

**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., September 23, 2015 by Chairman Bruett.

The Invocation was given by Ms. Patty Mitchell.

The Pledge of Allegiance was led by Chairman Bruett.

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

**Recognition:**

Mr. McClellan acknowledged team members from Delta Global Services, which received the STAR (Start The Airlines Right) Award at ECP for the month of August 2015. The ECP station competed with 160 other stations nationwide.

**Approval of Minutes:**

The August 26, 2015 Board Meeting Minutes were approved as distributed.

**Reports:**

Mr. McClellan presented and reviewed both the Activity Report and the Financial Report.

**Consent Agenda:****a. Lease Agreement – HAECO Americas Line Services, LLC**

This item provides for Board approval of a Lease Agreement with HAECO Americas Line Services, LLC.

**Following Board discussion, Mr. Scott made a motion to approve the Lease Agreement with HAECO Americas Line Services, LLC and authorization for the Board Chairman or his designee to execute the lease. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Space/Use Agreement – Delta Global Services**

This item provides for Board approval of a Space/Use Agreement with Delta Global Services.

**Following Board discussion, Mr. Mathis made a motion to approve the Space/Use Agreement with Delta Global Services and authorization for the Executive Director to execute the agreement following satisfactory legal review. Mr. Scott seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Service Agreement – HVAC System and Components**

This item provides for Board approval for the renewal of an agreement with Trane Building Services to provide scheduled maintenance services for the three commercial air and water cooled chillers and associated system components.

**Following Board discussion, Mr. Lee made a motion to approve renewal of the Service Agreement with Trane Building Services for maintenance on the HVAC system. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.**

**Business Items:**

**a. Airline-Airport Use and Lease Agreement**

This item provides for Board approval of a new Airline-Airport Use and Lease Agreement for the signatory air carriers serving the airport effective October 1, 2015.

The current Airline-Airport Use and Lease Agreement with the signatory air carriers was approved in 2011 and was good through September 30, 2015. Staff has finalized negotiations with the passenger air carriers and developed a basic plan that allows for a change 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.

The agreement provides for the continued building of capital reserves and sets aside up to \$2,800,000 over the term of the agreement, prior to any revenue sharing calculation. The revenue sharing component of the agreement is determined by taking all operating revenues less operating expenses, capital equipment, annual debt service and capital reserve. The remaining revenues are then distributed 50% to the signatory air carriers.

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, Mr. Scott made a motion to approve the 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. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**b. FY 2016 Airport Operating and Capital Improvement Budget**

This item provides for Board approval of the Fiscal Year 2016 Airport Operating and Capital Improvement Budget.

A draft of the FY 2016 budget was provided to the Board and discussed in detail at the September 9, 2015 Board Workshop. As a result of the Workshop, salaries and benefits were reduced by \$40,000, reflecting decreases in the merit pool and goal incentive pool, and insurance costs were reduced by \$5,000, reflecting savings as a result of guaranteed pricing by PRM, the airport's current insurance provider.

The FY 2016 Operating and Capital Improvement Budget includes operating revenues of \$13,346,098 with operating expenses of \$8,203,900. The budget incorporates the debt service requirements for principal and interest payments of \$3,089,574 for the two SIB loans, along with passenger facility charges of \$1,606,578 leaving a net requirement from airport revenues of \$1,482,996.

The remaining net revenues available for the capital program and reserve accounts are \$1,533,845. The budget contains a 3.8% increase in operating expenses over the estimated FY 2016 expense budget, and an 8.4% increase in operating revenues for the same period.

**Following Board discussion, Mr. Scott made a motion to approve the FY 2016 Airport Operating and Capital Improvement Budget. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Extension of Advertising Concession Agreement – Clear Channel Airports**

This item provides for Board approval to extend the Advertising Concession Agreement with Clear Channel Interspace Airports (Clear Chanel).

