

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., September 28, 2016 by Chairman Mathis.

The Invocation was given by Ms. Patty Mitchell.

The Pledge of Allegiance was led by Chairman Mathis.

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

Recognition:

Chairman Mathis recognized Mr. Tommy Barfield, FDOT District 3 Secretary, who is retiring the end of this year. The Board adopted a Resolution acknowledging Mr. Barfield for his efforts and continued partnership between the Northwest Florida Beaches International Airport and the Florida Department of Transportation.

Chairman Mathis recognized Ms. Cindy Meadows for her service to the Board. Ms. Meadows resigned her position effective the end of September 2016.

Approval of Minutes:

The August 24, 2016 Board Meeting Minutes were approved as distributed.

Reports:

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

Consent Agenda:**a. Approve Aircraft Service International Group (ASIG) FY 2017 Budget**

This item provides for Board approval of the FY 2017 Operating and Maintenance Budget for ASIG.

Mr. Lee made a motion to approve the ASIG 2017 Operating and Maintenance Budget. Mr. Nelson seconded the motion. The vote was taken and the motion passed unanimously.

b. Audit Engagement – Tipton, Marler, Garner & Chastain

This item provides for Board approval of the Audit Engagement Letter with Tipton, Marler, Garner & Chastain to perform the FY 2016 financial audit.

Mr. Lee made a motion to approve the Audit Engagement Letter with Tipton, Marler, Garner & Chastain, and authorization for the Board Chairman of his designee to execute the letter. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.

c. FY 2016 Budget Transfers

This item provides for Board approval for transfers within the FY 2016 Operating and Capital Budget and writing off of bad debt.

Ms. Sims made a motion to approve the requested transfers within the FY 2016 Operating and Capital Budget and writing off of bad debt. Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. FY 2017 Operating and Capital Improvement Budget

This item provides for Board approval of the Fiscal Year 2017 Airport Operating and Capital Improvement Budget.

A draft of the FY 2017 budget was provided to the Board and discussed in detail at the September 14, 2016 Board Workshop.

The FY 2017 Operating and Capital Improvement Budget includes operating revenues of \$13,369,954 with operating expenses of \$8,170,518. 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 \$1,563,432. The budget contains a .4% decrease in operating expenses over the estimated FY 2016 expense budget, and an 1% increase in operating revenues for the same period.

Following Board discussion, Mr. Nelson made a motion to approve the FY 2017 Airport Operating and Capital Improvement Budget. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.

b. Flight Information Display System (FIDS) Maintenance Agreement

This item provides for Board approval of the sole source procurement of a Maintenance Agreement for multiple information systems with Altel Systems Group, Inc.

In conjunction with the construction of the Terminal Building, the Airport installed numerous information systems including Flight Information Displays (FIDS), Gate Information Displays (GIDS), audio paging, and terminal information paging. The systems and equipment were provided by Innovative Electronic Design (IED). Technical support for this equipment is provided by Altel Systems Group, Inc. (Altel).

The Airport's purchasing process allows for the sole source procurement of goods and services based on unique or specialized characteristics. In this case, Altel is the only authorized service provider of IED's proprietary equipment in this Region.

The term of the agreement is five (5) years, which provides for all upgrades and updates to existing equipment, replacement of all non-supported equipment, software, software patches and other system issues. Costs of the five year agreement are as follows:

- Year one \$52,345
- Year two \$39,615
- Year three \$39,615
- Year four \$44,648
- Year five \$45,685

Funds for the first year of the agreement are available in the FY17 budget with the remaining four years being programmed in future budgets.

Following Board discussion, Mr. McDonald made a motion to approve the sole source procurement of the five year Maintenance Agreement with Altel Systems Group, Inc., and authorization for the Board Chairman or his designee to execute any required documents, pending review by legal counsel. Mr. Lee seconded the motion. The vote was taken and the motion passed unanimously.

c. Mitigation Implementation Project

This item provides for Board approval and award of a contract for off-site mitigation to Wildlands Fire Services, Inc.

As part of the West Bay Sector Plan, the Airport committed to long term mitigation consisting of the restoration of approximately 9,600 acres of property in close proximity to the Airport.

