

**MEETING MINUTES****PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

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**Opening:**

The Semi-Virtual Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., May 27, 2020 by Chairman Del Lee. Board members were offered the option of calling in via Zoom, or attending the meeting in person observing the CDC's recommendation of maintaining a distance of at least six feet from others.

The Invocation was given by Mr. Russ Mathis.

The Pledge of Allegiance was led by Chairman Lee.

The Executive Secretary called the roll and indicated all the Board members were present. Those present in person were Chairman Lee, Vice Chairman Glen McDonald, Mr. Ken Nelson and Ms. Holly Melzer. Those present virtually were Mr. Mathis, Mr. Jay Tusa, and Mr. James Johnson.

**The Agenda was presented to the Board. Vice Chairman McDonald made a motion to accept the Agenda. Ms. Melzer seconded the motion. The vote was taken and the motion passed unanimously.**

**Reports:**

Mr. Parker McClellan presented and reviewed the Activity Reports.  
Ms. Darlene Nelson presented and reviewed the Financial Reports.

**Consent Agenda:****a. Board Meeting Minutes – April 22, 2020**

This item provided for Board approval of the April 22, 2020 Board Meeting Minutes.

**b. Adopt Resolution to Change Project Description and Scope for FDOT Joint Participation Project #423364-7**

This Resolution requested Florida Department of Transportation (FDOT) to redefine the use of 2021 Joint Participation Funds associated with FDOT Project #423364-7.

As part of the Airport's ongoing FDOT Grant program a project was submitted in October 2016 entitled "Vehicle Parking Expansion Phase 1 – Design." This Project was to be requested in the Airport's 2021 FDOT grant request. Since that time, it has been determined the Project, and timing of the Project, as defined, does not match up with the Airport's overall development plan. As such, Staff recommended redefining the scope and deliverables for Project #423364-7 from "Vehicle Parking Expansion Phase 1 – Design" to "Facility Rehabilitation – Doors/Equipment."

There was no anticipated impact to the Airport's current FY Budget. As funds for this Grant will not become available until July 2021, specific deliverable items for this Grant will be included in the Airport's upcoming FY2021 Budget. Staff recommended the adoption of this Resolution to revise the scope and deliverables for FDOT Joint Participation Project #423364-7.

c. **Award Mitigation Implementation Project Bid – Wildlands Fire Services, Inc.**

As part of the West Bay Sector Plan, the Airport committed to the long-term off-site mitigation consisting of the restoration of approximately 9,000 acres of property in close proximity of the Airport.

The initial mitigation commenced in 2008 through a 5-year contract with St. Joe Timberlands Company. The scope of work included: Dumpsite Removal, Invasive Species Eradication, Roller-chop Applications, Gyro-Trac Applications, Prescribed Burning, Longleaf Pine Planting and Hydrological Restorations. In 2013, Staff and ZHA reviewed the effectiveness and costs of the mitigation contract and scope of work and determined that several of the tasks could be eliminated, as the value towards the required mitigation efforts were either marginal or completed. A tighter and more effective scope of work was written and competitive bids were solicited. A 3-year contract was awarded to Wildlands Fire Services for \$1,659,160 (approximately \$553,000 per year). The scope of work included: Prescribed Burning, Longleaf Pine Planting and Hydrological Restorations. During the contract, strategic planning and management resulted in expedited progress and compliance through more frequent burning and increasing ground fuel through wiregrass planting resulting in maximized mitigation impact.

In 2016, Staff and ZHA reviewed the effectiveness and cost of the mitigation contract and scope of work over the long term with the goal of expediting progress, capturing maintenance areas, reducing insurance, and maximizing grant monies. The Base Bids scope of work was established to meet the minimum scope of work to maintain compliance with the requirements of the Mitigation Plan and Permit. The Add Alternates were identified to continue to accelerate mitigation activities based on available funding.

On September 13, 2016, one Bid was received from Wildlands Fire Services. A 3-year contract was awarded to Wildlands Fire Services for \$783,263 (\$261,088 per year). The scope of work included: Prescribed Burning, Longleaf Pine Planting and Hydrological Restorations.

