

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., July 27, 2022 by Chair Glen McDonald.

The Invocation was given by Vice Chair Holly Melzer.

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

Roll was called. In attendance were: Mayor Mark Sheldon, Mr. James Johnson, Mr. Les McFatter, Mr. Will Cramer, Vice Chair Melzer and Chair Glen McDonald.

Chair McDonald asked if there were any Public Comments. There were no Public Comments.

Chair McDonald presented the AAAE 2022 Leadership Award to Mr. Parker McClellan, given by the American Association of Airport Executives and the U.S. Contract Tower Association and Policy Board as a “thank you” for his dedication and commitment.

Chair McDonald 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.

Vice Chair Holly Melzer made a motion to accept the Agenda, and Mr. James Johnson seconded the motion. The vote was taken and the motion passed unanimously.

District Administrative Items:

a. Election of Officers:

Chair McDonald asked if there were any nominations for Chair.

Mayor Mark Sheldon made a motion to nominate Holly Melzer as Chair, and Mr. Will Cramer seconded the motion. The vote was taken and the motion passed unanimously and the gavel was passed.

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

Mr. Will Cramer made a motion to nominate Mayor Mark Sheldon as Vice Chair, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.

b. Annual Review of Guidelines

Review of Board Operating Procedures: Mr. Parker McClellan informed the Board that the guidelines have been reviewed and that no changes are needed to the Board Operating Procedures other than changing the year from 2020 to 2021 in the Administrative section under Voting Responsibilities in the appendix. Other than that, there are no modifications that need to be made. No vote was needed.

Reports:

Mr. Parker McClellan presented the Activity Reports. We are still having positive growth for the year, despite the impacts of the economy. Increased fuel prices and inflation are continuing to impact discretionary travel for some, so there has been a reduction over our peak of last year, but Mr. McClellan says there should be no need for concern. Considering that last year was a rather high year, and we may “normalize” over the next two years. The load factors are still very good and the airlines are anticipating a good summer next year. As we look to the future, the growth of the West End of Panama City Beach, with Latitude Margaritaville adding 700 homes to the area, will be a positive impact on our service and we may see that there will be less of a seasonal market. We continue to maintain 23% of the market share. Destin, Fort Walton and Pensacola are experiencing a similar market.

Mrs. Darlene Gordon presented the Financial Reports for the 9 months ending June 30, 2022. Our cash increased \$1.6 million in the month of June. Our total cash balance is \$35.7 million; a \$8.1 million increase over this time last year. Revenues continue to outperform budget. Year to date, our Operating Revenues are at 130% of budget. There were 33% fewer commercial passenger flights in June of this year than there were for last year. We are still in good shape as airline revenues are still 107% of budget.

Income from the Rental Cars is at 142%, and Parking Fees are up 150%. TURO submitted their first report to us and we received \$13,000.00 in concession fees from them for June. Personnel expenses are at 87%, and General operating expenses are at 92% of budget.

Consent Agenda:

a. Approve Board Meeting Minutes – June 29, 2022

This Item provided for Board approval of the June 29, 2022 Board Meeting Minutes.

b. Approve ZHA Task Order #51-C – General Planning Services

This item provides for the Board’s approval of Task Order #51-C to ZHA as the Airport’s continuing engineering consultant to perform various preliminary planning services to assist Staff in evaluation of various capital projects and develop alternatives.

Over the last several years, we have developed concepts for numerous projects and developed potential alternatives for capital projects utilizing a variety of available funds. The Task Order allows for staff to develop alternatives and concepts for capital development projects and other related activities.

Additionally, it will allow for additional planning service including, but not limited to, exhibit development and project cost estimating.

The overall cost of this task order is \$30,000 and it is contained in the FY 2022 Operation and Maintenance Budget.

Staff recommended Board approval of the task order for engineering consulting services for planning services for proposed and potential capital projects.

c. Approve Audit Engagement – Tipton, Marler, Garner & Chastain

This item requests approval by the Board for the acceptance of a Letter of Engagement with Tipton, Marler, Garner & Chastain (“TMGC”) to perform the FY22 financial audit.

TMGC has provided audit services to the Airport in an efficient and profession manner for several years. TMGC has submitted an audit proposal and an Engagement Letter which details their audit procedures. The audit will meet or exceed the requirements specified by Florida Statute for Special Districts.

