

**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., May 22, 2019 by Chairman Lee.

The Invocation was given by Mr. Russ Mathis.

The Pledge of Allegiance was led by Chairman Lee.

The Executive Secretary called the roll and indicated all the Board members were present except Vice Chairman Glen McDonald and Mr. Ken Nelson.

**Mr. Mathis made a motion to approve the Agenda. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.**

**Reports:**

Mr. Parker McClellan presented and reviewed the Activity Reports and discussion ensued.

Ms. Darlene Nelson presented and reviewed the Financial Reports and discussion ensued.

**Consent Agenda:****a. Board Meeting Minutes – April 24, 2019**

This item provides for Board approval of the April 24, 2019 Board Meeting Minutes.

**b. Approve Land Lease for N850J, LLC**

This item provides for Board approval of the Land Lease between N850J, LLC and the Panama City-Bay County Airport and Industrial District. No rent will be collected until the Certificate of Occupancy is received; the lease term is 30 years; rents will be calculated at the rate of \$.35 per square foot per year, with an annual adjustment based on the CPI; proof of general liability, casualty and automobile insurance is required, with District named as an additional insured; area leased will be approximately 36,244 square feet, to be confirmed by survey. Monthly revenue generated would be approximately \$1,057.00 (\$12,684.00 annually).

**c. Ratification of Amendment One of the Consulting Services Agreement with Evergreen Solutions, LLC**

This item provides for the Board's ratification of Amendment One to the Consulting Services Agreement with Evergreen Solutions, LLC in the amount of \$5,500.00. The current contract is for services to conduct a survey and provide the District with information regarding its current pay structure. It was determined the addition of a comparison of our benefits package would be of value and would provide a total view of our compensation package (salary and benefits). This additional comparison will include insurance(s), retirement plan(s), bonus plan(s), auto allowance and other programs offered by other airports.

**d. Ratification of Amendment One of the Professional Master Planning Services Agreement with CHA Consulting, Inc.**

This item provides for the Board's ratification of Amendment One of the Professional Master Planning Services Agreement with CHA Consulting, Inc. The current Agreement provided for reimbursable expenses which includes travel, lodging, meals and other incidental expenses, but the language conflicts with the Exhibit B, by not allowing for reimbursement of meals. This Amendment will correct the conflicting language to allow for meals to be an approved reimbursable travel expense.

**Mr. Johnson made a motion to accept the Consent Agenda, and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

**Business Items:**

**a. Accept Bid for Fuel Management System Replacement/Upgrade – A. Phelps Petroleum of NW FL, Inc.**

This item provides for Board approval for a project to replace the Airport's current computerized fuel management system. Fuel storage and dispensing components are located at the Airport's maintenance facility, aviation fuel farm, and rental car service facility. A computerized system is currently in place to monitor, manage, and provide inventory control of the fuel dispensing operation. That system is beyond useful life and is longer supported by the system provider. This acquisition will significantly update and replace the current, obsolete system.

The Airport posted an Invitation to Bid for "Fuel Management System Replacement/Upgrade." On the bid opening date of May 14, 2019 one sealed, responsive bid was received for the project.

The bid received was from A. Phelps Petroleum of NW FL in the amount of \$121,043, which is \$7,043 above the budget estimate. Based on saving from other purchases though out the fiscal year, there is sufficient funding in the FY19 Budget. The purchase is part of an existing State of Florida Joint Participation agreement in which fifty (50) percent of the budget estimation, as a result the reimbursement from FDOT will be \$57,000 and the Airport portion will be \$64,043.

A discussion ensued with regards to why we have had limited responses to our proposals, and it was determined that Staff and our Consultant would review and develop a plan to increase responses to solicitations.

**Mr. Tusa made a motion to accept the Bid for A. Phelps Petroleum of NW FL, Inc., and Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Acceptance of SunTrust Automated Teller Machine (ATM) Concessions Agreement**

This item provides for Board approval to contract with SunTrust Bank to provide ATM services in the Airport Terminal.

Bids were due to the District on April 10, 2019. No bids were received.

Staff subsequently negotiated with SunTrust to keep its current two ATMs in the Terminal at a reduced rental fee. The current rental payment is \$5,400 per year and the newly negotiated rent will be \$4,400 per year. There will be a reduction in income of approximately \$335 in FY19. Subsequent budget years will reflect the rates then in effect.

The Contract will be a non-exclusive agreement with an initial one-year term with two one-year options. Airport legal counsel has reviewed and updated the Agreement.

**Ms. Sims made a motion to approve the SunTrust Automated Teller Machine (ATM) Concessions Agreement, and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Approval of Rental Car Concession Agreement**

This item provides for Board's approval of rental car concession agreements that have been negotiated with the rental car companies for the Northwest Florida Beaches International Airport.

In October 2014, the District entered into rental car concession agreements with Avis/Budget, Enterprise, Hertz, Alamo/National and Dollar/Thrifty to operate at the Airport. Those agreements require each concessionaire pay a monthly concession fee of 10% of gross receipts and a \$4.50 per vehicle per rental day Customer Facility Charge (CFC). The CFC fees collected are used in part to fund the debt service for the construction of the rental car facilities and to pay the rental fees of the Service Facility, Ready Return Spaces and Terminal Counter Facilities. If, at the end of the fiscal year, CFC collections are insufficient to pay the cost of that year's rents and debt service, then the rental car companies are assessed an additional amount to cover the shortfall. Any surplus is held for future rehabilitation and expansion of the rental car facilities.

