



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for May 27, 2020 Board Meeting
Airport Board Room

Present via telephone: Mr. Jack L. Ryals, Chairman
Mayor Kathy Meehan, Vice Chairman
The Honorable Debbie Thomas, Councilmember
The Honorable Tim Thomas, Councilmember
Mr. William C. Potter, Member
Mr. Scott Mikuen, Member
Mr. Michael Fischer, Member
Mr. Adam Bird, Airport Attorney
Mr. Greg Donovan, A.A.E., Executive Director
Mr. Mark Busalacchi, Director of Business Development
Mr. Cliff Graham, C.M., Director of Operations and Maintenance
Ms. Melissa Naughton, C.M., Assistant Director of Business Development
Mr. Mike O'Dell, C.P.A., Director of Finance and Administration
Mr. David Perley, A.I.C., Director of Capital Improvements

Pledge of Allegiance

Roll Call

Roll call was taken by Ms. Tammy Till, Board Secretary. All members were present via secured conference call-in line.

Airport Announcements by Executive Director Greg Donovan:

- This meeting will be conducted via secured conference call-in line and secured shared computer screens
- Aerion Supersonic Selects MLB for World Headquarters
- Delta COVID-19 update regarding increases in passengers with 30 to 60 percent load factors
- Delta will not refile to suspend air service to MLB
- Hertz Rental Car has filed for Chapter 11 Bankruptcy but will continue operations at MLB
- Delta Air Lines continues with one flight a day, American Airlines has two flights daily

Action Items

Approval of the April 22, 2020 regularly scheduled Board Meeting and the May 5, 2020 Special Board Meeting. A motion was made by Mr. Potter for approval of meeting minutes, seconded by Ms. Thomas. Motion passed unanimously.

Item A-1 Recommendation to Award a Progressive Design/Build Contract to the Selection Committee's Recommendation of The Haskell Company/RS&H/Kinley for the Terminal Renovation and Expansion Project and to Allow Staff to Negotiate a Progressive Design Contract.

Mr. Donovan explained Item A-1 is the award for the design stage of the Terminal Renovation and Expansion Project. The terminal building has not received any long-term improvements for over 30 years. This action item process began in February but was put on hold for over 90 days in order to have the financial funding in place.

The project will be using a progressive design/build approach where the contract is awarded in stages allowing for "off-ramps" at multiple phases throughout the project. This gives the Board the flexibility to change, modify, or cancel the contract at any point. This project is compartmentalized into sections, doing the work that we can afford to do. Mr. Donovan referred to the slide depicting the phases of the project and stating that only phases 1, 2A, 2B, 2C and 2D are before the Board for approval. He continued stating that the initial work will begin with the planning and programming for common use areas such as ticketing, baggage screening, security checkpoint, and baggage claim. He explained the progression of the design portion, the breakdown of phases which will include some pre-construction services and costs.

Mr. Dave Perley addressed the Board explaining the process of selection. Five firms were shortlisted to do presentations and of those five firms, the Haskell Company/RS&H/Kinley team was selected. Prior to the pandemic, this team was at the airport beginning some preliminary work. Approval is needed to do the planning and programming portion of the project.

Mr. Donovan stated that a grant from the Florida Department of Transportation (FDOT) has been already awarded to MLB in the amount of \$3,093,954. The Federal Aviation Administration (FAA) has committed to award two separate grants for the Terminal Renovation and Expansion Project and has eliminated the local match, so these will be 100 percent funded:

- Entitlement grant - \$6,373,000. This grant represents three years of the airport's entitlement funds, approximately \$2,525,000 will be available in this fiscal year.
- Supplemental grant - \$4,444,444. These funds will be available this fiscal year.

Note: Presentations were given to the Board from The Haskell Company/RS&H/Kinley and Vanasse Hangen Brustlin, Inc (VHB). Several design options were presented, the phases were explained, and budget and funding addressed. Mr. Adam Bird explained the details and terms of the contract.

