

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., February 15, 2023 by Chair Holly Melzer.

The Invocation was given by Vice Chair Sheldon.

The Pledge of Allegiance was led by Mr. Parker McClellan.

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

Chair Melzer asked if there were any Public Comments. Public comment was given by Mr. Stefan Richardson, the owner of #1 White Sands Transportation, a shuttle company that operates at the Airport.

Mr. Richardson believes that there is not a good system in place to alert the drivers to passengers waiting for transportation when they arrive on a late flight. He said that normally AOC sends a text message when late night passengers are waiting for transportation, but do not send out an “all clear” message after all passengers have been transported. If they would, it would allow drivers on the way to be able to turn back home if they are not needed, thus saving fuel. He thanked the Airport for installing cameras to help with this issue.

He talked about the problem of excessive bird feces on the grounds, and said that passengers have also complained about it. He suggested installing chicken wire in the outside rafters.

He also asked if the Airport could advertise the taxi and shuttles better, and if the Airport would consider changing the maximum charge of \$2.75 per mile to a minimum fee and allow the taxi drivers to negotiate their own fees with the passengers.

Chair Melzer told Mr. Richardson that the Board would take his suggestions into consideration, and that Staff would address his concerns.

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.

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

Reports:

Mr. Parker McClellan presented the Activity Reports. The Airport is up 4% over last January.

The load factors continue to be very good. Delta has brought in the 737-800 to 900's and they are flying out very full. The Airport is doing very well during what normally would be a quiet time of the year for us, and we continue to do very well regionally. From the General Aviation perspective, he anticipates that as things continue to grow for Sheltair and Southern Sky, as they get ready to open early next year, that those numbers will continue to grow.

Consent Agenda:

a. Board Meeting Minutes – January 25, 2023

This Item provided for Board approval of the January 25, 2023 Board Meeting Minutes.

b. Ratify Chair's Execution of Florida Power and Light (FPL) Easement

This request is for Board ratification of an underground easement granted to Florida Power and Light Company (FPL) for an underground power service relocation on the south side of the Airport which provides power to the Instrument Landing System.

Recently, the Airport's current Fixed Base Operator, Sheltair, executed several lease options in support of continued development of their facility on the Airport. A portion of the development includes the construction of a 19,980 square foot hangar to be located on the southernmost boundary of the Sheltair lease.

During development and initial construction activities, it was discovered that an FPL (formerly Gulf Power) underground power supply line was buried through the proposed hangar location site. Airport Staff was unaware of the power line location and the power line was not part of any Airport easement with FPL.

Since that time, Airport Staff has taken necessary steps to coordinate with FPL for the relocation of the power line to an area outside of the Sheltair leasehold and to survey and develop an underground easement with FPL reflecting the new location of the power line on the Airport (attached).

Airport's legal counsel has reviewed and approved the Underground Easement documentation. Due to its time sensitive nature with regard to construction activities, it was deemed in the best interest of the Airport to proceed with execution and recording of the easement so as not to disrupt tenant construction activities.

Staff recommends ratification of the Board Chair's execution of an underground easement with Florida Power and Light Company for the relocation of a power service line at the Airport.

Mr. Will Cramer made a motion to Ratify the Chair's Execution of Florida Power and Light (FPL) Easement, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.

c. Approve Policy Change – Management Benefits Program

This item provides for Board approval of a change regarding the Management Benefit Program.

The current Policy #8.7 – Management Benefit Program. Government Required Coverage was last approved by the Board effective March 1, 2015. In reviewing Policy #8.7, it has been determined that the section of the Policy addressing Severance Benefits need to be modified.

The updated Policy defines Termination Without Cause and Termination With Just Cause and the associated severance benefits.

The changes above and other miscellaneous administrative changes have been incorporated into the proposed Policy #8.7, and it has been reviewed and approved by legal counsel.

There is no impact to the Airport's Operating and Capital Budget.

Staff recommends the Board approval of the updates to Policy #8.7 – Management Benefits Program.

