

## MEETING MINUTES

### PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

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#### **Opening:**

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., August 23, 2023 by Chair Holly Melzer.

The Invocation was given by Vice Chair Sheldon.

The Pledge of Allegiance was led by Mr. Will Cramer.

Roll was called. In attendance were: Ms. Victoria Williams, Mr. Will Cramer, Mr. Les McFatter, Mr. Glen McDonald, Vice Chair Mark Sheldon and Chair Holly Melzer.

Chair Melzer asked if there were any Public Comments. There were no Public Comments.

Chair Melzer asked if there were any items on the Amended Agenda, including the Consent Agenda, that any Board Member would like to move to a Business Item for further discussion, and if not, to make a motion to accept the Amended Agenda.

**Mr. Les McFatter made a motion to Accept the Amended Agenda, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

#### **Reports:**

Mr. Parker McClellan presented the Activity Reports. The month of July was up 18.5% over last year. The load factors continue to be good. This is the first time that we have exceeded 1 million passengers this early in the year. Based on our present trajectory, this could end up being the Airport's biggest year. The Airport continues to maintain its market share across the Region at 24% with over 200,000 passengers and is continuing to grow.

Ms. Darlene Gordon presented the Financial Reports for the first 10 months of the Fiscal Year ending July 31, 2023. In the month of July, total cash increased \$719,000 over June. Compared to last year, cash increased \$6.9 million for a total balance of \$43.4 million. Of that number, unrestricted cash is \$30.6 million and restricted cash is \$12.8 million. In July of 2023, total liabilities decreased \$586,000. Excess revenues over expenditures to date are \$16 million. Operating Revenues account for \$8.8 million with Non-Operating Revenues making up the remaining \$7.2 million. Operating Revenues to date are \$17.4 million and are at 113% of budget. The Terminal Complex Revenues continue to be the profit leader, contributing \$1.4 million in excess funds. Parking exceeded budget by \$800,000. Ground Transportation Fees are exceeding budget by \$319,000. Turo, Inc. reported \$570,000 in sales, from which they paid the Airport \$57,000. General Operating Expenses and Personnel are at 90% of budget. There are currently 6 positions open that we are trying to fill. Overall, the Total Operating Expenses are \$942,000 under budget. This is the best year that the Airport has ever had financially. From FY2022 to present, the Airport is projected to spend \$8.2 million in COVID Funds. For FY2024 the

projection is about \$6.8 million with \$3.8 million for Capital and Economic Development and just over \$3 million for new Boarding Bridges. The remaining \$2.4 million will be applied to FY2025 for Debt Service as well as Capital and Operating Expenses.

**Consent Agenda:**

**a. Board Meeting Minutes – July 19, 2023**

This Item provides for Board approval of the July 19, 2023 Board Meeting Minutes.

**b. Approve Reef Parking Bonus**

The REEF Parking Management Contract provides for a bonus of up to 100% of the annual management fee for the operation and management of the parking facilities based on an evaluation of performance completed by Airport Staff. The evaluation has been completed and a copy is attached for your information. The rating, based on the evaluation, is 78.75%. When this rating is applied to the annual management fee of \$31,212.00, a bonus of \$24,579.45 is calculated.

REEF Parking continues to provide excellent local service to our Airport and focuses on customer service.

The bonus amount is included in the approved FY 2023 Operating and Capital Budget.

Staff recommends Board approval of the incentive bonus as noted above.

**c. Approve Purchase of (2) High Capacity Mowers – Deere & Company**

Ongoing and expanding maintenance operations at the Airport require the acquisition and maintaining of additional equipment. This purchase is for of two (2) high capacity, pull-behind mowers, to be utilized by Airport maintenance personnel in support of overall airport maintenance operations.

This purchase is provided for in the Airport's FY-23 Airport Operating and Capital Improvement Budget. The purchase is part of Florida Department of Transportation Public Transportation Grant Agreement #428363-9-94-01 in which fifty (50) percent of the purchase amount will be reimbursed to the Airport. The mowers are being procured through State of Florida Ag & Lawn Equipment contract #25101900-21-STC.

Staff recommends Board acceptance for purchase of two (2) high capacity, pull-behind mowers from Deere and Company in amount of \$51,057.16.

Board approval as recommended, and authorization for Executive Director or his designee to execute the necessary documents, following satisfactory legal review.

**Mr. Will Cramer made a motion to Accept the Consent Agenda, and Mr. Glen McDonald**

seconded the motion. The vote was taken and the motion passed unanimously.

**Business Items:**

**a. Accept Florida Department of Transportation Public Transportation Grant Agreement and Adopt Resolution #2023-04 for Operations and Maintenance Equipment**

Mr. Richard McConnell explained that the State of Florida has an Aviation Grant Program that the Airport participates in annually. This Grant was requested 3 years ago and is for monies beginning July 1, 2023 through June 30, 2024.

