

MEETING MINUTES

PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

Opening:

The Special Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., September 11, 2013 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.

Business Items:

a. Airport Gate Services and Conveyor System Operation and Maintenance Program

This item provides for discussion regarding the contract to provide maintenance services for the passenger loading bridges, preconditioned air units, ground power units and the inbound and outbound baggage handling systems.

At the August Board Meeting, the Board elected to delay awarding the contract for operation and oversight of the conveyor system and maintenance program for the baggage handling system and instructed the Executive Director to further review the bid submittals and subsequent information and provide a new staff recommendation for Board consideration.

After further review, staff determined that the flight schedule for both air carriers would vary throughout the year and that the original Request for Proposals was not clear as to the expectation of hours of operation. It is the opinion of staff that providing clarification at this point in the RFP process would likely result in a potential cost savings to the airport.

Based on this determination, staff recommended that the Board reject all five of the original proposals submitted and direct staff to make the necessary modifications to the RFP and re-release it for new submittals.

Following Board discussion, Ms. Moliterno made a motion to accept staff's recommendation to reject all five of the original bids and re-release the Request for

Proposals for the Airport Gate Services and Conveyor System Operation and Maintenance Program. Mr. Forehand seconded the motion. The vote was taken and the motion passed unanimously.

The current contract to provide maintenance services for the passenger loading bridges, preconditioned air units, ground power units and the inbound and outbound baggage handling systems is with Elite Line Services and is due to expire on September 30, 2013. In an effort to ensure that service would not be interrupted until a new contract can be awarded, staff recommended the Board extend the contract with Elite Line Services to cover the extension of service.

Following Board discussion, Mr. Moliterno made a motion to extend the contract with Elite Line Services for an extended time period not to exceed January 15, 2014. Mr. Forehand seconded the motion. The vote was taken and the motion passed unanimously.

Other Business:

Chairman Pilcher addressed the Board regarding an upcoming trip to Germany with the Bay Economic Development Alliance regarding marketing this region as a destination for international business. Mr. Pilcher asked the Board to think about whether or not to send Mr. McClellan with the Bay EDA to Germany.

The regular business meeting adjourned at approximately 9:20 a.m. to begin the Budget Workshop presentation regarding the FY 2014 Airport Operating and Capital Improvement Budget.

FY 2014 Operating and Capital Improvement Budget

The draft FY2014 Operating and Capital Improvement Budget was previously provided to the Board for their review in preparation for this discussion.

Mr. McClellan reviewed the projected operating revenues and operating expenses for the upcoming fiscal year. The operating revenues included funds that will be received from the commercial airlines, car rental companies, general aviation, and terminal tenants, to include the parking lot facility, restaurant concession, retail concession and advertising.

The projected operating expenses included employee salaries and benefits, supplies and materials, utilities, insurance, and purchased services, to include janitorial services, legal

services, baggage handling system and maintenance of the loading bridges, ground maintenance, elevator and escalator services, trash removal, and security services and system maintenance.

Salaries and benefits represent approximately 40% of the airport's annual operating expenses, and purchased services account for 39%. Overall, the FY2014 operating expense budget is 14% more than the FY2013 projections, representing an increase of \$987,545. The FY2014 budget reflects an amount which will provide for the efficient operation of the airport, while providing the necessary resources to meet the established goals for the upcoming year.

The main focus of the Capital Improvement Program, which is funded through the use of federal Airport Improvement Program grants, Florida Department of Transportation grants, and available airport funds, centers around improving the equipment necessary to maintain airport facilities and airfield, replacement of computer and security equipment, continued development of the environmental mitigation program, expanding capacity and improving security.

This Board Workshop provided for a review and discussion of the proposed FY2014 Operating and Capital Improvement Budget and required no formal action by the Board. Formal approval of the final budget will be considered at the September 25, 2013 Board Meeting.

Adjournment:

The Board Workshop was adjourned at approximately 10:25 a.m. (CST).

Patty Mitchell, Executive Secretary

John Pilcher, Chairman