Chairman Ryals asked the board members if they have any questions regarding these presentations. Mr. Potter asked if the phases being approved today are just for the TUI operations. Mr. Donovan explained that with or without TUI, these phases are necessary for the overall operation of the airport. Mr. Potter asked how much local monies are needed for these phases. Mr. Donovan stated that the \$2.75 million currently being asked for today is being fully funded with existing grants that have been approved by the FAA. Mr. Potter also asked if this design process, "good, better or best", increases the design costs and are they three different designs? Mr. Fin Bonset from VHB explained these are not three different designs, there are three different options for the planning stage, not the design stage.

Mr. Potter had another question for Mr. Bird regarding the contract clause, 'Termination for Convenience'. Would the airport be responsible to pay for the costs incurred at that point and what are the other provisions regarding this clause? Mr. Bird stated the other provisions are still in negotiation but there is a component of a percentage of the contract price of the Guaranteed Maximum Price (GMP). Mr. Potter stated those could be significant issue in the contract negotiation and would be difficult to make an evaluation until that has been negotiated. Mr. Bird stated there are costs for this, but the cost of Termination for Convenience would be less than to continue and finish the project. Mr. Potter stated that most organizations are in this same position but is still concerned with the speculations with TUI. Mr. Donovan stated that these Phases 1, 2A, 2B, 2C and 2D will be needed for terminal infrastructure regardless of TUI, to facilitate basic domestic commercial operations now and into the future.

Mr. Mikuen stated the risk profile has lessened in the last six months and he is very comfortable optimizing grant funding and not using local funding. He appreciates the response on TUI, but this project is part of the Master Plan irrespective of TUI. He asked if the project is set-up in modules, if a decision is made not to move forward with a specific phase, would the other phases standalone. Mr. Donovan confirmed there is modularity and that is a key component. Mr. Mikuen asked if this project is consistent with the Master Plan, Mr. Donovan confirmed that this project is in-line with the Master Plan.

Mr. Fischer asked what the total design cost will be? Mr. Donovan stated there is not an actual cost yet due to the new demands for better technology. Any additional phase(s) will be brought back to the Board for approval. Anything that is approved today is not a commitment to construction, it is a commitment to start the design process. There will be multiple thresholds for future decision making. Mr. Fischer stated that \$2.75 million will be spent on the design phase and other phases will need to be completed also using this funding. With a 13 percent design fee, against the \$42 million, we are spending half of the budget on the design phase and the other \$2.5 million will take us through the rest of the phases. Mr. Perley explained the design cost were just over \$5 million total, which is 8.7 percent design cost based on total construction.

Motion was made by Mr. Thomas to recommend approval of the award to The Haskell Company/RS&H/Kinley for the Progressive Design/Build of the Terminal Renovation and Expansion Project and to approve Phases 1, 2A, 2B, 2C and 2D at this time in an amount not-to-exceed \$2,757,000, and authorization for the Executive Director to execute said agreement on behalf of the Authority, seconded by Ms. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Increase the Purchase Order to Vanasse Hangen Brustlin, Inc., (VHB) under its Continuing Services Contract, for the Design Criteria Administration Review for the Terminal Renovation and Expansion Project in an Amount Not-To-Exceed \$222,450.

Mr. Donovan explained that Vanasse Hangen Brustlin, Inc. (VHB) was hired in November 2019 under its Continuing Services Contract to prepare documents for the TUI needs assessment and to develop the Terminal Renovation and Expansion Project to submit to the Federal Aviation Administration (FAA) as part of the pre-application grant requirement. VHB has completed its prior tasks and is now ready to assist staff in overseeing the design of the terminal and to continue to be the liaison for the FAA through final design approval. With the limited staff for a project this size, there is a need to have temporarily on-staff resources necessary to meet constantly changing requirements of the FAA.

VHB will report directly to Mr. Perley. This is paid on a work performed basis and can be modified or cancelled at any time.

This Purchase Order will allow VHB to participate through the entire project, giving assistance and technical guidance. The funds will be from a state grant, with a 50/50 match, in the amount requested of 222,450 with out-of-pocket of 111,225.