Staff believes it to be in the best interest of the District to continue its working relationship with TMGC and is satisfied with the audit services provided.

A budget of \$26,296 is proposed for this work effort. Funding will be provided in the Airport FY23 Operating and Capital Budget.

Staff recommended approval of an audit Engagement Letter with Tipton, Marler, Garner & Chastain.

d. Approve Deep Well Installation – Burkett and Son’s Well Service

This item provides for Board approval for the purchase and installation of a deep-water irrigation well in accordance with North West Florida Water Management District (NFWMD) guidelines.

The Airport owns and operates several deep wells located on Airport Property. These wells are used primarily for landscape irrigation activities. In coordination for the completion of the State Road 388 Realignment and Roundabout Project, and additional planned landscaping activities along West Bay Parkway, a new well installation was requested from the Water Management District in 2019. This well is to be installed prior to the completion of the Roundabout.

It was originally anticipated that this well installation would be scheduled for fiscal year 2023, however, favorable work conditions have put the Roundabout Project ahead of schedule. The Project General Contractors (Superior Construction and FDOT) have requested the well installation as soon as possible in anticipation of the Roundabout completion.

In accordance with Airport Purchasing Policy, written quotes were recently requested for the installation of the well. Three quotes were received as follows:

- Burkett and Son's Well Service - \$13,400
- Pollard Well Drilling - \$16,500
- Culligan Water - \$14,250

This purchase is an unbudgeted capital item. Funding capacity is available in the Airport's current FY 2022 Operating and Capital Budget.

Staff recommended Board approval of the purchase for acquisition and installation of a deep-water irrigation well from Burkett and Son's Well Service of Youngstown, Florida in an amount not to exceed \$13,400.

Mayor Mark Sheldon made a motion to accept the Consent Agenda, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Approve Policy Change – Purchasing Policy

The Airport Purchasing Policy establishes the policy of the Panama City-Bay County Airport and Industrial District (the "Authority") regarding purchases by employees.

The current Policy 3.8 – Purchasing Procedures was last updated and approved by the Board effective February 1, 2019. The updates made to the policy at that time changed purchasing limit requirements and more clearly defined proper purchasing practices.

Staff has revised Policy 3.8 to update the purchase limit requirements and clarify certain language and practices. The proposed purchasing limits reflect price increases due to the Pandemic and inflation, are in line with other municipalities in our area, will increase the efficiency of staff, and greatly improve the ability to obtain goods and services in a timely manner.

Mr. McClellan explained that due to the increase of the cost of goods, it was suggested that we review the signature authority of the Executive Director within the Purchasing Policy. It is requested that the limit be increased to \$50,000. Mr. McClellan gave comparable limits to show that the amount requested is in alignment with the region; City of Panama City Beach is at \$25,000, City of Panama City is at \$100,000, Bay County is \$150,000, Sarasota/Manatee Airport Authority is \$150,000, and Melbourne Airport Authority is at \$35,000. All of the items have been reviewed and approved by legal counsel.

Staff has revised Policy 3.8 to update the purchase limit requirements and clarify certain language and practices. The proposed purchasing limits reflect price increases due to the Pandemic and inflation, are in line with other municipalities in our area, will increase the efficiency of staff, and greatly improve the ability to obtain goods and services in a timely manner.

The proposed changes to Policy 3.8 have been reviewed and approved by legal counsel.

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

Staff recommended the Board approval of the update to Policy 3.8 – Purchasing Policy.

Mr. Will Cramer made a motion to approve the Policy Change – Purchasing Policy, and Mr. Les McFatter seconded the motion. The vote was taken and the motion passed unanimously.

b. Approve and Adopt Resolution for One Time Bonus for District Employees

This item provides for the approval and adoption of a Resolution for a Non-Recurring Longevity Incentive Payment to current District employees.

The dedication of our staff to ensure the continued economic viability and the success of the Airport is recognized every day. In today's economic environment, it is a difficult and challenging time for employers and employees with increases in cost of goods, inflation and high prices of fuel. The Senior Staff and Board want to reward our employees and thank them for their efforts.

