

BOARD WORKSHOP AND BY-LAWS DISCUSSION MINUTES**PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

Opening:

The Budget Workshop Meeting and By-Laws Discussion of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., September 4, 2019 by Chairman Lee.

All Board Members were present except Mr. Ken Nelson, Ms. Sandy Sims, and Mr. Jay Tusa.

FY 20 Operating and Capital Improvement Budget

The draft FY 20 Operating and Capital Improvement Budget was previously provided to the Board for their review in preparation for this discussion.

Mr. McClellan and Ms. Nelson reviewed the projected operating revenues and operating expenses for the upcoming fiscal year and the proposed FY 20 Budget.

The operating revenues include funds that will be received from the users of the Airport and include airline fees and charges, concessions, public parking, car rentals, general aviation, space rentals and building rentals. The operating revenues in the FY 20 Budget reflect a 3.2%, or \$509,211 increase over the projected FY 19 revenues.

When comparing operating revenues of the FY 20 Budget to the FY 19 Budget, there is an increase of \$2,232,963 or 15.9%, which is primarily due to an increase in to the landing fee, additional rental space due to the Terminal expansion, and continued strong passenger and airline traffic, resulting in higher concession and parking revenues.

The projected operating expenses include salaries and benefits, professional services, supplies and materials, utilities, insurance, and other expenses necessary to maintain the Airport's operations. The operating expenses in the FY 20 Budget represent an increase of \$1,317,694 or 17.4%, over the projected FY 19 operating expenses, with the increase in personnel costs and charges related to terminal expansion being the largest factors in the increase.

When comparing operating expenses of the FY 20 Budget to the FY 19 Budget, there is an increase of \$596,423 or 7.2%. The FY 20 Budget reflects an amount which will provide for the efficient operation of the Airport, and will provide the necessary resources to meet the established goals for the upcoming year.

The main focus of the Capital Program centers on economic development projects, terminal expansion, continued development of the environmental mitigation program, and a transient aircraft parking apron and associated taxiway. Additionally, the District has included in this FY 20 Budget a new 7,500 foot crosswind runway. Stormwater repairs needed as a result of heavy rains in April 2014 are planned; however, funding for the repairs is under appeal with FEMA and SERT for 87.5% of the cost. The capital requirement from Airport funds for the FY 20 Budget is \$6,388,238 which includes capital projects and equipment.

This Budget Workshop provided for a review and discussion of the proposed FY 20 Operating and Capital Improvement Budget and required no formal action by the Board.

A Board discussion ensued regarding new Construction Delivery Methods, and there was a consensus to proceed with the CM @ Risk option.

A Board discussion ensued regarding the recent Compensation Benefits Study. Staff recommended use of a two-year phase-in implementation period for Evergreen's proposed pay structure. Formal approval of the final Budget and employee compensation will be considered at the September 25, 2019 Board Meeting.

Adjournment:

The Budget Workshop was adjourned at approximately 10:43 a.m.

Kathy Gilmore, Executive Secretary

Del Lee, Chairman