

## 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., March 26, 2014 in the Airport Board Room by Chairman Pilcher.

The Invocation was given by Ms. Patty Mitchell.

The Pledge of Allegiance was led by Chairman Pilcher.

The Executive Secretary called the roll and indicated that all Board Members were present except Mr. Del Lee.

#### **Approval of Minutes:**

The February 26, 2014 Board Meeting Minutes were approved as distributed.

#### **Reports:**

Mr. McClellan presented and reviewed the activity report.

Ms. Henderson presented and reviewed the financial report.

#### **Consent Agenda:**

##### **a. Approval for Purchase of Spring Fertilization**

This item provides for Board approval for the purchase and application of fertilizer for approximately 500 acres of airport property.

**Following Board discussion, Ms. Moliterno made a motion to approve an amount not to exceed \$60,000 for the purchase and application of fertilizer to be applied to approximately 500 acres at the airport, and authorization for the Executive Director to execute any necessary documents. Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Lease Assignment – Skytanking USA, Inc. to Aircraft Service International, Inc.**

This item provides for Board approval of the assignment of the Lease Agreement between Skytanking USA, Inc., and the Panama City-Bay County Airport and Industrial District to Aircraft Service International, Inc.

**Following Board discussion, Mr. Scott made a motion to approve the lease assignment from Skytanking USA, Inc., to Aircraft Service International, Inc., and authorization for the Board Chairman to execute any necessary documents. Mr. Forehand seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Change Order – Phoenix Construction Services**

This item provides for Board approval of a change order to the Phoenix Construction Services Ramp Expansion and Security Project contract to add a rainwater collection system and make improvements to the Maintenance/Cargo Area Stormwater System.

**Following Board discussion, Mr. Bruett made a motion to approve the change order to the Phoenix Construction Services Ramp Project contract in an amount not to exceed \$13,881.78 and authorization for the Executive Director to execute any necessary documents. Ms. Moliterno seconded the motion. The vote was taken and the motion passed unanimously.**

**Business Items:**

**a. ZHA Task Order – Environmental Assessment and 404 Permit – Phase II**

This item provides for Board approval of a task order to ZHA as the airport's continuing engineering consultant to complete the Environmental Assessment – Phase II and the Section 404 Permit for Phase II.

The Federal Aviation Administration (FAA), along with concurrence from the US Army Corps of Engineers (USACE), suspended the airport from completing the development of the Environmental Assessment (EA) for Phase II in the late fall of 2011, as well as the 404 Permit for Phase II that had already been initiated. Both agencies required the airport address pending environmental issues to the agencies' satisfactory acceptance before the EA and 404 Permit could be further developed for submission to the agencies for consideration. The airport has successfully resolved these concerns to both the FAA and USACE's satisfaction.

Since the suspension of work associated with the EA, the project requirements for Phase II have been updated. The USACE has required the airport to repeat the scoping phase of EA services due to the passage of time and the lack of their involvement in the process. The USACE, along with the FAA, has recommended the public notice period for the EA be coordinated with the 404 Permit process to occur at the same time to help reduce the cost to the airport.

The total cost for this task order is \$549,000. Funding for this amount was not included in the FY2014 budget; however, the project should be eligible for 90% funding by the Federal Aviation Administration.

**Following Board discussion, Ms. Moliterno made a motion to approve the task order to ZHA for completion of the Environmental Assessment and 404 Permit - Phase II and to amend the FY2014 Budget to reflect the addition of this project, and authorization for the Board Chairman or his designee to execute any necessary documents. Mr. Forehand seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Purchasing Card Program**

This item provides information to the Board concerning a proposed purchasing card program.

Staff has continued working on methods to increase nonairline revenues. One area that is under-utilized is the use of credit cards, or purchasing/procurement cards (P-Cards), to generate rebates or rewards. To learn more about the possibility of generating revenue through this method, Staff contacted SunTrust Bank, the bank which handles the District's accounts.

SunTrust offers an aggressive P-Card program for streamlining the procurement process by eliminating invoices, purchase orders, and checks while helping reduce administrative costs. Using P-Cards would enable the airport to gain greater control over purchases while providing access to management reporting for reconciliation of purchases.

The use of SunTrust's program would allow the airport to use an online program for administration of the cards, with the ability to set limits on individual cards, receive detailed data transmitted by merchants and generate reports by vendor or purchaser.

