

Meeting Minutes
Okaloosa County Aviation Board
Okaloosa County Administrative Complex
Shalimar Board Chambers
1250 Eglin Parkway N
Shalimar, Florida

October 12, 2020

10:00 AM

Board Members in Attendance:

Seat 1 Mr. Dick Russell	Seat 2 General Robert Buhrow
Seat 3 Mr. Don Harrington, Chairman	Seat 4 Mr. Chip Cook
Seat 5 General Mike Wooley	Seat 6 General Gordon Fornell
Seat 7 General Richard Secord, Vice Chairman	Seat 8 Commissioner Carolyn Ketchel

Chairman Don Harrington opened the meeting at 10:01 a.m.

Opening prayer by Paul Mixon.

Pledge of allegiance led by Chip Cook.

Public Comments

Reserved for a later time in the meeting.

Airport Director's Update – Mr. Tracy Stage

Mr. Stage thanked all the attendees for their flexibility in adjusting the meeting to address COVID concerns.

Assistant County Attorney, Ms. Kerry Parsons, Esq., attended via Zoom and was available for counsel or comments.

The August 17, 2020 Board meeting, held via Zoom, was interrupted by a fiber cut in Atlanta that affected all Zoom services.

- Calendar year 2019 saw 1.7 mil passengers, the latest of multiple years with double digit increases.
- October 2019 through February 2020 saw 7% growth over the same period the previous year.
- As 2020 season began, air service demand completely collapsed due to COVID.
- Bidding for new concourse with Allegiant, and expanding the air craft apron were affected.
- From mid-March through April:
 - 25 domestic carriers removed 85% capacity (≈ 600 mil seats removed)
 - 52 international carriers removed over 90% capacity (≈ 500 million seats removed)
 - 21 of those 52 carriers suspended operations entirely

- In early March, staff took immediate actions to develop “VPS Ready Plan”. Also contributed to “Okaloosa Ready” plan, lowering VPS parking rates by 50% for entire peak season.
- Most importantly, we protected the traveling public and staff:
 - Installed protection barriers, distance markers, and sanitization stations, and enhanced disinfect procedures.
 - Implemented mandatory masks, shield and temperature check requirements for all airport staff.
 - Focused heavily on financial modeling, cost controls, additional staffing and additional funding opportunities to ensure self-efficiency.
- The Airport System’s low debt and high reserve played a significant role in the CARES funding award of 12.6 million dollars that we received (highest in region from all airports from Mobile to Tallahassee).
- Staff worked closely with all airline headquarters, managing planning and expectations with those carriers. Costs controls were commended by the carriers.
- We were able to hold airline rates and charges flat on mid-year budget adjustments and into the fiscal year 2021.
- Confidence grew from the carrier partners, and our low-cost structure is why we have service to 41 destinations, 13 of which are direct to large HUB US Airports.
- We are gaining, not losing, service in the middle of a pandemic.
- Overall, service is down roughly 35% through the fiscal end of August. However, we saw peak-day numbers in July at or near 2019 numbers. Since the area reopened, VPS saw a strong rebound.
- In June, we saw 100,000 passengers, and in July we saw over 130,000 passengers compared to April where we had just a total of 4,600 passengers for the entire month.
- There still remains some uncertainty, but we feel very confident.

Extensive list of accomplishments and challenges for 2020:

- Finalized the forensic auditing, reconciliation, and reporting of \$47M over 20 years of PFC corrections. FAA has ruled and provided favorable reports to closeout PFC Applications One through Six dating back to 2004. Monumental two-year effort was finalized this year.
- Received 100% PFC Collection Authorization to 2023 for \$19M in CIP supported by all VPS carriers
- Reduced system debt by \$6.7M
- Completed \$3M in improvements to concessions both landside and airside – added a global brand and a local veteran owned restaurant and numerous retail locations which resulted in double digit revenue increases.
- Completed total overhaul of custodial services providing a 100% improvement in sanitation and customer experience
- FY20 added additional layers of security efficiencies with the OCSO and new K9 team (Sky)
- Received record funding for aviation capacity improvements totaling over \$25.9M
- Set 6th consecutive record in VPS’s 63-year history with 1,718,000 passengers
- Developed and implemented an Infectious Disease and Pandemic Plan, VPS Recovery Plan, Air Service Recovery Plan

