

**MEETING MINUTES
BUDGET WORKSHOP**

PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

The Budget Workshop Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., September 3, 2026 by Chair Will Cramer.

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

The Invocation was given by Vice Chair Les McFatter.

The Pledge of Allegiance was led by Chair Will Cramer.

Public Comments:

There were no public comments.

Proposed Budget Presentation and Review:

Reports:

Airport Activity:

Mr. Parker McClellan presented August passenger activity reports highlighting growth at approximately 5.5%. The year-over-year comparison indicates steady growth with market share maintained at 24% for the month.

Financial:

Ms. Darlene Gordon reviewed the financials for July 31, 2026 stating the total assets have increased \$15.5 million from July of last year, while total cash is up \$7.5 million in the past twelve months. The total cash balance at July 31, 2026 is \$63.3 million, with unrestricted cash equal to \$38.4 million and restricted cash totaling \$24.9 million.

The total liabilities at the end of July equal \$36.0 million. Excess revenues over expenses reflect a year-to-date total of \$24.1 million, with operating revenues over expenses making up \$11.0 million of the total and non-operating revenues over expenses equaling \$13.1 million.

As of July 31, operating revenues were 103% of budget while total operating expenses equal 94.9% of planned expenditures. Year-over-year, operating revenues are up \$563,680.

Airline Agreement:

Mr. McClellan reviewed the current Airport-Airline Use and Lease Agreement (AAULA) key points, stating the third option to extend the lease begins October 1, 2026 and will expire on September 30, 2028. Negotiations for a new agreement will begin next year.

2027 Budget Details:

Ms. Gordon reviewed historical Airport financial performance and reviewed the year-end “settlement” calculation process. She explained that the calculation, which is done at the completion of the audit, determines the amount which the airlines are refunded (or billed) for the recalculated rates (a “true-up”.) Also included in the year-end calculation is an amount of revenue sharing, which is a portion of net income allocated to the airlines based on language in the AAULA.

Ms. Gordon also discussed how revenue sharing and settlement affect the costs to the airlines, and that the year-end calculation and payment results in the airlines’ cost of doing business at ECP being substantially reduced. She stated that it is our desire to increase non-aeronautical revenue as much as possible in order to lower the costs to the airlines, which will foster our partnerships, as well as be a positive attraction to new air carriers.

Highlights for the proposed FY 2027 Operating and Capital Budget were presented. Included in the discussion were landed weight, which is estimated to be up 9.8% over FY 2026, enplaned passengers, which are budgeted to be up 7.5%, operating expenses that reflect an increase of 4.4% over last year, and operating revenues, which are proposed to increase 2.8%.

In regards to revenues in the proposed budget versus the current year’s budget, airline revenues show an increase of 2.7%, rental car revenue is up 5.9%, both the terminal complex and general aviation show an increase of 1.9%, while other revenue reflects a decrease of 4.3%.

The proposed operating expenses for FY 2027 increased by 4.4%, with personnel costs 6.0% higher and other general operating expenses up 2.5%. A summary of the budgeted expenses by type and department was presented.

Mr. McClellan discussed budget increases for personnel, including the recent addition of a Budget Manager position and the changing of an IT position from part-time to full-time. Discussion ensued and the Board requested two additional employees for 2027, a Construction Accountant and Construction Contract/Procurement employee with a focus on ongoing construction projects.

Ms. Beth Harless reviewed capital equipment budgeting items, explaining each item and reporting which department had requested each of the items.

Mr. Richard McConnell presented the FY 2027 capital projects budget, detailing each project and giving information as to history, current status and future planning for each item.

The escalator project was mentioned and the Board agreed to defer the project to a later date. The Board further requested a compensation study be conducted in FY 2027 as well as an employee morale survey.

Mr. McClellan presented images of current and future projects and focused on a North Terminal Expansion Project update.

Ms. Gordon ended the presentation by reviewing the proposed rates, including the terminal rental rate, landing fee, and proposed CPE. The terminal rate is proposed to increase 4.5% to \$88.65 per square foot, the landing fee is proposed to decrease 8.1% to \$4.44, and the CPE is proposed to decrease by 3.1% to \$4.62.

There were no additional comments.

Next meeting scheduled: September 23, 2026 – Regular Board Meeting

The meeting was adjourned at approximately 11:08 a.m.



Parker W. McClellan, Jr., AAE
Executive Director



Will C. Cramer III, Chair