

## 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., July 19, 2023 by Chair Holly Melzer.

The Invocation was given by Vice Chair Sheldon.

The Pledge of Allegiance was led by Mr. Will Cramer.

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

**Chair Melzer asked that Agenda Item 6.b. Approve Establishment of Audit Selection Committee be moved to the Business Agenda. Mr. Les McFatter made a motion to move the Item and accept the Amended Agenda with this change, and Mr. Will Cramer seconded the motion. The vote was taken and the motion passed unanimously.**

#### District Administrative Items:

##### a. Election of Officers:

Chair Melzer asked if there were any nominations for Chair.

**Mr. Glen McDonald made a motion to retain Ms. Holly Melzer as Chair, and Vice Chair Sheldon seconded the motion. The vote was taken and the motion passed unanimously.**

Chair Melzer asked if there were any nominations for Vice Chair.

**Mr. Will Cramer made a motion to retain Mayor Mark Sheldon as Vice Chair, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.**

##### b. Annual Review of Board Operating Procedures

Legal Counsel informed the Board that the guidelines have been reviewed and that no changes

are needed to the Board Operating Procedures. Chair Melzer asked the Board if there were any items that needed to be discussed or revised. After a short discussion, it was decided that there will be no changes to the Board Operating Procedures.

### **Reports:**

Mr. Parker McClellan presented the Activity Reports. The numbers are up 13% over last year. The load factors were really good for the month of June. The Airport has been very busy this summer, but things are running smoothly. There have been positive comments from passengers on the live music in the Terminal. The Airport continues to maintain its market share across the Region at 22%.

Ms. Darlene Gordon presented the Financial Reports for the first 9 months of the Fiscal Year ending June 30, 2023. Total cash increased \$2.3 million over May. Compared to last year, cash increased \$7 million for a total balance of \$42.7 million. Of that number, unrestricted cash is \$30.1 million and restricted cash is \$12.6 million. In June of 2023, total liabilities increased \$885,000. This month the increase is due to the ongoing construction. Excess revenues over expenditures to date are \$13.7 million. Operating Revenues account for \$7.3 million with Non-Operating Revenues making up the remaining \$6.4 million. Operating Revenues to date are 112% of budget. Every category of the budget is over-budget with the exception of the Fuel Flowage Fees. Parking revenues are exceeding budget by \$635,000 and are \$180,000 over last year. Overall, Total Operating Expenses are \$800,00 under budget. The Airport has hired a Purchasing and Contracts Manager and she will start on Monday.

Mr. McDonald asked how much CARES Act monies were still left and the timeline on them. Ms. Gordon said that the first money expires on June 2, 2024. There is enough money set aside to pay the debt service for FY23, FY24 and FY25, which is approximately \$4 million. There is also money set aside for Operating Expenses over the next 2 years. Ms. Gordon will provide balances at the next Board Meeting.

Mr. McClellan explained that there is an opportunity to use some of the CARES money to replace 3 of the passenger loading bridges that the oldest on the Airport. The bridges at Gate 1, Gate 2, and Gate 6 are 20 years old. The cost and availability of parts is the primary concern.

### **Consent Agenda:**

**a. Board Meeting Minutes – June 21, 2023**

This Item provided for Board approval of the June 21, 2023 Board Meeting Minutes.

**b. Approve Establishment of Audit Selection Committee**

This Consent Agenda Item was moved to Business Items.

**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 Task Order with Ricondo and Associates – PFC Application**

Mr. McClellan explained the process to apply for available PFC money that could be used to fund the Terminal Expansion.

This item provides for Board approval for Ricondo & Associates to assist with the preparation of a Passenger Facility Charge (“PFC”) Application for submittal to the Federal Aviation Administration (“FAA”) for the District to impose and use PFC revenues to aid in the funding of the expansion of the Terminal at Northwest Florida Beaches International Airport.

