

**MELBOURNE AIRPORT AUTHORITY BOARD**  
Minutes from July 15, 2020 Combined 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 taken by Ms. Tammy Till, Board Secretary, and a quorum was determined by Chairman Ryals. The meeting was held via secured conference call-in line.

**Airport Announcements by Executive Director Greg Donovan:**

- Meeting will be conducted via secured conference call-in line and secured shared computer screens.
- New employee, Mirna Mota, Accounts Payable Specialist, was introduced.
- Officer Wright, new airport police officer, was introduced.
- Industry traffic update, MLB is rebounding.
- FAA facial masks distributed and available for employees, tenants, travelers, and public visiting MLB.
- MLB is requiring all staff/employees to wear masks in common areas.
- 2019 Annual Report ready for distribution electronically and hard copy will be mailed.

**Action Items**

Approval of the June 24, 2020 regularly scheduled board meeting. A motion was made by Mr. Mikuen for approval of meeting minutes, as correct, seconded by Mr. Potter. Motion passed unanimously.

**Item A-1 Recommendation to Approve Resolution 07-20 Florida Department of Transportation Grant for the Terminal Renovation and Expansion Project.**

Mr. Donovan stated that this action item is to approve additional funding in the amount \$3 million from the Florida Department of Transportation (FDOT) for the Terminal Renovation and Expansion Project. A prior grant in the amount of \$3,093,954 was previously approved from FDOT for this project. This grant has a 50/50 match requirement.

Mr. Mikuen asked if the airport's portion of the funding could be spent at the later stages of the project. Mr. Donovan stated yes and explained that the FAA portion of the grant must be spent on the public common use areas. Other areas such as office space would not be allowed under FAA funding. Multiple strategies are being applied as to how the funds could be used.

Motion was made by Mr. Fischer to approve Resolution 07-20 Florida Department of Transportation's portion of the grant for the Terminal Renovation and Expansion Project and authorization for the Chairman to execute said resolution on behalf of the Authority, seconded by Mr. Potter Motion passed unanimously.

**Item A-2 Recommendation to Award Phases 2E, 2F, 2H of Work to The Haskell Company/RS&H/Kinley Team Under Its Progressive Design/Build Contract for the Terminal Renovation and Expansion Project in an Amount Not-To-Exceed \$626,261.**

Mr. Donovan explained that Item A-2 is a request to begin the design work for this project in three phases. He explained that the three phases would include the concourse, Federal Inspection Station (FIS) additional queuing area, and a welcome/ground transportation center.

A motion was made by Mr. Thomas to approve 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 2E, 2F and 2H at this time in an amount not-to-exceed \$626,261 and authorization for the Executive Director to execute said agreement on behalf of Authority, seconded by Mayor Meehan. Motion passed unanimously.

**Item A-3 Recommendation to Approve a Task Order to Building Management Systems, Inc., Under Its Continuing Services Contract, for the Tropical Haven Community Center Reroofing Project in an amount not to exceed \$153,491.**

Mr. Donovan stated that the roof at the Tropical Haven Community Center is more than 25 years old. There are constant issues with leaks and temporary fixes have been performed. A previous proposal last November to replace the roof was over budget so the replacement work was deferred. Staff contacted one of the airport's continuing consultant contractors and asked for options on replacing the roof. Through value engineering, Building Management Systems provided a solution that was within our current budget.

Mr. Fischer asked if Building Management Systems Inc. is a licensed roofing company and would give a warranty? Mr. Perley explained that Building Management Systems is using a licensed roofer that will give a 20-year warranty from the manufacturer.

Motion was made by Mr. Mikuen to approve the Task Order to Building Management Systems for the Tropical Haven Community Center Reroofing Project in an amount not-to-exceed \$153,491 and authorization for the Executive Director to execute said agreement on behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

**Item A-4 Recommendation to Approve the Fifth Amendment to Lease Agreement with Embraer Aircraft Holding, Inc.**

Mr. Donovan explained that Item A-4 is to amend the current lease agreement with Embraer Aircraft Holding, Inc. (EAH). A map was shown with details on the parcels and acreage. Parcel 3C is under option to lease until February 2023. The request is to allow EAH to extend the options to lease for 11B and 4 to coincide with the option to lease of 3C. EAH has agreed to release parcels 5, 7 and 11A. Aerion Supersonic has rights to parcels 7 and 11A and are next in line for the options. This extension will assist in future master planning of its campus to include additional aerospace services and manufacturing facilities.

Mr. Potter asked when the options would expire without this action and is there an option fee being paid. Mr. Donovan said that EAH was given a six-month extension, expiring August 2020 and there is no option fee.

Mr. Mikuen asked if all of parcel 5 is being released? Mr. Donovan stated that it is the majority of 5, with more details being worked out. There is a small area of 5B that EAH would like to use it to define its area with a possible natural privacy barrier.

Motion was made by Mr. Potter to approve the Fifth Amendment to Lease Agreement with Embraer Aircraft Holding, Inc., and authorization for the Executive Director to execute said amendment on behalf of the Authority, seconded by Ms. Thomas. Motion passed unanimously.

**Item A-5 Recommendation to Approve Resolution 06-20 Approving the Airport Operating and Capital Budget for the Fiscal Year Beginning October 1, 2020 and Ending September 30, 2021.**

Mr. Donovan stated this item is for final approval of the budget. Once it is approved by this board, it will be forward to city council for the adoption process.

Mr. Potter commended staff on the budget presentation and details. He commended the move of the marketing division within the business development division. He also recognized the result of the reconciliation with the city and the indirect cost allocations as a major accomplishment. Mr. Potter stated that the budget is based upon a projection of about 40 percent decrease in air traffic for the next fiscal year and asked if the projection is higher, is the budget adjustable? Mr. O'Dell said yes, and there are other strategies including the use of the CARES Grant.