Business Items:

a. Review and Adopt 2022 Financial Audit Report

Mr. Easton Ramer, the Audit and Tax Partner with Tipton, Marler, Garner and Chastain, presented the 9/30/2022 Audit Report. He said that the Airport had a clean audit with no write-ups. He explained the GASB 87 adjustment numbers in the Balance Sheet related to our Leases and commended the Airport Accounting Department on being the first client to successfully implement those entries. Unrestricted Cash is at \$25 million, Restricted Cash is at \$10 million; up \$8 million from last year, with a net position of \$255 million, showing that the Airport is financially strong. There has been tremendous growth over the last 10 years and in his opinion the Airport is very sound.

The Audit Report indicates that the financial statements present fairly, in all material respects, the financial position of the business-type activities of the District and the changes in financial position and cash flows thereof in accordance with accounting principles generally accepted in the United States.

The Management Letter of this audit notes the following comments:

- There were no corrective actions taken to address findings and recommendations made in the preceding Audit Report, as there were no recommendations made in the preceding annual Financial Audit Report.
- The District operates as an Independent Special District created by an act of the Legislature of the State of Florida and is not considered a component unit of any other local governmental unit.
- The District did not meet any of the conditions described in the Florida Statute Section 218.503(1).

- There were no recommendations made to improve financial management.
- There were no findings regarding noncompliance with provisions of contracts or grant agreements or abuse that have occurred, or that are likely to have occurred, that have an effect on the financial statements.

In summary, the Auditor's Report expresses an unqualified opinion on the financial statements of the District and no reportable conditions were disclosed during the Audit.

Staff recommends adoption of the Audit Report.

Vice Chair Sheldon made a motion to review and adopt the 2022 Financial Audit Report, and Mr. Matt Algarin seconded the motion. The vote was taken and the motion passed unanimously.

b. FY 2022 Rates & Charges Settlement for Signatory Air Carriers (Information Only)

Mr. McClellan explained that as part of the Airport's Agreement with the Airlines, a percentage the revenue earned throughout the year is shared with the air carriers at the end of the year. He shared the amounts of the checks that will be sent out to the air carriers.

This item provides information to the Board concerning signatory airline rates and charges for Fiscal Year 2022, in accordance with the Airline Use and Lease Agreements that went into effect October 1, 2021.

The framework of the Airline Use and Lease Agreement charges two basic rates, one for landing fees and one for terminal rent. The landing fee rate represents the total costs associated with operating the Airfield Cost Center and includes all operating and maintenance costs along with debt service costs for constructing the Airfield. The terminal rental rate includes both the debt service and O & M costs in the Terminal Complex Cost Center and is charged on a rentable square foot calculation. This business framework also calls for a revenue sharing program with the signatory airlines after the Airport has paid all operating expenses and annual debt service.

In conjunction with the FY 2022 financial audit, we have finalized rates and charges for the signatory air carriers and determined the revenue sharing amount for FY 2022. The signatory airlines have been briefed on the Settlement, and Staff will send checks for the amount of the settlement to the signatory airlines subsequent to approval of the FY 2022 Financial Audit.

Listed below are the overall results for FY 2022:

<u>Description</u>	<u>FY 2022 Budget</u>	<u>FY 2022 Settlement</u>
Landing Fees per 1,000 lbs.	\$ 3.39	\$ 2.68
Terminal Rental per square foot	\$ 61.65	\$ 59.13
Signatory Cost per Enplanement	\$ 5.62	\$ 2.08
American Airlines		\$ 632,631
Delta Air Lines		\$1,362,213

Southwest Airlines	\$1,774,780
United Airlines	\$ 168,990
Total Settlement	\$3,938,614

No formal action was required regarding this Board Item. It was presented for informational purposes only.

c. Approve ZHA Task Order #57-D – Admin Replacement Parking and Construction Administration

Mr. McClellan explained that the plans for the Admin Parking Lot kept changing throughout the planning for the expansion project. This Task Order is for the design for the project.