In 2016, Staff and ZHA reviewed the effectiveness and cost of the mitigation contract and scope of work over the long term with the goal of expediting progress, capturing maintenance areas, reducing insurance, and maximizing grant monies. The Airport issued an Invitation to Bid in August 2016. The invitation solicited individual Base Bids for a three (3) year term to include prescribed burning, long leaf pine planting and hydrological restoration.

The Base Bids scope of work was established to meet the minimum scope of work to maintain compliance with the requirements of the Mitigation Plan and Permit. The Add Alternates were identified and included, as needed, to continue to accelerate mitigation activities based on available funding.

In response to the Invitation to Bid, the Airport received one bid from Wildlands Fire Services, Inc. The bid was complete and responsive and the contractor is qualified. The Base Bids for each category are as follows:

• Prescribed Burning	\$576,600
• Longleaf Pine Planting	\$ 41,477
• Hydrological Restoration	<u>\$165,186</u>
TOTAL	\$783,263 (\$261,088 per year)

This mitigation work will be 90% funded by an FAA grant and 10% District funding in the FY2017 Airport Operations and Maintenance Budget.

Following Board discussion, Mr. Lee made a motion to award the Mitigation Implementation Contract and alternates to Wildlands Fire Services, Inc., and authorization for the Board Chairman or his designee to execute any necessary documents pending review by legal counsel. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

d. ZHA Task Order – Airport Security System Improvements

This item provides for Board approval of a Task Order to ZHA as the Airport's continuing engineering consultant to perform the required design, bid and award for the upgrades and improvements to the Airport security system.

Under Federal Transportation Security Administration (TSA) regulations, the Airport is required to install and maintain a multi-layered access control/security system in support of Airport operations. The original system was installed as part of the original Airport construction in 2010.

The total cost of this Task Order is \$218,800 and is contained in the FY 2017 Operation and Maintenance Budget. This work is included in the Airport's 2016 Federal Aviation Administration Airport Improvement Program grant and is eligible for reimbursement at a 90/10 ratio. Approximately \$196,920 would be reimbursed to the Airport.

Following Board discussion, Ms. Sims made a motion to approve the Task Order with ZHA for engineering consulting services for the Airport security system improvements, and authorization for the Board Chairman or his designee to execute any necessary documents, pending review by legal counsel. Ms. Meadows seconded the motion. The vote was taken and the motion passed unanimously.

e. Approve Investment Policy

This item provides for Board adoption of the Retirement Investment Policy in accordance with Florida Statute 112.661, which governs investment policies for local retirement plans.

The Panama City - Bay County Airport and Industrial District sponsors the Panama City - Bay County Airport and Industrial District Money Purchase Pension Plan (the Plan) for the benefit of the District employees. The District recently contracted with Regions Bank for plan consultant and investment fiduciary services.

The purpose of the Investment Policy is to establish standards for the Plan's investment portfolio and management of the Plan. The Investment Policy also confirms that various parties are acting as fiduciaries. It incorporates accountability standards that will be used to monitor the progress of the Portfolio's investment program and evaluate the contributions of the Investment Fiduciary (Regions) hired by the Board.

Florida Statute 112.661 governs investment policies for local retirement plans and it was used as a guide for the development of the Panama City - Bay County Airport and Industrial District Money Purchase Pension Plan Investment Policy. The participant directed nature of the District's Money Purchase Pension Plan and the fact that participant funds are not pooled means the Investment Policy has omitted or made inapplicable certain aspects of Florida Statute 112.661.

There is no financial impact to the District in approving the Investment Policy.

Following Board discussion, Mr. Lee made a motion to approve the adoption of the Investment Policy in accordance with Florida Statutes. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

Executive Director Report:

Mr. Patrick Sheffield with Moore Communications Group provided a progress report regarding marketing and social media activities.

Mr. McClellan advised the Board that a Request for Proposals for Marketing Services would be released soon.

Ms. Becca Hardin with the Bay County EDA updated the Board regarding Project Pompano, and advised that two additional aviation projects were also moving forward.

Mr. McClellan updated the Board regarding Edge Aerodynamix and advised that Edge has received preliminary approval for their product to be utilized on commercial aircraft.

Mr. McClellan advised the Board that he recently received notification from FEMA regarding disbursement of funds to the Airport in October.

Public Comments:

No public comments.

Adjournment:

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

Patty Mitchell, Executive Secretary

Russ Mathis, Chairman