

Meeting Minutes  
Okaloosa County Aviation Board

Monday, June 13, 2022

1:00 PM

Board Members in Attendance:

Seat 1 Mr. Dick Russell	Seat 2 BG Robert Buhrow
Seat 3 Mr. Don Harrington	Seat 4 Mr. Chip Cook (Chair)
Seat 5 Lt Gen Mike Wooley	Seat 6 Lt Gen Gordon Fornell
Seat 7 Dr. Richard P. Hallion (Vice)	Seat 8 Commissioner Carolyn Ketchel

Visitors in Attendance:

Mr. Craig Coffey (Zoom)	Mr. Eric Pilsk (Zoom)
Ms. Lynn Hoshihara (Zoom)	Mr. Tony Sherbert

Chair Cook opened the meeting at 1:04 PM

**Opening Prayer** by Lt Gen Mike Wooley

**Pledge of Allegiance** led by Chair Cook

**Public Comments** –None

Chair Cook made a motion to approve the minutes from the June 13, 2022 meeting.

RESULT:	Meeting Minutes from the 06/13/2022 meeting were approved.
MOVER:	Lt Gen Mike Wooley, Seat 5
SECONDER:	Lt Gen Gordon Fornell, Seat 6
AYES:	Unanimous

**Airports Update – Mr. Tracy Stage**

Mr. Stage shared his presentation. *See Slides*

Today I will be showing you a snapshot of several projects and updating you on how they are going. We have struggled with supply chain issues, material shortages and staff shortages all while experiencing record airport traffic and tourism.

We are struggling to provide the level of service that I expect because we don't have the staff and the means to retain and attract. We are working on this!

*See Slide for Image* We have three L3 machines almost complete. We are processing baggage on the new baggage handling system. We are training staff. There is a tremendous amount of training and oversight needed, optimal results will be processing 1600+ bags per hour. We are in a better situation

than last year with baggage handling. We have a \$19 million new system that can push bags faster than the demand we will see here.

*See Slide for Images* We are nearing completion of the new terminal lobby. Allegiant has started to relocate their ticket counter on the west end, there is new restrooms, roughly 18,000 sq. ft of new circulation space and 2 to 6 agents checking luggage and processing hundreds of people at a time. Space that was badly needed for lines and ticket counters is now available.

*See Slide for Image* Inspection facility has been a high priority project. FDOT provided 50-50 funds to get a facility constructed on our main entry point to the ramp area in order for our airport security unit to be able to inspect vehicles, cargo and anything coming on the secure side of the airport. This is now possible in a first-class facility. All cameras tie back to our Airport Operations Center.

*See Slide for Image* Expansion to the rental car facility. Last year we did \$50 million in rental car business and lines were many times an hour plus just at the counters. Companies sold fleets off when Covid-19 hit and struggled to add their fleet back fast enough. We were limited with only so many vacuums and car washes. Now we have added a covered fuel island, expanded all vacuum stations with double the capacity, added brand new car washes and added a fuel management system that works with finance administration offices and compliance.

*See Slide for Images* Concourse C you all were able to see it while it was under construction. We have been working towards a May opening time frame but have faced many challenges. For example, we waited for a brand-new chiller for a long time, installed it finally and it worked for only 1 day. We have now opened two of the five hold rooms. We expect to have all five hold rooms opened up by the end of July. We had to open this new facility, there was no room for any type of delay. Allegiant was coming on May 1<sup>st</sup> with their aircraft.

We have three brand new checkpoints. TSA is low in employees, on a good day they have manning between 3 and 3.5 checkpoints. But the good news is no one is waiting outside! We are experiencing approximately 5-minute wait times except Saturdays which is about a 30-minute wait time. Currently about a third of passengers are slatted for Concourse C. TSA is doing a great job with the resources they have.

Overall, we have the facilities and parking, it is not like last year. We are struggling with the same things everyone is struggling with such as staffing, employee retention and attraction, supply chain shortages and cost of goods rising but we are muscling through.

Our Baggage Claim project is a priority to complete. The project is out for bid and we have a lot of interest. Construction prices have gone through the roof. This will be roughly a 21,000 sq. ft addition. We are looking forward to opening bids on July 6, 2022. *See slide for an overview schematic of the layout and an aerial view from the outside.* We will have a video during the next meeting that takes you through the project. This will be roughly a 450-day project, wrapping up around November of 2023. We have the funding in place for this project.

CY22 to Date > JUA

Our plan was less frequency but more capacity. *See Slide*

Operationally we are down 12% on operation counts with a higher capacity per aircraft. Airlines are frustrated with pilot shortages, crew shortages, fuel costs and a more complex process for scheduling their flights. We have secured the same slot control software from Sweden that the FAA utilizes with the paid help of CGH. Gerry Shakley is facilitating the use of the software to ensure we are following JUA guidelines. We are looking at the airlines possibly taking over the program and managing it in the future.

Chair Cook-How much of the data is looped into TSA so they can adjust their schedules and staffing? They get projections, TSA and Operations see the throughput each hour of each day. They can see where and when they need to staff.