Mr. McClellan explained that employees are feeling the impact of the economy, the CPI, the price of fuel, and the distance that most of them have to drive to work at the Airport. Given the success and changes that our staff has experienced over the last 3 years, it would be a good time to offer a one-time longevity check to our employees. There would still be an annual pay raise presented at the Budget Meeting in September. Other agencies have done this locally as well. This has already been reviewed and approved by legal counsel.

This one-time non-recurring longevity payment is based on numerous factors and it is a great opportunity to recognize our employees for their contributions to the success of ECP. The proposed amounts are as follows:

\$2,500 for those employed on or before March 1
 \$1,250 for those employed March 2 – June 1
 \$625 for those employed June 2 and after

This item is funded within the District's FY22 Operating and Capital Budget and the cost to provide this Non-Recurring Longevity Incentive Payment is estimated to be \$167,250.

Staff recommended the Board approve and adopt the Resolution 22-04 for a Non-Recurring Longevity Incentive Payment.

Mr. Glen McDonald made a motion to approve and adopt the Resolution for One Time Bonus for District Employees, and Mr. James Johnson 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 approved

well installation will be one of the final portions of the project. He presented an aerial image of the Roundabout and explained the eventual flow of traffic. He expects the project to be completed near the end of the calendar year. Ms. Melzer asked when there would be new guidance released to the public about the flow of traffic. Mr. McConnell said that FDOT has a public relations firm that is putting together the information on the flow of the Roundabout and the change in the traffic pattern and it will be released as soon as it is complete.

Bay EDA Update (Information Only):

Bay EDA President Ms. Becca Hardin reported that they had just returned from a 3-day trip to the Farnborough International Air Show. They partnered with Enterprise Florida, Florida Power and Light (FPL) and Florida's Great Northwest to sponsor a booth. They had more than 17 one-on-one meetings. Standard Arrow, GE Aviation, Embry Riddle, Triumph Aviation Group, United Technologies-Pratt Whitley, Spirit Arrow and Airbus were some of the companies that they were able to meet with. It was a productive show and she is excited that Bay County is now recognized internationally, and with the upcoming addition of the new FBO, Southern Sky Aviation, there should be many new developments at the Airport.

The Moore Agency Update (Information Only):

Ms. Katie Spillman of The Moore Agency reported on marketing efforts. Since the last meeting, the "Wheels Up Summer Music Series" has continued. The last performance will be this Saturday. The monthly newsletter went out, as well as an announcement about the music series. Social media is doing well, and our online presence is well above average. The new advertisements will be going out around Labor Day and will run in The Tallahassee Magazine, Emerald Coast Living, and Influence 100. There will also be ads going up on local digital billboards. She said that they are also finalizing a television spot.

Executive Director Report:

Mr. McClellan gave the Executive Director Report. He announced that on October 12, 2022 at 2:00 pm., there will be a groundbreaking ceremony for Southern Sky Aviation, LLC, so everyone should save the date.

Walton County is expected to appoint the new Tourism Director as our new Board Member at their next meeting, so Mr. Brian Kellenberger will no longer be the Walton County Representative on the Board.

The Cares funding is beginning to roll out. We were not able to get the first round of ATP funding, only three airports in Florida received funding. Mr. McClellan will be presenting a plan at an upcoming Board Meeting on how to try to get ECP recognized for funding in the next round. We are still waiting on AIG money and are hoping to get some monies soon to be able to begin at least a couple of projects next month.

Our numbers are down a little, but slowing down allows more time to make sure we are doing the right thing for our community and our Airport.

Public Comments:

There were no Public Comments.

Adjournment:

The Board meeting was adjourned at approximately 10:00 a.m.

Next meeting is scheduled: August 24, 2022 – Board Meeting 9:00 a.m.

Ethics Training:

Airport Authority legal council Cole Davis presented the Ethics Training. The Board Members present included: Chair Holly Melzer, Mr. Les McFatter, and Mr. James Johnson. Staff present included: Mr. Parker McClellan, Mr. Richard McConnell, Ms. Darlene Gordon, Mr. Mark Adams, Mr. Mikko Huttunen, Ms. Beth Harless and Ms. Lisa Brady.

The Ethics Training was adjourned at approximately 2:00 p.m.

Lisa Brady, Executive Assistant

Holly Melzer, Chair