Mr. Potter asked to have one of the tasks items explained, "Provide sustainability expertise to TUI and guidance on airline vs. terminal/building requirements." Mr. Donovan stated that all airlines are faced with an environment justification element to its operation. Airlines are being asked to report how they are reducing the 'carbon footprint', such as recycling waste processing. Mr. Bonset has already been working with TUI and will be handling this, which would be about 5-10 percent of the total work.

Mr. Fischer asked why several of the tasks applied to the design build side of the project were not included in the costs from Haskell. Mr. Donovan stated that some of the task items are redundant in a way that is beneficial to the airport, making sure the work being performed by the construction design team and engineers is fully synchronized with the staff. Mr. Bonset added that this is not a substantial number of hours, it is oversight using the same type of programming and techniques to incur that there is oversight.

Mr. Thomas stated we are fortunate to have someone of this quality, with this ability, and to have them local and familiar to the airport and staff is of great importance.

Motion was made by Mr. Thomas to approval of the increase of a purchase order to Vanasse Hangen Brustlin, Inc. in an amount not-to-exceed \$222,450 for providing design criteria administration review for the Terminal Renovation and Expansion Project and authorization for the Executive Director to execute said contract on behalf of Authority, seconded by Mayor Meehan. Motion passed unanimously.

Item A-3 Recommendation to Approve a purchase order with KMI International, Inc., Under its Continuing Services Contract, for Project Management Services for the Proposed Terminal Renovation and Expansion Project in an Amount Not-To-Exceed \$396,000 for Two Years.

Mr. Donovan explained this item is very similar to Item A-2 and focuses on the actual field construction management and is under the continuing services contract.

Mr. Perley has some history and working experience with the candidate under this contract. This is a 50/50 match with Florida Department of Transportation (FDOT). Mr. Donovan continued to explain that if there is a way to use other grant options to cover the airport's 50 percent match, the finance department will do so.

Mr. Fischer asked if this is on an hourly basis and if there are off ramps and how will this be adjusted. Mr. Perley stated this contract is based on daily work, not hourly. There are off ramps if the project is canceled or postponed, with options to suspended or canceled the contract.

Motion was made by Mayor Meehan for approval of the purchase order to KMI International, Inc. in an amount not-to-exceed \$396,000 and authorization for the Executive Director to execute a purchase order on behalf of the Authority, seconded by Ms. Thomas. Motion passed unanimously.

Item A-4 Recommendation to Approve a First Amendment to Lease with Eastern Florida State College.

Mr. Donovan explained that the lease boundaries for Eastern Florida State College (EFSC) included an area of the apron. With the potential terminal expansion project, there is a need to exclude that part of the apron from the college's lease. The college is in the process of evaluating different locations in order to move the entire program. The college has agreed with the lease provisions that provide several adjustments for the college.

Mr. Potter asked approximately how much is given up in the CPI increases. Mr. Busalacchi stated it was approximately \$60,000 per year.

Motion was made by Mr. Thomas for approval of the First Amendment to Lease with Eastern Florida State College and authorization for the Executive Director to execute said amendment on behalf of the Authority, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-5 Recommendation to Approve Resolution 05-20 Florida Department of Transportation Grant for the Northside Expansion Project.

Mr. Donovan explained Item A-5 is an acceptance of a grant from Florida Department of Transportation (FDOT) for the Northside Expansion Project, which includes Aerion. This grant is deemed strategic to the state and is a 100 percent grant.

