

**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., September 25, 2019 by Chairman Lee.

The Invocation was given by Mr. Russ Mathis.

The Pledge of Allegiance was led by Chairman Lee.

The Executive Secretary called the roll and indicated all the Board members were present except Mr. James Johnson, and that Ms. Sims was on the telephone requesting to participate by phone.

**Mr. Mathis made a motion to allow Ms. Sims to participate in the Board Meeting via telephone. Vice Chairman McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

**Mr. Mathis made a motion to accept the Agenda. Vice Chairman McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

**Reports:**

Mr. Parker McClellan presented and reviewed the Activity Reports.

Ms. Darlene Nelson presented and reviewed the Financial Reports.

**Consent Agenda:****a. Board Meeting Minutes – August 21, 2019**

This item provided for Board approval of the August 21, 2019 Board Meeting Minutes.

**b. Board Workshop Minutes – September 4, 2019**

This item provided for Board approval of the September 4, 2019 Board Workshop Minutes.

**c. Approve FY 19 Uncollectible Accounts Write-Off**

This item provides for Board approval to write off uncollectible debt from prior years. During the monthly accounting processes, Staff examines the accounts receivable to determine past due amounts and works with the customer to resolve the past due issues. For FY 19, most accounts have either been collected or are deemed collectible except for Sunshine Turbine. During the previous fiscal year, Sunshine Turbine was evicted from their hangar and their possessions were recently sold on the Gov-Deals website in order to recoup some of the loss of their uncollectible account. Below is a summary of their account and suggested write off of the uncollectible amount:

Lease invoices balance at 12/31/17	\$15,540.70
Less sales tax on invoices	( 869.77)
Finance charges accrued	\$ 5,200.35
Subtotal	\$19,871.28
Less proceeds from equipment sales	\$( 3,301.01)
Less security deposit applied	( 750.00)
Total uncollectible	\$15,820.27

**d. Approve Ricondo & Associates' Task Order for Airport Consulting Services**

This item provides for Board approval for Ricondo & Associates to provide Airport Consulting Services as needed.

Ricondo and Associates has provided Airport consulting services to the District for several years, including developing the current Airline Agreement and assisting with budget and settlement calculations. The District has continued to utilize Ricondo and Associates on an ongoing as needed basis for airline service development issues as well as the budget and settlement calculations.

The current Airline Agreement requires an annual settlement calculation which includes revenue sharing with Signatory Airlines. This calculation is very complex and takes into consideration total revenues, operating expenses, capital equipment, debt service, and capital reserves, and Ricondo has developed a rate model to prepare this calculation.

This Task Order will include assisting Staff in updating the rate model and review of the calculation of the Airline Rates and Charges for FY 21. The Task Order will also provide assistance with preparation of the documentation for the Airline meeting, participation in the meeting, and aiding with the calculation of the Settlement of the Rates and Charges for FY 19. The Settlement efforts will include the revisions/updates to the Airline rates and charges model based on FY 19 audit results, calculation of the final Airline rates and charges, and the revenue sharing calculation for the fiscal year ending September 30, 2019.

Additionally, the Task Order includes the preparation of an updated Airline-Airport Use and Lease Agreement, including a five-year projection, negotiations with the Airlines, meeting participation, and updating the rate model.

A not-to-exceed budget of \$68,780 is proposed for this work effort. Funding is available in the Airport FY 20 budget.

**e. Accept FAA AIP Grant Offer for the Terminal Building Expansion at the Northwest Florida Beaches International Airport**

This item provides for Board acceptance of an FAA Grant Offer for use of Entitlement Funds that provides funding for the Proposed Terminal Expansion Program. This FAA Grant Offer represents one of the Airport's requests for entitlement funds under the FAA Airport Improvement Program; this project will be a multi-year grant.

The Grant will be used for the expansion of the Terminal Building at Gates 6 and 7, to include passenger loading bridges for all gates at ECP. This will allow for continued growth and allow the Airlines to adjust their fleet mix utilizing the Airport with passenger loading bridge capabilities.

Funding is provided for in the FY 20 Airport's Operating and Capital Budget. Project costs are estimated to be \$4,666,984. Costs are reimbursable under this FAA Grant at a 90/10 ratio for eligible items, with the Airport's share totaling \$466,699.

**Mr. Nelson made a motion to accept the Consent Agenda, and Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**Business Items:**

**a.1. Accept FAA Grant Offer for the Construction of Taxiway E-1 and Transient Aircraft Parking Apron at the Northwest Florida Beaches International Airport**

This item provides for Board acceptance of an FAA Grant Offer dated September 25, 2019 for use of Entitlement Funds under the FAA Airport Improvement Program.