Ricondo and Associates has provided airport consulting services to the District for several years, including developing the current Airline Use and Lease Agreement and assisting with budget and settlement calculations. The District has continued to utilize Ricondo and Associates on an ongoing basis for airline service development issues, the budget and settlement calculations, and various other financial matters.

The Airport currently imposes a PFC charge of \$4.50 which, at present, is the maximum amount allowable by law. The PFC is collected by the airlines as part of the ticket price and remitted to the Airport on a monthly basis. The Airport’s current PFC Agreement with the FAA only allows the use of these funds to pay a portion of the debt service on the outstanding two State Infrastructure Bank (“SIB”) loans. Any other use of PFC funds must be approved by the FAA, and requires a new application.

The Airport has received preliminary approval from the State of Florida Department of Transportation for an additional SIB Loan in the amount of \$26,000,000. This loan will be used as partial funding for the construction of the Terminal Expansion Project that is now in design. The repayment period is twenty-five years with an interest rate of 3.8%. This PFC application would request approval for the Airport to use PFC funds to pay a portion of the new SIB loan in addition to the currently approved FAA PFC Agreement.

This Task Order will provide assistance to the Airport in the preparation of PFC 24-03 in accordance with 14 CFR § 158.20. Ricondo will provide the following services:

- Gather the necessary project, financial, and statistical information from the Authority;
- Prepare the required Air Carrier Consultation Notice for the Authority’s signature and mailing;
- Prepare the required Public Notice for inclusion on the District’s website;
- Ensure that all procedural requirements are met for the Air Carrier Consultation meeting;
- Prepare the application;
- With assistance from the Airport, prepare the response to air carrier and public comments;
- Provide the completed application to the District in a format ready for execution and submission;

- With assistance from the District, prepare supplemental information for the FAA, if required; and
- Prepare the air carrier notice of FAA approval.

This task will take approximately ten months to complete and will be accelerated where possible.

A not-to-exceed budget of \$69,489 is proposed for this work effort. Federal COVID related grants will be utilized to fund this task order.

**Mr. Glen McDonald made a motion to Approve the Task Order with Ricondo and Associates – PFC Application, and Vice Chair Sheldon seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Approve Escalator Equipment Purchase**

Mr. McClellan explained that in order to get the escalator in time to install it in off-peak season, it is necessary to order it separately.

This item provides for Board approval of a bid received for the acquisition of an escalator and associated equipment package.

As part of the Airport's FAA Airport Improvement Program project for FY 2023, a project is included to install an additional escalator and stairway adjacent to the existing escalator located near Gates 4 and 5 on the Concourse in order to provide additional opportunities for Gates 6 and 7. In the essence of time and consideration of long lead times for the manufacture and delivery of elevator/escalator equipment, the purchase of the escalator was accelerated and bid separately.

On May 21, 2023, an "Invitation for Bid" was publicly advertised on Demandstar for an escalator equipment package as provided for in associated specifications. At bid opening on June 29, 2023, one responsive bid was received from Kone, Inc.

ZHA and Staff reviewed the single bid for completeness, project intent, and compliance with FAA guidelines, and the bid was deemed responsive.

This is a planned and budgeted project included in the Airport's FY 2023 Operating and Capital Budget and the included in the annual Airport's Federal Aviation Administration Airport Improvement (AIP) grant request. Upon the receipt of the grant, project costs are eligible for reimbursement under a FAA grant at an 90/10 ratio.

Staff recommends the Board acceptance of the bid for the escalator equipment package received from Kone, Inc. in an amount of \$215,000.

**Mr. Glen McDonald made a motion to Approve the Escalator Equipment Purchase, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Approve Proof of Concept Agreement - Vidergy**

Mr. McClellan explained the concept of a new technology of smart outlets marketed by Vidergy, LLC that could potentially increase airport non-airline revenues. The technology is associated with the installation of new, smart, electrical outlets throughout the Terminal that would allow for charging cellphones and tablets at no charge after the customer watches a short advertisement. For this Proof of Concept testing, we would utilize an Airport advertisement.

