

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., December 14, 2022 by Chair Holly Melzer.

The Invocation was given by Mayor Mark Sheldon.

The Pledge of Allegiance was led by Mr. Will Cramer.

Chair Melzer introduced new Board Member, Ms. Victoria Williams representing the City of Panama City.

Roll was called. In attendance were: Mr. Matt Algarin, Mr. Will Cramer, Ms. Victoria Williams, Mr. Les McFatter, Vice Chair Mark Sheldon and Chair Holly Melzer.

Chair Melzer asked if there were any Public Comments. There were no Public Comments.

Chair Melzer asked if there were any items on the Amended Agenda, including the Consent Agenda, that any Board Member would like to move to a Business Item for further discussion, and if not, to make a motion to accept the Amended Agenda.

Mr. McFatter made a motion to accept the Amended Agenda, and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.

Reports:

Mr. Parker McClellan presented the Activity Reports. He said that the Airport continues to be in a very good position, regardless of what is happening with the economy. Numbers are down 5% over our peak year of almost 1.6 million in total passengers. The load factors continue to perform very well. The airlines have upgauged the airplanes and have continued to support the current market. Delta has leased approximately 39 larger 737-900 planes, some of which are serving our Region. Southwest has announced their summer schedule and will have 24 flights on Saturdays, so the “Super Summer Weekends” will continue. We continue to remain at 22% of market share, and continue to compare well regionally.

Consent Agenda:

a. **Approve Board Meeting Minutes – November 16, 2022**

This item provides for Board approval of the November 16, 2022 Board Meeting Minutes.

b. Approve Policy Change – Government Required Coverage

This item provides for Board approval of a policy change regarding Government Required Coverage.

The current Policy 8.3 – Government Required Coverage was last approved by the Board effective March 1, 2015. In reviewing Policy 8.3, it was determined the Policy as currently written was in conflict with Policy 9.1, Paid Leave.

Additionally, Staff has introduced the option for a return to work program within the policy, updated several other areas of the policy to better conform with another Airport policy on FMLA, clarified the section on Federal Insurance Contributions Act (FICA) and updated the policy to reduce the time off due to injury from 12 months to 6 months. This last change is in line with our Short-Term Disability insurance that is also reflected as 6 months in length.

The changes above and other miscellaneous administrative changes have been incorporated into the proposed Policy 8.3 and it has been reviewed and approved by legal counsel.

There is no impact to the Airport's Operating and Capital Budget.

Staff recommends the Board approval of the updates to Policy 8.3 – Government Required Coverage.

c. Approve Menzie's 2023 Budget

This item provides for Board approval of the 2023 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) and the O&M expenses are paid by the fuel farm users.

The budget proposed for 2023 is \$597,933. The 2023 budget includes \$139,714 paid to the District for debt service for construction of the fuel farm used by Menzies.

Staff recommends approval of the Menzies Aviation - 2023 O&M budget as presented.

d. Accept Lease Assignment – Marty Hasek to Cirrus Beaches, LLC

This item provides for Board approval of the assignment of the Fifteen-Year Land Lease Agreement dated October 1, 2022, between Marty Hasek and the Panama City-Bay County Airport and Industrial District (District) to Cirrus Beaches, LLC, a Florida limited liability company.

Staff was recently contacted by Marty Hasek and informed he had sold his hangar located at 5241 Johnny Reaver Road M3 to Cirrus Beaches, LLC, and Mr. Hasek requested consent and approval from the District to assign the lease to Cirrus Beaches, LLC.

Under the current Land Lease Agreement between Marty Hasek and the District, Mr. Hasek cannot assign or otherwise transfer rights and obligations under the lease without prior written consent from the District.

The approval of this lease assignment will have no impact on the Airport Operating and Capital Budget.

Staff recommends the Board approve the land lease assignment from Marty Hasek to Cirrus Beaches, LLC contingent upon completion of the hangar sale between Marty Hasek and Cirrus Beaches, LLC.

