

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 9:00 a.m., September 27, 2023 by Chair Holly Melzer.

The Invocation was given by Vice Chair Sheldon.

The Pledge of Allegiance was led by Chair Melzer.

Roll was called. In attendance were: Ms. Victoria Williams, Mr. Matt Algarin, Mr. Will Cramer, 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 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 Agenda.

Ms. Victoria Williams made a motion to accept the Agenda, and Mr. Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.

Reports:

Mr. Parker McClellan presented the Activity Reports. The Airport passenger traffic is up for August, approximately 8%. The load factors continue to be good. Based on our present trajectory, this could end up being the Airport's biggest year. The Airport continues to do well regionally with approximately 23% of the Market Share.

Ms. Darlene Gordon presented the Financial Reports for the first 11 months of the Fiscal Year ending August 31, 2023. In the month of August, total cash increased \$967,000 over July. Compared to last year, cash increased \$7.3 million for a total balance of \$44.4 million. Of that number, unrestricted cash is \$31.2 million and restricted cash is \$13.2 million. In August of 2023, total liabilities increased \$648,000 due to project and construction costs. Last week, the Airport paid the debt service payment in the amount of \$2.6 million and a grant request has been submitted for reimbursement of those funds. Excess revenues over expenditures to date are \$17.8 million. Operating Revenues account for \$9.7 million with Non-Operating Revenues making up the remaining \$8.1 million. Operating Revenues to date are \$19.5 million and exceed budget by \$2.4 million, which is 114% of budget. The Terminal Complex Revenues continue to exceed budget by \$1.6 million. Overall, the Total Operating Expenses are \$883,000 under budget.

The Audit RFP closes today at 2:00 p.m., and there is an Audit Committee Meeting on Monday at 3:00 p.m., with an Evaluation and Scoring overview meeting on October 16 at 2:30 p.m. and we will bring scoring results to the Board at next month's meeting.

This will be the last financial presentation for 2023, as we prepare for the Audit and close out FY23.

Consent Agenda:

a. Approve Audit Committee Minutes – August 21, 2023

This Item provides for Board approval of the August 21, 2023 Audit Committee Meeting Minutes.

b. Approve Board Meeting Minutes – August 23, 2023

This Item provides for Board approval of the August 23, 2023 Board Meeting Minutes.

c. Approve Board Meeting Minutes – September 8, 2023

This Item provides for Board approval of the September 8, 2023 Board Meeting Minutes

d. Approval to Dispose of Surplus Property

This item provides for the Board's authorization for the sale and/or disposal of surplus inventory items.

It has been determined by Staff that the following items are no longer needed to support the operation of the Airport and should be declared surplus:

- 2006 E-One, 1,500 Gallon ARFF vehicle. Vehicle replaced in 2023 under 2021 FAA Grant
- 2013 Ford F150. Vehicle replaced in 2022
- Miscellaneous Computer/IT Equipment (Replaced in 2022/2023)
- Grasshopper 930D Zero Turn Mower
- Miscellaneous Restaurant Equipment. Equipment replaced by Airport Concessionaire

Staff is seeking approval to dispose of the surplus property. In the past, Staff has utilized GovDeals.com and intends to continue to utilize for these and other items.

The FY24 Operating and Capital Improvement Budget will be positively impacted by proceeds gained from the sale of these items.

Board authorization is requested to dispose of the listed items as surplus property, to sell by electronic auction or dispose of as appropriate.

Vice Chair Sheldon made a motion to accept the Consent Agenda, and Mr. Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Approve and Adopt Resolution for FY24 Operating and Capital Budget

Mr. McClellan and Ms. Gordon presented a brief overview of the FY24 Operating & Capital Budget to the Board for approval and adoption. Mr. McClellan explained that since the Board Budget Workshop, a 5% adjustment to the Revenue Budget was made based on input from the Board. Ms. Gordon reported that for FY24 the Airlines have projected a 26.8% increase in Passenger Numbers as well as an expected increase in Landing Weights of 24.9%. The Airlines have reported an 8% increase over the projected passenger numbers for this year.

The FY 2024 Operating & Capital Budget includes operating revenues of \$21,932,505 and operating expenses of \$13,153,230. The budget incorporates the debt service requirements for principal and interest payments of \$2,614,217 for the two SIB loans, which is offset with funding from passenger facility charges of \$1,359,393 and COVID-19 grant funds of \$1,254,824. Also included is the use of COVID-19 grant funds for \$970,000 of operating expenses and \$3,842,250 for capital expenditures.

The FY 2024 Operating & Capital Budget was presented to the signatory air carriers and discussed at the Airline-Airport Affairs Committee Meeting on August 9, 2023. The air carriers reviewed the Rates and Charges calculations for FY 2024 along with the proposed Operating & Capital Budget. The airlines were receptive to the Budget presentation and had no objections.