This item provides for the acceptance of Florida Department of Transportation Public Transportation Grant Agreement #428363-9-94-01 that will provide participation funding for the purchase of several pieces of operations and maintenance equipment to be used on the Airport.

Ongoing and expanding maintenance operations at the Airport require specific types of equipment to accomplish required operations and maintenance activities. Included in the Airport's 2024 FDOT grant program are several pieces of equipment scheduled for purchase and/or replacement. This FDOT Public Transportation Grant Agreement includes funding for a vehicle mounted passenger stairway, compact excavator, zero turn mowers, utility tractor, high-capacity mowers, and small area mower.

The Florida Department of Transportation is providing a 50/50 Public Transportation Grant Agreement (PTGA) grant to assist in the referenced equipment acquisition.

The total project amount for the equipment acquisition is \$536,900. Funding is anticipated to include participation in the amount of \$268,450 by the Panama City-Bay County Airport and Industrial District, and participation in the amount of \$268,450 by the Florida Department of Transportation through a the PTGA.

Staff recommends Board acceptance of Florida Department of Transportation – Public Transportation Grant Agreement #428363-9-94-01 and authorize the Board Chair or their designee to execute required documents.

**Mr. Will Cramer made a motion to Accept the Florida Department of Transportation Public Transportation Grant Agreement and Adopt Resolution #2023-04 for Operations and Maintenance Equipment, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Approve Concession Agreement with Go Rentals**

Ms. Trissy Pickett with Gitibin & Associates (Go Rental) gave a presentation to the Board promoting their luxury car rental company Go Rentals.

This item provides for Board approval of a Concession Agreement with Gitibin & Associates, Inc. dba Go Rentals for an off airport rental car concession at the Southern Sky Aviation FBO.

Recently, Southern Sky Aviation and Go Rentals met about providing rental car services at the Southern Sky Aviation FBO.

Go Rentals provides vehicles for the FBO customers. The company is an elite vehicle rental service that provides high levels of customer service with a focus on the private jet industry. Go Rentals provides this service at more than 80 airports and fine hotels throughout the United States. Southern Sky Aviation, our newest FBO, has entered into an agreement with Go Rentals for this service at their FBO.

Go Rentals will enter into a Concession Agreement with the Airport to allow them to operate at ECP and provide services at Southern Sky Aviation. The Concession Agreement outlines operational requirements of the Airport and includes concession fees of 10% of gross revenues as defined within the Agreement. The Agreement is in the review process by both the Airport and Go Rental's legal counsel.

There will be no impact to the Airport's FY23 budget and the FY24 budget will reflect an increase in concessions revenue as a result of this Agreement.

Staff recommends Board approval to allow the Executive Director to execute the Concession Agreement, following satisfactory legal review.

**Vice Chair Sheldon made a motion to Approve the Concession Agreement with Go Rentals, and Mr. Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.**

**d. Approve and Adopt Resolution #2023-05 for One Time Bonus for District Employees**

Mr. McClellan asked the Board to approve a One Time Bonus for District Employees.

The dedication of our staff to ensure the continued economic viability and the success of the Airport is recognized every day. In today's economic environment, it is a difficult and challenging time for employers and employees with increases in cost of goods, inflation and high prices of fuel. The Senior Staff and Board want to reward our employees and thank them for their efforts.

Over the last 4 years, the Airport Staff has been resilient to change, seeing both record low passenger numbers due to the Pandemic and counts that rebounded to record high passenger levels. In July 2023, the Airport's passenger traffic was up more than 18% and there are 11 vacancies. These variances created organizational and facility challenges to ensure our passengers never saw the impact. During the high passenger activity levels, the staff continued to excel with no additional staff and maintained the commitment to serve the community with exemplary customer service.

The continued higher cost of living, price of fuel and the overall cost of goods has had a significant impact on our team members due to the location of the Airport and the distance they drive to come to work.

This one-time non-recurring longevity payment is based on numerous factors and it is a great opportunity to recognize our employees for their contributions to the success of ECP. The proposed amounts are as follows:

\$2,500 for those employed on or before March 1  
 \$1,250 for those employed March 2 – June 1  
 \$625 for those employed June 2 – August 1, 2023  
 \$250 for those employed August 2 and after

This item is funded within the District's FY23 Operating and Capital Budget and the cost to provide this Non-Recurring Longevity Incentive Payment is estimated to be \$173,000.

Staff recommends Board approve and adopt the Resolution 2023-05 for Non-Recurring Longevity Incentive Payment.

**Mr. Will Cramer made a motion to Approve and Adopt Resolution #2023-05 for a One Time Bonus for District Employees, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.**

**Construction Update (information only):**

**a. Parking Lot Expansion**

A portion of the Overflow Parking Lot has been paved, pending the arrival of some concrete fixtures. The fixtures have been installed and the other half can now be paved. This portion of the Project is slated to be completed in the next 2-3 weeks. This week the fiber communications and power to the exit/entry plaza are being installed. And on August 28 and 29, the sub-contractor will begin installation of the Point of Sale equipment.

