

## 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., December 16, 2020 by Chairman Glen McDonald.

The Invocation was given by Mr. Will Cramer.

The Pledge of Allegiance was led by Chairman McDonald.

The Executive Secretary called the roll and indicated all the Board members were present in person with the exception of Vice Chairman Holly Melzer, who requested to attend via Zoom, and Mr. James Johnson.

Airport Authority Attorney Nick Beninate explained the State of Florida Statute regarding remote participation of Board members. Attorney Beninate explained that if there is a physical quorum of the remaining Board members, and there is an extraordinary circumstance of why the Board Member calling is absent, e.g., medical quarantine for the COVID virus (which was the case for Vice Chairman Melzer today), then the Board Member calling into the meeting would be allowed to participate remotely.

**Mr. Del Lee made a motion to approve Vice Chairman Melzer's extraordinary circumstance for being absent, and allow her to participate in the Board meeting by phone. Mr. Jay Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

Chairman McDonald asked if there were any Items on the Agenda, including the Consent Agenda, that any Board member would like to move, and if not, to make a motion to accept the Agenda.

**Mr. Lee made a motion to accept the agenda, and Mayor Mark Sheldon seconded the motion. The vote was taken and the motion passed unanimously.**

**Reports:**

Mr. Parker McClellan presented and reviewed the Activity Reports.

Mrs. Darlene Gordon (formerly Darlene Nelson) presented a quick update of the October financials. Ms. Nelson reported that November financials are not on the December Board Meeting Agenda due to the early date of the meeting.

**Consent Agenda:****a. Board Meeting Minutes – November 18, 2020**

This item provided for Board approval of the November 18, 2020 Board Meeting Minutes.

**b. Approve Panhandle Engineering, Inc. Task Order – Construction Engineering Inspection (CEI) Services**

This item provided for Board approval for Panhandle Engineering, Inc. to provide support to the Airport for limited CEI Services during the construction of Aircraft Parking Apron Expansion – Phase 1.

At the August 24, 2016 meeting the Board selected Panhandle Engineering, Inc. to assist with Construction Engineering Inspection (CEI) Services and other projects, as necessary. At the October 30, 2019 Board

Meeting, a Task Order for Panhandle Engineering, Inc. was approved for CEI Services for the new Taxiway and Transient Aircraft Parking Apron.

It was determined as part of the Florida Statutes that the third party CEI Services would be required as part of the project. The scope of the CEI services include:

- Daily Inspection
- Review of Partial Payment Application
- Attendance at Progress Meetings
- Prepare Inspection Reports and Photos for Documentation
- General Punch List
- Schedule Track Reports

The not-to-exceed cost of this effort is \$54,955, the Project is funded through FDOT at a 50/50 Grant, and is in the Airport FY2021 Budget.

**c. Approve Menzies Aviation 2021 Budget**

This item provided for Board approval of the 2021 O&M budget for Menzies Aviation.

The aviation fuel farm consists of four 50,000-gallon Jet-A tanks, four 15,000 avgas tanks, one 1,000-gallon diesel tank and one 1,000-gallon unleaded tank. The rental car facility consists of one 15,000-gallon tank and one 5,000-gallon tank for unleaded gas.

The contract for management, maintenance and operation of the fuel farm facilities was awarded to Menzies Aviation in 2019. The initial contract term is for five years. There is a separate agreement between the airlines and Menzies for “into plane” fueling.

The consolidated fuel farm provides the District with full control over the tanks and limits environmental impacts by having the fuel tanks in one location. Revenue paid to the District by the operators of the fuel farm includes debt service for the cost of the fuel facility and O&M costs for operation of the fuel farm. Currently, the five companies that use the fuel farm are American Airlines, Delta Airlines, Southwest Airlines, United Airlines, and Sheltair Aviation, the fixed base operator on the Airport.

The budget proposed for 2021 is \$504,201. The 2021 budget includes \$139,714 paid to the District for debt service for construction of the fuel farm used by Menzies. O&M expenses are paid by the users of the fuel farm with the Airport District receiving debt service payments in the amount of \$139,714 annually. Staff recommended approval of the Menzies Aviation - 2021 O&M budget as presented.

