

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

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**Opening:**

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., August 23, 2017 by Chairman Mathis.

The Invocation was given by Mr. Carey Scott.

The Pledge of Allegiance was led by Chairman Mathis.

The Executive Secretary called the roll and indicated that all Board Members were present.

**Reports:**

Mr. Parker McClellan presented and reviewed the Activity Report.

Ms. Darlene Nelson presented and reviewed the Financial Report.

**Consent Agenda:****a. Board Meeting Minutes – July 19, 2017**

This item provides for Board approval of the July 19, 2017 Board Meeting Minutes.

**b. Republic Parking Bonus**

This item provides for Board approval of an incentive bonus for Republic Parking for the period from June 2016 through May 2017.

**c. Capital Purchase – Dry Pipe Fire Sprinkler Replacement**

This item provides for the acceptance of a bid from Seago Fire Protection for replacement of portions of the Dry Pipe Fire Sprinkler System located within the canopy (soffit) along the passenger drop-off/pickup areas at the Airport Terminal Building.



“Pre- Arranged Only” - \$10 per pick up  
 \$50 per vehicle per year – inspection fee  
 \$25 per driver per year – Identification media

In March 2017, the Transportation Network Companies began operating in Bay County and at the Airport. The Airport negotiated with the TNC's, specifically Uber and Lyft, to reach an Agreement of how they would operate and a fee of \$2.50 each for pick-ups at the Airport was determined. The Airport receives a monthly statement and fund transfer from the TNCs.

Since March, 2017, the TNCs have averaged 1,300 trips per month at the Airport, with a peak number of nearly 1,600 in July. This has had an impact on the ground transportation industry as a whole. At the April 2017 Board Meeting, it was determined an evaluation was needed to better understand impacts on Ground Transportation at ECP and to ensure that Ground Transportation Services were available to the passengers utilizing the Airport.

In a Staff Study, based on input from the ground transportation companies and internal review of activity on the curb, it was estimated that the impact has been approximately 40% to shuttles. There was an estimated average of 26 trips per day, or an average of one trip per company per day per month. The impacts can also be seen with the number of companies either leaving, or considering leaving, the market or industry as the popularity of TNCs continues to increase.

Therefore, based on the estimated 40% reduction in activity, it is recommended that the fees for all ground transportation companies be reduced. In addition, it is recommended the auto insurance requirement be \$300,000 Combined Limit Liability, and the \$300,000 General Liability Insurance Policy, inspection fee and ID fee for each driver for one year be eliminated. It is important to note that even though eliminating the inspection fee is recommended, inspections will continue.

The proposed fee structure is below:

“Queue Contract” - \$135/month  
 “Pre-Arranged Only” - \$6/pickup  
 Identification Media – re-issue \$25

Additionally, based on the request of the industry at the April 2017 Authority Meeting, a credit for the difference in monthly fees for April – August, 2017 will be given to each company that is in good standing with the Airport as of the August 23, 2017 Board meeting.

The impact to the FY2017 Operating Budget is estimated to be less than \$12,000, which includes monies received from the Transportation Network Companies.

**Ms. Sims made a motion to approve the recommendation to reduce ground transportation fees by 40% for all companies providing ground transportation services at ECP and to authorize staff to make the appropriate changes in the Ground Transportation Rules and Regulations. Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Sunshine Shuttle Amendment – Recommendations based on the impacts of the Transportation Network Companies (TNC)**

This item provides for recommended changes to the Airport's ground transportation contracts and the Airport Ground Transportation Rules and Regulations based on the substantial impact of Transportation Network Companies (TNC) at the airport.

In 2013, the Airport entered into an Agreement with Sunshine Shuttle to provide a premium ground transportation service with a kiosk in the terminal building, preferred curbside parking location, top spot on our Ground Transportation page on the Airport web site as well as several other benefits not offered to other Ground Transportation providers. Sunshine Shuttle is required to have a variety of vehicles in their fleet to provide different types of ground transportation services, as needed. Presently, Sunshine Shuttle pays the Airport \$1,500 per month.

The study of the impact of TNCs on ground transportation also determined that there was also a reduction in activity for Sunshine Shuttle. The fees for Sunshine Shuttle are also recommended to be reduced 40%. The new proposed fee would be \$900/month.

Additionally, a credit for the difference in monthly fees for April – August, 2017 will be credited to each company that is in good standing with the Airport as of the August 23, 2017, including Sunshine Shuttle.

The impact to the FY2017 Operating Budget is estimated to be less than \$3,500, which includes monies received from the Transportation Network Companies.