Gen Fornell-Can you tie the numbers from the chart to what we agreed to with the numbers for the JUA, the spread of the slots?

Mr. Stage-I can produce a much more specific chart for you. An example of the change and difference with the JUA would be looking at this past Saturday last year where there were about 130 operations versus this past Saturday we had 106 operations. With this change we do have more passengers, however with larger aircraft coming in/out. Unfortunately, from a customer service perspective this is a challenge since we are not staffed as planned.

Mr. Harrington-Is this shortage salary related, is the restriction a county related salary restriction?

Mr. Stage-I'm not sure how to answer that right now. There are 2 jobs for every person in the country right now so it is hard.

Mr. Harrington-Do you have the ability to offer signing or retention bonuses?

Mr. Stage-That is something Okaloosa County historically does not do.

Mr. Coffey-Why don't we talk about some of the things the county is doing?

Commissioner Ketchel-One of the reasons there are problems with bonuses is because there were some issues in the past within the county, but with that said we do allow the bus drivers a \$1000 signing bonus. I think the issue is a bit deeper than that, the pool of applicants and experience just isn't there right now. Baby boomers retired during Covid-19, women have decided to stay home or work from home, it's estimated 2 million women are staying home. It's a national problem.

Mr. Stage-We are competing with companies doubling employee salaries, more days off, benefits, how do we compete with that? With respect to what Mr. Coffey was asking us to do, what are we doing? At the next Okaloosa County Board of Commissioners meeting I am asking for an adjustment on salary and nine new positions.

Commissioner Ketchel-I will advocate for that. We are going to try to give all Okaloosa County employees an increase this year. We are going to go ahead of time and try to give more to the airport to compete in the market.

Chair Cook-Every time I have used this airport I have always been met with a smile. The employees we do have always have great personalities. Secondly, we may have to budget out a small amount of money and do direct recruiting through the military, colleges, target marketing etc. People may find a better quality of life over other perks here in our area.

Dr. Hallion-I strongly agree with Mr. Cook. We may also want to extend it down to junior and senior level in high schools.

Mr. Cook-We might be able to do some initiative with Paul Shu and his organization. Maybe meet with the college.

Commissioner Ketchel-Maybe internships are a possibility.

Mr. Stage-Any word that you can spread would be great. All of these recommendations are all great, unfortunately, we don't have the time to pursue these ideas.

Chair Cook-That's why I think it can be the administrators, commissioners, etc.

Commissioner Ketchel-You have the Aviation Board here, assign us tasks.

Chair Cook-I will put a task order out that we possibly can put together for outreach and come together at the next meeting. Who can we each approach and in the most efficient way.

Mr. Stage-I can send you all the job descriptions we have. I need to hire people for the new control tower very soon.

Chair Cook-If you can just get us that information in our emails we can all work within our resources to help.

Commissioner Ketchel-Internships may be a great way for students to try on the airport fit.

Mr. Harrington-Would the county have any objections to us speaking with and visiting some of these schools to talk about this?

Mr. Stage-I'm not speaking for Mr. Coffey but I guarantee he would support all your efforts. All your ideas are great.

Chair Cook-I will see if I can get a few minutes with Mr. Coffey on his calendar and take it off of you all. I will see if we can find an avenue. I will take the lead.

Mr. Stage-tell anyone interested to look at the Okaloosa County website.

Commissioner Ketchel-If the college has a hospitality class that would be a great resource for finding ambassadors.

Brig Gen Buhrow-Does the county have any liaison with the colleges and universities? Send requirements to the placement offices.

Mr. Stage-Over 900 people work at VPS and sometimes all the businesses take employees from each other.

Mr. Harrington-Can the county pay tuition assistance?

Mr. Stage-The county does have an assistance plan set-up for that. Not quite sure the specifics. This is a challenge we were not expecting.

Commissioner Ketchel-Socioeconomics take about 10 years to sort out. Why is it happening? What is happening? The way we are all working is different.

Brig Gen Buhrow-There is a 2 million increase in home schooling.

Mr. Stage-It's a different world and we have to figure out how to maintain customer service as a premier destination. Mr. Coffey has tackled compensation with the county over the past two years, things are happening.

*Mr. Stage introduced Ms. Allyson Oury, Chief Financial Officer for Okaloosa County Airports*

Ms. Oury-You all have a snapshot chart of the financial update. *See Slide*

Each year is a different challenge to project. We have great cost control in place and we are debt free. We are estimating operating revenue for FY2023 to be \$18,813,235 and operating expenses to be \$17,307,070.

Passenger levels continue to hit record numbers even with lower operations. We are projecting 2 million passengers this year. Rates and charges to the airlines are the lowest by far in the region.

Gen Fornell-Do we have any other grant requests in mind going to the FAA or the government to support us?

Ms. Oury-We have our 5-year grant program with the DOT. We do have 5 DOT grants coming available for future projects. The big construction push for next year is baggage claim and most of that project has been budgeted within previous fiscal years.

Gen Fornell-Do you write the grants yourself?

Ms. Oury-Stephen and Chad work with those. *Mr. Rogers added some additional details.*

Gen Fornell-Operations are lower and passengers are higher so the income that we get from the leases and JUA in regard per passengers that has increased? The revenue from the airlines?