**d. Approve Administrative Policy Update 8.5 – Additional Benefits**

This item provided for Board approval of a policy change regarding the Additional Benefits Policy #8.5.

The current Policy 8.5 – Additional Benefits was last updated and approved by the Board effective March 1, 2015. The current policy is in need of updating to comply with current practice, to delete language that no longer applies, and to clarify certain procedures.

Staff has updated Policy 8.5 to reflect the additional benefits currently offered and to delete language referencing benefits that are no longer offered. The Longevity Pay section has also been updated to reflect that the Policy only applies to employees hired with a starting date prior to January 1, 2021, as the program will be gradually phased out.

The proposed Policy 8.5 has been reviewed by legal counsel, there is no impact to the Airport’s Operating and Capital Budget, and staff recommended the Board approval of the update to Policy 8.5 – Additional Benefits.

**Mr. Cramer made a motion to approve the Consent Agenda, and Mayor Sheldon seconded the motion. The vote was taken and the motion passed unanimously.**

**Business Items:**

**a. Master Plan Update Terminal Concept Presentation**

CHA Vice President Paul Puckli addressed the Board and described in this Board Briefing #8 the Preferred Alternative - PAL 4 (Alternative No. 4E) Terminal Alternative Ultimate Buildout, the Recommended Development Plan for the Terminal Area, and the Terminal Layouts for Level 1 and Level 2.

Mr. Puckli reviewed the phased Planned Activity Levels (PALs): PAL 1 would expand the Baggage Makeup Area and the Ticket Lobby on the south end and start construction of a Concourse to the north, add an additional Rental Car Ready/Return Lot and additional covered parking; PAL 2 would expand the building to the north and add one additional Gate and a new major Baggage Claim Area, and expand the Airport Loop Road around the Rental Car Service Facility to connect back to the Airport Access Road, add a service road to the fueling area for the rental cars, and add additional Employee and Long-Term Parking in the area of the current Loop Road; PAL 3 would add parking on the west side (primarily Long-Term Parking) with an unmanned automated credit card parking exit; PAL 4 would add three additional gates to the north on the new Concourse, additional Short-Term Parking closest to the Terminal, and Long-Term Parking to the south of the current Employee Parking Lot.

Mr. Puckli said that to keep costs down, this Master Plan would not include adding a parking structure.

Mr. Puckli continued describing the phasing in of Level 1 (ground level). Mr. Puckli explained that PAL 1 would keep the existing four Gates on the east side that were installed during the latest Terminal Expansion Project, add a new Baggage Makeup Area and Ticket Lobby on the south end, add four Gates on the north end of the Concourse, and eight second level loading Gates; PAL 2 would add one Gate on the north end of the Concourse to total nine Gates and expand the building to the north. This would happen prior to the Security Screening Checkpoint construction (where the existing Baggage Claim Area is now), and add a new Baggage Claim Area; PAL 3 would have no improvement in the Terminal Layout; PAL 4 would add three more Gates to the north for a total of 12 Gates.

Mr. Puckli emphasized that this is all for planning purposes only to show how the phasing would work; any office space, storage space, etc. would be built into the design at that time.

Mr. Puckli confirmed that in PAL 1, we would have eight Gates (currently there are seven), and the goal of the ultimate design will accommodate the more popular 737-800's, not the regional smaller jets flown here now, and would increase the square footage required for their load factors. The only two Gates we currently have that meet the planning criteria to accommodate the 737-800's are the two new Gates – Gates 7 and 8 – in the latest Terminal Expansion Project.

Mr. Puckli continued describing the phasing of Level 2 (upper level): PAL 1 would expand the Authority Administrative space above the Baggage Makeup Area, concessions, storage, maintenance, and support facilities would be included in the expansion of the Concourse to the north; PAL 2 (where Gate 2 is currently located) would be a central Concessions Core and one Gate would be added to the north in the new Concourse; PAL 3 would not have any new improvements; PAL 4 would add three Gates to the north.

