

MEETING MINUTES

PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

Opening:

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., March 22, 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. McClellan presented and reviewed the Activity Report.

Ms. Darlene Nelson presented and reviewed the Financial Report.

Consent Agenda:

a. Board Meeting Minutes – February 22, 2017

This item provides for Board approval of the February 22, 2017 Board Meeting Minutes.

b. FDOT Resolution

This resolution changed the project description from rehabilitate entrance road to aircraft parking ramp.

The Entrance Road Rehabilitation was identified several years ago based on traffic movements and other factors. Staff and ZHA performed a visual inspection of the Road and it has been determined that the roadway is not in need of a rehabilitation at this time.

Staff and FDOT discussed alternative uses of the funds and it has been determined that based on the amount of activity that the airport is receiving with larger aircraft and the increased demand for parking that a large aircraft parking apron would be an appropriate use of funds.

The Joint Participation Agreement is for \$1,600,000 with 50% from FDOT and 50% from local/airport funding.

By passing this Resolution, this will allow FDOT to prepare Supplement JPA, which will be FDOT participation in the Project.

Mr. Scott made a motion to approve the Consent Agenda. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Airline Agreement - Presentation

A presentation from Ricondo and Associates, Inc. was given by Ms. Bonnie Ossege.

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

b. FY16 Rates and Charges for Signatory Air Carriers

This item provides for information to the Board concerning signatory airline rates and charges for Fiscal Year 2016 in accordance with the Airline Use and Lease Agreements that went into effect October 1, 2015.

The framework of the Airline Use and Lease Agreement charges two basic rates, one for landing fees and one for terminal rent. The landing fee rate represents the total costs associated with operating the airfield cost center and includes all operating and maintenance costs along with debt service costs for constructing the airfield. The terminal rental includes both the debt service and O & M costs in the terminal complex cost center and is charged on a rentable square foot calculation. This business framework also calls for a revenue sharing program with the signatory airlines after annual debt service and all operating expenses have been paid.

In conjunction with the FY 2016 financial audit, rates and charges have been finalized for the signatory air carriers and determined the revenue sharing amount for FY 2016. The airlines have been briefed on the settlement, and Staff will send checks for the amount of the settlement to Delta and Southwest before the end of March.

Listed below are the overall results for FY 2016 for the Board's information:

<u>Description</u>	<u>FY 2016 Budget</u>	<u>FY 2016 Settlement</u>
Landing Fees per 1,000 lbs	\$ 5.96	\$ 5.17
Terminal Rental per square foot	\$ 61.63	\$ 51.74
Signatory Cost per Enplanement	\$ 7.43	\$ 5.81
Nonsignatory Cost per Enplanement	\$ 14.32	\$ 12.37
Delta Air Lines		\$ 1,215,467
Southwest Airlines		<u>\$ 1,070,104</u>
Total Settlement		\$ 2,285,570

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

c. FY16 Financial Audit Report

This item is submitted for Board adoption of the Audit Report for the Fiscal Year ending September 30, 2016.

Mr. David Tipton from Tipton, Marler, Garner and Chastain CPA Group presented the Board with the Audit Results.

The audit report indicates that the financial statements present fairly, in all material respects, the financial position of the business-type activities of the District and the changes in financial position and cash flows thereof in accordance with accounting principles generally accepted in the United States of America.

The management letter of this audit, as presented on page 42 of the audit report, notes the following comments:

- There were no corrective actions taken to address findings and recommendations made in the preceding audit report, as there were no recommendations made in the preceding annual financial audit report.
- The District operates as an independent special district created by an act of the Legislature of the state of Florida and is not considered a component unit of any other local governmental unit.
- The District did not meet any of the conditions described in the Florida Statute 218.503(1) regarding financial emergency.
- The annual report filed with the Florida Department of Financial Services is in agreement with the annual financial audit report.
- There were no recommendations made to improve financial management.

- There were no findings regarding noncompliance with provisions of contracts or grant agreements or abuse that have occurred, or that are likely to have occurred, that have an effect on the financial statements.

In summary, the auditor's report expresses an unqualified opinion on the financial statements of the District and no reportable conditions were disclosed during the audit.

Mr. Scott made a motion to adopt the FY 2016 Audit Report. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

d. Spring Fertilization

This item provides for Board approval for the purchase and application of annual fertilizer and lime for approximately 500 acres of Airport property.