- Completed \$12.3M five position Aircraft Parking Apron under budget and on schedule
- Started the FY with expansions of existing markets well into the prime season
- FDOT Aviation – Economic Impact Study - \$1.7B system wide impact
- Received commendable FAA and FDOT Annual Airport Certification Inspections (VPS, CEW, DTS)
- Upgraded bond rating of A- with stable outlook from Standard & Poor's; highest in airport history - prior COVID – No further S&P inquires or rating reviews
- Open Veteran Memorial – Salute to Service
- Obtained 112,500 DOH protective face masks

Maintenance Supervisor, Patrick “Jamie” Milton presented Global Biorisk Advisory Council (GBAC) information:

- GBAC STAR accreditation - safeguards and protocols put into effect globally since COVID-19 pandemic
- GBAC is considered Gold standard
- Accreditation is vital to promotes trust that facilities are safe, sanitary and healthy for businesses, employees, and residents

How does VPS measure up?

We have worked with SMS (contractor):

- To increase the amount of cleaning products on hand to avoid any outages or shortages
- Three times a week the entire facility is disinfected using vital oxide, an EPA registered hospital grade disinfectant. (shown to remain effective for up to 7 months)
- Implemented guidelines requiring the use of face coverings by all those that enter the facility
- Added clear partitions at all counters to keep employees and customers apart.
- Installed decals at all Gates as a visual reminder of Social Distancing.
- Added more than two dozen hand sanitizing stations throughout the terminal.
- Upgrading the filters used in our Air Handling Units to capture particles as small as .3 microns.

Internal committee will ensure we are compliant and move forward with the GBAC accreditation as soon as possible.

- Destin Ft Walton Beach Airport joins:
 - **Dallas Ft. Worth International and Palm Beach International Airport** (GBAC accredited)
 - **Orlando International** (GBAC accreditation in process)
- Internal GBAC committee, and Airport Administration, have committed to:
 - Establishing cleaning, disinfection and infectious disease prevention protocols
 - Providing continuing training for staff on proper disinfection techniques and work practices
 - Having staff capable of infectious disease preparation and response
 - Continually seek innovative methods to clean and disinfect all utilized areas
 - Promoting measures that are not only safe to those within the facility, but also to the environment
 - Setting the highest expectations to continually provide a clean, safe facility for all
 - Communicating with those we have committed to, the actions taken for the safety of all

Mike Wooley asked about walk-through sanitizers and Jamie answered the organization is open to all health and safety technologies.

General Fornell asked about the GBAC accreditation process. Jamie answered we are currently collecting data and documentation from the janitorial service. Once the documentation is gathered, the accreditation application will be submitted. After the submission, we can expect to hear back within 4-6 weeks. He reiterated the Airport is doing its utmost to satisfy the accreditation requirements.

Commissioner Ketchel asked for clarification about the disinfectant used at the Airport, and its duration. Mr. Stage responded that the chemical, Vitoloxide, is the same as is used by hospitals. It is an extended-life cleanser that can kill bacteria and viruses up to 4 months after application. The Airport applies it with a misting machine every other night. He also highlighted the tremendous effort the VPS team made, in accordance with the VPS Ready Plan, and Pandemic and Infectious Disease plan.

Mr. Dick Russell asked if the same efforts are in place at Crestview and Destin? Mr. Stage answered that we do apply all of the policies per the CDC recommendations (other than Vitoloxide) at both the general aviation airports. He also mentioned the FAA provided 112,000 masks that were delivered to the general aviation airports. At this point some 40,000 masks have been handed out. (Masks are mandatory while at the airport.)

Mr. Stage thanked Mr. Milton for his presentation, and also acknowledged the SMS custodial team for their flawless support. The employee of the Quarter that was announced at the August Zoom meeting was a member of the SMS team.

Mr. Stage then reported on scheduled operations versus actual. Daily operational counts grew during the summer and dropped off starting in the fall. Due to COVID, shoulder seasons have extended. But in spite of almost no operations in early April, by the end of September, operations had rebounded. While some other airports have actually closed, we have maintained because of our system, including our financial position. We are optimistic as we move into our new fiscal year.

