

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

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., September 23, 2020 by Chairman Glen McDonald. Board members were offered the option of calling in via Zoom, or attending the meeting in person observing the CDC's recommendations and Governor DeSantis' Executive Order.

The Invocation was given by Vice Chairman Holly Melzer.

The Pledge of Allegiance was led by Mr. James Johnson.

The Executive Secretary called the roll and indicated all the Board members were present in person.

The Agenda was presented to the Board. Due to Bay EDA President Becca Hardin needing to leave the meeting early, Mr. Johnson made a motion to accept the Agenda with the change of moving the Bay EDA Update up (#6 on the Agenda) to #2 on the Agenda. Mayor Mark Sheldon seconded the motion. The vote was taken and the motion passed unanimously.

The Bay EDA Update:

Bay EDA President Becca Hardin addressed the Board in person and reported the Airport Authority, under Mr. McClellan's leadership, was entering into negotiations on the term-sheet for Project Gator with the Triumph Gulf Coast Board, but the company has put the project on hold due to hurricane damage to their businesses. She reported that they still want to move forward, but they need to focus on hurricane clean up right now. The Triumph Board agreed to present the term-sheet at their November meeting, instead of tomorrow. Project Gator would provide approximately 98 jobs with a capital investment of an estimated \$25 M.

Ms. Hardin reported that she, Garrett Wright, and Parker McClellan had a conference call with the COO for Project Venus, the European MRO (Maintenance, Repair, and Overhaul) company needing access to the Runway, and they are still very interested and want to come visit, but it will not be until after the first of the year because of limited travel. Project Venus asked about MRO markets in the southeast, and Ms. Hardin said Bay EDA has asked an aviation consultant to do some market studies, and that because it would be a blanket study, it would help us with other MRO prospects. Chairman McDonald asked if the MRO study would not be proprietary and that we would be able to use the information in the future, and she confirmed he was correct.

Ms. Hardin reported that Project Emerald came here for a site visit, and they want to try to move forward on an existing building so that they can get here and get operational, but their long-term goal is building a structure here at the Airport. She reported they could provide and estimated 250 jobs.

Reports:

Mr. Parker McClellan presented and reviewed the Activity Reports, reported that ECP was only down 20% compared to the average of 60% down seen by airports nationally, and added that the load factors for Delta and Southwest were down due to social distancing.

Ms. Darlene Nelson presented and reviewed the Financial Reports.

Consent Agenda:**a. Board Meeting Minutes – August 26, 2020**

This item provided for Board approval of the August 26, 2020 Board Meeting Minutes.

b. Board Budget Workshop Minutes – September 2, 2020

This item provided for Board approval of the September 2, 2020 Board Budget Workshop Minutes.

c. Approve Matthew Marshall and Amy Marshall Five-Year Sublease Extension with Sunset Eagle Aviation

This item provided for Board approval of a five-year extension to Sub-Lease of Hangar 4 between Matt and Amy Marshall and Sunset Eagle Aviation.

In June, 2011, Matt Marshall and Amy Marshall executed a Land Lease Agreement with the District to construct a hangar. The hangar was originally used to store company aircraft. The company aircraft subsequently sold. Since that time Marshall has had three sublease requests approved prior to this request.

Sunset Eagle Aviation is an aircraft maintenance business operating at the Calhoun County Airport located near Blountstown. Following Hurricane Michael, the hangar that Sunset Eagle occupied at the Calhoun County Airport was significantly damaged and is unable to be occupied. Staff in an effort to accommodate those impacted by Hurricane Michael, recommended approval of a short-term sublease, while the hangar at the Blountstown Airport was rebuilt.

Since that time, it was determined that the hangar at the Blountstown Airport would not be replaced, and Mr and Mrs. Marshall have requested a five-year sub-lease with Sunset Eagle Aviation.

Both Sunset Eagle and the Marshall's are aware of the location in our corporate hangar area and the expectations of "quiet enjoyment" as defined in the lease. There are operational restrictions as a result of being located in the Corporate Hangar Area; they include but are not limited to no aircraft engine run-ups, ensure the ability of other tenants in the Corporate Hangar Area have uninterrupted access to their hangars and no outside storage of aircraft. In the event this sublease has an impact on the other tenants all parties have agreed to terminate this sublease at the discretion of the District.