In October 2018, Bay County was hit by Hurricane Michael, which devastated vast areas of Bay County. The hurricane created significant damage to the mitigation area. ZHA, ERC and Wildlands worked diligently to identify the extent of the damage and quantify the costs to remediate the area back to the mitigation status prior to the hurricane. The evaluation identified the hurricane set back the efforts to get to long term mitigation as required by the permit by approximately 6 years and at a cost of more than \$5 million. A Change Order in the amount of \$195,757.50 was issued to Wildlands to extend their contract by one year to continue the mitigation until additional funds were identified to pay for the damage restoration and allow the market to cool down from the cost increases associated with the extremely tight labor market.

In March, bid documents were prepared to solicit mitigation activities for one year, while additional funding is being pursued. The Base Bid was designed to include prescribed burning equivalent to the funds available through a multi-year FAA Grant. The total grant amount is \$143,676, which is comprised of 90% FAA Grant and 10% ECP match. Add Alternates were identified to allow expanded mitigation activities contingent on additional funding. The Add Alternates include unit pricing for additional prescribed burning, which is the most important activity to maintain compliance with the Permit, and ancillary activities that may be required to support the prescribed burns.

On May 7, 2020, one Bid was received by Wildlands Fire Services. The Base Bid for prescribed burning of 2,415 acres was \$144,800. The unit costs of the prescribed burning are the same as the previous contract with Wildlands. The unit costs of the Add Alternates are in line with, and in a few cases less than, previous unit prices.

Staff and our consultant felt the Contractor is qualified, that the submitted Bid was reasonable and necessary, and recommended the Mitigation Implementation Contract and Add Alternates Bid be awarded to Wildlands Fire Services, Inc.; and to authorize Staff to utilize the Add Alternates, if funding is available,

to maximize the effectiveness of the mitigation effort. This mitigation work will be 90% funded by an FAA Grant and 10% District funding in the FY2020 and will be included in the FY2021 Airport Budget.

**d. Exercise Option to Extend DBE/ACDBE Consulting Services Agreement – Taffy Pippin Consulting, LLC**

This item provided for Board approval to extend an Agreement for professional services between the Panama City-Bay County Airport and Industrial District and Taffy Pippin Consulting, LLC for Disadvantaged Business Enterprise/Airport Concessions Disadvantaged Business Enterprise (DBE/ACDBE) Consulting Services for an additional one (1) year term.

As a recipient of grant funds from the Federal Aviation Administration (FAA), the Airport has special grant assurances it is required to meet as listed in grant agreements. These assurances require that the Airport set annual goals related to its DBE/ACDBE Program and that it must file and report its goals and the results of the achievement of the goals annually.

At the April 26, 2019 Board Meeting, the Airport entered into an Agreement with Taffy Pippin Consulting, LLC to prepare and update its DBE/ACDBE Program, complete annual reports as required by the FAA, and to provide additional services on an as-needed basis. The contract was for a one-year period with four one-year renewal options. The original contract included goal development and reporting through FY2021. This extension will allow for completion of those services as well as development of the DBE FY2021-2023 goals and methodologies and other as-needed services.

As the Airport is mandated to fulfill ongoing requirements for the FAA Grant assurances, Staff is requesting a one-year renewal of the Agreement to assist with compliance efforts. Staff is very pleased with the service received in the first year of the contract.

The FY2020 Airport Operating and Capital Improvement Budget includes funding for the current year's services. The fees for the additional services on the one-year extension will not exceed \$10,000, and any needed funds for FY2021 will be included in the upcoming year's budget.

**e. Approve Security System Software License and Service Agreement – Allcom Global Services, Inc.**

This item provided for Board approval for renewal of a software license and service agreement in support of the Airport's computerized security system.

The Airport owns and operates a complex, computerized security system that includes access control, CCTV, and badging components. The integrated software (AMAG) associated with this system requires ongoing service and software updating that can only be performed by authorized software integrators. Allcom is an authorized software service provider for the Airport's Security System software (AMAG).