Mr. Algarin made a motion to accept the Consent Agenda, and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Adopt Review Committee Ranking and Accept Bid for Comprehensive Janitorial Services

This item provides for Board adoption of the ranking by the Review Committee for Comprehensive Janitorial Services at the Airport and acceptance of the bid.

Mr. McClellan explained that after the Board recommendation at the Board Budget Workshop to pursue improved janitorial services, the Staff researched other airports with successful janitorial services, created a Janitorial RFP, as determined a review process to help choose the company right for our Airport.

Mr. Richard McConnell explained the review process and the findings, which led to the Review Committee's recommendation. The RFP was posted nationwide on an online bidding platform (DemandStar). There was a mandatory Pre-Proposal Meeting on November 17, 2022. There were 7 companies that attended the meeting and the proposers were informed of what the Airport needed from a janitorial contractor.

Following the review, the Committee ranked each proposal in accordance with the Request for Proposal. The rankings are as follows in descending order (the Ranking and Scoring Matrix were attached):

COMPREHENSIVE JANITORIAL SERVICES PROPOSAL RANKING

1	FCS Facility Services, Lake Mary, FL
2	Flagship Airport Services, Southlake, TX
3	American Facility Services, Alpharetta, GA
4	Jani-King, Pensacola, FL
5	National Aviation Services, Mooresville, NC
6	General Building Maintenance, LLC, Atlanta, GA
7	One Stop Janitorial Services, LLC, La Feria, TX

The contract term is for three years with a start date of February 1, 2023. There are two additional one-year options, and annual pricing was included in the proposals. The contract pricing included options for the Public Safety Building and Maintenance Office, along with the Terminal and Air Traffic Control Tower. Pricing also includes all supplies, materials and equipment.

FCS Annual Cost Breakdown (Per Contract Years 1-3, Years 4-5 Option Years)

Year 1 – \$1,225,678.74
 Year 2 – \$1,262,449.11
 Year 3 – \$1,301,207.23
 Year 4 – \$1,365,311.22*
 Year 5 – \$1,401,818.67*

On December 12, 2022 there was a Review Committee Meeting with the legal counsel in attendance. At that time, the Committee reviewed each proposal in detail and then used a scoring matrix, which was included in the RFP document, to develop an overall ranking for each company. The Board expressed concern over the ranking process and asked Mr. McConnell to explain the ranking and scoring process. There was a great deal of discussion over the broad ranking and scoring.

The Committee reviewed each proposer’s staffing levels, costs, and understanding of the requirements of the Airport. The top-ranked company had the lowest cost per FTE, but proposed to utilize more staffing. There were considerations other than cost that affected the scoring. The Board asked how many janitorial employees were needed and how many shifts that it would take to successfully service the Airport. Mr. McConnell said that normally there are two “Responding Shifts” for the day-to-day cleaning, and one overnight shift.

Mr. McClellan said Goodwill was originally at 24-25 employees, but is having staffing issues, is currently closer to 20. Also, as it gets closer to the end of their term of their contract, their staffing is continuing to decrease. He advised that it would take 6-8 employees per shift. It is estimated the janitorial contractor would need approximately 25-27 employees. Presently, Goodwill staffing is low and they are challenged to meet the expectations of the contract. Staff has reviewed the internal inspection process and has made changes to ensure contract compliance.

Additionally, the Board expressed concern about the proposed selected company coming in over the currently approved budget and for the Airport being locked into a contract for 3 years. The

Board also questioned if the company could be terminated at any time during their contact if it does not perform as expected. The Board asked legal counsel whether or not we could negotiate the contact amount and terms, and whether or not an RFQ should have been done instead of an RFP.

Mr. Davis said that changing to an RFQ would require restarting the process. He advised if the award was not made, we could issue an RFQ, which would be a lengthy process. An option of tabling the decision was proposed to allow for more data to be reviewed, but Respect/Goodwill had already given a notice to the Airport that January 31, 2023 would be their last day, so tabling it until the January Board meeting would pose a problem with a transition plan.