The Board Budget Workshop was held on September 8, 2023 and the proposed Budget was reviewed in detail. It should be noted the landing fee rate and CPE presented at the Workshop have changed due to the following reasons: adjustments were made to increase non-airline revenues based on projected passenger activity, which resulted in a lower CPE than presented; the addition of a stormwater master plan to capital projects, resulting in an increase to the landing fee rate; and a reduction in the budgeted amount for one economic development project.

The highlights of the budget include:

- Overall revenues increased by \$3,307,986, or 17.8%, over the FY 2023 Budget due primarily to increased terminal concessions, increases in airline landing fees and terminal rents, increased interest earnings, higher rental car concession fees, and increased parking revenues;
- Personnel costs increased by \$826,193, or 13.3%, over FY 2023 Budget, and includes the addition of four new full-time and eight new part-time positions. Also included is an increase to base pay of 5.0% to all employees;
- Total operating expenses budgeted reflect a \$1,362,840, or 11.6%, increase from the prior year's budget; and
- Rates and Charges are as follows:
 - ♦ Terminal Rental Rate increased from \$64.52 to \$64.86 per square foot
 - ♦ Landing Fee decreased from \$4.86 to \$4.39 per 1,000 pounds
 - ♦ Signatory Cost per Enplanement increased from \$5.75 to \$6.47

Approval of the proposed budget presented will also include authorization for the following:

- Capital Equipment Schedule
- Capital Projects Schedule
- Staffing Levels and Pay Range Adjustments
- Renewal of Property and Casualty Insurance
- An increase in the hourly attorney rate from \$200 to \$250 per hour
- Maintaining the fuel flowage fee at \$.04 per gallon
- T-Hangar rental rate for new tenants:
 - ♦ Small - \$489.28
 - ♦ Medium - \$661.15
 - ♦ Large – \$914.76
- Land Rental rate of \$0.41 per square foot

The FY 2024 Operating & Capital Budget contains a 17.8% increase in operating revenues over the FY 2023 Budget and an 11.6% increase in operating expenses for the same period. This Budget produces \$8,779,275 in net remaining revenues available prior to revenue sharing.

Staff recommends approval and adoption of the FY 2024 Operating & Capital Budget as presented.

Mr. Will Cramer made a motion to approve and adopt the Resolution for the FY24 Operating and Capital Budget, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.

b. Approve Purchase of Airport Mobile Passenger Stairway (Air Stairs)

Mr. Richard McConnell explained the need for the purchase of an Airport Mobile Passenger Stairway. This item provides for Board approval for the purchase of a mobile passenger stairway to be used in support of Airport operations.

Ongoing and expanded operations at the Airport make it increasingly important to maintain the ability and resources capable of mitigating irregular and emergency type operations in a timely manner to avoid extended delays and shutdowns. In recognizing the need to be capable of enplaning and deplaning passengers from non-terminal locations on the airfield, the Airport included in its 2023 FDOT grant request a highly-specialized mobile passenger stairway to be used in support of irregular and emergency operations on the Airport.

On July 21, 2023, an “Invitation for Bid” was publicly advertised on DemandStar and called for a “Airport Mobile Passenger Stairway” as provided for in associated specifications. At bid opening on August 22, 2023, one responsive bid was received from Stinar, LLC.

This purchase is provided for in the Airport’s FY24 Operating and Capital 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.

Staff recommends Board acceptance for purchase of an Airport Mobile Passenger Stairway from

Stinar, LLC, in amount of \$200,770.

Vice Chair Sheldon made a motion to approve the purchase of Airport Mobile Passenger Stairway (Air Stairs), and Mr. Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.

Construction Update (information only):

a. Parking Lot Expansion

Legal Counsel considered the Board's concerns about the delays of this project and any contractual options that need to take place to expedite the project to move forward. Certified letters have been sent to Whitesell-Green indicating that liquidated damages will begin on September 15, 2023, in the amount of \$440 per day. The project has started moving forward. Mr. McClellan said that the Overflow Lot, referred to as Long Term Lot 2, will open at 10:00 a.m. this morning. Mr. McConnell reported that the Lot is complete and has been turned over to Reef Parking and they are running final tests on the credit card capabilities. As soon as they are cleared the lot can open. It is a self-use lot that only accepts credit cards for payment. When a customer enters Long Term Lot 2, a remote movement sensor alerts the Toll Booth to dispatch a shuttle to the lot. Reef Parking has scheduled a regular shuttle to the lot, and the Airport has purchased two shuttles to assist during high traffic times, as well as when the lot is full and overflow parking is being utilized.