Mr. Mike Stenson added that in April our operations were down over 60% and passengers were down 96%. In September, by comparison, we are only down 6% in operations, and with passengers we were down 35%. Reduction in the capacities in the carriers is the primary cause of the decrease. Delta and Southwest are blocking the middle seats for passengers. Overall the industry is down 70% down year to date, while we are down 40% year to date.

Report from the Airline Reporting Corporation (ARC) on October 9th, report called The Big Movers for Summer Travel. Virtual school allows children to continue their education even while their families are at the beach. VPS ranked 6th highest change in summer bookings, moving up 22 positions. As passengers become more confident in air travel, Okaloosa County will remain a world class destination.

The five-year debt reduction plan has gone incredibly well, with just 5.3 million dollars remaining in 2014 bonds backed by PFCs for the entire system of Airports. Within the FY21 Budget, we requested 5.3 million dollars from the restricted account to an escrow account in anticipation of the upcoming debt service obligation with the bond call date of 2023. We could pay it off now, but that would result in pre-payment penalties. We are going to bring a resolution to the County Commissioners on November 17th to park that money and it won't be touched. As soon as 2023 hits, the airports will be paid off. Our incredible staff has saved 2.5 million dollars, while growing air service, during a pandemic. We have been unable to find any other airport system in the Continental United States that is debt free. Our debt-free

status will ensure none of our competitors will be able to beat us when it comes to actively retaining service.

Don Harrington stated about Mr. Stage "This whole thing is because of you. Your great management style, your dedication, and I wish you maybe give some lessons to some other government branches."

Commissioner Ketchel observed that we have set an example, and we got the most CARES money on the Panhandle because we have the lowest debt ratio.

Gordon Fornell commented that we are now the national model.

Mr. Stage agreed that we are now the National model, and I can't say enough about my boss and his leadership. Thank you, Mr. Coffey.

Our CIP (Construction In Progress), for fiscal years 2020, 2021, and 2022, which equates to about 67 million dollars in capital improvements in roughly twenty projects. Mr. Chad Rogers has put us in a super position for getting these projects approved through the FAA. We completed the design for the new Bag handling system in the west terminal expansion project. Early construction estimates were in excess of 28 million dollars, but we received a low responsive bid of 14 million dollars. We also completed updates to the runway at Bob Sikes Airport to extend its life by ten years or so. We are completing the 12.3 million-dollar, five aircraft parking position apron expansion, on schedule and on budget. We will be in the best position possible to capture new routes because we will have parking positions at VPS. Last year, we were at capacity as aircrafts were waiting at stop lights to get in and out of VPS.

We completed the addition of a four TSA check point reducing times from 85 minutes to 5 minutes on peak hours of peak days. Over 100 TSA staff now work VPS. And the Foy Shaw Industrial Parkway is expected to be complete in March 2021.

Mr. Rogers summarized the capital program in general. There are currently 18 active projects (down from 20), a couple of which will close out this month. We are adding a Fall Protection System to the Fuel farm. A taxiway rehabilitation project at Destin Executive that will finish up this month. Two more parking lot projects are starting up in Crestview.

Our Financial Sources Summary includes all three airports. We plan to utilize roughly 7 million in grants towards the baggage handling system in the terminal expansion project. For CARES funding, 12.6 million dollars gained in May, and projected 4.9 million in reimbursements in fiscal year 20 to cover expenses, leaving 7.7 million at the end fiscal year. Current projections anticipated another 3.5 million in FY21, with a balance of 4.1 million available for FY22. For PFC's, we are planning to utilize 7.6 million, which 5.5 million to satisfy that bond debt. And 4.6 million towards the baggage handling terminal expansion project which is offset by the earnings of roughly 2.3 million dollars.

For CFC's, we are using charges from rental car operations. \$300,000 will be used to repair and improvement those rental car facilities. In 2019, rental car operations made 40 million out of VPS. We are improving the east side facilities to support their growth. Cash reserves are expected to hold steady at 11.6 million dollars. The airports will be able to fund all of the capital improvements largely through grants. We have about 335 days of cash on hand. 8.5 million dollars in restricted funds, over 4 million in CARES to begin 2022 with, and again, debt free.

Our new baggage handling system is our #1 project, and it kicked off two weeks ago. A 1350 bag per hour throughput is expected once the project is complete. We are adding a 29,000 square foot of lobby space, and new restrooms for male and female.