The Grant will be used for the construction of Taxiway E-1 and the Transient Aircraft Parking Apron (300' x 600'). The Apron is located between the T-Hangar Area and the Sheltair Leasehold. The Ramp will be used for parking aircraft of all types of aircraft up to and including large commercial jets.

Funding is provided for in the FY 20 Airport's Operating and Capital Budget. Project costs are estimated to be \$7,082,320. Costs are reimbursable under this FAA Grant at a 90/10 ratio for eligible items, with the Airport's share totaling \$708,232.

**Mr. Mathis made a motion to accept the FAA Grant Offer, and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

**a.2. Accept Bid from C.W. Roberts Contracting, Inc. for the Construction of Taxiway E-1 and the Transient Aircraft Parking Apron**

This item provides for Board acceptance of a Bid from C.W. Roberts Contracting, Inc. for the Construction of Taxiway E-1 and the Transient Aircraft Parking Apron.

This project is to construct Taxiway E-1 and the Transient Aircraft Parking Apron. This ramp will be used for parking of all aircraft utilizing the Airport up to and including large commercial jets. It will also provide access to allow further development on the Airport.

In May 2019, the Airport posted an Invitation to Bid for Transient Apron and Taxiway E1 Improvements. Three (3) bids were received and opened on June 18, 2019. All bids were determined to be responsive. Bids were received from:

GAC Contractors –  
Base Bid - \$2,009,961.74, Alt 1. – \$5,443,991.81, Total - \$7,453, 953.55

Phoenix Construction Services –  
Base Bid - \$1,910,805.00, Alt 1. – \$4,939,982.00, Total - \$6,850,787.00

C.W. Roberts Contracting, Inc. –  
Base Bid - \$1,977,820.95, Alt 1. – \$4,557,134.95, Total - \$6,534,955.90

The FY20 Airport Operating and Capital Improvement Budget includes funding for this Terminal Apron Expansion Transient Apron and Taxiway E1 Improvements Project. The Airport has also received and accepted a

Federal Aviation Administration Airport Improvement Program (AIP) grant for the project. Total project costs of \$7,082,320 will be funded 90% by FAA Grant and 10% by Airport. Airport portion will be approximately \$708,232.

Upon review of Engineers Bid Tabulation and Recommendation of Award dated June 18, 2019, Staff recommends acceptance of the responsive bid from C.W. Roberts Contracting, Inc. in an amount of \$6,534,955.90 for the Transient Apron and Taxiway E1 Improvements.

**Mr. Tusa made a motion to approve the contract with C. W. Roberts Contracting, Inc., and Vice Chairman McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

**a.3.1 Approve ZHA Task Order – #36C – Transient Aircraft Parking Apron - Construction Administration Services**

This item provides for the Board's approval of Task Order #36C to ZHA as the Airport's continuing engineering consultant to perform required Construction Administration Services for the Transient Aircraft Parking Apron for a total not-to-exceed amount of \$95,000.

In 2010, the Northwest Florida Beaches International Airport (ECP) opened as the first airport to be constructed from the ground up since 9/11. Since the opening of the Airport, there have been numerous occasions when portions of the taxiway system have been closed to accommodate larger aircraft. The frequency of this need as well as the development opportunities has created the need for this ramp.

The Task Order will be for the Construction Administration Services which include coordinating with Airport and contractor during construction; participating in pre-construction conference and preparing minutes; participating in up to six (6) on-site visits to review work; consulting with construction contractor & Airport Staff; reviewing contractor shop drawings; reviewing contractor pay applications; coordinating RFIs with contractor; preparing and submitting NFWFMD permit clearances; participating in substantial completion inspection; participating in final completion walk-thru; and preparing and providing record drawings/close-out documents.

The overall cost of this Task Order is \$95,000 and it is contained in the FY 20 Operation and Maintenance Budget. This project is also included in the Airport's 2020 Federal Aviation Administration Airport Improvement Program grant request and is eligible for reimbursement at a 90/10 ratio.

**Mr. Nelson made a motion to approve the ZHA Task Order #36C – Transient Aircraft Parking Apron – Construction Administration Services, and Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**a.3.2 Approve ZHA Task Order – #37B – Taxiway E1 Improvements - Construction Administration Services**

This item provides for the Board's approval of Task Order #37B to ZHA as the Airport's continuing engineering consultant to perform required Construction Administration Services for the Taxiway E1 Improvements for a total not-to-exceed amount of \$80,000.

In 2010, the Northwest Florida Beaches International Airport (ECP) opened as the first airport to be constructed from the ground up since 9/11. Since the opening of the Airport, there have been numerous occasions when portions of the taxiway system have been closed to accommodate larger aircraft. The frequency of this need as well as the development opportunities has created the need for this ramp. The access to this ramp requires a new taxiway, which does not have direct access to the Runway. This is part of the Runway Safety Action Program to ensure that aircraft do not have access directly from a ramp to a runway. All new ramps must meet this safety criteria.