The last phase of the project has already begun which includes the Employee Parking Lot and the existing Long-Term Lot. Fifty existing spaces on the back of the lot will be taken out to allow for construction, but 110 spaces will be added with the expansion of this lot.

b. Terminal Buildout

This project is moving along quickly. Interior fixtures, the fire system, electrical and HVAC are all being installed. The baggage services offices for Southwest, United Airlines and Huntleigh are being temporarily relocated so that foundational work can be done in the areas of the old offices. Once the work is completed, the offices will move back to their original location. The project is now moving into the exit lane and it will be taken out of service until the end of January so that the second-floor construction can begin. Ms. Lori Bates and Ms. Carolyne Danzey of Lori Bates Design presented the colors and finishes of the design concepts for the new space as well as ideas to update the existing space to allow for an updated transition into the new expansion space. These finishes would be for the flooring, walls, carpet, counters and restroom areas and involve many colors and textures complimentary to the spaces.

c. Bag Makeup Expansion

Mr. McConnell updated that all of the issues with the utilities have been resolved for this project and the underground utilities have been installed. Compaction tests will be done this week and concrete framers are starting next week to frame and begin working on the foundation. All of the equipment and work on this project is moving along quickly and is now on schedule and expected to finish on time.

d. Southern Sky Aviation

Southern Sky has completed compaction and is preparing for asphalt, paving, and stormwater preparation. One hangar is nearing completion and steel has been erected and framing put in on the other hangar. The Executive Terminal is moving along and is ahead of schedule.

e. Sheltair

Sheltair is still working on their hangar with a few delays. The offices on the back of Hangar 2 are nearly completed.

Planning Update (information only):

a. North Terminal Expansion:

North Terminal Design – Mr. David Scruggs provided a written update of the North Terminal Project along with schedules of completion and received questions from the Board.

Bay EDA Update (Information Only):

Mr. Ben Moorman gave the Bay EDA update. They were able to announce the successful acquisition of Project Maple which is Premier Aviation USA Overhaul Services. Premier Aviation will be located on a site adjacent to Sheltair and will be building a 100,000 sf. hangar and office space bringing \$32.5 million in capital investment. He thanked everyone for their participation in helping to get this project to Bay County. He also announced that we were not chosen as the final site for Project Stamper. They have selected a site in Dayton, Ohio. He thanked everyone involved in those efforts. Ms. Becca Hardin is in Washington, D.C. meeting with aviation aerospace companies. In October they will be attending MRO Americas in Amsterdam.

The Moore Agency Update (Information Only):

Ms. Jordan Jacobs and Ms. Katie Spillman of The Moore Agency reported on marketing. They presented ideas to the Board that could enhance the passenger experience in the Airport. The short-term recommendations were: ECP Perks such as ECP branded cookies, bag tags and a popcorn cart. They discussed a “Junior Flyer Zone” for children with coloring books and crafts, stickers for ECP Staff to hand out to children, and an “Art Runway” to display childrens’ art. They suggested extending the “ECP Wheel’s Up Summer Music Series” into August. They also proposed having an “ECP Merry Music Series”, or inviting school choirs to sing in the Terminal during the holidays. Some Mid-Range ideas were a “Spin to Win” Contest to give away prizes to passengers, launching an AI ChatBot for passengers to ask questions via Wi-Fi, an Animal Therapy Program and an onsite incentivized passenger survey to gather data to better assist passengers and also research for future use. Longer term ideas were to have the ECP parking lot shuttles custom brand wrapped and holding a contest on social media to come up with names for the shuttles. Also, making the shuttles more fun with seasonal decorations and music. Recognizing and celebrating key observances throughout the calendar year such as “World Pilots Day” or “National Tourism Day”, as well as ECP Staff by doing special handouts, such as candy

bars or cookies on those days. Lastly, future ideas were adding something iconic at the airport such as an art installation or an ECP Loyalty Lounge. A discussion about budget and details for the ideas followed.

Executive Director Report:

Mr. McClellan introduced Jeff Switzer, President of Tailwind Concessions, which operates the gift shop in the Airport. Mr. Switzer spoke briefly about the new remodel and the addition of new products in their store. He said that they hope to increase revenue for the Airport and want to serve the passengers better. He said that they are trying to better promote our area with the products that they sell. He said that he welcomes any collaboration from the Board or Director. He offered to assist with the passenger survey or anything else that they are able to help.

Mr. McClellan and Mr. Cramer met with Bay County Commissioner Mr. Doug Moore and Mr. Bob Majka, County Manager of Bay County last week. They are trying to find a way to provide EMT and Fire Services to the West Bay area temporarily. It was proposed that they could provide two staff capable of responding to emergencies at ECP if needed, and the Airport would provide space to house an Advanced Life Support (ALS) Engine and two personnel. The concept will be reviewed by Legal Counsel before any decisions or plans are made and will be presented to the Board at a later time.

Mr. McClellan reviewed an email complaint sent to the Board from an employee about having to park in the Overflow Lot. He explained the process with the discounted parking areas and the procedures taken when the lots are full. He stressed that Airport employees should have priority parking in these spaces due to having to work onsite every day. He believes that when the parking expansion is complete it will help alleviate some of the parking shortage.

In conclusion, he thanked the Board on behalf of the staff for approving a 5% annual raise within the FY24 Budget.

Public Comments:

There were no Public Comments.

Adjournment:

The meeting was adjourned at approximately 10:50 a.m.

Next meeting scheduled:

October 25, 2023 – Board Meeting 9:00 a.m.

Lisa Brady, Executive Assistant

Holly Melzer, Chair