Dr. Paul Hsu and Amanda Negron came to the Aviation Board and requested our support and help, working with NWFSC, to stand up an A&P school for the Aviation Center of Excellence. The Board vowed unanimous support, and the NWF State College Board of Trustees signed the lease. On February 17, 2020, the County Commission voted to approve the parking lot construction contract, to the low responsive bid, to H&T Construction in the amount of \$411,216.25. We look forward to immediately issuing a Notice to Proceed to start work. The agreement between Dr. Hsu and the college is for twenty years, with an option to renew for ten years.

General Fornell remarked that he was frustrated with how the proposal was received by the County Commission at the last Board of County Commissioners meeting.

Commissioner Ketchel thanked General Fornell for his comments and agreed it was embarrassing that one Commissioner seemed to be unaware of the issue, in spite of it being previously addressed in multiple meetings.

Mr. Stage stated that General Secord had joined a special selection committee to help locate a new tenant Bob Sikes Airport. A hangar is currently available, along with roughly 10 acres of future development on the other side of John Givens Road. It is currently going through the County RFP process, and while General Secord is resigning from Aviation Board, he has promised to help us get the next successful tenant in this facility. We are looking for a long-term agreement with an aviation company.

Update on the Foy Shaw project, which provides industrial connectivity from the North through Airport Road. The county has paved Fairchild Road which gives direct connectivity to Vertex and the businesses on the west side of the field, with future expansion extending to the Crestview Technology Airpark. The road is anticipated to be completed in March, 2021. Mr. Rogers stated March 4th is our current completion date, in spite of some weather-related delays and challenges.

General Buhrow stated that he had not seen a county staff that is as efficient and as dedicated to get things done as this one. He also provided his proxy for the elections that are coming up.

Mr. Stage stated that traffic at Destin Executive has expanded significantly. Specifically, during COVID, passengers are utilizing General Aviation.

Mr. Rogers expanded that when the entire country went to lockdown, we had drops especially in March and April. We were down 32% in March and roughly 57% from last year. These total operations include over flights, local, itinerant or place to place non-local traffic. Specifically looking at the itinerant, those are those two reductions in percentages, however, if you look at May, we are right on par with last year. We had record months up in June and September. Travelers looked at Destin as being a highly sought-after destination, and the numbers reflect that in September with an 30% increase.

Mr. Stage added that just doesn't hold true for the actual operations but for flight schooling and service, we are seeing good revenues returns on all.

General Wooley stated there was not a lot of focus on general aviation in the general public, and the State of Florida certainly embraces general aviation. We should take every opportunity to honk our own horn on how successful we are with our two general aviation airports.

Mr. Stage stated since the first operation out of Destin Executive under control with our control tower, increased the safety in and around Destin Executive. We are proud to get that tower feed from Eglin

over to Destin Executive. We have been working that with James Hicks, Manager at Eglin Air Force Base, and hope to continue the efforts with Destin Executive when operations get back to normal.

We created a military tribute area, to honor all who served, located right above the escalators through the TSA checkpoint. We have an America White Table set up with the linens changed out daily by 8am. We have a display case of personal items belonging to Captain Dale Doss, a POW held in the "Hanoi Hilton", that Ms. Wendy Cain designed. We held a small private unveil of the tribute area. We also hung a scaled replica of Jimmy Doolittle's Raider, a B25, right above the escalator. We wanted to recognize the significance of the military in Okaloosa County.

Lastly, Mr. Stage made mention of the NWF Daily News Guest Column, published on September 13, 2020, by authors General Gordon Fornell and Commissioner Carolyn Ketchel concerning Trump's order protecting the gulf.

Commissioner Ketchel stated a lot of people worked on this over the years, and it is truly a community effort.

Tracy Stage asked for questions.

Mike Wooley asked the status of CARES funding, and if Mr. Stage could elaborate.

Tracy Stage answered the CARES Funds that were granted to airports are treated much differently than what was given to the County. We are allowed to utilize the CARES Funds for anything that is an airport legal expense, and it is based on reimbursement. It does not need to be repaid, and we are able to utilize those CARES Funds for next four years.