The Task Order will be for the Construction Administration Services which include coordinating with Airport and contractor during construction; participating in pre-construction conference and preparing minutes; participating in up to six (6) on-site visits to review work; consulting with construction contractor & Airport Staff; reviewing contractor shop drawings; reviewing contractor pay applications; coordinating RFIs with contractor; preparing and submitting NFWFMD permit clearances; participating in substantial completion inspection; participating in final completion walk-thru; and preparing and providing record drawings/close-out documents.

The overall cost of this Task Order is \$80,000 and it is contained in the FY 20 Operation and Maintenance Budget. This project is also included in the Airport's 2020 Federal Aviation Administration Airport Improvement Program grant request and is eligible for reimbursement at a 90/10 ratio.

**Mr. Nelson made a motion to approve the ZHA Task Order #37B – Taxiway E1 Improvements Project – Construction Administration Services, and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Approve and Adopt Resolution for FY 20 Operating and Capital Improvement Budget**

This item presents the Fiscal Year 2020 (FY 20) Operating and Capital Budget to the Board for adoption.

The FY 20 Operating and Capital Budget includes operating revenues of \$16,353,942 and operating expenses of \$8,876,270. The budget incorporates the debt service requirements for principal and interest payments of \$3,089,574 for the two SIB loans along with passenger facility charges of \$1,606,578, resulting in a net requirement from Airport revenues of \$1,482,996. After Airline revenue sharing, the net remaining revenues are \$2,475,443.

The FY 20 Operating and Capital Budget was presented to the signatory air carriers and discussed at the Airline-Airport Affairs Committee Meeting on August 1, 2019. The air carriers reviewed the Rates and Charges calculations for FY 20 along with the proposed Operating and Capital Budget. The Airlines were pleased with the Budget presentation and did not request any changes.

A Board Budget Workshop was held on September 4, 2019, where the Budget was reviewed in detail. *It should be noted the rates and charges are slightly different than presented at the Workshop. The Project for Emergency Power Generators for the fuel farms was not included.* The highlights of the budget include:

- Overall revenues increased by \$2,311,297, or 16.5%, over the FY 19 Budget due to primarily to an increase in the landing fee, additional rental space due to Terminal expansion, and increased passenger and Airline traffic;
- Personnel costs increased by \$418,004, or 10.6% over FY 19 Budget, which includes 3 new positions and an increase to base pay as recommended by the recently completed compensation survey. Adjustments to bring the employee pay to market will be made in a two-year phase in period utilizing the “Range Penetration” methodology. This method moves an employee to the same position in the new pay scale as he/she is in the current one. A two-year phase-in allows the costs to be divided equally between FY 20 and FY 21;
- Total operating expenses budgeted reflect a \$596,423, or 7.2%, increase from the prior year’s budget; and
- Rates and Charges are as follows:
  - ♦ Terminal Rental Rate decreased from \$63.74 to \$63.64 per square foot
  - ♦ Landing Fee increased from \$4.78 to \$5.10 per 1,000 pounds
  - ♦ Signatory Cost per Enplanement decreased from \$6.25 to \$6.11

Approval of the proposed budget will also include authorization for:

- Capital Equipment Schedule
- Capital Expenditures (Projects) Schedule
- Staffing Levels and Pay Ranges
- Renewal of Property and Casualty Insurance
- Maintaining the fuel flowage fee at \$.04 per gallon
- T-Hangar rental rate for new tenants:
  - ♦ Small - \$421.60
  - ♦ Medium - \$569.70
  - ♦ Large – \$788.23
- Land Rent at the rate of \$0.36 per square foot

The FY 20 Operating and Capital Budget contains a 7.2% increase in operating expenses over the FY 19 Budget and a 16.5% increase in operating revenues for the same period. This Budget request produces \$2,475,443 in net remaining revenues available after revenue sharing, which may be used for funding the capital program and increasing reserves.

**After a presentation to the Board by Mr. McClellan and Ms. Nelson, a Board discussion followed, and Mr. Nelson made a motion to approve the FY 20 Operating and Capital Improvement Budget and adopt the Resolution, and Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Executive Director Performance Evaluation**

Vice Chairman McDonald addressed the Board and explained that this was the second year of utilizing the process established in our Board Guidelines for Mr. Parker McClellan’s annual performance evaluation. He reported that Mr. McClellan first provided a document outlining his as well as the organization’s accomplishments and establishing goals for the organization based on input he has received throughout the year.

Each Board Member was then asked to complete an evaluation form and return it to the Airport, where they were consolidated to assist in the evaluation process. Based on the input from other Board Members and his personal evaluation, Vice Chairman McDonald reported that Parker’s average rating was 3.8 out of 5 based on the performance expectation reset last year and on Parker’s performance in 2018.

