

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., October 25, 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. Matt Algarin, 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.

Mr. Cramer made a motion to Accept the Amended Agenda, and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.

Presentation – Recognition of Carol Roberts – 46 Years of Service at the Bay County Chamber of Commerce

Mr. Parker McClellan and Chair Holly Melzer commended Ms. Carol Roberts for her dedicated service to Bay County Chamber of Commerce and the community, and presented her with a Proclamation making October 25, 2023 Carol Roberts Day at Northwest Florida Beaches International Airport. Ms. Roberts began working as a receptionist in 1977 for the Bay County Chamber of Commerce and is now the CEO and President. She will be retiring in January 2024.

Reports:

Mr. McClellan presented the Activity Reports. There was 15% growth in the month of September over the same month last year. Annual growth is at 9% and continues to be strong. The load factors continue to be good. The Airport continues to maintain its market share across the Region at 25%. Based on the present passenger numbers, the Airport will likely exceed the 2021 peak year, with 1.63 million passengers.

Consent Agenda:

- a. **Approve Board Meeting Minutes – September 27, 2023**

This Item provides for Board approval of the September 27, 2023 Board Meeting Minutes.

b. Approve Audit Committee Meeting Minutes – October 16, 2023

This Item provides for Board approval of the October 16, 2023 Audit Committee Meeting Minutes.

c. Approve Menzies 2024 Budget

This item provides for Board approval of the 2024 O&M budget for Menzies Aviation.

The aviation fuel farm consists of four 50,000 gallon Jet-A tanks, four 15,000 avgas tanks, one 1,000 gallon diesel tank and one 1,000 gallon unleaded tank. The rental car facility consists of one 15,000 gallon tank and one 5,000 gallon tank for unleaded gas.

The contract for management, maintenance and operation of the fuel farm facilities was awarded to Menzies Aviation in 2019. The initial contract term is for five years. There is a separate agreement between the airlines and Menzies for “into plane” fueling.

Revenue paid to the District by the operators of the fuel farm includes debt service for the cost of the fuel facility and O&M costs for operation of the fuel farm. Currently, the five companies that use the fuel farm are American Airlines, Delta Airlines, Southwest Airlines, United Airlines and Sheltair Aviation, the fixed base operator on the Airport.

The budget proposed for 2024 is \$1,226,525. The 2024 budget includes \$139,714 paid to the District for debt service for initial construction of the fuel farm managed by Menzies.

O&M expenses are paid by the users of the fuel farm with the Airport District receiving debt service payments in the amount of \$139,714 annually.

Staff recommends approval of the Menzies Aviation - 2024 O&M

d. Ratification of Underground Power Line Easement with Florida Power and Light Company for Southern Sky Aviation

This request is for Board ratification of an underground easement granted to Florida Power and Light Company (FPL) for an underground power service to Southern Sky Aviation (FBO)

The addition of new FBO Southern Sky Aviation requires electrical service for their leasehold. The underground easement will provide location and access for FPL to provide electrical service to their facilities.

As the property owner, we are the signatory of the easement.

This underground easement ratification will have no impact on the Airport Operations and Maintenance Budget.

Staff recommends ratification of the Board Chair's execution and recording of an underground easement with Florida Power and Light Company for Sothern Sky Aviation.

Mr. Cramer made a motion to Accept the Consent Agenda, and Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Accept Audit Committee Audit Firm Recommendation and Contract Award to Tipton, Marler, Garner and Chastain

Ms. Darlene Gordon, Director of Finance and Administration, and Mr. Cramer, Audit Committee Chair reviewed the steps the Committee went through to score and select the Audit Firm.

This item provides for the acceptance of the Audit Committee's recommendation and authorization to execute the contract for audit firm to perform the annual audit for five fiscal years beginning with the fiscal year ending September 30, 2023 and concluding with the fiscal year ending September 30, 2027, also to include two additional two-year extension options.