As part of our ongoing effort to maintain site stabilization, it is necessary to properly apply fertilizer to certain areas of Airport property. Slow-release fertilizer is applied in order to promote healthy leaf and root growth necessary for soil stabilization. This product will provide the highest level of nutrient uniformity.

Dolomite Lime has been applied to Airport grounds over the past several years to stabilize PH levels. PH levels had been at levels such that growth and strength of Bermuda and Bahia grasses were negatively impacted.

Based on independent soil analysis and application recommendation, Staff developed bid specifications for this purchase to include both fertilizer and lime. A competitive bid process was performed for sealed bids. As has been the case over the past years, one sealed bid was received through the competitive bid process. It is noted that prospective bidders either can't apply the material because of the large amount and area or will all obtain from the same supplier who is also a bidder. The lime will be applied first with the fertilizer to follow in approximately 2-4 weeks, depending on weather.

Mr. Nelson made a motion to accept the Spring Fertilization bid and give authorization for the Executive Director to execute any necessary documents. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

e. Transportation Network Company Operating Agreement

This item provides for Board approval of the Transportation Network Company (TNC) Operating Agreement for the Northwest Florida Beaches International Airport (ECP).

The ground transportation industry continues to evolve; the most recent evolution is the Transportation Network Company, with companies like Uber and Lyft. Recently, Bay County and Panama City Beach approved the TNC concept of arranging transportation via mobile applications. The Airport staff has been reaching out to TNC operators and in early March, Lyft contacted the airport asking to operate at ECP beginning March 23, 2017. On March 10, 2017, Uber began operating in Bay County and staff immediately reached out to Uber to establish an operating agreement.

It was determined following a decisions with legal counsel that it would be in the best interest of the airport to establish an agreement in “principle” with both companies and develop a TNC Operating Agreement, Uber agreed in “principle” to the proposed agreement and it was not necessary for Lyft to agree as they are not operating on the airport.

Staff and legal counsel have worked with both TNCs to establish an operating agreement that is agreeable to all parties and allows for the TNCs to immediately begin operation at the Airport. The Operating Agreement designates a vehicle staging area, a passenger pick up location, a per trip charge for trips from the airport, contains compliance reporting with audit capabilities, other operating rules and the ability to modify or terminate the agreement with a 30 day notice.

In addition, all parties agree that upon passing of legislation relating to TNCs the agreement will be modified to reflect the changes to ensure full compliance.

ECP will provide signage for passengers identifying the pick-up location and will monitor the TNC activity as well as the other ground transportation services to ensure a safe and efficient operation.

After Board discussion, Mr. Scott made a motion to adopt the TNC agreement and authorize staff to utilize this agreement for future TNCs with a provision that after 90 days the economic impact of TNCs to the other ground transportation companies will be reviewed and addressed. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

f. Ground Transportation Rules & Regulations – Revision

This item provides for Board approval of a revision to the Airport Ground Transportation Rules and Regulations regarding TNCs.

In March of 2017 Transportation Network Companies began operating in Bay County. This update will add a section to the current Ground Transportation Rules and Regulations to address the operation of Transportation Network Companies on the Airport.

Mr. Lee made a motion to approve the revision to the Northwest Florida Beaches International Airport - Ground Transportation Rules and Regulations with an effective

date of March 22, 2017. Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Other Business:

Mr. Nelson asked Staff when employees could expect to see merit raises on their paychecks.

Following a suggestion from John Robbins, of Bay Solutions representing SheltAir Panama City, LLC and Sunshine Shuttle, discussion was had over adding an awning over the parking ticket machines to help protect visitors to the airport from the rain. Staff will provide information regarding cost at the next Board meeting.

Mr. McDonald recognized Delta – ECP for outstanding and personalized customer service.

Mr. Mathis congratulated Becca Hardin for her success and recent announcement of GKN's establishment of a new facility in Bay County.

Executive Director Report:

Ms. Becca Hardin, with the Bay EDA, addressed the Board regarding upcoming events in Orlando, Germany and Paris that are related to the Pompano Project.

Ms. Jordan Jacobs from Moore Communications Group was available to answer questions concerning the Communications Activity Report.

Mr. Mike Lerma gave a General Aviation update.

Public Comments:

No public comments.

Adjournment:

The meeting was adjourned at approximately 10:55 a.m.

Talisa Price, Interim Executive Secretary

Russ Mathis, Chairman