Motion was made by Mr. Potter for approval of Resolution 05-20 Florida Department of Transportation Grant for the Northside Expansion Project and authorization for the Chairman to execute said resolution on behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

Informational Items**Item I-1 Financial Update by Mr. O'Dell****Operating Revenues and Expenses**

Revenues increased by approximately \$200,000

Expenses down \$773,000

Income Statement

CFC collected \$382,000

Top Revenues

Parking dropped approximately 50 percent

Top Expense

Other contract services are down \$177,000

Custom fees are down approximately \$71,000

Ground Handling costs are down \$42,000

Repair and Maintenance AC is up due to a new preventive maintenance contract

Balance Sheet

\$20 million in liquid assets

\$688,000 CFC revenue

Approximately \$20.8 million in liquidity

Cash Flow

COVID-19 Impact will be reduced completely

CARES Grant reimbursement quarterly draw (payroll, large expenses)

Mr. Potter asked about rent abatements for aviation or non-aviation tenants. Mr. O'Dell said there have not been any abatements. There are only deferrals which is for three months with an option to pay that rent by September with no interest and after September there will be a very nominal interest rate. There are no deferrals offered to the non-aviation tenants.

Item I-2 Operations Update by Mr. Graham**New Airfield Roadway Signs**

FAA has a new sign requirement for vehicle roadways that lead to movement areas such as taxiways and runways. The new signage will assist vehicle operators in maintaining situational awareness when approaching ATCT controlled areas. It is an effort to promote vehicle safety on the airfield and reduce runway incursions. Three specific style of signs: STOP, Do Not Proceed, and the third sign indicates what taxiway or runway is ahead. MLB partnered with the City of Melbourne to produce signs which saved over \$6,000. Mr. Graham thanked this staff for the great teamwork in completing this project.

Ellis Road I-95 Interchange

The interchange will open on Tuesday, June 2, 2020, which is several months ahead of schedule. This new interchange will reduce the drivetime between the airport to I-95 by 10 minutes. The signage on the highway does not include the airport but efforts are being made to resolve that issue.

Item I-3 Construction Projects Update by Mr. Perley**Air Traffic Control Tower**

Site work is progressing and the re-grading and sod around the tower is complete.

The expansion and refurbishment of the parking lot is underway.

Travel restrictions have also delayed the completion of the Phase 2 work on the tower.

Closeout is now expected by the end of July 2020.

Terminal Renovation Phase 2

Project to be awarded at the May Board meeting.

Project team has begun preliminary deliverable of potential design alternatives.

Focus now on completing the FAA application grant for entitlement funding.

Ground Run-up Enclosure

Design document are past the 30 percent review and will be ready to submit for permitting within the next four weeks.

Project team is working with Aerion for its run-up requirements.

Project completion is next March 2021.

Replacement of Passenger Boarding Bridges 7 & 4

Passenger Boarding Bridge 4 is complete and has been put back into service.

PBB for Gate 7 is expected to start on May 26, 2020.

Completion of the two bridges is expected in late June.

Obstruction Removal and Lighting

Area 1 of the removal site is nearing completion.

Area 2 fence is being installed, environmental permit received, and gopher tortoise relocation has been completed.

Northrop Grumman Metal Roof Replacement

Roofing project is complete and final punch list will be completed by May 22, 2020. Final billing is expected the first week of June.

Item I-4 Business Development and Marketing Update by Mr. Busalacchi

Mr. Himler updated the board on the Melbourne Back in Business Task Force. This task force is focused on promoting local businesses and spending local within the community.

Ms. Naughton updated on the airport’s task force, which is focused on safety at the airport. This has included removing seating to encourage social distancing, a new terminal announcement explaining the changes and encouraging those in the terminal to wear facemasks. All employees have received reusable airport logo facemasks. These will also be sold at the Lucky’s Bar on the concourse. A new landing page for the airport’s website will be up next week explaining all the changes.

Public Speakers

Mr. Ray Liles

Mr. Liles asked the Board if there were any updates on the hotel. Mr. Donovan stated that there will be an update on the hotel at the next board meeting.

In Closing


The meeting was adjourned by Chairman Ryals at 10:48 a.m.

PREPARED BY:



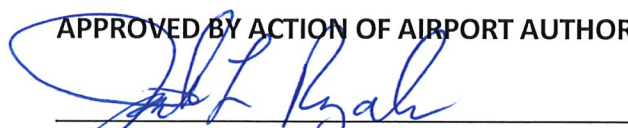
Tammy Till, Board Secretary

SUBMITTED BY:



Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:



Jack L. Ryals, Chairman