This item provides for the Board’s approval of Task Order #57-D to ZHA as the Airport’s continuing engineering consultant to perform design, engineering and construction administrative services for the Replacement Administration Parking Lot.

As part of the Terminal Development Program, the Bag Room Expansion Project is to allow for the expansion of the existing bag room to the west and into the present Admin Parking Lot. The Admin Lot today, has 20 parking spaces and is used daily for parking by Airport Staff, Airline Managers, Concession Managers, TSA Management, Board Members, and others as deemed appropriate.

The new lot will be located between the Air Traffic Control Tower and the expanded Cell Phone/Taxi Queue. Initial planning allows for approximately 18 spaces. The lot will have access control as well as other security features.

Additionally, the project will be funded through a change order to the Terminal Parking Expansion Project.

The not-to-exceed costs of Task Order #57-D is \$31,500. Funding for this Task Order will be through the use of Unrestricted Airport Funds.

Staff recommends Board approval of Task Order #57D for Engineering, Design, and Construction Services for the Administration Replacement Parking Lot.

Mr. Matt Algarin made a motion to approve ZHA Task Order #57-D – Admin Replacement Parking and Construction Administration, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.

d. Approve ZHA Task Order #62-C Amendment – North Terminal Design Services

Mr. Rick Mellin of ZHA explained that they are requesting additional fees above what was in the original Task Order due to the additional planning that was needed when they were met with unforeseen issues with the original design that needed to be worked through. He said that there was additional time, services and programming utilized when planning the design.

This item provides for the Board's approval of an Amendment to Task Order #62-A to ZHA as the Airport's continuing engineering consultant to perform design, for the North Terminal Expansion Project

As part of the Terminal Development Program, the North Terminal Expansion will be an addition to the Building to the north to allow for up to three new expanded gate hold rooms, expanded baggage claim and new passenger circulation from the expanded and reconfigured passenger screening checkpoint. Additional ancillary spaces are also provided to meet passenger needs.

The original concept included an approximately 65,000 SF addition, which would extend the Building to the north. As the Terminal Expansion Program developed, the need for additional space was necessary in order to ensure the expanded Terminal gained efficiencies and meets the needs of our diverse passenger mix. Some of the efficiencies include the passenger ingress and egress to the checkpoint, and relocating the existing mechanical room at the north end of the existing building to allow for circulation to the new expansion. The new vertical circulation also required additional space move passengers to both the existing east concourse and the new concourse expansion to avoid passenger congestion and limit crossing passenger flow, as well as a broader scope of optional passenger service requirements. To accommodate these issues, the building has expanded to approximately 81,900 SF.

The additional \$374,725 fees are based the expanded size of the building, additional programming time to work through numerous potential alternative solutions, expanded scope of low voltage/data and security as well as Construction Manager at Risk solicitation and negotiation services, which was not included in the original design Task Order.

The Task Order Amendment with a not-to-exceed amount of \$374,725 will be added to the existing Task Order for a total fee for design of \$1,785,617. Funding for this Task Order will be through the use of Unrestricted Airport Funds and will be included with future grant opportunities.

Staff recommends Board approval of Task Order #62-C - Amendment to Task Order #62-A for Design, Services for the North Terminal Expansion

There was discussion about the fees, contract negotiation, and the 26% increase of cost and concerns with the 70% increase in ZHA consulting fees. The consensus was that the fees should be reviewed and presented at the next Board Meeting.

Vice Chair Sheldon made a motion to reject the approval of ZHA Task Order #62-C Amendment – North Terminal Design, and Mr. Will Cramer seconded the motion. This Agenda Item did not pass. ZHA will adjust Task Order #62-C and present it to the Board at the March 29, 2023 Board Meeting.

