

MEETING MINUTES

PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

Opening:

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 10:00 a.m., September 8, 2023 by Acting Chair Will Cramer.

The Invocation was given by Chair Will Cramer.

The Pledge of Allegiance was led by Mr. Les McFatter.

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

Mr. McClellan asked the Board to vote for approval of Remote Participation, allowing Ms. Holly Melzer to participate and vote in the Board Meeting remotely via ZOOM.

Mr. Glen McDonald made a motion to Approve Remote Participation, and Mr. McFatter seconded the motion.

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

The motion passed unanimously.

Chair Will Cramer asked if there were any Public Comments. There were no Public Comments.

Chair Will Cramer asked if there were any items on the Agenda, that any Board Member would like to move or further discuss, and if not, to make a motion to accept the Agenda.

Mr. Glen McDonald made a motion to Accept the Agenda, and Ms. Victoria Williams seconded the motion.

Roll was called. In attendance were: Mr. Les McFatter, Ms. Victoria Williams, Mr. Glen McDonald, Ms. Holly Melzer (via ZOOM), and Chair Will Cramer.

The motion passed unanimously.

Business Items:

a. Accept FAA CARES Grant Offer for Passenger Boarding Bridges

Mr. McClellan explained that, there is an opportunity to purchase new Passenger Boarding Bridges through FAA Grant monies. The Airport has been spending a great deal of money

repairing the current boarding bridges and they need to be replaced. The Airport was required to ask for a Development Addendum and filed a grant request with FAA that was accepted.

As part of the Coronavirus Aid, Relief, and Economic Security Act (CARES) of 2020, the Airport accepted a grant to assist in offsetting anticipated reductions in revenue as a result of the Coronavirus pandemic. The grant was to be used only for purposes related to the Airport. In order to use CARES funds for construction projects, it is a requirement that the sponsor submit an application for a grant addendum. In May 2023, a Development Addendum to the grant was submitted to the FAA requesting to allocate CARES funds to the purchase of three (3) passenger boarding bridges to be used at the Airport. This FAA Grant Offer represents the approval of that allocation of CARES funds. Project item is:

- Improve Terminal Building (Acquire three (3) replacement passenger boarding bridges)

Total costs for the three (3) passenger boarding bridges is \$3,032,550 and the project is reimbursable under this FAA Grant at 100%.

Staff recommends acceptance of the FAA CARES Act Airport Grant Agreement Development Addendum Project #3-12-0159-043-2023 dated August 25, 2023 for three (3) passenger boarding bridges as outlined above.

Mr. Glen McDonald made a motion to Accept the FAA CARES Grant Offer for Passenger Boarding Bridges, and Chair Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.

b. Approve Purchase – Passenger Boarding Bridges – JBT Aerotech Corporation

Mr. McClellan explained that there was a public bid advertised for the new Passenger Boarding Bridges in which 2 bids were received. The Airport would like to accept the competitive bid from JBT Aerotech Corporation for the purchase of the new bridges.

This purchase provides for replacement of three (3) passenger boarding bridges currently located on gates 1, 2 and 6 at the Terminal Building. The existing bridges to be replaced are currently in excess of twenty (20) years old. One (1) bridge, manufactured in 1992, was initially used at Panama City/Bay County International Airport (PFN) and was subsequently transferred to Northwest Florida Beaches International Airport (ECP) when it opened in 2010. The other two (2) bridges, manufactured in 1987 and remanufactured in 2012, were installed in 2012 as part of the new Airport construction. Discussions with maintenance and manufacturer personnel indicate the current bridges are well beyond useful life with replacement parts being increasingly difficult to find and acquire. Continued growth in airport passenger activity has identified the need to replace these three (3) bridges.

In May 2023, an “Invitation for Bid” was publicly advertised for three (3), replacement passenger boarding bridges. At bid opening on June 1, 2023, two responsive bids were received as follows:

- JBT Aerotech Corporation. - \$3,032,550

- TK Airport Solutions, Inc. - \$3,116,256

This purchase provides for manufacture, delivery, installation, and training for three (3) new bridges and will complete replacement of all aging passenger boarding bridges at the Airport.

This purchase will be included in the FY 2024 Airport Operating and Capital Budget and will be funded through the FAA CARES Act Airport Grant Agreement Development Addendum Project #3-12-0159-043-2023 at 100%.

The CARES funding is available through the re-allocation of the Terminal Design project CARES funding in order to ensure the timely and complete use of the Grant.

Staff recommends Board approval of the purchase of three (3) passenger boarding bridges in an amount not to exceed \$3,032,550.