In June, 2005, the Board awarded the Advertising Concession to Interspace Airport Advertising, now Clear Channel, and an agreement between the District and Clear Channel was executed. The Agreement allowed for an extension of the initial term if the Concessionaire met twelve enumerated standards detailed in the Agreement. In June 2009, before the relocation of the airport, the Board agreed that Clear Channel had met or exceeded all of the standards, and an extension of the term was granted through September, 2015.

The Agreement also allows for one or more additional five-year extensions with mutual agreement of the parties. Clear Channel has contacted Staff about exercising an extension option, and Staff has been working with Clear Channel to reach acceptable terms. In consideration of the extension, Clear Channel has agreed to:

- Increase the tech percentage payment to the District from 23% to 30%.
- Install a digital display in the area of the main terminal doors that could be used by the airport to welcome passengers and highlight area events.

The budgetary impacts will be minimal as the District would be providing utilities to the digital display. Additionally, the increase in the tech percentage payment will increase revenues.

**Following Board discussion, Mr. Mathis made a motion to approve the extension of the Advertising Concession Agreement with Clear Channel for the five-year option period, and authorization for the Board Chairman or his designee to execute any required documents following satisfactory legal review. Mr. Pilcher seconded the motion. The vote was taken and the motion passed unanimously.**

**d. Group Insurance Participation by Retired Employees**

This item provides for Board approval of a policy regarding health insurance for retirees in accordance with Florida Statutes.

Under Florida Statute 112.081, any Special District that provides health insurance for its employees and their dependents under a group insurance plan or self-insurance plan shall allow all former personnel who retired before October 1, 1987, as well as those who retire on or after such date, and their eligible dependents, the option of continuing to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a

premium cost of no more than the premium cost applicable to active employees. The cost of these premiums would be borne by the retiree or his/her dependents.

The City of Panama City, which administers the District's health insurance, has agreed to allow District retirees to participate in the health insurance plan. Approval of this policy would not impact the budget, as the cost of any retiree premiums would be borne by the retiree and not by the District.

**Following Board discussion, Mr. Lee made a motion to approve a policy allowing Group Insurance participation for retired employees. Mr. Pilcher seconded the motion. The vote was taken and the motion passed unanimously.**

e. **Transfer of Property to the City of Lynn Haven**

This item provides for Board approval of the transfer of property from the District to the City of Lynn Haven.

In July 2005, the Board approved the sale of property located in the Hugh Nelson Industrial Park to Blue Water Property, LLC. This land sale excluded canal property along the southern border of the Industrial Park and perhaps other easements and minor property interests in the adjacent areas.

Staff requested that legal counsel perform a title search and it was discovered that the canal was not included in the land sale at that time. The search was inconclusive regarding easements and other minor property interests. It would not be cost effective, however, to definitively determine the District's ownership of all interests in the area, since it is clear that the District does not own any platted parcels or other significant land nearby.

Based on the District having no regular presence near this canal or the Hugh Nelson Industrial Park and the potential for premises liability and maintenance costs associated with ownership, staff and legal counsel recommend that the District transfer the ownership of the canals and any other nearby property interests to the City of Lynn Haven. Staff from the City of Lynn Haven are in agreement and would recommend that the City accept the property as part of the Industrial Park.

**Following Board discussion, Mr. Pilcher made a motion to adopt a Resolution for the transfer of the property to the City of Lynn Haven, and authorization for the Board Chairman or his designee to execute the necessary transfer documentation, following legal review. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.**

**Executive Director Reports:**

Mr. McClellan advised the Board that the District also owns one remaining parcel of land located on Lisenby Avenue, near the former airport site. Mr. McClellan will work with the airport attorney regarding issues related to final settlement of this property.

Mr. McClellan informed the Board that Sheltair Aviation had experienced a strong summer and had an increase of approximately 20,000 gallons in fuel flowage.

**Public Comments:**

No public comments.

**Adjournment:**

The regular meeting was adjourned at approximately 9:35 a.m.

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Patty Mitchell, Executive Secretary

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Till Bruett, Chairman