Sunset Eagle Aviation will be required to establish a Special Services Operating Agreement with the Airport, in accordance with Airport Rules and Regulations. The sub-lease will have no impact on the FY20 or FY21 Airport Operating and Capital Budget.

d. Approve Land Lease – Stark Avionics, LLC

This item provided for Board approval of a Land Lease between the District and Stark Avionics, LLC.

Representatives from Stark Avionics, LLC recently contacted Staff and have requested to place a hangar at ECP. Therefore, Staff is requesting Board approval of a land lease for Stark Avionics, LLC.

The terms of the lease will be as follows:

- No rent will be collected until the Certificate of Occupancy is received
- Lease term is 20 years
- Rents will be calculated at the rate of \$.36 per square foot per year, with an annual adjustment based on the CPI
- Proof of general liability, casualty and automobile insurance is required, with District named as an additional insured

- Area leased will be approximately 9,425 square feet, to be confirmed by survey
- There will be no public access or outside vehicle parking.

The FY21 Airport Operating and Capital Budget would be positively impacted by the amount of revenue from this lease. Monthly revenue generated would be approximately \$283.00 (\$3,393.00 annually).

Staff recommended that the Board approve this Lease, contingent upon FAA approval and on Stark Avionics, LLC obtaining any required permits.

e. Establish a Specialized Service Operator Agreement with Stark Avionics, LLC

This item provided for Board approval for the establishment of a Specialized Service Operator (SSO) Agreement for aviation radio/electronics repair facility.

The Minimum Standards for Commercial Aviation Operators were established to provide minimum standards for commercial activities on the Airport. The minimum standards also are in place to protect the Airport and its users from irresponsible, unsafe, unlicensed and unqualified operators. It also allows for the establishment of a Specialized Service Operator (SSO). The SSO provide a limited commercial aviation service and is not permitted to sell fuel, provide aircraft tie-down or storage.

Stark Avionics, LLC would like to establish aviation radio/electronics repair facility on the Airport. Stark Avionics, LLC intends to ground lease area at ECP to construct a hangar/ramp facility to conduct approved SSO maintenance activities. Stark Avionics, LLC understands the Minimum Standards established at ECP and agrees to meet and follow these standards.

The approval of this Specialized Service Operator Agreement will have no impact on the FY21 Operating and Maintenance Budget.

f. Award Bid for Aircraft, Rescue and Firefighting (ARFF) Vehicle Purchase – Rosenbauer Minnesota, LLC

This item provided for Board approval for the acquisition of a 1,500-gallon, Class 4, Aircraft Rescue and Firefighting (ARFF) vehicle to be used in support of operations at the Northwest Florida Beaches International Airport.

Under Federal Aviation Administration (FAA) Airport Certification Regulations, the Airport is required to maintain an established level of aircraft rescue and firefighting capabilities based on the size and number of daily operations for commercial aircraft operating at the Airport. Up until the summer of 2019, the Airport operated as an ARFF Index B airport. Substantial growth and change in aircraft mix have elevated the Airport to an ARFF Index C thus requiring additional requirements and equipment to meet FAA Certification standards. This purchase is for the acquisition of a second required 1,500-gallon ARFF vehicle in support of Index C operations. This will allow for continued growth and allow the Airport to accommodate a greater variety of commercial aircraft.

An "Invitation to Bid" for a "1,500 Gallon ARFF Vehicle" was publicly advertised with a Bid opened on June 2, 2020. Three responsive bids were received at Bid opening time of 2:00 p.m. Bids were:

- Oshkosh
 - o Base Bid (Truck) \$704,072
 - o Foam Testing System \$19,687
 - **Total Bid \$723,759**
- E-ONE
 - o Base Bid (Truck) \$712,203
 - o Foam Testing System \$29,060
 - **Total Bid \$741,263**

- Rosenbauer
 - o Base Bid (Truck) \$709,500
 - o Foam Testing System \$6,900
 - **Total Bid** **\$716,400**

This purchase is provided for in the Airport's FY21 Airport Operating and Capital Improvement Budget. 100% of the cost of this ARFF Vehicle purchase is reimbursable under a Federal Aviation Administration Airport Improvement Program grant accepted by the Airport Board on July 22, 2020. As a result of the CARES Act, this is a 100% grant as compared to a 90/10 under normal circumstances.

Staff recommended Board acceptance of the low responsive bid from Rosenbauer Minnesota, LLC for a 1,500 Gallon ARFF Vehicle with Foam Testing System in amount of \$716,400.

