

SPECIAL MEETING / BOARD WORKSHOP 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 14, 2016 by Chairman Mathis.

The Invocation was given by Mr. Carey Scott.

The Pledge of Allegiance was led by Chairman Mathis.

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

Announcement:

Mr. McClellan advised the Board that Ms. Cindy Meadows had announced her resignation from the Board, and her last meeting would be the September 28, 2016 Board Meeting.

Business Item:**a. Airport Insurance Program**

This item provides for Board selection of a company for insurance coverage for the Airport's liability, workman's compensation, commercial fire (buildings), vehicle insurance, public official's and employment practices liability and law enforcement liability.

As part of this year's budgeting process, Staff solicited insurance quotes by providing local insurance agents with existing coverage limits and policies. Three local insurance agents responded to the request; however, one agent withdrew due to lack of coverage availability. The two remaining insurance agents submitted proposals for coverage from Preferred Governmental Insurance Trust (PGIT) and Public Risk Management (PRM).

After a detailed review, Staff recommended the Board elect to remain with the current carrier, Public Risk Management (PRM), through Fisher Brown Insurance due to the following:

- Deductibles for PRM are lower than PGIT for all perils and named windstorms.

- PRM provided Replacement Cost versus PGIT utilizing Actual Cash Value.
- Premiums for PRM are significantly less than PGIT.

It should be noted that the Pollution Policy was not included due to the timing of this renewal; however, the estimated renewal cost of \$8,800 will be included in the FY 17 Budget.

Following Board discussion, Mr. Scott made a motion to accept the quote from Fisher Brown Insurance to remain with PRM, and authorization for the Executive Director to execute any associated documentation following review by legal counsel. Mr. Lee seconded the motion. The vote was taken and the motion passed unanimously.

The Special Board Meeting ended at approximately 9:20 a.m., and the Board moved into the Budget Workshop at that time.

FY 2017 Operating and Capital Improvement Budget

The draft FY2017 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 43% of the airport's annual operating expenses, and purchased services account for 36%. Overall, the FY2017 operating expense budget is .4% less than the FY2016 budget, representing a decrease of \$33,382. The proposed FY2017 budget contains a 3% merit pool for employee raises.

The FY2017 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 on taxiway and aircraft parking ramp improvements, continued development of the environmental mitigation program, replacement of passenger loading bridges, expanding capacity and improving safety and security.

This Budget Workshop provided for a review and discussion of the proposed FY2017 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 28, 2016 Board Meeting.

Adjournment:

The Budget Workshop was adjourned at approximately 10:30 a.m. (CST).

Patty Mitchell, Executive Secretary

Russ Mathis, Chairman