The potential revenue source comes through the sale of advertising to smart outlets. Vidergy would pay the Airport an agreed upon fee based on the number of advertisement impressions, and the advertiser would be billed by Vidergy on the same premise.

The Proof of Concept will allow Staff to see the effectiveness of advertising through this new technology. There will not be a cost passed through to passengers or the Airport.

Additional benefits include the ability to complete simple surveys that can be individualized by gate or location. Vidergy will provide the outlets at no cost during the Proof of Concept period and the outlets will remain cost-free if an Agreement is executed.

There is no budget impact for the Proof of Concept Agreement. If the technology proves to be effective additional non-airline revenue may be realized. Staff recommends Board approval of the Proof of Concept Agreement with Vidergy, LLC.

There was Board discussion and many questions were asked. The consensus was that charging phones should be free for the passengers without them having to listen to the commercials.

**There was no motion given, so the Item failed due to lack of a motion.**

**6.b. Approve Establishment of Audit Selection Committee (Item from Consent Agenda)**

This item provides for the Board to establish an Auditor Selection Committee as required in Florida Statute 218.391. The purpose of the Committee is to assist the governing body in selecting an auditor to conduct the required annual financial audit.

Florida Statute 218.391 contains specific language regarding the selection of an auditor to perform the required annual financial audit. The language in the Statute outlines the process that must be followed in order to comply with state law.

The Statute requires that the District establish an Auditor Selection Committee as part of the process, and the Committee must consist of at least three members. One member of the auditor selection committee must be a member of the governing body of the Airport, who shall serve as the Chair of the Committee. No employee may serve as a member of the Committee, but may serve in an advisory capacity.

The Statute requires that the Committee will be responsible for the following:

- Establish factors to use for the evaluation of audit services to be provided by a

certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

- Publicly announce requests for proposals.
- Provide interested firms with a request for proposal.
- Evaluate proposals provided by qualified firms.
- Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established. If fewer than three firms respond to the request for proposal, the Committee shall recommend such firms, as it deems to be the most highly qualified.

Staff and Legal Counsel are recommending that the Board elect a Chair and at least two members of the public to serve on the Committee. Establishment of an Audit Selection Committee will have no impact on the budget. Joey Ginn, President of Centennial Bank, and Ben Lee, President of Hancock Whitney have volunteered to serve as the Citizen Members.

Vice Chair Sheldon nominated Mr. Will Cramer, current Board Member, to serve as the Chair of the Audit Selection Committee.

Following a solicitation for audit services, The Audit Selection Committee Chair will present the results and ranking of the evaluation and a recommendation to the Board for their final adoption.

**Vice Chair Sheldon made a motion to accept Mr. Ginn and Mr. Lee as Citizen Members and Mr. Cramer as Chair of the Audit Selection Committee, and to Approve the Establishment of the Audit Selection Committee, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

#### **Construction Update (information only):**

**a. Parking Lot Expansion**

Compaction is done on the Overflow Parking Lot. They are waiting until the concrete drainage fixtures are in and in place. Paving will begin in the areas not affected by this. Site prep work will begin on the Long-Term Parking Lot and the Employee Parking Lot in the areas that will not impact any of the existing parking lots. The Long-Term Lot will add 540 spaces. There will be additional improvements to the temporary Overflow Lot so that it can be utilized better during busy holidays.

**b. Terminal Buildout**

Sheetrock is going in along the concession areas. The HVAC infrastructure is being installed. The piping for the fire suppression system is being installed. The electrical is being installed in the ceiling. The steel will begin arriving soon and the work on the alternative exit lane for the passengers will begin. Completion is expected during the first quarter of 2024.

**c. Bag Makeup Expansion**

This project is moving along slowly. The location of the power was not shown where it was supposed to be on any of the existing plans and there are some changes as a result of

this conflict with the utilities.

**d. Southern Sky Aviation**

They have almost completed the skinning of their first large hangar. They have started the steel erection of the second hangar and they are beginning to pour the slab for the third hangar. Their FBO Terminal Building is under construction and moving quickly. The project is still on schedule.