Mr. Will Cramer made a motion to accept the Consent Agenda, and Mr. Jay Tusa seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Approve ZHA Task Order 50-B – Aircraft Apron Phase 2 Extension – Design & Construction Administration Services

This item provided for Board approval of a Task Order to ZHA as the Airport's continuing engineering consultant to provide design, bidding/procurement and construction administration services related to the construction of a new Aircraft Apron Phase 2 Extension – west of and connected to the new Transient Apron project.

The apron extension shall include paving, drainage, stormwater management system modifications, security, potential relocation of some existing utilities, apron edge lighting modifications, apron markings, final grading, grassing, and other components related to the project.

The apron parking will support MRO aircraft at the airport. The apron will be approximately 220 feet x 225 feet and designed to accommodate all classifications of aircraft. The apron will connect to the new transient apron and will include apron edge lighting as required.

The scope of services would include the following:

1. ZHA will interface with the OWNER FAA, TSA, FDOT, Bay County and others as the project is developed through design and procurement.
2. ZHA shall prepare and submit the FAA Airspace Study Checklist, if required by FAA, for proposed on-airport improvements.
3. ZHA shall review as-built information available, existing conditions, and inspect the site to ensure existing conditions are dealt with in the design documents.
4. ZHA shall commission geotechnical testing required to prepare the design for the project.
5. ZHA shall participate in coordination meetings, incorporate changes or modifications to their design as necessary after stormwater management system discussions, prepare design/drawings, of technical specifications and design/permitting/procurement documents.
6. ZHA shall participate in the pre-bid conference, bid opening and evaluation process, and present a bid award recommendation.
7. ZHA shall prepare a conformed set of construction documents, and provide Construction Administration Services.

The total Task Order 50-B, including fees and expenses will be \$153,000, it is contained in the FY21 Operating Budget and will utilize FDOT Grant funds, if possible.

Mr. McClellan addressed the Board and reminded them that we had set up Project Gator to be on the west side of the Aviation Center of Excellence on West Bay Parkway, and Project Venus had a different alignment. He said that with their delay, and the affects of COVID-19, we have moved Project Gator to where Project Venus was.

Vice Chairman Melzer made a motion to approve ZHA Task Order 50-B, and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.

b. COVID-19 Update

i) COVID-19 Financial Update

Mr. McClellan addressed the Board and illustrated with a bar graph the passenger counts of last year vs. this year, and reported that all four airlines have agreed to sign the Lease Amendment. 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, projected growth rate, current projections, and actual revenues and expenses.

Ms. Nelson reported the August budget and actual revenues did trend down but we are closing the gap between the two at \$254,000. She reported we exceeded our projected August revenue by \$196,000 due to increased airline activity, and rental car concessions.

Ms. Nelson reported that we continue to hold our expenses down and under what we originally projected, and the revenues are higher than we expected.

Ms. Nelson reported that August revised budgeted expenses were down by \$40,000, and under the actual budgeted expenses by \$130,000. The revenues over expenses were \$718,000 in August.

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

c. Project Gator Update (information only)

Mr. McClellan reported that he and Nick Beninate have been working on the Triumph Term-Sheet and will be doing so for the next month, and Project Gator is still working through the Space Florida financing, but as Ms. Hardin reported, they are focused on hurricane clean up.

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

d. Approve One-Year Extension on Florida Association of Rehabilitation Facilities, Inc. – Janitorial Services Contract

This item provides for Board approval of a one-year extension to a contract with Florida Association of Rehabilitation Facilities, Inc., known as RESPECT of Florida (Goodwill is the service provider), to provide janitorial services at the Northwest Florida Beaches International Airport.

In September 2010, the Board awarded a contract for janitorial services at the airport with Florida Association of Rehabilitation Facilities, Inc., (RESPECT of Florida). The initial term of the contract was for a five-year term and expired on September 30, 2015.

In 2015, the Board awarded a contract with Florida Association of Rehabilitation Facilities, Inc., (RESPECT of Florida) for a term of five additional years with annual approvals of fees as part of the annual budgetary process.

Respect of Florida was established in 1974 by the Florida Legislature as a 501(c)3 non-profit organization to administer Florida's State Use Program under guidance of Florida Department of Management Services. The State Use Program allows exempt governmental entities from having to obtain informal quotes and the competitive solicitation process.

Under the terms of the contract, RESPECT will furnish all services, labor, materials, equipment, tools, insurance, permits, fees and supplies necessary to perform the scope of services detailed in the contract.

