

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., June 26, 2024 by acting Chair Mark Sheldon.

The Invocation was given by Mr. Les McFatter.

The Pledge of Allegiance was led by Mr. Parker McClellan.

Roll was called. In attendance were: Ms. Victoria Williams, Mr. Matt Algarin, Mr. Les McFatter, Mr. Glen McDonald, and Chair Mark Sheldon.

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

Chair Sheldon asked if there were any items on the 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 Agenda.

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

Reports:

Mr. McClellan reported the Activity Report is up 19% month over month; 16% for the year. In the month of May 2024, almost 200,000 people visited ECP; this number is up 40,000 from two (2) years ago. Mr. McClellan anticipates June and July will be the biggest months due to summer travel. Market shares are maintaining at 24% and load factors are all good. Regional comparison shows continued growth throughout the Region. Mr. McClellan also updated the Board concerning the challenges on Saturdays during the Summer due to increased capacity.

Ms. Darlene Gordon presented the Financial Reports for the eight months ending May 31st. At the end of May, the total cash reflects a decrease of \$3.8 million from April; compared to this time 2023, cash has decreased \$2.2 million with a total balance of \$41.6 million. Ms. Gordon also reported that unrestricted cash is \$26.2 million and restricted cash is \$15.4 million. The decrease in cash has been due to the construction projects. The Capital Improvement Program increased in May \$4 million, with a total of \$16.2 million. Furthermore, the Grants Receivable from the FAA also show an increase in May with a total of \$7.3 million. Additional grant funding from the FAA will be added back to the budget and will be reflected in June's numbers.

In May 2024 total liabilities increased \$1.4 million from April due to the payments from construction projects. Ms. Gordon moved on to excess revenues over expenses year to date total \$20.4, which is an increase of \$5.4 million dollars in the month of May: \$1.2 is from total operating revenue and the other \$4.2 is from mostly credits. The operating revenue make up \$6.3

million, while the non-operating revenues make up \$14.1 million.

The Income Statement reflected a year to date (YTD) Operating Budget of \$14 million dollar at the end of April, which exceeds budget by \$917,000 and equates to 107% of budget. Both the airline landing fees and terminal complex revenues are exceeding budget at 113%. Additionally, the ground transportation fees, retail, and beverage/concession fees are ranging 122-147% of budget. Personal expenses and Operating expenses are 89% of budget YTD. The Airport currently has five (5) full-time and one (1) part-time positions vacant out of the 81 full-time budget approved positions.

The Airfield and Grounds Account is under budget; this month's pending items will be added to June's report. The consulting services are in budget this month due to the Ricondo Consulting Services this month to do the Airport's Passenger Facility Charge (PFC) Application, which was delayed due to the environmental approval for the Terminal Expansion. Marketing and Professional Services remain under budget. Parking Management is \$90,000 over budget. The Compensation Study is well underway, and the Professional Services Account reflect those costs. Administration is currently working on budgets for 2025 and will use a zero-balance style budget for the upcoming fiscal year. Ms. Gordon will discuss more about the budget at the upcoming Budget Workshop. Finally, non-operating revenues have been using the FAA grant funds, which recognized an additional \$3.5 million in FAA in encoded grant money in the non-revenue expenses in May. The Airport has also seen an increase in interest revenues, and the CFC and PFC accounts are exceeding budget.

Chair Sheldon clarified the parking expenses show increase in revenue of \$330,000, which is a net of \$140,000 to the good.

Chair Sheldon called for additional questions. Mr. McDonald asked about job applicants. Discussion ensued surrounding the applicants and housing.

Chair Sheldon called for additional questions. There were no other questions concerning the reports.

Consent Agenda:

a. Approve Board Meeting Minutes – May 29, 2024

This item provides for Board approval of the May 29, 2024 Board Meeting Minutes.

b. Approval for Use of Forfeiture Funds for FDLE Computers and Server Purchase

This item provides for Board approval for the use of law enforcement forfeiture funds to purchase a server, three computers and a backup system for handling sensitive law enforcement information and to bring the Airport into compliance with CJIS policy.

c. Approval of Sole Source Common Use Passenger Processing System (CUPPS)

This item provides for Board approval to Sole Source Procurement of the Common Use Passenger Processing Module with AeroCloud, Inc.

d. Approval of Sole Source for Flight Information Display System (FIDS)

This item provides for the Board approval of a sole source, three-year Maintenance and Service Agreement with Altel Systems Group, Inc. for the Airport Flight Information Display/Public Address system.

e. Approval of John D. Stark Lease Termination

This agenda item provides for the termination of Land Lease at the Airport with Stark Avionics, LLC.