This purchase is a budgeted line item in the Airport 2020 O&M Budget. Staff recommended Board approval for the renewal of the AMAG Software License and service agreement from Allcom Global Services, Inc. of Lake St. Louis, Missouri in an amount not to exceed \$12,070.

**Ms. Melzer made a motion to accept the Consent Agenda, and Vice Chairman McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

**Business Items:****a. Consider Hangar Rental Rates for T-Hangars with Expiring 10-Year Leases**

This item provided for Board consideration of a 3-year hangar rental rate phase-in period for expiring 10-year Hangar Leases (“Tenant”).

At the February 2010 Board Meeting, the Board reviewed the relocation of approximately twenty-four portable hangars whose owners subleased land from the FBOs at the old airport (PFN) for their hangars. Those hangars were placed on the Airport (PFN) with full knowledge of the hangar owners that the Airport (PFN) would possibly close. Those owners contacted Staff and expressed an interest in leasing new hangars at the new Airport (ECP).

The subleases limited claims against the Airport (PFN) in the event the subleases were terminated due to closure of the Airport (PFN), and the District would have remained responsible for the obligations set forth in the “Uniform Relocation Act” in that the District would be responsible for the cost to relocate the hangars up to fifty miles from the old Airport (PFN) at an estimated cost of approximately \$8,000 - \$10,000 per hangar.

A representative from the twenty-four-person hangar group contacted Board Chairman, Mr. Clemons regarding a proposed plan for reduced rental rates in exchange for waiving their rights for relocation assistance under the Uniform Relocation Act. The Board approved a hangar rental fee of \$150 per month for the small hangar, \$204.89 for the medium hangar, and \$291.02 for the large hangar – plus the land lease fee of \$0.30 per square foot per year.

Because the District offered those tenants first priority for a hangar at the Airport (ECP), and the tenants entered into a ten-year below market rate lease for the hangars at the Airport (ECP), the tenants were not eligible for relocation benefits under the Uniform Relocation Act to move the hangar.

Additionally, at that time the Board approved hangar rates of \$291 per month for a small hangar, \$360 per month for a medium hangar, and \$561 per month for a large hangar – plus the land lease fee of \$0.30 per square foot per year – for new tenants leasing hangar space at the Airport (ECP).

The tenants whose Leases are set to expire on July 5, 2020 are as follows:

Small Hangar

Aaron Hagan  
N6682T, Inc. formerly John Kirk Laceywell  
William (Scott) Burt  
Mike and Sara Rochefort  
David Artman (Expiration September 30, 2020)

Medium Hangar

Harold Parker  
Russ Deane

Large Hangar

Dunnair (Daniel Dunn)

A representative from the now eight-person hangar group contacted Staff proposing a phasing-in of the rental rates to reach the equivalent of the current hangar tenants over a 10-year period.

Staff reviewed the request for a 10-year transition, as well as developing a 5- and 3-year transition option. An analysis of each hangar classification was provided to the Board. The analysis included the Board approved rate, comparable size rate and the 10, 5 and 3-year transition rates. The rates for the out years were based on a 2% CPI adjustment, actual rates will vary slightly based on the actual CPI each year.

Based on the review of the original intent of the Agreement and the present financial conditions as a result of the ongoing pandemic, Staff recommended a 3-year transition to reach the approved rental rates. The FY2020 Airport Operating and Capital Budget would be positively impacted \$2,356 with the three-year phase-in rent rate increase.

**Following Board discussion Vice Chairman McDonald made a motion to approve a three (3)-year phase-in rent rate increase to reach the approved rental rates, and Mr. Nelson seconded the motion. The vote was taken and the motion passed except for Ms. Melzer and Chairman Lee who voted “no.”**

**b. Accept FAA CARES Act Grant Offer – 3-12-0159-018-2020**

This item provides for acceptance of an FAA CARES Act Grant Offer.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. The act included \$10 billion in funds to be awarded to airports for economic relief as a result of the impacts of COVID-19 on the airports.