The Audit Request for Proposal was released on August 22, 2023 and closed on September 27, 2023. Three responses with proposals were received by the due date. The Audit Committee met on October 16 to review and rank the proposals with the ranking based on total score, as shown in the following table:

<u>Firm</u>	<u>Technical Response Points</u>	<u>Cost Points</u>	<u>Total Points</u>
Tipton, Marler, Garner & Chastain	232.00	19.88	251.88
Mauldin & Jenkins	225.00	17.35	242.35
James Moore & Co.	197.00	20.00	217.00

Based on the ranking, the Committee recommends to the Board award of the contract for audit services to Tipton, Marler, Garner & Chastain.

Included in the RFP was the proposed contract for the Audit Services Tipton, Marler, Garner and Chastain submitted no exceptions to the contract.

The cost of the Audit is \$29,126, and is provided for in the FY24 Operating and Capital Budget. Future Budgets will allocate funds each year for the cost of the audit services.

The Audit Committee recommends the award of the Financial Services Audit Contract to Tipton, Marler, Garner & Chastain and staff requests the authorization to execute the contract for Audit Services.

Mr. Cramer made a motion to accept the Audit Committee Audit Firm Recommendation and Contract Award to Tipton, Marler, Garner and Chastain, and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.

c. Authorization to Extend Airline Lease and Use Agreement – 2-year Option

This item provides for the Board’s approval to notify the Signatory Airlines of the Airport’s intent to exercise the first of two (2) Term Extensions of two (2) years.

The current Airline-Airport Use and Lease Agreement (AAULA) became effective October 1, 2021 for a three (3) year term and allows for two (2) Term Extensions of two (2) years each. The current Agreement expires on September 30, 2024. The Agreement requires the Airport to notify the Signatory Airlines no later than December 1, 2023 of the Airport’s intent to terminate or extend the Agreement.

The AAULA is the contract between the Signatory airlines operating at the Airport and the Airport. It establishes the rights and obligations for both the Airport and the Airlines. The Agreement establishes, at a minimum, the business arrangements, rate setting methodology, identification of leased spaces versus common and shared use spaces, responsibilities of the Airport and the Airlines, and the accounting for budgeted capital equipment and project expenditures.

The existing AAULA between the Airport and our Signatory Airlines (American, Delta, Southwest and United) has worked well providing for shared interests including growth and expansion of air service for the Region. The Airport and Airlines both benefit financially with the existing Agreement. Preliminary discussions with the Airlines during our Budget Meeting are that they too would like to move forward with exercising the first Term Extension, which would begin on October 1, 2024 and extend through September 30, 2026.

The next steps after notifying the Signatory Airlines of the District’s desire to extend the Agreement is for the Airlines to meet to determine whether they too would like to move forward with the extension. The Agreement outlines the processes of their voting and notification of their decision to the Airport. If their response is to move forward, Staff will prepare an Addendum to the Agreement exercising the first of two (2) Term Extensions. There is no cost associated with the effort.

Authorization for Staff to notify the Signatory Airlines of its intent to move forward with the first of two (2) Term Extension with the Signatory Airlines currently operating at ECP.

Ms. Williams made a motion to approve the Authorization to Extend the Airline Lease and Use Agreement – 2-year Option, and Mr. Algarin seconded the motion. The vote was taken and the motion passed unanimously.

