced that a quorum was in place; he then called upon board member Frank Mackesy to lead the group in reciting the Pledge of Allegiance.

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

Chair Alfred called upon Committee Chair Giselle Carson to present the report from her committee meeting. Chair Carson advised that the committee met for the purpose of hearing the report from independent external auditor RSM US LLP and upon motion duly made and seconded, the committee moved the auditor report to the full board for approval. The committee also discussed two submissions that are being presented later at this board meeting.



Upon motion made by Mrs. Carson and seconded by Mr. Demetree, the board unanimously approved the Finance and Audit Committee report. Board Chair Alfred thanked Mrs. Carson for her report and commended Mr. Rossi and the finance team for a job well done on the audit.

### **Chief Executive Officer Report**

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

- (1) Air service update
- (2) Navy/Cecil update
- (3) TSA update

Mr. Grossman recapped the previously-announced planned air service for Air Canada, Allegiant and Silver.

Mr. Grossman then reported that after almost one year, the Navy is on track for their planned exit from Cecil Airport in June, noting it the first time the Navy has been at a civilian airport.

Lastly, Mr. Grossman reported on TSA plans to combat the long wait times that have been occurring at airports across the country – advising that there is a 10-point plan, involving among other items, adding more staff and upgrading technology, and that here at JIA our average wait time during non-peak hours is approximately 7 minutes and during peak, approximately 12-15 minutes.

Mr. Grossman advised that this concluded his CEO report.

### **Old Business**

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

### **Public Comment**

Chair Alfred advised that six comment cards had been submitted (one to discuss JAXEX Airport and five to discuss Herlong Airport) and each individual will have three minutes to speak. At the conclusion of the comments, Chair Alfred and Councilman Carter advised the Herlong representatives that the board will follow through on their comments, and member Pat Kilbane encouraged tenants to not wait so long if they have issues to bring to the board's attention. Chair Alfred then moved on to the next agenda item.



### **New Business Submissions**

**BD2016-05-01**

**Richard Rossi,  
Chief Financial Officer**

***Authorize and Approve Conversion of Series 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025 and 2026 of the Authority's 2006 Revenue Bonds to a Fixed Rate Direct Loan from BankUnited, N.A.***

Chair Alfred called upon Mr. Rossi to present the submission and upon motion duly made by Mr. Kilbane and seconded by Mr. Thomas, the board members voted unanimously to approve Submission BD2016-05-01, Authorize and Approve Conversion of Series 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025 and 2026 of the Authority's 2006 Revenue Bonds to a Fixed Rate Direct Loan from BankUnited, N.A.

**BD2016-05-02**

**Richard Rossi  
Chief Financial Officer**

***Amendment to Jacksonville Aviation Authority Employee Incentive Pay Plan***

Chair Alfred called upon Mr. Rossi to present the submission and after much discussion about the amendment to the plan, and the plan itself – specifically, how it is applied and who participates in it, Mrs. Carson made a motion, that was seconded by Mr. Kilbane, that the amendment be approved as presented but that the board conduct a complete review of the entire plan at some point in the near future - board members Alfred, Carson, Kilbane, Davlantes, Demetree and Thomas voted to approve Submission BD2016-05-02, Amendment to Jacksonville Aviation Authority Employee Incentive Pay Plan, board member Mackesy opposed.

### **Approval of Minutes**

Chair Alfred called for approval of the minutes from the April 25, 2016 Board of Directors meeting and upon motion made by Mr. Thomas and seconded by Mrs. Carson, the board members voted unanimously to approve the minutes of the meeting.

### **Updates/Other Reports**

#### **Financial Update**

**Richard Rossi,  
Chief Financial Officer**

In lieu of a full presentation of the Unaudited Financial Report for the seven months ended April 30, 2016, Chair Alfred asked if there were any questions about the report as contained in the board members' packages, and hearing none he moved to the next agenda item.



## **Updates/Other Reports (con't.)**

### **City Council Update**

***Councilman Doyle Carter,  
City Council Liaison***

Chair Alfred called upon Councilman Carter for comments, and Councilman Carter advised that he is very proud of the work done with the Navy by the staff at Cecil Airport, they are wonderful representatives of JAA and the City of Jacksonville.

### **CEO Evaluation Process**

Chair Alfred called upon Mr. Grossman to lead the discussion of the proposed CEO Evaluation Process document and after much discussion, board members Mackesy, Davlantes, Kilbane and Thomas commented that it is a good document and Mr. Mackesy further requesting that it be included in employee evaluation policy and procedure, therefore upon motion made by Mrs. Davlantes and seconded by Mrs. Carson, the process document was approved for use.

### **Board Communication**

Chair Alfred advised that the next board meeting will be on Monday, June 27, 2016 at 8:30am at the JAA Administration Building in the 3<sup>rd</sup> FL Ed Austin Board Room. Chair Alfred then asked if there was anything further to come before the board and hearing no further comments, he then proceeded to adjourn.

### **Adjournment**

There being no further business to come before the Board of Directors, Chair Alfred adjourned the meeting at 10:15a.