Ms. Victoria Williams made a motion to Approve the Purchase of the Passenger Boarding Bridges – JBT Aerotech Corporation, and Chair Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.

c. Approve Air Traffic Control Tower Radio Replacement – AGC Systems, Inc.

Mr. McClellan explained that the radios and communications equipment at the Air Traffic Control Tower are 13 years old and need to be replaced.

Under terms of the Federal Aviation Administration Contract Tower Program, the Airport owns and maintains the Air Traffic Control Tower facilities located at ECP. As such the Airport is required to maintain a list of required operational equipment which includes all air-to-ground communications and support equipment. Recent discussions with FAA Technical Operations personnel indicate support for existing radios and radio support equipment is becoming increasingly harder to obtain and replacement is recommended by 2025 at the latest.

In July 2023, an “Invitation for Bid” was publicly advertised for Air Traffic Control Tower Radio Replacement. At bid opening on August 14, 2023, one responsive bid was received. The receipt of one bid was not unanticipated in light of the specialization required to install, service and maintain this type of equipment. The bid was received from:

- ACG Systems, Inc. - \$468,860

This purchase provides for acquisition, installation, configuring and commissioning of replacement VHF and UHF air-to-ground transceivers, Automated Terminal Information Service (ATIS) communication transceiver, Automated Digital Logging Recorder system, control software, installation hardware and term warranty agreement.

This purchase will be included in the Airport’s FY 2024 Operating and Capital Budget. It will be paid with a combination of funding from FAA AIP Grant #3-12-0159-042-2023 for 90% and from COVID-19 ACRGP Grant funds for 10% of the eligible items which total \$442,860. The optional extended warranty cost of \$26,000 is not covered by the AIP Grant and will be funded

with available Airport funds.

Staff recommends Board approval of the purchase of Replacement Radios and communications equipment from ACG Systems, Inc., in an amount not to exceed \$468,860.

Mr. Glen McDonald made a motion to Approve Air Traffic Control Tower Radio Replacement – ACG Systems, Inc., and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.

d. Approve Term Sheet with Triumph Gulf Coast, Inc. for Project Maple

Mr. McClellan, along with the Board, has been working with Bay EDA since April 2021 to bring a Canada-based company referred to as Project Maple to ECP as one of their new locations.

The Staff and the Bay Economic Development Alliance (Bay EDA) have been working on Project Maple since April 2022. Project Maple is a maintenance, repair and overhaul (MRO) company that will be expanding their MRO services to the United States and ECP. The total cost of the project which includes an approximately 100,000 s.f. hangar is estimated at approximately \$25 million dollars and includes a Triumph Gulf Coast grant request of \$11.25 million dollars.

The Term Sheet summarizes the basic terms with Triumph Gulf Coast, Inc. as part of the award of a grant to the Panama City-Bay County Airport and Industrial District and Space Florida. The Term Sheet is non-binding and will be utilized to develop the Grant Award Documentation that will be presented for approval at a later date.

Additionally, Staff has been working with legal counsel on the Term Sheet, Grant Agreement, Lease and Sub-lease for Project Maple. There is no budgetary impact.

Staff recommends Board approval of the Term Sheet with Triumph Gulf Coast, Inc. for Project Maple.

Mr. Les McFatter made a motion to Approve the Term Sheet with Triumph Gulf Coast, Inc. for Project Maple, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Proposed Board Budget Presentation:

The draft FY24 Operating & Capital Budget was previously provided to the Board for their review in preparation for this discussion.

Mr. Parker McClellan presented the Activity Reports. The Airport is up by about 8% over last year for the month of August and has had the best calendar year to date and continues to grow. Market Share is between 20-24%. He anticipates an 8% increase. There has been significant growth since the Airport opened in 2010, and considering what our community has been through over the last 5 years makes it quite remarkable.

Ms. Darlene Gordon reviewed the financials from the August 23, 2023 Board Meeting. Unrestricted Cash

is \$3.6 million. Restricted Cash is \$12.7 million. Total Cash as of July 31, 2023 is \$43.4 million, which is an increase of \$6.9 million over last year. Total Capital Assets are \$420 million. SIB Loans account for \$31.5 million of Liabilities with other Liabilities totaling \$1.8 million. Excess Revenues Over Expenses are \$15.9 million, of which Operating makes up \$8.7 million, and Non-Operating at \$7.2 million; up \$ 2.4 million over the same time last year.

The recap of Revenues and Expenses for July 2023 show the Rental Cars at \$6.2 million, which equates to \$620,000 for the Airport. Year to date, the Landing Fees are higher than the budget due to bigger planes. Parking is doing well at \$3.8 million. Total Operating Expenses are doing well at nearly 10% under budget. The \$15.9 million in Total Excess Revenues reflects the best year that the Airport has ever reported.