Mr. John Finch, owner of Sunshine Shuttle, spoke to the Board and relayed that he feels like his company provides service to customers that the "Queue" and "Pre-Arranged" contract drivers do not. He asked that the rent be reduced to \$700 per month and, due to the expense of staff to operate the kiosk of \$100,000 per year, there be a reduction of the hours of the kiosk and/or the option to have it staffed by drivers after hours. Mr. Finch believes that business for Sunshine Shuttle has decreased since the TNCs have arrived and as people bypass the kiosk to go to the queued ground transportation on the curb.

Discussion ensued between the Board and Mr. Finch to try to reach a compromise.

**Mr. McDonald made a motion to approve the recommendation to reduce fees for Sunshine Shuttle by 40% to \$900 per month and to authorize staff to make the appropriate changes**

**and to amend the Sunshine Contract to reflect fee reduction and other changes. Mr. Nelson seconded the motion. The vote was taken and the motion passed 5 to 2 with Ms. Sims and Mr. Scott opposing.**

**c. Employee Health Insurance and Other Benefits**

This item provides for Board approval of contracting with Public Risk Management to provide employee health, life, short-term disability, dental and vision insurances.

Mr. McClellan began the presentation, stating that the District has historically used the City of Panama City's benefit plan. However, the District was informed that the rates of the City's plan are anticipated to increase at least 20%; which ultimately this gets passed on to the airlines as a cost of operating at ECP. At a meeting with the City, Staff was informed family plans would be increasing 44%, costing the Airport \$120k, plus the potential to pay an additional \$50,000 to the self-insurance pool. Keeping costs and the employee's best interests in mind, the PRM (Public Risk Management) consortium was investigated.

Ms. Nelson continued explaining to the Board that by changing to PRM the District could change the way the employee's insurance needs are covered and still save ECP and the employees money while having lower deductibles and better coverage.

Currently, the District provides its employees with employee health, life, short-term disability and dental insurance through an agreement with the City of Panama City.

Because of the significant increase in the premiums, with Family coverage rates increasing 44%, and the fact that timing considerations were necessary, the District solicited rate quotations from Public Risk Management, a consortium of local governments.

Florida Statute §112.08 is the statutory basis that allows local government units to provide and pay out of its funds group insurance for its officers, employees and dependents. The last sentence of §112.08(2)(a) states: "Each local government unit may self-insure any plan for health, accident, and hospitalization coverage or enter into a risk management consortium to provide such coverage, subject to approval based on actuarial soundness by the Office of Insurance Regulation; and each shall contract with an insurance company or professional administrator qualified and approved by the office to administer such plan."

The Public Risk Management of Florida Health Trust (PRM Health Trust) is a risk management consortium formed under §112.08(2)(a). Any local government unit that joins the Health Trust signs an Intergovernmental Cooperative Agreement and becomes a voting member of the consortium/PRM Health Trust. The decision to join a risk management consortium is not a decision that must be driven by or subject to the public purchasing rules under Florida Statutes §287 et seq.

As required by §112.08(2)(a) and (b), the PRM Health Trust submits and obtains approval for actuarial soundness through an actuary. In addition, as required by §112.08(2)(a), the PRM Health Trust contracts with a professional administrator (Blue Cross Blue Shield of Florida, Inc.) which is qualified by the Office of Insurance Regulation to administer the PRM Health Trust. PRM Health Trust submitted several options for coverage to the District. The “BlueOptions Plan #03359” most closely mirrors the coverage currently in effect, but reflects lower deductibles and copayments than the City’s new “Buy Up Plan”. Based on the District funding 90% of Employee only premium cost and 80% of the cost of any premium above that of the Employee only premium cost, the following is the monthly cost of coverage:

<u>“BlueOptions #03359”</u>	<u>Employee Share</u>	<u>Employer Share</u>	<u>Monthly Total</u>
Employee	\$ 52.12	\$ 469.13	\$ 521.25
Employee + Children	\$ 135.53	\$ 802.73	\$ 938.26
Employee + Spouse	\$ 151.16	\$ 865.29	\$ 1,016.45
Family	\$ 234.56	\$ 1,198.89	\$ 1,433.45

Other PRM Health Trust coverage rates:

Life - \$0.458/\$1,000

Short Term Disability - \$.27/\$10 weekly benefit

Dental - \$28.34/month Employee (also offers Orthodontial and twice the annual maximum benefit)

Vision - \$5.24/month Employee – paid 100% by employee

The premiums quoted for employee health, life, short-term disability, and dental insurances result in a total savings to the District of an estimated \$95,000 for the FY 2018 budget year. Historically, PRM average annual increases have been approximately 5%, with any increases determined in part by the historical claims experience of the consortium as a whole and in part by the individual local government’s claims experience.