Construction Update (information only):

- a. **Airport Entrance Roundabout and State Road (SR) 388 Realignment**
Mr. Richard McConnell reported on the S.R. 388/Airport Entrance Roundabout and the

construction updates. There was an anticipated 2-week weather-related delay on paving. Once the weather clears and they can lay pavement they will.

b. Parking Lot Expansion

A Development Order was issued for the Parking Lot Expansion and they should begin moving dirt today. The overflow parking portion, which is Task #1 of the project is tentatively scheduled to be completed by early April. Long Term, Employee, Cell Phone and Management Lots should be completed by August, which will complete the project.

c. Terminal Buildout

Terminal Concourse Buildout, the contractor is mobilized and has done as much as they can until the permits are issued.

d. Bag Makeup Expansion

The contractor for the Bag Makeup Expansion is currently mobilized onsite. This is the same contractor that is doing the Parking Lot Expansions. They are currently doing as much work as they possibly can on both projects until they get the permit for the Bag Makeup area. Both permits are in the review process.

Planning Update (information only)

a. North Terminal Expansion

Mr. Rick Mellin with ZHA reported on the Planning Updates:

TSA Design - Design documents should be received by the end of the month. The 95% CD's are due in early June. Permit documents are due by the end of June.

North Terminal Design – Design documents are due the end of March. The 95% construction documents are due the middle of September. Permit drawings are due in November.

Construction Management At Risk – The Bid went out on January 29, 2023. Proposals are due on February 2nd, they will be reviewed by the committee March 6-10, and will hold interviews the following week. The list of rankings will be presented to the Board at the March 29th meeting. There will be an option at that time to authorize a negotiation and possibly accept the award.

Escalator – The construction documents are due at the end of this month. Mr. Mellin will be meeting with Legal Counsel to put out a solicitation for the equipment (the escalator will be purchased separately), and for a Construction Manager at Risk to manage that project. The drawings will take about 6 months. There is a lot of preparation that will take place in the fall before the actual work. The goal is to have the escalator operational before Spring Break 2024. Mr. McClellan explained that the escalator comes fully assembled, so windows will have to be taken out and a crane used to get it into the building for the installation.

Bay EDA Update (Information Only):

Mr. Parker McClellan reported that Becca Hardin was in Europe last week. The company that she met with was in Orlando, so she was at a site visit with them. There are two projects which they are actively working on. One is Project Stamper, with a site visit to ECP this Friday, and the other is Project Maple. Both projects are moving ahead, with a lot of excitement and energy. He is hoping to bring good news on both of them in the near future.

The Moore Agency Update (Information Only):

Ms. Katie Spillman of The Moore Agency reported on marketing. She said that our sponsorship of the 30A Songwriter's Festival was very successful. She also talked about Google search, which will run the rest of the year. Also, our Superbowl Ad that will run through the rest of February and into March. VisitFlorida will feature ECP as part of a series of articles about accessibility at airports across the state for travelers with disabilities. Mr. McClellan provided information to the writer about accessibility at ECP and on our ADA Compliant website. She is also working with FloridaTrend, and has provided them with construction information, renderings and facility photography. They will be featuring the facility expansion in their upcoming edition. She also shared images of Pilot the Pelican for our upcoming signage and digital media for the construction campaign.

Executive Director Report:

Mr. McClellan gave the Executive Director Report. He said that in the upcoming months he will be setting up a workshop with the Moore Agency and the Board to go over what the upcoming marketing plans. He thanked the Accounting staff for their hard work and professionalism with the Audit. He also thanked the Maintenance Department for saving the airport \$10,000 by repairing the air conditioning system in the Tower. He said that there are ongoing improvements such as painting and freshening up the Terminal. He also welcomed back Police Chief John VanEtten who has been out on extended medical leave. He introduced the Hidden Disability Sunflower Program. He would like to implement the program at ECP and plans on presenting the information at the next Board Meeting.

Public Comments:

There were no Public Comments.

Adjournment:

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

Next meeting is scheduled: March 29, 2023 – Board Meeting 9:00 a.m.

Lisa Brady, Executive Assistant

Holly Melzer, Chair