Mr. McClellan advised later this year the Staff will present a recommendation to the Board of two 2-year options that will be presented to the Airlines in December 2023 for the Airline Lease and Use Agreement that expires in September 2024.

Ms. Gordon explained the Airline Settlement number and how it is calculated. Revenue Share is split at 50% between the Airport and the Airlines. This allows the Airlines to share in the Airport's success. Over the last 9 years, this number has grown at an average of 1.5% annually and has remained under budget. All of the Airlines have increased their Landing Weights over the last year. General Aviation is up over last year due to the addition of Southern Sky Aviation.

The largest increase in expenses from FY24 to FY23 is \$826,000 in personnel. The breakdowns are: New personnel increased \$503,000, Operations increased \$241,000, there was an 8.75% increase in employee insurance at \$76,000, and a 5% base salary adjustment increase at \$229,000.

Utilities are up \$88,000; Property and Liability Insurance is 2.9% of the total budget with an increase of 25%. Supplies, materials, equipment, vehicles, fuel and other capital items added \$82,000. Janitorial services are up 13.6% per the contract.

Numbers of personnel for FY24 are: Operations -15, Police - 25, Fire Department -15, Maintenance -18, Administration - 5, and the Executive Team - 3. Mr. McClellan presented the new Organizational Chart with the addition of 1 Maintenance Person, 2 Operations Agents, and 8 Part-time Operations Agents for the new Employee Screening Process required by TSA.

Mr. Richard McConnell went over some anticipated purchases for the upcoming year to include replacement items such as hot water heaters, transfer switches for the airfield lighting, LED Street Lights and LED Lighting. The new security doors, a new Audio/Video System for the Board Room, new radios for the Air Traffic Control Tower, and a set of Passenger Stairway will be purchased over the next year. Lightning strikes have become a problem, so Surge Protection for the Parking Lots is needed. Other items were the development of a Safety Management System, a Common Use System, and Fiber to connect to Bay County's Emergency Management System and their Criminal Department System. Also, in the budget are two new all-electric shuttles for the overflow Parking Lot and lighted message boards to alert passengers when the parking is full, as well as new fuel pumps.

Mr. McClellan discussed the upcoming Capital Development Projects: Environmental Mitigation, procurement of the new escalator, three new passenger boarding bridges, the taxi lane tie-in for Southern Sky, the possibility of adding three T-Hangars, an Environmental Assessment, the Loop Road Improvements for the Terminal Expansion, and the two Bay EDA Project Stamper and Project Maple.

Ms. Gordon reviewed the Airport's debt balance of \$30.9 million with an annual payment of \$2.6 million and interest rates are good. Rates and Charges are \$64.80 this year, which is only 34 cents more than last year. Debt service is being paid by COVID Funds.

Mr. McClellan added that the Airport is still able to be very competitive for the Airlines and able to grow and enhance the passenger experience. He reminded the Board that the COVID monies received continue to make a difference, so next year, when those funds are exhausted; there will be a significant change in the Budget.

The Board Budget Presentation provided for a review and discussion of the proposed FY24 Operating & Capital Budget and required no formal action by the Board. Formal approval of the final Budget will be considered at the September 27, 2023 Board Meeting.

Construction Update

Mr. McConnell gave a Construction Update. The final layer of asphalt is being added to the Overflow Parking Lot. The lighting and Point of Sale Equipment is installed and operational. Ground cuts will be done next week. The chains are being replaced. Once the acceptance inspection is complete, mobilization will begin on Long-Term and Employee Lots. The Change of Condition was approved for the Outbound Baggage Area. The stormwater and sanitary sewer has been completed and the plumbing contractor is installing the final connections. Final compaction will be completed next week and concrete work should begin. The final change to the configuration of the belt system has been turned in and a lot of the equipment for the baggage system is already in production and on order. The sprinkler system for the North terminal buildout is complete. The damaged fire protection pipes are being replaced. The low-voltage systems are being roughed in. HVAC will begin to be installed next week. The plumber is preparing to install the restroom fixtures. Steel was delivered today. The plan for relocating the TSA Checkpoint exit lane will be presented today. The FAA is finishing up the final touches of the 388 Roundabout Project. He anticipated the Parking Expansion Project to be completed by early November.

Adjournment:

The meeting was adjourned at approximately 11:45 a.m.

Next meeting is scheduled: September 27, 2023 – Board Meeting 9:00 a.m.

Lisa Brady, Executive Assistant

Will Cramer, Chair