The budget for FY 2018 for the employee insurance plans will be \$600,834 with the City of Panama City vs. \$505,748 with PRM Health Trust.

There are currently 51 local governmental members in the PRM Health Trust consortium, which includes 6,720 employees. The trust was founded in 1987 and has a member retention rate of 97%.

There is no effect on FY 2017 Budget, funding will be provided in the FY 2018 Budget.

**Mr. Scott made a motion to approve contracting with PRM Health Trust to secure employee health, life, short-term disability, dental and vision insurances and authorization**

**for the Executive Director or his designee to execute any necessary documents. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.**

**d. Airfield Lighting Control System Equipment Purchase – Eaton Corporation**

This item provides for Board approval for the purchase of airport airfield lighting control and monitoring system 1-second transfer equipment.

Mr. Richard McConnell was available to answer the Board's questions concerning the purchase. The FAA is upgrading the approaches into the Airport and their regulations require one second or less transfers. Currently, generator power is utilized and takes about nine or ten seconds to power up, therefore, the new equipment is needed to support that upgrade. There are seven to ten flights a year that are affected by foggy conditions at ECP and the new transfer will help achieve better minimums and approaches in those poor weather conditions.

The Airport owns a computerized system that controls and monitors the airfield lighting system in accordance with FAA regulations and guidelines. In support of a current Federal Aviation Administration project to upgrade ECP's instrument approach to a Special Authorization Category II (SA CAT II) to better accommodate inclement weather operations, certain electrical equipment capabilities must be provided by the Airport Operator to maintain airfield lighting when commercial power is not available or has failed. This purchase is to acquire and install the electrical lighting switch equipment that will meet the FAA's 1-second Transfer requirement for SA CAT II approaches. The result of this capability will be that if commercial power to the airport lighting system fails during SA CAT II flight operations, emergency standby power will be engaged within 1-second, thus effectively eliminating the disruption of airfield lighting.

This item is included in the Airport's 2017 FAA AIP Grant request at a reimbursement ratio of 90/10. This project was competitively bid in accordance with FAA grant requirements. A single bid was received in an amount not to exceed \$210,531.76 and determined to be responsive. The Airport's portion of \$21,053.18 will be from Airport Operating and Capital Improvement Budget funds.

**Mr. Lee made a motion to approve the purchase of the 1-second power transfer system from Eaton Corporation in an amount not to exceed \$210,531.76, with 90% being eligible for reimbursement through an FAA AIP grant as well as authorization for the Executive Director to execute the necessary documents. Mr. Nelson seconded the motion. The vote was taken and the motion passed unanimously.**

**e. Accept FAA Grant**

This item provides for Board acceptance of an FAA Grant for use of Entitlement Funds that provides funding for several projects to be completed at the airport.

This FAA Grant Offer represents the Airport's 2017 request for entitlement funds under the FAA Airport Improvement Program. Six work items are included on this grant request, which Mr. McClellan explained:

- 1) Improve Terminal Building – Purchase a new loading bridge for Southwest at Gate 3.
- 2) Mitigation Site Development (Phase 1 of 8) – 9,600 acres south of the Airport. Because of the successful and accelerated mitigation, the FAA has agreed to extend their participation of the construction on the mitigation sites.
- 3) Security Enhancements – Replacement of the Access Control System, proximity cards and a variety of equipment
- 4) Security Exit Lane Infrastructure Improvements – the FAA will pay for the technology and will begin in September or October 2017.
- 5) Rehabilitate Existing Terminal Apron (Design Only) – There has been a shift in the sleeper slab between the asphalt and concrete behind Gate 3. This design portion will be for the entire apron around the terminal.
- 6) 1-Second Emergency Power Transfer System

Total costs for the six project items are \$3,303,644 and are reimbursable under this FAA Grant at a 90/10 ratio for eligible items, amounting to the grant agreement amount of \$2,715,208. Sufficient funds are provided for in the Airport's Operating Budget as indicated below.

- 1) Boarding Bridges - \$708,215 (Included in FY18 budget)
- 2) Mitigation - \$464,886 (Included in FY18 budget)
- 3) Security Enhancements- \$356,500 (Included in FY18 budget)
- 4) Exit Lane Improvements –\$502,110 (Included in FY18 budget)
- 5) Terminal Apron Rehabilitation Design – \$61,400 (Included in FY18 budget)
- 6) 1-Second Transfer - \$210,533 (Included in FY18 budget)

**Mr. Scott made a motion for the Board to accept the FAA Grant Offer dated August 16, 2017 for various airport improvement project items outlined above and to authorize the Board Chairman or his designee to execute the necessary documentation with the FAA, following satisfactory legal review. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.**

**f. Air Traffic Control Tower Moisture Remediation**

This item provides for Board approval for the emergency purchase of water damage remediation services for the Air Traffic Control Tower at the Airport.