**e. Sheltair**

The contractor informed Mr. McConnell that they are going to begin the steel erection of the hangars.

**Planning Update (information only):**

**a. North Terminal Expansion:**

**North Terminal Design** – Mr. Rick Mellin gave the Planning Update on the North Terminal Expansion. As of this past month ZHA has received 95% of the construction documents on the TSA expansion and renovation, as well as 65% of the design development drawings for the North Terminal Expansion Project. Hensel Phelps has put together a report on the Terminal Expansion and it is under review with ZHA. Mr. Mellin met with Lori Bates about the interior design plans and will report on it at next month's Board Meeting.

Chair Melzer asked Mr. McClellan for an update on the funding for the Expansion Project. He reported that there is a \$26 million SIB Loan that has been tentatively approved. The Airport, with Steve Southerland's assistance is working with the FAA on additional funding.

**Bay EDA Update (Information Only):**

Mr. McClellan gave the Bay EDA update. Ms. Becca Hardin and Mr. Ben Moorman are in Mobile, Alabama. Project Stamper continues to move forward and the Airport is one of two locations competing for it. It is the largest incentive package in the history of the State of Florida. The company is reviewing the final offers and will hopefully make a choice within the next couple of weeks. Last week Mr. McClellan, Ms. Hardin and Mr. Moorman were in Quebec City to meet with Project Maple and are hoping for a positive outcome in the next few weeks. Bay EDA is completing follow-ups with the companies that they met with in Paris last month.

**The Moore Agency Update (Information Only):**

Ms. Katie Spillman of The Moore Agency reported on marketing. She presented a summary of the ideas that were gathered last month during the creative session that she presented with Ms. Jordan. She presented some interactive photo op ideas to potentially incorporate into the new terminal expansion design for feedback from the Board. There was some Board discussion about whether or not to continue to use Pilot the Pelican, and the possibility to add some other creative

signage. The Board input was something that will have a small footprint, can possibly be changed out from time-to-time to refresh the theme, and something that showcases our area.

### **Executive Director Report:**

Mr. McClellan gave the Executive Director Report. There are currently 11 vacant employment positions. The Airport is looking at some creative ideas to try to attract applicants. Next month there will be a need to fill some security positions due to TSA implementing mandatory random employee screening points by September 25, 2023. Last week there was a fire at Sheltair that was spotted by an Airport Maintenance employee. The Sheltair employee was injured, but is recovering. Earlier this week, there were 3 employees that suffered from heat related issues. Two were transported to the hospital, one of which had a severe case. ECP Police, Fire, and Ops were all present to see that the employee got the best treatment possible. He recognized that the Airport employees are doing a great job looking out for everyone. He reminded everyone about the mandatory Ethics Training after the Board Meeting. The new Purchasing Manager starts on Monday.

Ms. Williams asked about an update on the RFQ for the Design Team for the Airport Expansion. Mr. McClellan has been travelling extensively and said that he will be attending the Florida Airports Council Annual Meeting from 7/23 thru 7/26. He said that he has been working on the RFQ and will be moving forward with it when he returns.

### **Public Comments:**

There were no Public Comments.

### **Adjournment:**

The meeting was adjourned at approximately 10:26 a.m.

Next meeting is scheduled: August 23, 2023 – Board Meeting 9:00<sup>!</sup> a.m.

### **Ethics Training:**

The Ethics Training, instructed by Cole Davis of Hand Arendall Harrison Sale, LLC was held on July 19, 2022 following the board meeting. In attendance were:

#### **Board Members:**

Holly Melzer, Chair  
Victoria Williams  
Will Cramer  
Les McFatter

Richard McConnell  
Darlene Gordon  
Mark Adams

Scott Birge

#### **Staff Members:**

Parker McClellan

Beth Harless  
Jim Wheatley  
Thomas Edson





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Lisa Brady, Executive Assistant



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Holly Melzer, Chair