

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 10:00 a.m., March 28, 2012 in the Airport Board Room by Chairman McKenzie.

The Invocation was given by Ms. Patty Strick.

The Pledge of Allegiance was led by Chairman McKenzie.

The Executive Secretary called the roll and indicated that all Board Members were present.

Approval of Minutes:

The February 3, 2012 Special Board Meeting Minutes, and the February 22, 2012 Board Meeting Minutes were approved as distributed.

Reports:

Mr. Wheat presented and reviewed both the activity report and the financial report to the Board.

Consent Agenda:

There were no items listed on the Consent Agenda.

Business Items:

a. New Airline-Airport Use and Lease Agreement

This item provides for Board approval of the new Airline-Airport Use and Lease Agreement for the signatory air carriers serving the airport effective October 1, 2011.

In May 2010 the airport entered into an agreement with the passenger air carriers establishing an interim signatory agreement to operate at the new airport and established rates and charges the air carriers would pay.

Staff has finalized negotiations with the passenger air carriers and developed a basic plan that allows for a charge of two basic rates, one for landing fees and one for terminal rental. The landing fee rate represents the total costs associated with operating the airfield cost center and includes all operating and maintenance costs, along with debt service costs for constructing the airfield. The terminal rental rate includes both the debt service and O&M costs in the terminal complex cost center and is charged on a rentable square foot calculation.

In addition, this new agreement also provides for a revenue sharing program with the airlines. The revenue sharing component is determined by taking all operating revenues less operating expenses, capital equipment, annual debt service and capital reserve. The net remaining revenues are then distributed 60% to the air carriers in FY 2012 and 50% in FY 2013, 2014 and 2015.

The term of the new agreement is for four years, beginning October 1, 2011 and ending September 30, 2015. Provisions in the agreement allow the airport to build capital reserves and sets aside \$250,000 in FY2013, \$500,000 in both FY 2014 and 2015, prior to any revenue sharing calculation. In addition, the new agreement ensures positive cash flow for the airport by allowing payment of the remaining incentive amount to Southwest Airlines over a three year period starting in FY 2013. Southwest Airlines will pay full rents and landing fees for FY 2012.

Approval of this agreement will provide the basis in determining airline rates and charges on an annual basis for use in calculating the budget.

Following Board discussion, Ms. Moliterno made a motion to approve the new Airline-Airport Use and Lease Agreement and authorization for the Board Chairman to execute any necessary documents upon review and approval by airport legal counsel. Mr. Bruett seconded the motion. The vote was taken and the motion passed unanimously.

b. Environmental Issues Associated with FDEP Consent Order #3

This item provides for Board approval of two task orders to ZHA to perform work associated with environmental issues to be included in the new Consent Order #3.

The airport received notice of violations from the State of Florida Department of Environmental Protection and notice that a new Consent Order #3 would be developed that replaced the previous consent orders and addressed all remaining environmental issues.

In an effort to begin working towards compliance regarding the environmental concerns, two task orders have been developed. Listed below is the work scope and associated dollar amounts for both task orders:

Stormwater Management System Analysis and Conceptual Design Improvements:

This task will provide for the analysis of the stormwater management system with focus on the Morrell Branch and Kelly Branch impacts, as well as with Pond C. Additionally, this task order will develop conceptual alternatives that address operational deficiencies. The conceptual alternatives will include design requirements/criteria, order-of-magnitude cost and a potential schedule. The total cost of work associated with this task order is \$113,695.

North Area – West Johnny Reaver Road Assessment:

This task will evaluate the effects of the impacts on the ecosystem, as well as other impacts that include, but are not limited to, vegetation analysis, sediment evaluation, hydrology assessment and soils assessment. Additionally, this task provides for the development of a comprehensive Restoration Plan which will include evaluation of assessment data. The total cost of work associated with this task order is \$31,037.

Approval of both task orders would impact the budget by \$144,732. This work was not included in the FY2012 budget; however, funds are available to cover the expenses.

Following Board discussion, Mr. Bruett made a motion to approve the work scopes and task order amounts, and authorization for ZHA to perform the work associated with both task orders, with 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.

c. Moore Consulting Group – Annual Review

This item provides for Board review of the work performed by Moore Consulting Group and renewal of the Marketing and Communications Consultant Agreement.

In March 2011, the airport entered into an agreement with Moore Consulting Group (MCG) for marketing and communications consulting services. The agreement provided for a three year term with reviews of their performance on an annual basis.

MCG has performed numerous tasks over the initial term of their agreement ranging from the development of an annual communications plan, web site redevelopment, planning the initial anniversary celebration of the airport's opening, and many other tasks working in partnership with the staff. Staff feels that MCG has performed in an excellent manner and has continued to perform work in the best interest of the airport.

Based on their performance, Staff recommends approval of the annual renewal with MCG for continuation of their agreement to provided marketing and communication services to the airport. Funding is available in the FY12 budget and will be programmed in the FY13 budget for support of this agreement.

Following Board discussion, Mr. Scott made a motion to approve the annual renewal of the Professional Services Agreement for Marketing and Communications Services with Moore Consulting Group, Inc. for year two of their Agreement. Ms. Moliterno seconded the motion. The vote was taken and the motion passed unanimously.

Public Comments:

There were no public comments.

Adjournment:

The meeting was adjourned at approximately 11:00 a.m. (CST).

Patty Strick, Executive Secretary

Andy McKenzie, Chairman