Overall, based on his review and input received from Board Members, Vice Chairman McDonald reported that Parker continues to lead and represent our Airport in an “above average” manner.

A Compensation Plan Survey was recently completed by Evergreen Solutions, LLC and presented to the Board in July 2019. The Executive Director position was included in the survey, and the salary survey range for this position is as follows:

Minimum - \$131,945.65  
 Midpoint - \$174,920.40  
 Maximum - \$217,895.15

The current Executive Director salary is \$164,424.00, and Evergreen stated that its survey found that the average Executive Director compensation is \$179,260.00. Evergreen included in its report a recommendation that the Executive Director position be brought to the average amount.

As a result of the Compensation Study and the recent Performance Evaluation, Vice Chairman McDonald recommended a salary increase of 4.5% or \$7,418.00, which is consistent with the approach for non-contract employees.

A two-year phase-in period for the rate adjustment was recommended to mirror the phase-in period for all non-contract employees. The total increase of \$14,836.00 would be divided for FY 20 and FY 21, totaling \$7,418.00 per year. The effective date of the increase will be April 1, 2019.

**Following Board discussion, Mr. Mathis made a motion to authorize the 4.5% salary adjustment for the Executive Director. Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

### **The Bay EDA Update:**

Bay EDA President Becca Hardin addressed the Board and informed them that she recently traveled to the Greenville and Atlanta market and attended meetings with site selection consultants. Ms. Hardin reported that Bay EDA and ECP Staff are still working with Space Florida on Project Gator; still working on the process with Project Mastermind whose expectations are very high; and pitched a 50-acre site south of the Terminal to Project Edwards that we should hear something from soon. She added that several proposals would be presented in the next couple of weeks.

Ms. Hardin concluded that she will be travelling to MRO Europe in October.

### **The Moore Agency Update:**

Ms. Katie Spillman of The Moore Agency addressed the Board on the August highlights. Ms. Spillman reported that we ran two paid campaigns: one short one on Facebook supporting ECP's sponsorship of the Pepsi Gulf Coast Jam (PGCJ), which built up our email newsletter distribution by nearly 3,000 – as our owned and earned media tactics focused on our PGCJ ticket giveaway; and the second included our paid search campaign supporting ongoing traffic to our Escape website page – as the paid search continues to deliver our best return on investment; and she added that our Dashboard will continue to approach or exceed our goals.

Ms. Spillman reported that our owned and earned media tactics also focused on the news of Mr. Parker McClellan being named Chair of the Board of Directors for the Florida Airports Council (FAC). She reported that Mr. McClellan appeared as a featured guest on WKMG 90.7FM Gulf Coast State College's Morning Mix program to share ECP's latest news.

Ms. Spillman said that as a result of the paid search campaigns, we saw nearly 700 Airline website visits and 263 assisted conversions from the campaign; 3,811 Escape page views; 22,233 new website visitors; 45,001 total sessions; 66,699 earned media impressions; and 20.7% subscribers opening the newsletter (industry average 17%). Ms. Spillman informed the Board that the PGCJ ticket giveaway resulted in 2,884 email submissions and 140,665 impressions.

Ms. Spillman wrapped up her report by showing images of the refreshed creatives used in social media for the Gulf Coast Jam and Facebook ads.

### **Executive Director Report:**

Mr. McClellan began his report by asking Mr. Richard McConnell for an update on the State Road 388 Construction Project. Mr. McConnell reported that the progress was continuing on schedule. The two, lighted, Airport Entrance signs had been removed the week following Labor Day and temporary construction signage had been installed. He added that within the next couple of weeks, four of the Airport's street lights would be removed, and the installation of surcharge materials would begin. He added that the median just north of the Airport Entrance has been asphalted in preparation for the re-routing of traffic for construction activities.

Mr. McClellan reported that American Airlines Station Manager Thomas Merrill was in attendance and asked if he would like to address the Board, and Mr. Merrill thanked the Board and Authority sharing that American Airlines is very happy with the Airport.

Mr. McClellan reported that this weekend would be the Mooney Owners' Weekend, in case anyone was interested in stopping by Sheltair to participate in the events they would have going on.

Mr. McClellan also reported that it became necessary to open the Airport Overflow Parking Lot, as the other parking was full.

Mr. McClellan reported that CHA's Vice President Mr. Paul Puckli would like to do a Master Plan Workshop in late October – when the forecast will be finished – in order to engage the Board prior to going to public meetings with some alternative development.

Mr. McClellan reported that this morning there was a valve issue which caused flooding in the Terminal; and he concluded that Staff would be meeting tomorrow with the Airlines to discuss a 5-Year Plan.

**Public Comments:**

There were no public comments.

**Adjournment:**

The meeting was adjourned at approximately 10:02 a.m.

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Kathy Gilmore, Executive Secretary

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Del Lee, Chairman