Mr. Coffey added that the County received CARES Funding of 36.77 million with 9 million that will go out to the community, specifically going into the cities of the County. The rest will be allocated to County's departments to offset salaries for dispatchers, fire departments, EMS. The county is launching a grant program with the CARES Funding to offset expenses to non-profits, and also to individuals with medical expenses due to COVID. Our CARES Funding is drastically different, as we can use it for certain salaries which will help the County immensely.

Commissioner Ketchel stated that County has had very little in reserves. When we experience a natural disaster, we have to pay out of pocket for the community cleanup efforts. FEMA begins to reimburse at or about six months after the disaster event. We now have almost 11 Million, and with CARES Funding be able to continue maintain the reserve. We were also able to give a small increase to our employees with the additional reserves.

Mr. Coffey stated for example, costs for debris cleanup from Hurricane Sally is just at two million. Cleanup from a major hurricane could easily cost the County 5-10 Million dollars.

Guest Speaker –Mr. Paul Mixon, Okaloosa County Commissioner (elect)

Mr. Stage introduced Mr. Paul Mixon.

Mr. Paul Mixon expressed his deep appreciation for the Airports' success, and attributed it to Mr. Stage's leadership, and his expert staff.

Mr. Don Harrington stated thank you, and we wish you the best on the County Commission.

Mr. Ben Humbert-Lynx FBO Proposal, Destin Executive Airport

Tracy Stage introduced Mr. Ben Humbert, Lynx FBO Proposal, and Josh Lewis, Destin General Manager.

Lynx is proposing to provide:

Hangar Development

- 20,000 square foot hangar development on the North Ramp by DTS Hangar North, LLC
- 20,000 square foot hangar development on the South Ramp

Ramp Development

- 70,000 square feet of new apron development on the South Ramp

Property Upgrades

- Remodel of the South Facility for better customer flow and capacity
- Installation of a 100LL self-serve tank to increase customer purchase options
- Revitalization of the airport's first impression with investment in, and upkeep of, professional landscaping to include the removal of fencing and associated pillars at the airport entrance.

Operational Improvements

- Utilization of the South facility as a transient hub to improve customer satisfaction
- Creation of a Lynx Security Coordinator position designation to act as a liaison between Lynx and Okaloosa County Airports
- All subleases will be approved by the County with appropriate insurance and indemnification

And asking the county to provide:

Operational Consolidation

- While Lynx will continue to offer all services at both locations, logistics will require and necessitate that the North be a tenant hub and the South be a transient hub

7 Year Lease Extension on the South Lease

- The North Lease expires on 04/14/2049
- The South Lease expires on 03/18/2032 plus has 10 years of unilateral options for an effective lease expiration date of 03/18/2042
- Both leases would be coterminous through 04/14/2049

Estimated timeline, based on good weather, and with all approvals is up to two years. The capital outlay is over 4.6 Million for all of investments.

Questions of operational usage of the hangars, scheduling, and utilization of the south ramp for storage. Also in question were the charges for rentals, receipts, and anticipated revenue for the Airport. Demand for hangar space at the Destin Executive Airport is extremely high, and market prices will be comparative.

General Fornell motioned that we accept the proposal as written here.

Chairman asked for Public Comments.

Mr. Stage asked for assurance that Lynx will be able to meet the timeline stated and reflect such in our contract or clause within the agreement if they do not fulfill their obligations that the County have the right for repercussions.

After much discussion regarding the need for an attorney that specializes in aviation, Commissioner Ketchel requested that the Aviation Board re-visit the issue at the next board meeting.

Mr. Don Harrington made a motion to recommend to the Board of County Commissioners that the Lynx proposal be accepted subject to the addition of a clause or addendum for timeline constraints.

- 1) Recommend to present the Lynx FBO Proposal to the Board of County Commissioners.

RESULT:	Recommendation to present Lynx-FBC Proposal
MOVER:	Don Harrington, Seat 3
SECONDER:	Chip Cook, Seat 4
AYES:	6
OPPOSED:	Mike Wooley, Seat 5
Motion Carried.	

- 2) Vacant Seat 7 – Major General Secord. Dr. Richard P. Hallion nominated to replace and finish term 9/30/2021. Mr. Don Harrington made the motion.

RESULT:	Dr. Richard P. Hallion, Seat 7 – Term ends September 30, 2021.
MOVER:	Don Harrington, Seat 3
SECONDER:	Mike Wooley, Seat 5
AYES:	Unanimous
Motion Carried.	