**Chairman McDonald asked the Board if there were any objections, and there were none, directing CHA to move forward to finalize the Financial Plan and Environmental Analysis, as well as the Airport Layout Plan (ALP), to the Master Plan Update PAL 4E Preferred Alternative.**

**b. Approve ZHA Incorporated (ZHA) – Professional Engineering, Architectural, Project Inspection, Construction Management and Planning Services Agreement – Annual Review**

ZHA President/CEO Rick Mellin addressed the Board and summarized and reviewed the 2020 ZHA Projects.

This item provided for Board approval of the Annual Review for ZHA Incorporated (ZHA) as provided in the Professional Engineering, Architectural, Project Inspection, Construction Management and Planning Services Agreement.

On January 27, 2016, the Airport Authority entered into an Agreement with ZHA to provide engineering, architectural, project inspection, construction management and planning services. The agreement has a five (5) year term with an annual review of their performance and review of the services provided.

Since the establishment of this Agreement, ZHA has performed and completed numerous tasks for the Airport Authority. The projects have ranged from providing and ensuring environmental oversight and compliance, providing planning services on multiple ongoing airport construction projects, and providing design and construction oversight of ongoing projects.

ZHA and their Team have continued to help to maintain a positive and successful relationship between the Airport and the Florida Department of Environmental Protection (FDEP), the Florida Department of Transportation (FDOT), the US Army Corps of Engineers (USACE), the Federal Emergency Management Agency (FEMA) and the Federal Aviation Administration (FAA).

During this past year, ZHA has assisted Staff with the State and Federal assistance as it related to the FEMA and the FAA, construction oversight on the Terminal Expansion, Transient Parking Apron and Taxiway E1, mitigation efforts, ongoing Hurricanes Michael and Sally related issues, economic development project alternatives, as well as other projects.

ZHA continues to work in the best interest and in support of the District and the Staff, therefore Staff recommended approval of the annual review of the Professional Engineering, Architectural, Project Inspection, Construction Management and Planning Services Agreement with ZHA Incorporated for Year Five of their Agreement.

**Mr. Lee made a motion to approve the ZHA Annual Review Report, and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.**

**c. Accept Bid – C.W. Roberts Contracting, Inc. for the Construction of Aircraft Parking Apron Expansion – Phase 1 (Transient Apron Phase 1 Expansion Project)**

This item provided for Board acceptance of a Bid from C.W. Roberts Contracting, Inc. for the Construction of Phase 1 of the Aircraft Parking Apron.

This Project is to construct the Aircraft Parking Apron Expansion – Phase 1. This ramp will be used for parking of aircraft and as a taxi-lane to provide access to allow further development on the ECP - Aviation Center of Excellence.

The Airport posted an Invitation to Bid for Transient Apron Phase 1 Expansion Project or Aircraft Parking Apron Expansion Phase 1 Improvement on November 12, 2020. Four (4) Bids were received and opened on December 10, 2020.

Bids were received from:

	<b>Total Project Cost</b>
<b>Engineer's Opinion of Probable Cost</b>	<b>\$1,418,615.75</b>
C.W. Roberts, Inc.	<b>\$1,371,644.89</b>
Inland Construction and Engineering, Inc.	<b>\$1,649,577.18</b>
Gulf Coast Utility Contractors, LLC.	<b>Non-Responsive</b>
GAC Contractors, Inc.	<b>Non-Responsive</b>

The FY21 Airport Operating and Capital Improvement Budget includes funding for this Aircraft Parking Apron Expansion – Phase 1 Project. The Airport has also received and accepted a Joint Participation Agreement (JPA), which funds this portion of the project on a 50/50 basis.

Upon review of the Airport's General Consultant and review of the Bid Tabulation and Recommendation of Award dated December 10, 2020, Staff recommended acceptance of the responsive bid from C.W. Roberts Contracting, Inc. in an amount of \$1,371,644.89 for the Aircraft Parking Apron Expansion – Phase 1, and to authorize the Board Chairman or designee to execute the necessary documentation with C.W. Roberts Contracting, Inc., following satisfactory legal review and acceptance by FDOT District 3.

