

**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., January 25, 2017 by Chairman Mathis.

The Invocation was given by Ms. Patty Mitchell.

The Pledge of Allegiance was led by Chairman Mathis.

The Executive Secretary called the roll and indicated that all Board Members were present except Mr. Carey Scott and Mr. Glen McDonald.

**Reports:**

Mr. McClellan presented and reviewed the Activity Report.

Ms. Darlene Nelson presented and reviewed the Financial Report.

**Consent Agenda:**

**Prior to voting on the Consent Agenda, Mr. Nelson and Ms. Sims asked that item 3(e), Executive Director Performance Evaluation, be moved to Business Items for further discussion.**

**a. Board Meeting Minutes – December 14, 2016**

This item provides for Board approval of the December 14, 2016 Board Meeting Minutes.

**b. Carpet Tile Purchase – Milliken & Company**

This item provides for Board approval for the purchase of replacement commercial carpet tiles for terminal gate areas.

**c. Ratification of Space/Use Agreement – Martinaire Aviation, LLC**

This item provides for Board ratification of the Space/Use Agreement with Martinaire Aviation, LLC.

**d. Resolution for Terminal Ramp Rehabilitation**

This item provides for Board approval for a Resolution to allow the Florida Department of Transportation (FDOT) to redefine the use of a Joint Participation Agreement from Replacement ARFF Vehicle and Extrication Equipment to Terminal Ramp Rehabilitation.

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

**Business Items:**

**a. Executive Director Performance Evaluation**

This item provides for Board discussion regarding the issue of the Executive Director's annual performance evaluation.

Under his employment contract, the Board is asked to perform an annual performance evaluation for the position of the Executive Director. Vice Chairman Lee met with Mr. McClellan to conduct an evaluation and review his performance for this past year. He stated that after discussion with Mr. McClellan, he rated his overall evaluation as "Above Average", and recommended he receive a 2.93% raise, retroactive to January 1, 2017, which would raise his annual salary to \$160,087.

Ms. Sims addressed the Board and thanked Vice Chairman Lee for his time in performing the annual evaluation with Mr. McClellan. She further asked that the Board compare the salary ranges and full employee packages with other Airport Executive Directors in this region, which would allow all the Board members to provide input in future evaluations.

Mr. Nelson addressed the Board and stated that going forward he would like the Board to be part of the evaluation process and discuss setting goals with the Executive Director. He also asked that a copy of Mr. McClellan's Employment Contract be provided to each Board Member for review.

Chairman Mathis thanked Vice Chairman Lee for his time and effort in conducting the annual performance evaluation with Mr. McClellan, and thanked the Board Members for their comments.

**Following Board discussion, Mr. Lee made a motion to authorize the 2.93% salary adjustment for the Executive Director. Mr. Nelson seconded the motion. The vote was taken and the motion passed unanimously.**

**b. Sales Tax Audit**

This item provides for Board approval for the payment to the Florida Department of Revenue (FDOR) from reserve funds for assessments as a result of a sales tax audit.

In late 2014, the District received notice from FDOR that they would perform a sales tax audit for the three year period of October 2011 through September 2014. This audit is still ongoing, but the District and FDOR have come to an agreement on the majority of issues as a result of the audit.

In mid-January 2017, the District received an audit balance statement from FDOR. The result of the audit balance versus the beginning assessment are as follows:

	<u>Initial Assessment</u>	<u>Final Assessment</u>
Tax Due	\$ 1,003,955.77	\$ 121,362.63
Penalty	\$ 250,988.94	\$ -
Interest	<u>\$ 180,150.43</u>	<u>\$ 26,458.12</u>
	\$ 1,435,095.14	\$ 147,820.75

The District previously submitted a partial payment of \$59,913.58 that was approved by the Board in December 2015, leaving a balance due of \$87,907.17, according to FDOR.

The District is currently appealing two areas that staff and legal counsel do not agree with FDOR in regards to the Audit. The amount of tax that is being protested and withheld is \$21,427.92. Staff will also seek an adjustment of the interest amount assessed as a result of the length of time to complete the audit.

The use of reserves to pay these deficiencies will not impact the budget, or the airline rates and charges.

**Following Board discussion, Ms. Sims made a motion to authorize Staff to use reserve funds in the amount of \$40,021.13 for payment of the sales tax due. Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.**

**Executive Director Report:**

Mr. McClellan updated the Board regarding Project Gondola and Project Pompano with the Bay EDA and advised that both projects are moving forward. He further advised that a new project with Bay EDA, Project Clapton, had recently been launched.

Ms. Carol Roberts, President of the Bay County Chamber of Commerce, updated the Board regarding a recent trip to Tallahassee with Mr. McClellan and other Bay County officials to discuss the recently submitted legislative agenda.

Mr. Richard McConnell, Deputy Executive Director, updated the Board regarding the upcoming summer schedule. He discussed the increased flight activity during the summer months and the fact that more seats would be available due to use of larger aircraft during this time.

Ms. Katie Spillman with Moore Communications Group (MCG) advised the Board that MCG was working on a draft Communications Plan to present to the Board at an upcoming meeting.

Mr. McClellan advised the Board that the FY16 Financial Audit was nearing completion and that Staff was working with Tipton, Marler to complete the review.

Mr. McClellan advised the Board that new Taxi/Shuttle signs had recently been installed both inside and outside the Terminal Building to aid passengers in need of ground transportation.

**Public Comments:**

No public comments.

**Adjournment:**

The meeting was adjourned at approximately 9:55 a.m.

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Patty Mitchell, Executive Secretary

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Russ Mathis, Chairman