The contract term requested is for a three-year period beginning October 1, 2018 and expiring on September 30, 2021. There are also two one-year options which may be exercised at the discretion of the District. This Agreement includes the contents of the two Amendments to the 2014 Agreement, modified Ready Return Space Allocation language based on the past 12 month market share, as well as the ability to add an Airport Concession Disadvantage Business Enterprise (ACDBE) Rental Car Operator.

There will be no adverse impact on the budget or future budgets.

**Mr. Johnson made a motion to approve the Rental Car Concessions Agreement, and Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.**

**State Road 388 Construction Update:**

Mr. McClellan addressed the Board informing them that there have been numerous dump trucks and a backhoe at the sand pile, and the deadline for complete removal is the end of June.

**The Bay EDA Update:**

Ms. Becca Hardin, President of Bay EDA, informed the Board that there has been quite a bit of aviation industry activity since the last update.

Three projects: 1) prospect visits with Project Turbo (interested in the infield – where the current sand pile is), 200 jobs possible, \$25M capital investment, Airport and EDA working on proposals and will meet with them again at the Paris Airshow; 2) Project Gator (needs runway access, looking for a wide-body hangar for MRO-type operations, Airport and EDA working on a proposal with our partners with the State (it would be a Space Florida project); 3) Project Mastermind – 4 MRO projects and 1 R&D piece – Florida State University has been heavily involved in the R&D piece and we've been successful in getting their interest in the Florida State Engineering

programs and company representatives will be going to Tallahassee to see those programs, and we hope to bring the programs to FSU Panama City.

Mr. McClellan added that we're also working on Project Goodwrench, a partnership with some of the local educational institutions.

When questioned about housing, Ms. Hardin responded that all the projects the EDA is working on are build-to-suit and will take at least a year to 18 months to build a facility. She said they see we are building "bigger, better, stronger" – and that Bay EDA is busier than ever.

### **The Moore Agency Update:**

Ms. Katie Spillman of The Moore Agency reported that during the month of April, the Agency launched ECP's 2<sup>nd</sup> campaign burst which ran for three weeks on Facebook, Google and in *The News Herald*. She said it actually outperformed our February Super Bowl bursts. Ms. Spillman reported the online campaign ran for one week, the print advertisement ran the second week, and we launched the digital again on the third week, which allowed us to better identify the effectiveness and monitor any spikes that would come from traditional media. She said that digital definitely outperformed any of those organic spikes that we could've seen.

Ms. Spillman reported that there were 633 airline website conversions as a direct result of our campaign, and there were 272 assisted conversions from the campaign (they clicked on digital ad, go to landing page, click out, but come back and convert). Ms. Spillman informed the Board that the Dashboard illustrates how we're pacing really well against our fiscal year goals for measuring all our key performance indicators. Some have already outperformed and some are pacing right at halfway to our goals.

She continued that we did a mix of paid social and display ads and saw better results than just running our Facebook campaign as we did during the Super Bowl time. Costs were much lower on digital advertising with a lower cost per conversion. We saw better results on our Facebook advertising (likely because of our ability to optimize a new campaign with fresh creative, i.e. our more engaging animated GIFs), and our newsletter continues to exceed industry average open rates (28% compared with 17%).

On deck for The Moore Agency is to promote the enhanced summer flight schedule with earned media and fresh creative pushed out on all of our channels, and by giving out the newly branded ECP luggage tags.

### **Executive Director Report:**

Mr. McClellan informed the Board that the FAA supplemental funding list came out last week and we were not on that list, so we have taken the approach of changing our funding mechanism so we can use our entitlements to begin the Terminal Expansion in the fall.

He added that the ramp repair project is moving forward and C.W. Roberts has made it into a two-phase project to start June 3. The airlines will shuffle gates and everyone understands that for two weeks this will be happening. The ramp expansion project will be after that.

The TSA said we are cleared to have three lines, but there is no equipment for those lines at the checkpoint, and they are having staffing challenges. To prevent the lines being so long, we have ordered stanchions to accommodate the traffic.

Mr. McClellan announced that today was the 9<sup>th</sup> anniversary of the first landing at the Airport with an F22 and a 737 landing. Super Summer Weekends soft opening on June 8 and official opening on June 15 with AA, UA and SW adding flights and Delta adding flights in late June.

He continued that the family restroom floor on the 1<sup>st</sup> floor is complete and the others are almost done and he encouraged all to check them out.

And, he announced that today was Talisa Price's last Board meeting, and thanked her husband for his service to our country, and her service to our Airport. He said they will be moving to San Antonio and that she has been a very valuable part of our team, as everyone applauded her.

**Public Comments:**

There were no public comments.

**Adjournment:**

The meeting was adjourned at approximately 9:55 a.m.

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Kathy Gilmore, Executive Secretary

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Del Lee, Chairman