Ms. Oury-Yes, the revenue from the airlines has increased. The rates and charges are calculated every year to cover their portion of the operating expenses.

Mr. Stage-That has substantially increased. Our cost to the carriers has gone down or stayed flat for 6 straight years. In addition, there is revenue sharing that we provide to the carriers.

Commissioner Ketchel-Has the insurance gone up on the facilities?

Ms. Oury-Yes, we get the allocation for that directly from Okaloosa County Risk Management.

Commissioner Ketchel-What category are we rated for in terms of a Hurricane?

Mr. Stage-Airport is at least 140mph. Concourse C is 150mph.

Mr. Stage-If I could add something on Concourse C. There is a beautiful drafted invitation by Susan that is at the Allegiant headquarters. We are planning to have a sizeable celebration for the Ribbon Cutting. Currently we are waiting on a date selection of late August or early September to include maximum attendance from Allegiant. We will update you as soon as we know more.

*Chair Cook introduces Tony Sherbert. Regional Director, Atlantic Aviation. See Slides*

Atlantic Aviation is excited to be a part of this market in Destin and be here today. We have had an eye on this market for a long time. I want to share a global overview, our culture and approach as a business, what we have done so far to establish ourselves and our vision for this market.

We are a rapidly changing business, we are aggressively growing acquiring many networks across aviation. Our CEO just rolled out a new logo. The concept is that although we are large company with coast to coast service it is important for us to be rooted within the community and delivering a product meeting market expectation.

Our financial strength in the company is important, we are out there aggressively trying to meet the needs of our partners and communities we serve. By calendar year we hope to have some concepts for potential development in the Destin market. Our expectation is to contribute to the needs in the community.

We define ourselves as a service company. Our fuel is the same, but it's about the people and our commitment to the community. We prioritize employee aviation safety and deliver exceptional service. Atlantic Aviation is not a bargain brand. Since we have entered the market in November we have invested over \$250,000 in equipment and capital investment items. In addition, we have invested about \$100,000 in safety enhancements. Atlantic Aviation felt that all of these safety enhancements were all immediately critical in need. The location had been detailed back in staffing which we are now addressing adding 6 additional hourly positions, several internal promotions and we have adjusted the salaries based on the cost of living in hopes of stabilizing the work force. We have reduced staff turnover. We have industry leading training for staff. Customers are given a survey through our in-person kiosk and/or website with option to provide feedback to us. Feedback from November through May we have received 95 results and overwhelmingly high numbers (1-5). If the score is below a 4 a manager responds. Customers are responding positively.

Chair Cook-Since you are new and transitioning in how is available parking, perimeter security needs, anything to facilitate the growth of the organization?

Mr. Sherbert-Parking is adequate. This location does seem to store a tremendous number of vehicles. We have been focused on establishing a baseline thus far and haven't received any additional needs outside of our direct control.

Mr. Stage-We are working with Mr. Sherbert and Mr. Pilsk on the transition that will ultimately go to the Okaloosa County Commissioners for approval.

Chair Cook-Board Member Minute. Would Anyone like to speak?

Mr. Russell-We need to reach out to the high schools and the kids.

Brig Gen Buhrow-Is the Embry Riddle Choice program still going at Choctawhatchee High School?

Ms. Macdonald-No, it is not the same as it was before.

Gen Fornell-In regards to the JUA, we bought the Ramp Control Tower, but do we have people to man it?

Mr. Stage-Yes, we have the tower. We are finishing setting it up and quickly need to man and control our aircraft on it. The request for additional staff members to man it will go to the County Commissioners for approval soon. Those positions are a part of the requests I mentioned earlier.

Gen Fornell-Do those jobs require special training?

Mr. Stage-The great news is that several individuals that work on Eglin in the Air Traffic Control Tower have shown interest in working and training other staff for the Ramp Control Tower.

Gen Fornell-We talked a good bit about GPS departures and arrivals. Is there something under way to make that a reality?

Mr. Stage-Mr. Jim Hicks has jurisdiction over that system on Eglin. We have looked at numerous ways to partner with Eglin. Partnerships take time. I have given Mr. Hicks the documentation you provided me last year.

Gen Fornell-Can you express an interest to Mr. Hicks on behalf of the Board or myself?

Mr. Stage-Yes, I can.

Chair Cook-Jacksonville Center will need to get involved.

Mr. Stage-It will all need to come from Eglin.

Chair Cook-Yes, I agree.

Gen Fornell-The commander on Eglin AFB is departing on June 30, 2022. The new commander has been at Eglin before and we will need to have the Board invite him over.

Mr. Stage-I will reach out.

Meeting Adjourned at 2:21pm.

**APPROVED:**

By:  \_\_\_\_\_

Name: Mr. Chip Cook

Title: Chairman

Date: \_\_\_\_\_

**APPROVED:**

By:  \_\_\_\_\_

Name: Tracy Stage, A.A.E.

Title: Airports Director

Date: 8.8.22

\*These minutes are a summation of the meeting.