The Board also asked whether or not all of the companies had experience working for airports. Some companies had experience at airports and others did not. The top-ranked company is currently at Pensacola International Airport, Jacksonville, Tampa and Orlando. Ms. Darlene Gordon said that in some cases, they only clean for an airline, or a certain number of gates, so there are a lot of variables to look at.

The Board asked why the expansion space was not included in the RFP. Mr. McClellan said that when the RFP was put together, the FAA had still not approved the Grant that would pay for a major portion of the expansion project, and that the Airport did not get approval for that funding until November. A square foot cost for janitorial services would be included in the contract for each year and the Airport would have the option to bid out the additional services.

Mr. Davis suggested approving authorization to Staff and legal counsel to negotiate with FCS in order to bring the contract to the Special Meeting on January 13th for approval.

Mr. Cramer made a motion for the Board to adopt the Review Committee Ranking and accept the Bid for Comprehensive Janitorial Services, with the stipulation of bringing the negotiated contract to the January 13th meeting for final approval, and Mr. Algarin seconded the motion. The vote was taken and all members voted yes except Vice Chair Sheldon, who voted no.

There was a 5-minute recess and the Board Meeting reconvened.

b. Approve Airfield Lighting Control System Upgrade

Mr. McConnell explained that during last year's FAA Annual Inspection, it was recommended that we upgrade the computer portion of the airfield lighting control system.

The Northwest Florida Beaches International Airport owns and operates an electrical airfield lighting system consisting of several hundred airfield runway, taxiway, approach, and ramp light fixtures along with constant current regulators, circuit condition monitoring, and emergency backup power generation capabilities. Per Federal Aviation Administration (FAA) requirements, this lighting system must possess and maintain the capability of being monitored and controlled via computerized control system at all operational times. The current control system is at "end of service life" and is requiring replacement. The Airport is in the procurement process for upgraded replacement lighting control system computers, software, and other components in support of the "operation critical" airfield lighting system. The upgraded control system will

replace existing control system components located in the ECP Air Traffic Control Tower, Airfield Lighting Control Vault, and Airport Maintenance Facility.

The proposed purchase is for replacement computer/software components which must fully integrate with existing lighting system components that are not being replaced. Eaton equipment is compatible and is provided by Cooper Crouse-Hinds, LLC Airport Lighting. These computer control systems are delivered pre-loaded with proprietary software and internal communication capabilities allowing communications across all, new and current system components. New control system components must be fully integratable and compatible with existing lighting system components not being replaced, and meet or exceed Federal Aviation Administration (FAA) performance requirements for such communication and control systems.

Today, the computer is running on VGA cables and very slow and susceptible to not being supported by the computer software system. Because we only want to upgrade the computer portion of the system, this went out as a single source procurement. We posted in accordance with statute and in coordination with legal counsel. We obtained one quote from the company that provides the system.

This item provides for Board approval of a single source purchase for replacement and installation of Control System Components for the Airport's Airfield Lighting System.

This purchase is a line-item budgeted capital project provided for in the Airport FY2023 Operating & Capital Budget.

Staff recommends approval of the single source purchase from Cooper Crouse-Hinds, LLC Airport Lighting for replacement of Airfield Lighting Control and Monitoring System equipment amount not to exceed \$76,733.

Mr. Cramer made a motion for the Board to approve the Airfield Lighting Control System Upgrade, and Mr. Algarin seconded the motion. The vote was taken and the motion passed unanimously.