Motion was made by Mr. Mikuen for approval of Resolution 6-20, recommending the appropriation and allocation of all revenue and expenses of the airport for the fiscal year, beginning October 1, 2020, and ending September 30, 2021, to be forwarded to city council for adoption after board approval, seconded by Mr. Thomas. Motion passed unanimously.

**Informational Items**

**Item I-1 Financial Update by Mr. O'Dell**

**Top Ten Highlights (Month over Month)**

Revenue

Down substantially

Parking -89 percent

Ground Handling -54 percent

Car Rental -77 percent

Total down \$352,121

Expense

Other Contract Services -29 percent (credit memo included)

Contractual Employees -26 percent

Electric -36 percent (rate reduction, less usage, billing timing)

Investment Update

CFC Investment \$764,301

Cash and Investment \$20,022,401

Total Cash and Investments \$20,786,702

Taxi/Limo Fess (YTD) \$35,508

**Item I-2 Operations Update by Mr. Graham****Air Service Update**

In June, both American Airlines and Delta Air Lines had one flight per day. Both airlines have added flights in July with a total of five flights a day. American and Delta have added RON (Remain Over Night) flights with American Airlines adding one other turn per day. Available seats went from 128 per day to a total of 351, which is a 175 percent increase in daily seats out of MLB, with empty middle seats due to COVID. Load factors for both airlines in July are up; Delta Air Lines at 85 percent and American Airlines at 60 percent.

**Airshow Update**

Staff has developed an RFP (Request for Proposal) in late 2019 with the intent of having future air shows and to be consistent with our purchasing policies. One proposal was submitted from The Air Show Network. A Selection Committee was established and met in February to review proposal and make a recommendation.

Recommendations were made to have staff develop a relationship with The Air Show Network to produce further airshows and to continue the relationship with Valiant Air Command Warbird Museum to possibly find ways not to compete but possibly work together. All groups met for the first-time last week.

All air shows for 2020 are cancelled due to the pandemic. Staff will continue to work with both groups and will bring a contract to the board should they be successful in planning an air show for 2021 and/or 2022.

Mr. Thomas commended the partnership. He asked who would host the air show? Mr. Graham said all options are on the table, no details have been finalized. Mr. Donovan stated there will be a military team appearing at future airshows as part of the line-up.

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

Site work is complete.

Access control work nearing completion.

Expecting all work to be complete this month.

Closeout is by the end of this month.

**Terminal Renovation Phase 2**

Haskell working on setting-up Stakeholder meeting for July 16<sup>th</sup> for CBP.

The rest of the stakeholder meeting to be set for the 21<sup>st</sup> and 22<sup>nd</sup>.

Survey of airside for the apron is complete and design work has started.

Geo-tech of airside has begun.

The 3-D scanning of the building is complete.

**International Passenger Boarding Bridges**

Still on hold until we hear from the FAA on the supplemental grant.

Still looking to begin in October.

**Ground Run-up Enclosure**

Permit received from the City Building Department.

Contractor set to mobilize the week of July 13<sup>th</sup>.

Project completion is next March 2021.

**Replacement of Passenger Boarding Bridges 7 & 4**

Both bridges are complete and operational.

Still waiting on parts from JBT to complete punch list which is expected by the end of the month.

Need to set-up extended maintenance agreement.

**Obstruction Removal and Lighting**

Area 1 nearing completion.

Area 2 work continues with about 90 percent of the material torn down.

Area 3 ready to begin within the next two weeks.

Project is still hampered by the rains and heavy equipment access.

Project completion is expected in August.

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

T-hangar update given; map was shown for the South T-hangar relocation. Currently working with Sheltair Aviation Services and Mr. Milo Zonka to have a land lease for this parcel. Sheltair would then develop the T-hangars. The airport will take down the existing T-hangars to make room for the terminal renovation and the hotel project. Staff is working with the T-hangar tenants and has a plan in place to make the transition happen. The General Aviation community is excited to get this project completed.

Mr. Potter asked where exactly the parcel is. Mr. Busalacchi explained it is at the corner of Taxiway A and Taxiway V, to the South of the main runway and just to the right of the tower. Mr. Mikuen asked if there is a rough estimated of new units compared to the existing units? Mr. Busalacchi stated there are 55 existing units, but not are all occupied. Approximately 35 tenants will need to be relocated with future growth possibly planned by Sheltair Aviation Services. Mr. Mikuen asked what the rental rates would be. Mr. Busalacchi stated Sheltair Aviation Services will be setting those number, but no rates have been set yet.


**Other Business**

Mr. Thomas thanked the Airport Authority for the beautiful plant and for all the cards and letter in the support after the loss of his mother.

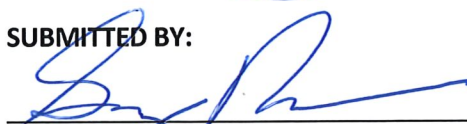
**In Closing**

The meeting was adjourned by Chairman Ryals at 9:34 a.m.

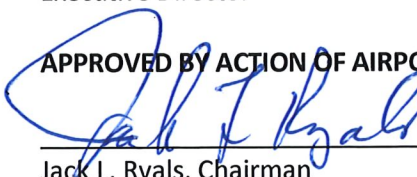
**PREPARED BY:**

  
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Tammy Till, Board Secretary

**SUBMITTED BY:**

  
\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director

**APPROVED BY ACTION OF AIRPORT AUTHORITY:**

  
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Jack L. Ryals, Chairman