

## 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., August 24, 2022 by Chair Holly Melzer.

The Invocation was given by Vice Chair Sheldon.

The Pledge of Allegiance was led by Mr. McDonald.

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

Chair Melzer introduced new Board Member Matt Algarin, who serves as the Director of Tourism for Walton County.

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. McDonald made a motion to accept the Amended Agenda, and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.**

#### Reports:

Mr. Parker McClellan presented the Activity Reports. He reported that the numbers are down about 14.5% for the month, but he is not concerned, we are still up 32% over 2019. Load factors have been good, in the high 80-90%, which means the airlines are doing well with capacity management, however fares are higher. We are still maintaining 23% of the market share. He discussed recent reports in the news of delays and cancellations, but said that those issues are occurring more often at other airports or hubs and are not a huge concern here.

Mr. McDonald asked about the high load factors and whether the airlines might be considering bringing in more jets. Mr. McClellan said that the season normally begins trending down during August and September and levels out through the holidays until Spring. He said that in February American Airlines is up gauging to a larger Airbus 319 from a regional jet going to Dallas. He said that this will continue to happen as other airlines will be up gauging to larger planes as well in the future. He said that Bonnie Ossege will be giving a presentation at the Board Budget Workshop that will cover "Trends In the Airline Industry" that will explain this in more depth.

Mrs. Darlene Gordon presented the Financial Reports for the 10 months ending July 31, 2022. Our cash increased \$764,000 over the month of June. Our total cash balance is \$36.5 million. Revenues continue to outperform budget. Year to date, our Operating Revenues are at 126% of budget. Airline revenues continue to remain a little over budget, as discussed, but the gap is expected to narrow.

Income from the Rental Cars is exceeding budget at 139%, and Parking Fees are up 150%. TURO submitted their July concession fees to us and we received \$29,000 for July. Ground transportation fees exceeded budget at 230% of what we had planned.

Personnel expenses are at 91%, and general operating expenses are at 92% of budget. We currently have 3 Police Officer positions and 1 Maintenance position open and are currently recruiting for all of those to be filled. Currently, our total operating expenses are under budget by \$740,000. We will have an insurance claim for a lightning strike that caused \$37,000 of damages to equipment in the Parking Lot.

### **Consent Agenda:**

#### **a. Approve Board Meeting Minutes – July 27, 2022**

This Item provided for Board approval of the July 27, 2022 Board Meeting Minutes.

**Vice Chair Sheldon made a motion to accept the Consent Agenda, and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.**

### **Business Items:**

#### **b. Amend Board Guidelines – Public Comment**

Mr. McClellan opened up comments with Chair Melzer about streamlining the Public Comment process during the Board Meetings. There was discussion concerning whether or not the public should have to provide their names and addresses on public comment cards to be able to stand up and speak at the Board Meeting. It was stated that the Chair has the discretion to decide whether or not the cards are required, when the public is allowed to speak during the meeting, and for how long.

During a recent review of the Board Guidelines, it was recommended that a section be added to ensure the availability of public comment at each meeting of the District. The text below clarifies the need for public comment and will be added as Section 5(f) in the Board Operating Guidelines.

Public comment. Members of the public shall be given a reasonable opportunity to be heard on a proposition that is on the agenda before the Board. The opportunity to be heard on all agenda items shall be determined at the discretion of the Chair, but need not occur at the same meeting at which official action is taken on the proposition, if the opportunity occurs at a meeting that is during the decision-making process and is within reasonable proximity in time before the official

action is taken.

- i. *A person wishing to speak shall approach the podium when the Chair calls for public comment.*
- ii. *All remarks shall be limited to no more than three minutes, unless the Chair grants an extension.*
- iii. *Public comment shall not be required in any instance where public input is not otherwise required by Chapter 286, Florida Statutes.*

The recommendation for this change was recommended and developed by legal counsel.

Staff recommends to Amend the Board Operating Procedures to include Section 5(f) Public Comment and to authorize Chair to Amend the Board Operating Procedures as recommended, following satisfactory legal review.

**Vice Chair Sheldon made a motion to Amend Board Guidelines – Public Comment, and Chair Melzer seconded the motion. The vote was taken and there was one opposed vote by Mr. McDonald; the motion was passed.**

**d. Approve Ricondo & Associates, Inc.’s Task Order for Airport Consultant Services**

Mr. McClellan explained that Ricondo & Associates has been our airline financial consultant for the last 13-14 years and they have played a significant role in the Airport’s success.

This item provides for Board approval for Ricondo & Associates to provide assistance with the preparation of the 2022 Settlement documents, development of 2024 Rates and Charges, and various airport consultation issues as needed.