As we review the ever-changing environment that exists at the Airport today, it was determined it would be in the best interest of the Airport to extend the contract for one year to ensure RESPECT (Goodwill) can accommodate the additional demands as a result of COVID -19. This one-year term would ensure RESPECT has the necessary staffing to meet our increased needs.

It should be noted, Staff reviewed the performance of RESPECT and their operational partner, Goodwill and it was determined that the janitorial services provided by Goodwill meet the needs of the Airport and they have been a good business partner.

The cost for janitorial services for FY21 is estimated to be \$743,981, which is a 2% increase over FY20 and the addition of the Terminal Expansion. Additional sanitizing services required and will be determined based on operational needs.

This cost for the janitorial services provided by RESPECT has been included in the proposed FY21 Airport Operating and Capital Improvement Budget, and Staff recommended Board approve the one-year extension with annual approvals of fees as part of the budgetary process.

Mr. Del Lee made a motion to approve the extension of the contract with Florida Association of Rehabilitation Facilities, Inc., known as RESPECT of Florida (Goodwill is the service provider) at the Northwest Florida Beaches International Airport for an additional year, and Mr. Johnson seconded the motion. The vote was taken and the motion passed unanimously.

e. Vote to Approve Updated Lease Amendments

Mr. McClellan reported that as we look at the impacts of COVID-19 on the industry, there may be Gate shuffling. He asked that the Chairman approve any amendments as a result, and that the Lease Agreements will come back to the Board for ratification at the October Board Meeting.

Mr. Johnson made a motion to approve the updated lease amendments, and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.

f. Approve and Adopt Resolution for FY21 Operating and Capital Budget

This item presented the Fiscal Year 2021 Operating and Capital Budget to the Board for adoption.

The FY21 Operating and Capital Budget includes operating revenues of \$12,094,283 and operating expenses of \$9,186,673. The Budget incorporates the debt service requirements for principal and interest payments of \$3,089,574 for the two SIB loans which is offset with funding from passenger facility charges of \$1,606,578 and CARES Act funds of \$1,482,996, resulting in no net requirement from airport operating revenues for the payment of debt service. After airline revenue sharing, the net remaining revenues are \$272,869.

The FY21 Operating and Capital Budget was presented to the signatory air carriers and discussed at the Airline-Airport Affairs Committee Meeting on August 18, 2020. The air carriers reviewed the Rates and Charges calculations for FY21 along with the proposed Operating and Capital Budget. The air carriers were pleased with the Budget presentation and only requested that the Airport consider the use of more

CARES Act funds to offset costs in the FY 2020 Budget year. The CARES Act funds included in the Airline presentation totaled \$1,382,966 and the funds presented in this proposed budget total \$1,680,718, including an additional \$100,000 towards debt service and \$197,722 for capital expenditures.

A Budget Workshop was held on September 2, 2020, where the Budget was reviewed in detail. *It should be noted the rates and charges are different than presented at the Workshop. Changes were made, at the request of the Board, to the budgeted funds for personnel; and Project Gator is now included. The Board requested we look into all financial options to get a lower interest rate and potentially pay off the SIB Loan. Also, additional funding was included from the CARES Act and cost center allocations have been updated.*

The highlights of the budget include:

- Overall revenues decreased by \$4,259,660, or 26.0%, over the FY20 Budget due primarily to a decrease in the landing fee and rental rate, lower concession fees including rental cars, retail, food & beverage, and reduced parking revenue;
- Personnel costs increased by \$489,420, or 11.2%, over FY20 Budget, which includes funding two vacant positions and an increase to base pay as recommended by the salary survey plan completed in July 2019. This is year two of a two-year phase-in period, which allowed the cost of the increase to be divided equally between FY20 and FY21;
- Total operating expenses budgeted reflect a \$310,402, or 3.5%, increase from the prior year's budget; and
- Rates and Charges are as follows:
 - ♦ Terminal Rental Rate decreased from \$63.64 to \$61.06 per square foot
 - ♦ Landing Fee decreased from \$5.10 to \$4.50 per 1,000 pounds
 - ♦ Signatory Cost per Enplanement increased from \$6.11 to \$12.26

Approval of the proposed budget presented will also include authorization for the following:

- Capital Equipment Schedule
- Capital Expenditures (Projects) Schedule
- Staffing Levels and Pay Ranges
- Renewal of Property and Casualty Insurance
- Maintaining the fuel flowage fee at \$.04 per gallon
- T-Hangar rental rate for new tenants:
 - ♦ Small - \$430.03
 - ♦ Medium - \$581.09
 - ♦ Large - \$803.99
- Maintaining the Land Rental rate of \$0.36 per square foot

The FY21 Operating and Capital Budget contains a 3.5% increase in operating expenses over the FY20 Budget and a 26.0% decrease in operating revenues for the same period. This Budget produces \$272,869 in net remaining revenues available after revenue sharing that may be used for funding the capital program and increasing reserves.