The most attractive feature of SunTrust's P-Card program is the rebate offered. As long as the District makes over \$500,000 in P-Card expenditures annually, because the airport is an Independent Special District, the District becomes part of a consortium of Florida government entities, which allows the ability to earn a 1.35% rebate on all P-Card expenditures. This rebate would be deposited into the airport's account annually.

After a summary review of expenditures for the last fiscal year, staff located over \$1.5 million in expenditures that could have been made on P-Cards, which would have entitled the airport to a \$20,000+ rebate.

Staff did not go through a bid process to locate this program. The City of Hallandale Beach Florida recently went through a bid process, and on February 19, 2014 awarded their banking services, to include the P-Card program, to SunTrust Bank. The City of Hallandale determined that SunTrust Bank offered the most competitive rebates for P-Card use. In order to save time and effort, Staff elected to “piggy-back” on the bid process completed by the City of Hallandale.

There is a one-time set-up fee of \$5,000, which would provide access to all facets of the program, and would allow for integrating the P-Cards into the airport’s accounting system and allow for the creation of custom forms for use with this type of purchasing.

This item is for informational purposes only and required no formal action by the Board.

**c. Crosswind Runway Update**

This item provides for an update to the Board regarding the status of construction of the crosswind runway and the suggested direction to move forward.

Development and construction of a crosswind runway has been in the planning stages for many years, is included in the original Airport Layout Plan (ALP), and has been included in funding efforts for the past 18 months. Recently, staff met with representatives from the Florida Department of Transportation (FDOT) to discuss various projects in the future, specifically the crosswind runway. Discussions included various funding opportunities and possibilities of additional funding to reduce the impact on the airport, while maximizing the available funding.

It was determined that the project design/construction estimates for the crosswind runway were exceeding our ability to ensure a strong financial position in the future. The original estimates included a contribution of airport funds of \$1,000,000, which maximized federal and state funding opportunities available today. As staff refined the work program on the crosswind runway and reviewed the available funding opportunities, the airport’s contribution had climbed in excess of \$2,500,000. That increase would thereby reduce the amount available in capital reserves.

As preparation of the airport’s Master Plan is nearly complete, there is an identifiable need for a longer crosswind runway that could be utilized by a larger portion of the existing fleet mix. Construction of a longer crosswind runway would require additional time for the development process, and would also create additional funding opportunities available to the airport.

Staff recognizes the importance and priority of the crosswind runway as part of the future development of the airport. As a result, staff recommends not proceeding with development and construction of the crosswind runway at a length of 5,000 feet but to begin planning and developing a longer crosswind runway that would meet the needs of the current fleet mix utilizing the airport.

**Following Board discussion, Ms. Moliterno made a motion to approve staff's recommendation not to proceed with development of the crosswind runway at a length of 5,000 feet and to proceed with the planning and development of a longer crosswind runway to meet the needs of the fleet mix utilizing the airport, and to begin the process of reviewing additional funding opportunities for a longer crosswind runway; and authorized the Executive Director to notify the FAA and FDOT of the airport's intentions; and authorization for the Board Chairman to execute any documentation necessary with this action; and further advised the Executive Director to update the Board in a few months as to a target date for moving forward with the longer crosswind runway. Mr. Forehand seconded the motion. The vote was taken and the motion passed unanimously.**

**d. Employee Recognition of Austerity Efforts**

This item provides for Board approval of a one time employee recognition for austerity efforts made by staff.

As a result of austerity efforts utilized by airport staff during the 2013 fiscal year, the airport saved approximately \$800,000. These savings were accomplished through various cost saving methods including not filling vacant positions, controlling the use of professional services, and ensuring cost effective purchasing procedures.

In recognition of these austerity efforts, it is requested that a one-time allowance for each employee to receive 8 hours of paid time off, under the guidelines that the time must be used by December 31, 2014; the time off must be coordinated in advance in each department so as not to incur any overtime; and there is no cash value for the time if you leave the employ of the District. In addition, a letter of recognition will be placed in each employee's personnel file.

**Following Board discussion, Mr. Bruett made a motion to approve the one-time recognition for 8 hours paid time off for each employee, under the specified guidelines. Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**Executive Director Reports:**

**Ramp Project:** Mr. McClellan advised the Board that the ramp project was approximately 50% complete and work continued to be on schedule.

**Air Traffic Control Tower Funding:** Mr. McClellan advised the Board that discussions had begun again with Congress regarding the need to maintain funding for the Air Traffic Control Tower.

**Public Comments:**

There were no public comments.

**Adjournment:**

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

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Patty Mitchell, Executive Secretary

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John Pilcher, Chairman