Recently, during a periodic Staff inspection of the Air Traffic Control Tower, it was noticed that, what appeared to be, water damage was present in some areas. Based on the extent of the damage, it was determined an environmental consultation was warranted. Staff contacted Ken Siders, with Capstone Environmental, and an inspection was performed, which included visual



inspections and other testing methodologies used in water damage issues. The investigation revealed water damage significant enough to require remediation and identified remediation protocols.

Mr. McClellan briefly discussed the damage, stating that it was due to a design issue with the HVAC system. Mechanical adjustments have been made to the system to correct the issue and prevent further damage and it will continue to be monitored. Minimal impact to the Tower is expected.

Due to the criticality of the facility on airport operations, and in the interest of an expedited resolution to the damage, quotations were solicited outside normal purchasing policy. The remediation is separated into three (3) tasks; (A) clean-up/tear-out and remediation, (B) mechanical remediation (HVAC) and (C) build-back. We have received four independent (4) quotes for tasks A and B, as described in the Capstone Environmental report. The quotes are as follows for tasks A and B, task C will be determined upon completion of the remediation efforts.

**Task A and B**

Day Star Cleaning, Inc. - \$72,009.45

Disaster Response Team (DRT) - \$111,472.51

Ready Restoration Pros - \$77,320.75

ServPro of Bay County - \$66,519.81

**Task C**

Based on initial findings identified in the report, the build-back is estimated to be less than \$20,000.

**Contingency**

20% of Task A and B - \$12,969.15

The quotes have been reviewed by Capstone Environmental for conformance with remediation protocols. The work will be completed with minimal, if any, disruption of tower operations. Additionally, Capstone Environmental will serve as the Subject Matter Expert and provide oversight to the project to ensure successful remediation efforts.

This is an unbudgeted safety purchase. Sufficient funds are available in FY17 Operating budget to accomplish Task A and B. The Airport's insurance carrier has been contacted with a claim for the remediation work.

**Mr. Scott made a motion to approve the purchase from ServPro of Bay County in the amount of \$66,519.81 and to authorize the Chairman or designee to approve the fees associated with Task C and authorize the Executive Director to utilize the Contingency Funds as necessary as well as execute the necessary documents. Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.**

**Moore Communications Group:**

Ms. Katie Spillman presented a slide show to the Board of MCG's performance and highlights for July 2017. She informed the Board that overall digital traffic is up approximately ten percent year over year, with much of the interest being in the ECP Home Page and the Flight Tracker. The newsletter has great engagement and is currently being received by over 600 people and counting. The monthly newsletter email is being opened multiple times and forwarded to others by subscribers. People are opted in to receiving the newsletter when they enter the sweepstakes for the monthly luggage drawings. Posting the photo of the first luggage winner on Facebook has helped to drive entries into the sweepstakes. August's ECP perk was a giveaway for a pair of tickets to the Gulf Coast Jam. The runtime for the giveaway was short, but numbers showed good interest at over 800 entries. Pandora advertising is doing well with a goal impression of 1.1 million people and 94% of the traffic to the website through the mobile display is new to the ECP website.

Ms. Spillman let the Board know that on August 24, 2017 TSA would be providing a behind-the-scenes look to local media.

As a last point, Ms. Spillman said that the Instagram marketing strategy is currently a work in progress.

**Executive Director Report:**

Mr. McClellan followed up on a question from the last Board meeting about a TSA program for "known travelers" by saying that ECP is not large enough at this time to implement it, but will continue to monitor it.

Mr. McClellan presented the regional CPE (Cost Per Enplaned Passenger) numbers to the Board and the numbers show that ECP is in line with regional competitors.

Mr. McClellan informed the Board that the road construction on the way to the terminal has been completed and that there is an appeal to FEMA for the funding of part of the project.

Mr. McClellan advised the Board that following a recent site visit, ECP is the first choice for a company interested in bringing new business to the area. He also said the Pompano Project continues to move forward and the Blue Star Project is likely to be slowed down for about a year.

Mr. McClellan reported that the By-Laws have been reviewed by Chairman Mathis and Ms. Sims and final touches are being applied. The By-Laws will be discussed at the upcoming Budget Workshop and the workbooks for the Budget are anticipated to go out in the following week.

**Public Comments:**

There were no public comments.

**Adjournment:**

The meeting was adjourned at approximately 10:30 a.m.

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Talisa Price, Executive Secretary

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Russ Mathis, Chairman