Ricondo and Associates has provided airport financial 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 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 for 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 Fiscal Year 2024. The Task Order will also include providing assistance with preparation of the documentation for the airline budget meeting, participation in the meeting, and aiding with the calculation of the Settlement of the Rates and Charges for Fiscal Year 2022. The Settlement efforts will include the revisions/updates to the airline rates and charges model based on FY22 audit results, calculation of the final airline rates and charges, and the revenue sharing calculation for the fiscal year ending September 30, 2022.

Additionally, the Task Order includes for consulting services on an as needed basis for FY23.

The tasks within this Task Order will include; debt capacity analysis, future rate analysis and other tasks associated with the future airport development projects.

A not to exceed budget of \$53,138 is proposed for this work effort. Funding will be included in the Airport FY23 Budget.

Staff recommends Board approval of the Task Order to Ricondo to provide assistance with the preparation of the FY2024 Airline Rates and Charges, the FY2022 Settlement calculation, and miscellaneous consulting services to the Airport.

**Mr. McDonald made a motion to Approve Ricondo & Associates, Inc.'s Task Order for Airport Consultant Services, and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.**

### **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. The landscaping plans were approved yesterday by the State and should be implemented in the next couple of weeks. The irrigation well is due to be installed in the near future. Partial opening of the Roundabout is scheduled to be around mid-to-late September to allow for other areas to be demolished and then finished.

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

Bay EDA President Ms. Becca Hardin invited everyone to the kickoff of Industry Appreciation Month as well as her presentation at the Bay County Chamber – First Friday meeting on September 2, 2022. She reminded everyone that Southern Sky Aviation will have their groundbreaking on October 12<sup>th</sup> at 2pm on the site.

The Bay EDA will be having their Annual Meeting at noon at the Hilton Garden Inn that day and will also be attending the groundbreaking. Becca and Ben will be travelling to the Northeast to visit a company that they met with in Farnborough. Project Maple, an International MRO is planning to come for a visit the week of September 26<sup>th</sup>. Resia is building a 200,000sf manufacturing facility in Venture Crossing and is leasing with the St. Joe Company. They have already signed a contract with an architectural firm to begin planning the building. Central Moloney is starting to bring in equipment and are working with CareerSource to start their hiring process.

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

Ms. Katie Spillman of The Moore Agency reported on marketing efforts. The month of July had a successful email marketing campaign. They are laying the groundwork for the 2022-23 upcoming year. They will be running an ad in the Florida Influence 100 issue highlighting our

daily flights from ECP to Washington D.C. that is designed for policymakers. Social media continues to do well for the month of July, reaching over 600,000 viewers. They are looking at strategic planning for the year 2023. She said that they are also waiting for final approval on the television spot script, with pre-production starting next month. It is due to be finalized during the holidays and will roll out during the Super Bowl.

**Executive Director Report:**

Mr. McClellan gave the Executive Director Report. With the ad going into the professional journals, we cancelled the RFP for the State Lobbyists, and want to begin focusing our lobbying efforts at the federal level. The Military Welcome Center will have its Rededication on September 2, 2022 at 11:00am. The Board Budget Workshop is the same day, but we will take a break to go down to show our support. Mrs. Bonnie Ossege with Ricondo & Associates will be giving her “Trends in the Industry” presentation at the Workshop. There are three projects out at the moment; the Baggage Makeup, the Ramp and the North Terminal Expansion, with only one of them coming in under budget. We were unable to secure grant funding, so we are going to try to go through the federal lobbyists to try to seek additional monies. There are upcoming parking lot improvements; expansion of the long term and employee lots, improvements to the cell phone lot, and potential improvements in the overflow parking lot. These projects are due to be released next month and are expected to be completed by June 30, 2023. The Terminal Design Project is underway and should be done in about 8 months. We are continuing to move forward with planning, while we are waiting for the allocation of the funds.

Chair Melzer said that she participated in the Airline Meeting and said that the airline partners seemed very pleased with how the plans for expansion are developing and how the Airport has been staying within budget when planning for the future.

**Public Comments:**

There were no Public Comments.

**Adjournment:**

The Board meeting was adjourned at approximately 9:45 a.m.

Next meeting is scheduled: September 28, 2022 – Board Meeting 9:00 a.m.

Reminder: Board Budget Workshop will be September 2, 2022 at 9:00 a.m. and the Military Welcome Center Rededication at 11:00 a.m.

---

Lisa Brady, Executive Assistant

---

Holly Melzer, Chair