**b. Terminal Buildout**

More sheetrock has been completed, and more electrical conduit and HVAC piping has been added. Delivery of ODP Equipment and supplies for the buildout has begun. The fire protection piping needed to be replaced, so a Change Order has been approved to relocate some of the fire piping. The next phase, scheduled for the first half of September, involves expanding the concrete over the exit lane to add to the available square footage on the second floor.

**c. Bag Makeup Expansion**

This project is ongoing. The primary power to the Terminal Building was not located where it was supposed to be. There was a Change Order approved that will allow the Contractor to work around this issue by rerouting the storm sewer and sanitary sewer. This should allow this project to move forward. In the meantime, the planning for the equipment and electronics for the space has started.

**d. Southern Sky Aviation**

Southern Sky is finishing up. They have skinned the two main hangars and have poured the slab for the third hangar. They are placing walls and sheetrock inside the Executive Terminal. They have relocated their project trailer so that they can begin work on the ramp portion of the Project.

**e. Sheltair**

Sheltair is in the process of erecting their hangar. Sheetrock has gone up in their new office space and the Project is moving along quickly.

**Planning Update (information only):****a. North Terminal Expansion:**

**North Terminal Design** – Mr. Rick Mellin provided a written update of the North Terminal Project and received questions from the Board. The Board is concerned that the Project is falling behind and the Contractor is not responding to the Engineering Company. The Board would like Mr. Mellin to hold the Contractors accountable for the delays and press them to move forward so that the projects will be completed on time. The Board has asked for an update on the projects and a plan of action before the next Board Meeting. Mr. Mellin said that there is a bid for the Escalator Equipment, as well as one for the CM at Risk for that project. He will be meeting with FAA to approve the contracts for those projects. He is meeting with Hensel Phelps about the design, the TSA location and the North Terminal Expansion Project, and is working to get the design documents for those projects within scope. The costs of all three projects are higher than acceptable. The 95% construction documents will be available September 8, and permit documents are scheduled for November 17, as long as there is an agreement on the scope.

**Bay EDA Update (Information Only):**

Ms. Becca Hardin gave the Bay EDA update. She thanked Mr. McClellan for all of his help and support with the ongoing Bay EDA Projects. She said that last week she and Mr. Ben Moorman attended the Triumph Gulf Coast Meeting along with Mr. McClellan and Chair Melzer. Their application was approved for a \$90 million grant to support Project Stamper. This is the largest Triumph grant ever approved and the largest per job grant approved at \$50,000 per job. It is the largest incentive in the state of Florida's history. She anticipates a decision for Project Stamper during the middle of September. She also anticipates a decision from Project Maple sometime next month. They have 3 approvals for \$11.25 million from Triumph to support Project Maple which will provide 250 jobs and \$30 million in capital investment.

**The Moore Agency Update (Information Only):**

Ms. Jordan Jacobs of The Moore Agency reported on marketing. She went over some of the ideas that were discussed at the Innovation Incubation session. She presented some visual and memorable photo op displays that could be possible if they were within budget and were

accepted by the Board. She talked about using a vendor to reach frequent flyers via email marketing. They are also going to build in more Geofencing marketing so that passengers can be messaged when they are on the Airport property. She asked the Board for feedback about the possibility of using Influencer Marketing. She said that Moore will be doing a social media series based on the Top Ten Reasons to fly ECP that were given by the Board during the session. Mr. McDonald mentioned that because passengers have been on edge across the country, and there have been recent problems at ECP with inconveniences with our temporary overflow parking and TSA issues that have caused contention for the passengers, that he would like for Moore to review several upscale passenger options along with costs in the next month to see what can be implemented very soon to help make the passenger experience better. Chair Melzer suggested that a timer be added to the ECP website to show the wait times for TSA so that the passengers will be aware if there are delays.

**Executive Director Report:**

Mr. McClellan gave the Executive Director Report. There was an Airline Budget Meeting and the airlines were very supportive. There was an issue with TSA two weeks ago, causing security to have only two operational lanes. Planning was done to prevent backup if it occurred again last weekend. Mr. McClellan and Mr. McConnell along with Staff kept the wait to a minimum. The machine has since been repaired. Mr. McClellan attended the Air Show Meeting for May 4<sup>th</sup> and 5<sup>th</sup>. The National Guard will be having their ground breaking on September 8th at 9:00 a.m. at the west end of Johnny Reaver Road. The Board Meeting for that day will be moved to 10:00 a.m. to allow attendance.

**Public Comments:**

There were no Public Comments.

**Adjournment:**

The meeting was adjourned at approximately 10:25 a.m.

Next meetings scheduled:

September 8, 2023 – Board Meeting 10:00 a.m.

September 27, 2023 – Board Meeting 9:00 a.m.

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Lisa Brady, Executive Assistant

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Holly Melzer, Chair