Construction Update (information only):

a. Parking Lot Expansion

Mr. Richard McConnell reported on the construction updates. Long Term Lot 2 has been opened up and is completely operational and is working well. The Airport is purchasing additional shuttles to improve the passenger experience. The expansion of the Long-Term Lot and Employee Lot is now underway. Soil and sod have been stripped, stormwater fixtures have been installed and soil is being re-compacted to prepare for paving. This project is moving along very well. Overflow Parking construction is anticipated to be completed by early January.

b. Terminal Buildout

The plumbing risers, HVAC, and electrical infrastructure is in. Walls are going up for the restrooms and concession areas. The exit lane on the ground floor has been closed and rerouted. The piers and columns behind the existing baggage claim office are being accessed so that the second floor can be extended above the existing exit lane.

c. Bag Makeup Expansion

The foundational piers have been poured and the forms will be removed today. Additional foundation piers along the Terminal Building will be formed today as well. The fence has been relocated to the south side of the building. The next phase will involve the floor foundation. Once the concrete has been poured, vertical construction will begin.

d. Sheltair

Sheltair has completed all of the roof fixtures and are working on interior flooring.

e. Southern Sky Aviation

Southern Sky is working on interior sheetrock. The project is moving along quickly. The hangars are nearing completion and they are now preparing the pavement sections. Mr. Donald Howell said that he attended NCAA in Las Vegas last week and there was a lot of talk about the new FBO and they are already getting calls from people requesting hangar space.

In other updates, Mr. McConnell said that there is a part on order to repair the down escalator. Also, now that the season has begun to slow down, annual painting and freshening up of the Airport is about to begin.

Planning Update (information only):**a. North Terminal Expansion:**

North Terminal Design – Mr. Rick Mellin provided a written update of the North Terminal Project. Mr. McClellan said that they took the plans for the North Terminal Expansion and met with the airlines to include them in the design. The drawings for the TSA Checkpoint are at 95%, and are very close to completion of the Terminal design as well. The Airport has applied for the Bipartisan Infrastructure Law (BIL) – Airport Terminal Program (ATP) for funding and will continue to make follow up trips to Washington to help. The staff and consultants have been working on a Documented

Categorical Exemption (CATEX) with the FAA for the Terminal Expansion Project, approval is expected soon.

Bay EDA Update (Information Only):

Ms. Becca Hardin gave the Bay EDA update. She and Mr. Moorman attended Maintenance Repair and Overhaul shows in Europe last week and met with 12 companies. She said that discussions are underway with Triumph Gulf Coast and Space Florida preparing for development for Premier Aviation.

The Moore Agency Update (Information Only):

Ms. Katie Spillman reported on the marketing. She shared an overview on the efforts for Project Maple in regards to social media, local media and the Good News Bay podcast. Mr. McClellan did an interview with Angela Reese of Haney Technical College on Good News Bay that will appear in an upcoming airing. Ms. Spillman updated on the progress of the enhanced passenger experience ideas and ECP Perks. Mr. McClellan said that there has been an area chosen near Gates 6 & 7 to locate the Junior Flyer Zone. Staff is looking for child-size tables and chairs, and Moore is preparing activity and coloring pages for the area. He has begun organizing items for the upcoming appreciation days and the supplies required to hand out cookies have arrived. He shared a story about recognizing a Southwest pilot for disposing of trash from the plane. Because of this, Southwest also recognized the pilot for going above and beyond. Mr. McClellan explained that the pilots and flight attendants do not get recognized enough and hopefully through the new appreciation days initiative this will help to do that. Mr. McClellan has also reached out to the Animal Therapy Program to see if they will volunteer to bring pets out to greet passengers.

Executive Director Report:

Mr. McClellan gave the Executive Director Report. The Airport Entrance Sign at the roundabout was hit early Saturday morning. There was extensive damage to the stainless steel, glass panels on both sides of the sign and the interior of the sign. Both the insurance company and sign company have been contacted about the accident. There will be plans to add concrete bollards, and possibly rumble strips to the roadway to prevent accidents, provide safety, and to protect the sign from future damage. He also invited the Board to the Holiday Luncheon on December 21, 2024.

Public Comments:

There were no Public Comments.

Adjournment:

The meeting was adjourned at approximately 9:44 a.m.

Next meetings scheduled:
November 15, 2023 – Board Meeting 9:00 a.m.

Lisa Brady, Executive Assistant

Holly Melzer, Chair