**Mayor Sheldon made a motion to accept the Bid from C.W. Roberts Contracting, Inc. for the Construction of Aircraft Parking Apron Expansion – Phase 1 (Transient Apron Phase 1 Expansion Project), and Mr. Lee seconded the motion. The vote was taken and the motion passed unanimously.**

**d. Approve Execution of Airline-Airport Use and Lease Agreement Amendment with American Airlines, Inc.**

This item provided for the Board's approval to execute an Amendment to the Airline-Airport Use and Lease Agreement for the addition of square footage due to a gate and associated hold room change.

On May 18, 2018, the Airport entered into an agreement with American Airlines, Inc. to operate as a signatory airline partner at the Airport. The lease included rental of office space, joint and shared use area, and gate space. The Airline-Airport Use and Lease Agreement had an expiration date of September 30, 2020.

Prior to the outbreak of COVID-19, Staff had been working with the Signatory Airlines and were in the final negotiation phase of the implementation of a new Agreement. With the pandemic outbreak resulting in drastic changes to the airline industry, the Airport and Airlines agreed to an extension of the current agreement for (2) six-month periods. American has signed that Amendment One to its original Agreement.

Effective with the completion of the new Terminal Expansion, American requested to lease the "new" Gate 7, consisting of 2,384 square feet, effective October 1, 2020. Previously, American occupied the "old" Gate 6, consisting of 624 square feet. The movement of American to the new area results in an additional 1,760 square feet of rented gate area.

Approval of this Amendment will have a positive impact on our FY21 Budget in the amount of \$124,618. Staff recommended the Board approve the Amendment to the Airline-Airport Use and Lease Agreement with American Airlines, Inc. and to authorize the Board Chairman to execute all associated documents

upon satisfactory legal review.

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**Mr. Cramer made a motion to Approve Execution of Airline-Airport Use and Lease Agreement Amendment with American Airlines, Inc., and Mayor Sheldon seconded the motion. The vote was taken and the motion passed unanimously.**

**e. COVID-19 Update**

Mr. McClellan addressed the Board and illustrated with a bar graph the passenger counts of last year vs. this year, and reported that due to the ongoing pandemic, a \$115 credit will once again be extended to the Taxi Queues for another month, which equates to \$20 for the month of January.

**This Item was for informational purposes only and required no formal action by the Board.**

**f. Project Gator Update**

Mr. McClellan reported that we continue to move forward with EDA discussions, and the company who is working on refunding their engineering costs to get to a number where they feel more comfortable, and we are just waiting for the company to come up with that number. Bay EDA President Ms. Becca Hardin added that it will be on the Space Florida Board's January 14 agenda for final approval, and anticipates going back to the Triumph Board the first quarter of next year.

**This Item was for informational purposes only and required no formal action by the Board.**

**Construction Update (information only):**

ECP Operations Agent Ms. Hannah Walker addressed the Board beginning with an update on the Terminal Expansion Project. She informed the Board that the Project is complete with American Airlines and their passengers enjoying the new space.

Ms. Walker addressed the Board with an update on the Transient Apron and Taxiway E1 Project. She reported we were able to remove the construction gate last Monday, and are just waiting on the taxiway signage to be delivered and installed, at which point a final walkthrough will be done and the area will be opened for use.

Ms. Walker addressed the Board on the new S.R. 388 Project and reported there is no new update, and no traffic issues are expected throughout the holidays due to that construction.

**The Bay EDA Update:**

Bay EDA President Becca Hardin addressed the Board and thanked them for their visionary strategic leadership outlook that has enabled them to get on the international scene. She reported that because of the environmental studies that have been done, and the concrete that has been installed at the Taxiway E1 and Transient Parking Apron, an MRO company that the EDA met two years ago at a tradeshow contacted the EDA this week saying they have a project they want to bring to the Airport Director. Ms. Hardin announced the name for this project as "Project Fang," and said she hoped a phone call would happen next week.

Ms. Hardin reported that the aviation-related prospect Project Emerald is looking at leasing 30,000 sq. ft. in Venture Crossings, and St. Joe Company is finalizing a lease for their review. She said the idea is to get them up and running with something they are comfortable with, and in the long term, get them here at the Airport.

Ms. Hardin reported that Bay EDA has been getting a lot of interest in the old GKN building – two calls last week and two this week – two are medical manufacturing companies and one is advanced manufacturing out of Europe.