- 3) Recommendation to maintain Board Member for Seat 4. Mr. Don Harrington moved to have Mr. Chip Cook, Seat 4, remain on the board, Commissioner Ketchel seconded.

RESULT:	Mr. Chip Cook on the Board in Seat 4 with the term ending September 30, 2024.
MOVER:	Don Harrington, Seat 3
SECONDER:	Commissioner Ketchel, Seat 8
AYES:	6
Abstained:	Mr. Chip Cook, Seat 4
Unanimous, motion carried.	

- 4) Recommendation to maintain Board Member for Seat 3. General Gordon Fornell moved to have Mr. Don Harrington, Seat 3, remain on the board, Commissioner Ketchel seconded.

RESULT:	Mr. Don Harrington remain on the Board in Seat 3 with the term ending September 30, 2024.
MOVER:	Gordon Fornell, Seat 6
SECONDER:	Commissioner Ketchel, Seat 8
AYES:	6
Abstained:	Mr. Don Harrington, Seat 3
Unanimous, motion carried.	

- 5) Selection of Chairman- Mr. Don Harrington motioned for Gordon Fornell for Chairman and Commissioner Ketchel seconded the motion.

RESULT:	Gordon Fornell, Seat 6 selected as Chairman for FY 21
MOVER:	Mr. Don Harrington, Seat 3
SECONDER:	Commissioner Ketchel, Seat 8
AYES:	Unanimous
Motion carried.	

6) Selection of Vice-Chairman – Mr. Don Harrington nominated Mr. Chip Cook for Vice-Chairman and the motion was seconded by Commissioner Ketchel.

RESULT:	Mr. Chip Cook, Seat 4 selected as Vice-Chairman for FY 21
MOVER:	Mr. Don Harrington, Seat 3
SECONDER:	Commissioner Ketchel, Seat 8
AYES:	Unanimous
Motion carried.	

7) Approval of the OCAB meeting calendar for upcoming year 2021 - The Board will continue to meet on the second Monday of every other month at 10:00 AM. The first meeting will be held Monday, December 14, 2020.

RESULT:	Accept the FY 21 calendar as proposed
MOVER:	Mr. Don Harrington, Seat 3
SECONDER:	Mr. Dick Russell, Seat 1
AYES:	Unanimous
Motion carried.	

Mr. Stage recognized General Secord with a plaque in appreciation for his service on the board, and his council. General Secord stated his thanks.

Mr. Stage recognized Mr. Don Harrington for his service as Chair on the Aviation Board for 2020. Mr. Harrington stated his thanks.

Board Comments:

General Fornell asked if there were any more issues with Helicopters? Mr. Stage responded with all has seemed to be resolved with the FAA having jurisdiction.

General Fornell commented his thanks for resolving the lighting issue on the runway.

General Fornell requested a representative from Eglin AFB be invited to the future meetings of the Aviation Board. Mr. Stage commented about COVID and teleworking has a majority of Eglin Personnel at home.

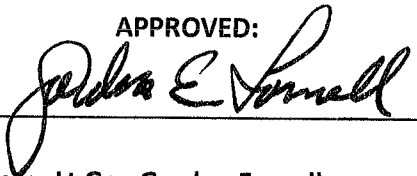
Commissioner Ketchel mentioned those that know Leroy Manor, he is 99 years old, and would suggest making a visit or sending a card.

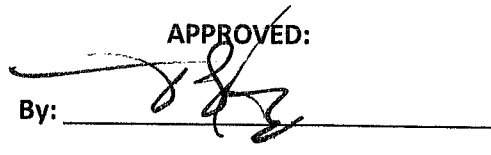
Chair asked for Public Comments?

Public Comments

No comments from the public.

Mr. Don Harrington adjourned the meeting.

APPROVED:
By: 
Name: Lt Gen Gordon Fornell
Title: Chairman
Date: 12 JAN 2021

APPROVED:
By: 
Name: Tracy Stage
Title: Airports Director
Date: 1.12.21

*These minutes are a summation of the meeting.

1. The first part of the document is a list of names and addresses of the members of the committee.

2. The second part of the document is a list of names and addresses of the members of the committee.