Ms. Williams made a motion to Accept the Consent Agenda, and Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Approval of Loan Agreement with Florida Department of Transportation-State Infrastructure Bank (SIB) and Adopt Resolution 2024-02

Mr. McClellan introduced the business item giving the floor to Ms. Gordon to explain in more detail. Ms. Gordon updated the Board on the Florida Department of Transportation - State Infrastructure Bank (SIB) Loan, which was originally applied for in June 2022 with the Board's approval. The SIB Loan was approved in April 2023, but the District has until June 30, 2024 to accept the funds. Ms. Gordon requests the Board accepts the loan, and the loan funds be used to start construction in a phased approach, in order to take advantage of the available funding.

Mr. McClellan noted that Chair Holly Melzer has already signed the Agreement in keeping with consistency of the previously signed agreement and will be forwarded upon approval.

Mr. McDonald made a motion to approve the Loan Agreement with Florida Department of Transportation-State Infrastructure Bank (SIB) and Adopt Resolution 2024-02, and Mr. Algarin seconded the motion. The vote was taken and the motion passed unanimously.

b. Approval of Sheltair Lease Amendment #7

Mr. McClellan explained Amendment #7 is a wrap-up to the lease with Sheltair, which will now be effective July 1. Sheltair has plans for continued growth in building out their 26-acres. Mr. McClellan asked for approval of the Sheltair Lease Amendment # 7.

Ms. Williams made a motion to approve the Sheltair Lease Amendment #7, and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.

Construction Updates (information only)

a. Terminal Buildout

Mr. Richard McConnell presented pictures to describe the Terminal Buildout construction

updates, which included the recent installation of the ceiling grid and the inspection of reinforcing bar that was completed on the second floor. The terrazzo company will be coming this week to do a floor layout, and the second floor/exit lane ceiling is now approved to be poured later this week.

b. Bag Make-Up Expansion

Mr. McConnell presented pictures to describe the Bag Make-Up Expansion construction updates. The proposed schedule for conditional acceptance of the facility is July 15, 2024, which will allow the airlines to operate off the new belt and complete tie-in of old belt. Projected schedule completion date is middle-end of August.

Additionally, the milling and laydown of asphalt is tentatively scheduled for June 27, 2024, weather permitting.

c. Admin Lot

Mr. Nick Harwell presented pictures to describe the Admin Lot construction updates. Only a few punch list items are remaining that will wrap up by next week.

Mr. McConnell also showed pictures on the updates that have been completed to the Overflow Parking Lot, which included three (3) LED light poles, lighted signs on the parkway, and parking check-in points. Gravel will be installed once all permits have been acquired.

Mr. McDonald inquired about construction delays. Mr. McConnell explained in detail the reason for delays. Discussion ensued concerning liquidated damages.

Planning Update (information only)

a. North Terminal Expansion

Mr. McClellan discussed the North Terminal Expansion, which will use the SIB Loan to fund projects including loop road improvements, rental car facility, and other such expansion plans.

b. Project InSPIRE

Mr. McClellan updated the Board that the Airport has been successful with Congressman Neal Dunn's office to put in a grant for the infrastructure for the improvement for the intersection and the site. It is now in the funding process with the Federal Government.

Additionally, the Airport is now in the process with the FAA to release part of the land under Section 163 of the FAA Reauthorization Act of 2018.

Bay EDA Update (Information Only):

Ms. Becca Hardin with Bay EDA reported six (6) prospects that are looking at to work with the Airport or Venture Crossings: Project Joe, Project Derby, Project Goose, Project Super Bowl, Project Opal, and Project Anatomy.

Ms. Hardin also informed the Board that she will meet with several of these prospective projects in the upcoming weeks. Bay EDA will be preparing for the Farnborough International Airshow in London held July 22-26, 2024.

The Moore Agency Update (Information Only):

Ms. Katie Spillman shared her report from the Moore Agency, which included some follow up coverage on the Airport's 14th Year Milestone in the News Herald. Ms. Spillman also shared pictures and a short video that was featured on social media from the Boston Inaugural Flight. These images showed passengers that were greeted by a water cannon salute, hand-delivered swag bags provided by TDC partners, and a personal note from Chair Melzer. Finally, Ms. Spillman updated the Board on July's *Wheel's Up Summer Music Series* that will provide passengers music from 10am-2pm every Saturday in July.

Executive Director Report:

Mr. McClellan presented a frame picture gifted from the TDC partners taken at the recent Airshow. The next Airshow is tentative for April 2026.

Mr. McClellan also gave updates on the Overflow and Admin Parking Lots. On a final note, Mr. McClellan suggested on behalf of Chair Melzer that the Board members visit the Airport on a Saturday between 10am-2pm to see the increase in capacity.

There were no additional public comments.

Next meetings scheduled: July 24, 2024 - Board Meeting 9:00 a.m.

The meeting was adjourned at approximately 9:50am.

Parker W. McClellan, Jr., AAE
Executive Director

Mark Sheldon, Chair