In April, the Airport applied for the CARES Act funding in the amount of \$6,327,925. This funding is different than traditional AIP funding in that it can be used as lawful airport revenue. This Grant allows for funding to be utilized for operational, debt service, and other eligible costs as defined in the Grant Agreement.

The funding would be available for four (4) years and the request for reimbursement would be in accordance with FAA established procedures. The CARES Act funding requires that we maintain within 90% our current staffing with the exception of retirements and employees who resign employment.

The Budget impact for each fiscal year will be determined based on financial requirements, and Staff recommended the acceptance of FAA CARES Act Grant – 3-12-0159-018-2020 in the amount of \$6,327,925 for the Northwest Florida Beaches International Airport.

**Mr. Mathis made a motion to accept the FAA CARES Act Grant Offer, and Vice Chairman McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

**c. COVID-19 Update**

**(i) COVID-19 Update/Air Carrier Program**

Mr. McClellan reported that the airlines were awarded CARES monies as well, and one airline requested we review our invoice due dates, but we are waiting to see what is happening with the industry. Mr. McClellan reported that after talking with the airlines, passenger activity is expected to be down 50% in 2020 from 2019 – 300,000 enplanements down from 600,000 enplanements.

**(ii) COVID-19 Update/Rental Car Program**

Mr. McClellan informed the Board that the Rental Car companies ended up not having to use the Customer Facility Charge (CFC) reserves to pay for the Rental Car companies' March MAG. Mr. McClellan invited Airport Attorney Nick Beninate to talk about the Hertz Bankruptcy, and he explained that they are filing Chapter 11 which means reorganizing to reduce debt – it does not mean they are going out of business, and Hertz is doing everything they can to maintain their relationship with airports whom they feel are critical to their business.

**(iii) COVID-19 Update/Concession Program**

Mr. McClellan reported that we have continued the reduced fees from \$135 per month to \$20 per month to the Taxi Queue companies.

Mr. McClellan invited Ms. Darlene Nelson to assist him in presenting to the Board a financial forecast update showing graphic illustrations comparing the Approved FY20 Budget, the Projected Growth Rate, and the Current Projection. Ms. Nelson reported that the graphs have not changed much at all from last month. She reported the Approved Budget was an estimated \$19.7M in revenues/\$10.5M in expenses, and the Projected Growth Rate through the end of FY20 (projected before the impact of COVID-19 began to affect the industry) was an estimated \$21.8M in revenues and \$9.9M in expenses. The Current Projection (calculated since the onset of COVID-19 in March), shows a steep decline in March revenues, leveling out and matching expenses in July or August. She reported \$612K in March revenues over expenses, and \$226K April expenses over revenues. Year-to-date operating revenues are \$570K under budget through April, which is better than we expected, with the COVID factor. Ms. Nelson confirmed this does not include any CARES Act money.

Mr. McClellan added that the numbers are improving; instead of being 95% down in passenger counts as we were last month, we were only down 60% this month (900 passengers went through the Airport on Sunday, 850 went through on Tuesday – a positive trend – not what we expected May to look like back in April).

Mr. McClellan reported that the Airport also has a list of what we are doing to keep the Airport clean, called "ECP Ready," which details how we are keeping everything easy, clean, and protecting the passengers, and is posted on the ECP website. Additionally, all the airlines have on their respective websites the actions they are taking to build confidence for the traveler.

Mr. Nelson asked for confirmation that the Florida Governor decreed legislative meetings will continue remotely, and Mr. McClellan confirmed that July 2 is when the executive order for teleconferencing meetings will end.

Mr. McClellan invited ECP Maintenance staff member Mr. Randy Iler to demonstrate the sprayer the Airport is using to disinfect areas once a day after Goodwill has cleaned the areas (restrooms, furniture, etc.). Mr. Iler modeled the apparatus built from a used Airport ARFF SCBA and a paint sprayer, for a cost of under \$100.