### **The Moore Agency Report:**

Mr. Parker McClellan informed the Board that The Moore Agency's Ms. Katie Spillman will lay the groundwork today of what the Board can start thinking about until the Moore team presents their 2021 plan at the January meeting.

Ms. Spillman reported there are four key components (research, goals, target audiences, and setting strategy) to setting the groundwork for their 2021 Marketing and Communications Plan.

Ms. Spillman reported that the Moore team referenced 10 key research sources: Google and Facebook Analytics, Audience Insights (Twitter), Keyword Research, Social & Media Listening, eMarketer and Centro Reports, Census Data, Historical ECP Knowledge, and Google Trends. Ms. Spillman reported that a recent e-Marketer report stated 34% of travelers like to book a flight directly with an airline, while 66% like to find the cheapest flight (Travelocity, Kayak, Expedia, etc.). She said this information recommends we shift our conversion goal strategy from clicking through to an airline partner on our website, to a focus on overall volume of website traffic.

Ms. Spillman shared what travel industry leaders are saying: they are optimistic about the rebound while still acknowledging the situation is fluid, and trends could shift at any time. She stated that the Moore Communication goals will support the ECP overall business goals of instilling confidence in passengers, returning to pre-COVID passenger activity, attracting new airlines and enhancing existing air service, ensuring continued success of seasonal flights, attracting businesses to locate at ECP and support partners in efforts to attract businesses to relocate or locate in the Northwest Florida Region, and to welcome more than 1 million passengers in the 2021 calendar year.

Ms. Spillman reported the 2021 plan will focus on key target audiences (leisure, military, and business passengers) within a 100-mile radius of ECP, including adults above the age of 25 with a median household income of around \$55K, and that the best channels to receive messaging are Instagram, Email, Website found via search engine, and Facebook with varying percentages of impact depending on the age of the traveler.

Ms. Spillman explained that the strategic marketing and communications approach is based on a multi-channel framework that ensures paid media (TV spots, print ads, digital and social ads, paid search, and sponsorships), earned media (TV interviews, newspaper articles, radio segments, submitted articles op-eds, social media mentions, speaking engagements, and awards) and owned media (newsletter, website, and social media) channels are all working together and being optimized to complement and strengthen the impact.

### **Executive Director Report:**

Mr. McClellan addressed the Board and asked for road name suggestions for a few roads leading to the Hangars and asked the Board to give him their thoughts before the next Board Meeting. Mr. McClellan described his recent trip to the Spokes 2020 Air Service Development Meeting. Mr. McClellan informed the Board that starting March, the Airlines will have additional flights to Austin, Atlanta (new service, different airline), Nashville, BWI, Dallas, Houston, Chicago, and St. Louis; and additional Summer flights to Denver and a nonstop to Regan (DCA).

Mr. McClellan informed the Board that due to COVID risk, the Staff Holiday Luncheon was cancelled. Mr. McClellan reported there may be another Cares Act with \$3.4 billion for airports.

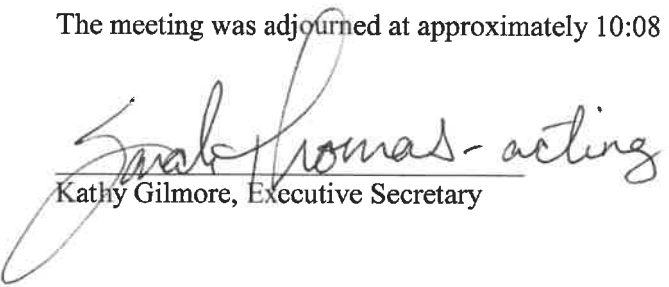
Mr. McClellan reminded the Board of the four-hour mandatory annual Ethics Training required by the House Bill 915 for Special Districts immediately following the January Board Meeting, and Authority Attorney Nick Beninate commented that if any of the Board members receive the same kind of training in 2021 for another purpose on another date, they only need to go through the training once in that year.

**Public Comments:**

There were no public comments.

**Adjournment:**

The meeting was adjourned at approximately 10:08 a.m.

  
Kathy Gilmore, Executive Secretary

  
Glen McDonald, Chairman