Construction Update (information only):

a. Airport Entrance Roundabout and State Road (SR) 388 Realignment

Mr. Richard McConnell reported on the S.R. 388/Airport Entrance Roundabout. He presented a video from FDOT that explained the new flow of traffic through the roundabout. FDOT has opened the westbound section of the project and is now moving forward with the eastbound portion of the project. The project is moving along well.

b. Parking Lot Expansion

Mr. Richard McConnell reported on the Parking Lot improvements. He presented pictures of the vehicles that were parked during Thanksgiving weekend. There were over 787 cars parked in the overflow parking lot. There were 2 shuttle busses available to accommodate the passengers and the process went a lot smoother than last year. The Notice to Proceed has been issued for the Parking Lot Expansion Project and the laydown and staging areas have been established and the contractor is scheduled to mobilize onsite next week.

c. Terminal Build Out

Mr. Richard McConnell reported on the Terminal Expansion Project. The contractor, Dominguez Design-Build has been issued the Notice to Proceed. The laydown and staging area has been established near the rental car area. They are scheduled to mobilize onsite January 9, 2023.

d. Bag Makeup Expansion

Mr. Richard McConnell reported on the Bag Makeup Expansion. Notice to Proceed has been granted. The laydown and staging areas have been established and they have already moved into the area because they are also doing the parking lot improvements. The contractor is scheduled to mobilize for that project on January 12, 2023.

Other Project updates: Another project that will be starting is Verizon and it has mobilized to expand their service quality here at the airport. It will not impact us much. They needed to add some improved internal signal expansion.

The new FBO for Southern Sky is also moving forward. The Southern Sky team is awaiting their development order and are eager to proceed. They are concerned about long lead times on materials, but are set up and ready to begin construction as soon as they are able to proceed. Their original goal to open was March 1, 2024, but with the development order taking so long it may be April 2024.

Bay EDA Update (Information Only):

Bay EDA President, Ms. Becca Hardin, was unable to attend the meeting. Mr. McClellan updated on their progress with Project Stamper, a final assembly facility, and Project Maple which is an MRO. Both of those projects are very active and Mr. McClellan and Ms. Hardin are still working on them.

The Moore Agency Update (Information Only):

Ms. Katie Spillman of The Moore Agency reported on marketing. There is a new ad that is going to be placed in the January issue of Influence Magazine. ECP is the official airport sponsor of the 2023 30A Songwriters Festival, and the sponsor of the Caliza Stage in Alys Beach. She presented the design that will go in the official festival program with the slogan, "When you Choose to fly, make ECP your "pick"."

She also went over the research and tools that their team uses and wanted to take a closer look specifically at ECP passengers, what they are interested in, what they are researching and buying, and how that helps with our strategies. The majority of our social audience is female, age 45-54. Our top 5 cities are Panama City, Panama City Beach, Lynn Haven, Santa Rosa Beach and Tallahassee. Our website users tend to be a 50/50 split of male to female, ages 35-44. The top 5 cities visiting our website are Orlando, Panama City, Panama City Beach, Jacksonville and Miami. Most of them are interested in non-stop and direct flights. They are also looking at Southwest the most, American Airlines, and United Airlines; in that order. Over 85% of the website users over the last year were new users, with 15% being return users. Most of them are accessing the website from a mobile device.

Research indicates that the followers within our ECP audience are passionate about travel, food and dining, cooking, beauty and wellness, banking and finance, and tend to be business professionals.

Executive Director Report:

Mr. McClellan gave the Executive Director Report. He was in Washington D.C. last week with Steve Southerland to bring awareness for getting additional funding for the Airport. It was a very effective trip. We attended 4 House meetings and an FAA Headquarters meeting.

He reminded the Board that the ECP Holiday Lunch is next Thursday, December 22nd at 11:00am and extended an invitation to them.

Mr. McClellan will be meeting with Ms. Spillman from Moore about outreach related to all of the upcoming projects because they will be very invasive and will have an impact on our passengers, so we want to make sure that we are getting the word out as well as we can to make it as easy as possible.

Public Comments:

There were no Public Comments.

Adjournment:

The Board meeting was adjourned at approximately 10:43 a.m.

Reminder: Special Meeting for Janitorial Services Contract Review and an update on the Terminal Expansion will be on January 13, 2023 at 9:00 a.m.

Next meeting is scheduled: January 25, 2023 – Board Meeting 9:00 a.m.

Lisa Brady, Executive Assistant

Holly Melzer, Chair