**This item was for informational purposes only, and after Board discussion, required no formal Board action.**

**Construction Update (information only):**

Mr. Richard McConnell addressed the Board beginning with the Terminal Expansion Update. Mr. McConnell reported that it is proceeding very well, moving ahead of schedule, and on budget; the restroom epoxy flooring and wall tiles are finished; they have drilled and concreted in one of the pedestals where the Gate 7 Passenger Boarding Bridge will be installed June 1, and are working on the Gate 6 pedestal.

Mr. McConnell reported that the Taxiway E1 and Transient Apron Project is also moving along ahead of schedule and on budget; all the stormwater drainage has been completed; the first lift of asphalt for the Taxiway has been poured; the General Aviation Taxiway F and perimeter road have been milled up, lime stabilized, and prepared for the first lift of asphalt in those areas.

Mr. McConnell reported that the contractors for the State Road 388 Project are looking for only an inch more of surcharge movement in the compaction of soil; the permits from the Corps of Engineers have been approved so the work on the bridges can begin, but though they are also ahead of schedule, the actual Airport Entrance Roundabout is planned for a 2023 timeframe.

Mr. Russ Mathis interjected that he would like to see a recognition for past ECP Board Chairman Mr. Joe Tannehill at the next Board Meeting in June, and Mr. McClellan confirmed it will be on the Agenda.

### **The Bay EDA Update:**

Bay EDA President Becca Hardin addressed the Board via phone and reported the deadline for the Qualified Target Industry Tax Credit (QTI) – which was designed to encourage the creation of high-skill jobs and encourage the growth of corporate headquarters and other targeted industries and a nice incentive they have been using in their efforts – was not extended as hoped, and will end June 30. She reported that Project Gator is in the file stages with the financial package going to the banks by the end of the week. Ms. Hardin reported that Bay EDA is also pushing Project Purple forward; and tweaking Bay EDA's marketing strategy as a result of COVID-19.

### **The Moore Agency Update:**

Ms. Katie Spillman of The Moore Agency reported via phone on their April marketing and advertising activity. Ms. Spillman reported that the team spent the month developing assets to launch ECP's virtual 10-year anniversary celebration content and on strategic planning for creative concepts to instill confidence in travelers to be used as restrictions are lifted and passengers begin to consider travel again.

Ms. Spillman reported that in April there were 242 airline website click conversions and 74 assisted conversions as a result of our campaign; 1,812 Escape page views; 6,839 new website visitors; 14,692 total website sessions; 795,973 earned media impressions; and 16% of our subscribers opened the newsletter. Ms. Spillman reported that be are pacing behind on some Dashboard goals and they may need to be adjusted depending on what the COVID-19 recovery phase begins to look like.

Ms. Spillman showed how the 10-year logo The Moore Agency creative team designed looked on social media, on the website, and in email signature blocks. She also showed the updated 10-year milestone graphic, the new animated graphics, the "Thank You for 10 Years, ECP!" video, the email blast, and the Opinion Editorial, "A Decade of Growth for ECP" by Del Lee, published in the *News Herald*. Lastly Ms. Spillman showed the ECP branded animated gifs our branded channels can begin using, as well as our audiences who can easily search for and download them enhance their social media storytelling.

### **Executive Director Report:**

Mr. McClellan addressed the Board by informing them we have been working on the Projects without Passengers projects, including replacing cracked tiles in the Terminal. Mr. McClellan invited the Board Members to tour the Terminal Expansion after the Meeting. Mr. McClellan reiterated that there will be recognition for Mr. Joe Tannehill at the June Board Meeting. He also reported ECP's virtual 10-year

celebration in place of the one previously planned for May 1 in the St. Joe hangar was a success and gave kudos to Katie Spillman for all her efforts, including the animated gifs.

Mr. McClellan confirmed that the Beach and County will be appointing ECP Board Member replacements for Mr. Nelson and Mr. Mathis, as their terms end at the end of June.

**Public Comments:**

There were no public comments.

**Adjournment:**

The meeting was adjourned at approximately 10:15 a.m.

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Kathy Gilmore, Executive Secretary

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Del Lee, Chairman