

## MEETING MINUTES

### PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

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#### **Opening:**

The Special Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 10:00 a.m., September 12, 2012, in the Airport Board Room by Chairman Pilcher.

The Invocation was given by Ms. Patty Strick.

The Pledge of Allegiance was led by Chairman Pilcher.

All Board Members were present except Mr. Till Bruett and Mr. Carey Scott.

#### **Business Items:**

##### **a. Consideration of Filing an Appeal in the Lawsuit Against KBR**

This item provides for Board discussion and consideration regarding filing an appeal in the lawsuit against KBR.

Mr. Franklin Harrison, the airport's attorney, addressed the Board and discussed the recent ruling in the lawsuit involving KBR, wherein the judge issued a decision finding in favor of KBR and against the Airport Authority.

Attorney Harrison discussed the options available and recommended the District move forward with a Notice of Filing an Appeal, with the understanding that any fees incurred in the appeal process, including attorney fees, would be paid by Phoenix Construction Company.

**Following Board discussion, Mr. Koehnemann made a motion to instruct the airport's legal counsel to file a Notice to Appeal the adverse ruling in the lawsuit involving KBR. Mr. Forehand seconded the motion. The vote was taken and the motion passed unanimously.**

##### **b. FY 2013 Operating and Capital Improvement Budget**

The draft FY2013 Operating and Capital Improvement Budget was provided to the Board at the August 22, 2012 meeting for their review in preparation for this discussion.

Staff 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%. Staff addressed additional costs budgeted that are associated with maintaining the airport's stormwater systems and ensuring ground cover stabilization over the entire airport site.

Overall, the FY2013 operating expense budget is 6.5% more than the FY2012 projections, representing an increase of \$482,300. The FY2013 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, continued development of the environmental mitigation program and additional stabilization efforts, expanding capacity and improving security.

This Special Meeting provided for a review and discussion of the proposed FY2013 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 26, 2012 Board Meeting.

**Adjournment:**

The Special Meeting was adjourned at approximately 11:10 a.m. (CST).

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Patty Strick, Executive Secretary

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John Pilcher, Chairman