

BUDGET WORKSHOP MINUTES

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 4, 2025 by Chair Mark Sheldon.

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

The Invocation was given by Mr. Mark Sheldon.

The Pledge of Allegiance was led by Mr. Mark Sheldon.

There were no public comments.

Proposed Budget Presentation and Review:

Mr. Parker McClellan and Ms. Darlene Gordon presented the FY26 Operating and Capital Budget overview to the Board. No formal action was required at the Workshop. Formal approval of the final Budget will be considered at the September 24, 2025 Board Meeting.

Mr. McClellan reviewed the July passenger activity reports and Ms. Gordon presented a recap of the July 2025 financial statements, both of which were discussed in the August Board Meeting.

Mr. McClellan reviewed the current Airline Use and Lease Agreement and presented the rate methodologies used in the Agreement. He stated that we are approaching the time to exercise Option 2, which will extend the Lease from October 1, 2026 through September 30, 2028. Mr. McClellan requested that we move forward with the process with the Airlines, as the Airport needs to make its notification to them to continue the current Agreement for the final option period. There was a consensus by the Board to continue the current Airline Agreement and a request that Mr. McClellan move forward in working with the Airlines.

Ms. Gordon presented historical budgetary changes through the years considering revenues and expenses, including terminal rate charges, landing fees, CPE, operating, personnel, and settlement payments to the airlines.

Ms. Gordon presented highlights of the proposed FY 26 Budget which included an increase of enplaned passengers of 1.1%, and increase in landing weights of 6.1%, increased operating expenses of 6.2% over the prior year budget, and insurance showing an increase of 18.6% for property, liability and worker's compensation policies. Budgeted nonairline revenues have an increase of \$829,000, or 5%, in the proposed FY26 Budget. Additionally, rental car revenue is 3.6% under the FY25 Budget and is projected to be flat for the upcoming year. Rental car rate

methodologies were discussed, and Staff will review the agreements for current rate structure and CFC collections and use.

FY 2026 overall operating expenses are increasing by 6.2% or \$890,000, personnel costs are up 6.2%, health insurance is increasing 11.5%, and a base increase of 3% to wages is included in the proposed Budget. Also included are two additional law enforcement officers.

Discussion ensued over health insurance costs and providers.

Other items of discussion included the increase in property/casualty/liability insurance premiums, the increase in janitorial expenses and the overall increase in parking lot managements fees. Additionally, all CARES grants will be depleted after the FY25 debt service payment.

Proposed capital equipment purchases and projects were reviewed, with the main focus being on the Terminal Expansion Project.

In closing, Mr. McClellan shared images of the terminal area development plan, planned expansion to the north, and the Terminal Expansion Project in addition to updates on projects Maple, InSPIRE, IAG, and general aviation.

As part of the rates and fees review, the topic of current parking fees was discussed. Rates have not been adjusted in at least ten years, and discussion ensued about parking facility improvements, increased costs of operations, and the necessity to increase parking rates.

Additionally, Mr. McClellan reviewed the 15 parking spaces in Covered Parking that have been sold annually. Mr. McClellan recommended the demand for Covered Parking was high and the spaces reserved could be better utilized.

Mr. McFatter made a motion to eliminate the reserved spaces and have them available for covered parking, the motion was seconded by Ms. Melzer. A vote was taken and the motion passed unanimously.

There were no additional comments.

Next meeting scheduled: September 24, 2025 – Regular Board Meeting

The meeting was adjourned at approximately 10:37 a.m.



Parker W. McClellan, Jr., AAE
Executive Director



Mark Sheldon, Chair