Mr. Johnson made a motion to adopt the FY21 Operating and Capital Budget and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.

Mr. Lee made another motion to list Project Gator in the Budget, and that we will relook into the SIB Loan rate and other financing institutions that may have lower interest rates, and Vice Chairman seconded the motion. The vote was taken and the motion passed unanimously.

Hurricane Sally Update (information only):

Mr. McClellan reported to the Board that we had some leaks in the Terminal from Hurricane Sally, but they have been addressed with our Maintenance Department. He said that there was Stormwater System damage, and showed slides of the affected areas. He reported that the estimated costs of repair for the stormwater system damage to be an estimated \$250,000, and that we are working with the county so that when they come around to do assessments, we are on the list.

Construction Update (information only):

Mr. Richard McConnell addressed the Board beginning with an update on the Terminal Expansion Project. He informed the Board that the project is substantially complete with regard to the building itself. This next Monday the second passenger boarding bridge will be delivered and installed at that time. American Airlines is using the area and it seems to be working very well; they are happy with it and at times parking more than one aircraft in the area, and utilizing both Gates. He said that once the passenger board bridge is installed at Gate 7, we should be up and running and fully capable on that project.

Mr. McConnell addressed the Board with an update on the Transient Apron and Taxiway E1 Project. He reported that Taxiway E1 is substantially complete. He said the contractor is working through punch lists that include the erosion and washout issues. He said we are looking forward to getting the pavement open so we can have aircraft movement over it. Mr. McConnell reported that this Thursday evening or early Friday morning they will start pouring concrete on the Transient Apron, and that will conclude the first phase of the Transient Apron and Taxiway E1 Project.

Mr. McConnell addressed the Board on the new S.R. 388 and reported the surcharge at the Airport Entrance has taken effect and the compression needed has been met, so the height levels of those mounds are being brought down to an elevated intersection – the same level of the highest part of the road we have today. He said the surcharge is being moved and used in other areas, and that the Roundabout construction will not happen until the route to the west is completed, and that vehicles wanting to turn east from West Bay Parkway will have to turn west for a few miles and then cross over and head back east, until that is all completed. He said the contractor helped during Hurricane Sally with flooding/drainage issues we experienced (the same issues we have always experienced at the Entrance that will no longer be an issue once the Roundabout goes in). Mr. McConnell reported the project will be complete in 2023, with another 8-9 months before work on the Roundabout begins.

The Moore Agency Update:

The Moore Agency's Ms. Katie Spillman addressed the Board in person and reported that the full monthly report was provided to the Board in their Board packets, but her presentation today would cover some of the data and research mining resulting from the IBM tool by Watson called "Audience," and that the insights and data are a snapshot of the ECP Twitter audience of 800.

She reported that the prominent gender for ECP's Twitter audience makeup is male (74.31%), 24-34 years of age (50%), and their topic is sports – football and basketball (65.26%). Ms. Spillman listed the cities most relevant to our audience, the brands they love, their top three influencers (two of which are sports journalists), and that their use of a mobile device for their online habits is 62%. She reported that unlike VPS, PNS, and the U.S., their friends and family are not as big of an influence on them when making a purchase.

Ms. Spillman concluded that the potential strategies using this information would be highlighting direct flights to cities with prominent football or basketball teams, exploring sweepstakes opportunities with sports aspects, and developing creative featuring sports affinity.

Executive Director Report:

Mr. McClellan addressed the Board and explained that our annual “Airport Employee Thank You Lunch” will be tougher to plan this year due to social distancing. He said we are not sure providing them a boxed lunch to pick up and go away with would be as beneficial as the comradery they experienced in past years prior to the pandemic when they could sit down with their colleagues and enjoy the lunch. Mr. McClellan also invited Board members to recommend sign names to designate Airport property roadways. He said that naming the roads would prevent private companies from posting their own signs.

Public Comments:

There were no public comments.

Adjournment:

The meeting was adjourned at approximately 10:05 a.m.

Kathy Gilmore, Executive Secretary

Glen McDonald, Chairman