

**MELBOURNE AIRPORT AUTHORITY BOARD**  
Minutes for October 28, 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 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 Nightshift Maintenance Foreman, Mr. Doug Sayles, welcomed.
- Congratulations to Sergeant Wheeler on her promotion.
- American Airlines earns "A's" on Above-Wing, Below-Wing, Customer Service, On-Time, and Baggage performance.
- MLB featured in local and industry publications.
- Aerion Supersonic unveils conceptual image of future campus at MLB.
- MLB selected number one for the Most Scenic Airport Approach in North America, remains fourth in the world for same title.

**Action Items**

Approval of the July 15, 2020 combined July/August meeting minutes and the September 2, 2020 special board meeting minutes. A motion was made by Mr. Potter for approval of both meeting minutes, seconded by Mayor Meehan. Motion passed unanimously.

**Item A-1 Recommendation to Award the Two (2) Passenger Boarding Bridges (PBBs) for the Terminal Renovation and Expansion Project to the Lowest Responsive Qualified Bidder, Aero Bridgeworks, Inc., from Marietta, Georgia, in the Amount of \$2,938,500 with a Bid Alternate of \$58,990 for a Five (5) Year Service Agreement for Both Passenger Boarding Bridges.**

Mr. Donovan explained that as part of the Terminal Renovation and Expansion Project, two new passenger boarding bridges (PBB) will be replacing current PBBs. The PBBs were bid separately from the Terminal Project as directed by the Federal Aviation Administration (FAA).

Four (4) firms requested bid packages with Aero Bridgeworks, Inc. winning. Its bid was under the construction budget of \$3.3 million, with a base bid of \$2,938,500. As an alternate to the bid, which is not covered under the grant, staff requested a five (5) year service agreement for both PBBs. This service agreement will begin after the bridges have been installed.

Mr. Donovan continued explaining that the FAA's funding for this project is in the amount of \$2,644,650 with \$293,850 as the airport's portion. This grant is not a 100 percent grant due to the structuring and the timing of the grant application. This grant was requested prior to the CARES Act.

Mr. Mikuen asked is construction far enough along to be receiving these materials and if these bridges are customized? Mr. Donovan stated there is a long lead-time for the manufacturing of the bridges and there is some customization involved.

Motion was made by Ms. Thomas for approval to award the two passenger boarding bridges to Aero Bridgeworks, Inc., in the amount of \$2,938,500, and approval of the five (5) year service agreement for both PBBs in the amount of \$58,000 and authorization for the Executive Director to execute said contract on behalf of Authority, seconded by Mr. Mikuen. Motion passed unanimously.

**Item A-2 Recommendation to Approve Contract with Menzies Aviation (USA), Inc., to Provide Ground Handling and Passenger Service Operations.**

Mr. Donovan explained the airport's current contract for Ground Handling and Passenger Service Operations expires on January 15, 2021. Staff issued a Request for Proposals (RFP) in July. A comprehensive scope of services was provided to potential proposers for ground handling management of ramp, above-wing, and passenger service operations for both domestic and international air carriers.

Mr. Donovan continued stating that after the selection process, Menzies Aviation (USA), Inc., had been selected. The contract is for five-years with three one-year options to begin February 1, 2021. Based on a per-turn methodology, charges will be based on actual service provided with no annual maximum or minimum amount. The annual cost will vary based on how quickly airline activity recovers. Fiscal Year 21 budget for ground handling is \$2,161,737 and based on current activity, staff estimates the annual cost will be within this budgeted amount. Fiscal Year 22 the ground handling budget will increase due to TUI Airways' new service.

Mr. Potter asked for details on the pricing structure and the three one-year options. Mr. Graham explained that the per-turn cost is tiered depending on aircraft size and international vs. domestic service, with all costs included in this per-turn fees. This is not based on the number of turns; it is based on the type of aircraft. The cost details were based on the anticipated future needs of the airport and current and historic data that were provided to the proposers. The pricing can be renegotiated, depending on volume, by both Menzies and the Airport.

Motion was made by Mr. Potter for approval of the selection of Menzies Aviation (USA), Inc., for Ground Handling and Passenger Service Operations and authorization for the Executive Director to execute said contract on behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

*(Item A-3 was presented-out of-order placing it at the top of the agenda at the start of the meeting by Chairman Ryals, due to Mr. Bird's court schedule.)*

**Item A-3 City of Melbourne Joint Agency Lawsuit Against Manufacturers of AFFF (Aqueous Film-Forming Foam) for Damages Due to Clean-Up and Remediation.**

Mr. Bird apologized to the board and thanked them for adjusting the agenda. He then presented several layers of factual and legal analysis relevant to the evaluation of these issues and the potential action by the Authority.

He stated that many of the board members were aware of the City of Melbourne's lawsuits against manufacturers of AFFF (Aqueous Film-Forming Foam). AFFF has been used, especially at airports, for fires specifically related to liquid-based fires. New information is coming to light on a regular basis that AFFF contains harmful chemicals. Mr. Bird stated he will be referring to the acronym PFOS, but there are many other chemical acronyms such as PFAS and PFOA that are involved with this lawsuit.

He continued to explain that these chemicals do not breakdown easily overtime, they easily travel in groundwater, as well as, in the air and invade animal and human tissue. These chemicals have been identified as potential carcinogens. In June of 2019, the Florida Department of Environmental Protection (FDEP) identified certain City of Melbourne fire training facilities that may have been subjected to PFAS/PFOA/PFOS contamination because of ARFF testing. None of the facilities identified were on the airport site. The airport was asked to be involved with the City to see how to address the issue of costs of clean-up, included remediation and containment. Class Action Lawsuits have been established by cities across the county that were victims of this harmful material. Mr. Bird stressed the importance of the fact that the Authority does not operate an AARF or any other firefighting facility. The firefighting services are provided by the City of Melbourne through a specific contract with the Authority.

The City of Melbourne has filed a complaint in Federal District Court in South Carolina and includes airport related testing sites. According to Mr. Bird, based on the liability analysis and based on the City's filed complaint there is no area of damage on the airport site. He continued to state that he does not feel the need for the Authority to become a party in any of these cases.

Mr. Donovan added that from the staff's standpoint he concurs with Mr. Bird not to be party to the suit. The City of Melbourne owns the property in which the airport is on and has been contracted for firefighting services. Mr. Donovan is asking for direction from the board, a vote, whether to be party to the suit.

Chairman Ryals asked if the board had any questions or comments for Mr. Bird.

Mr. Potter asked if this is before the board because the city has asked the airport to join the lawsuit and questioned if there are any contaminated sites on the airport or tested sites? Mr. Donovan stated yes, the city asked the airport to be party to the suit. Mr. Bird stated there are no contaminated sites on the airport site. Testing for contaminates was conducted by Florida Department of Environmental Protection (FDEP) and none were found. Mr. Potter asked if there is any other reason the city wants the airport to be part of the suit, besides sharing the costs? Mr. Bird does not know of any other direct reason.

Mr. Mikuen asked if there are any potential insurance coverages that need to be put on notice? Mr. Bird stated the carrier was put on notice when the initial FDEP notice was received. Mr. Bird will update the carrier on any changes.

Ms. Thomas stated that there are no sites that have been found on airport property that have these chemicals at a level high enough to be a concern. But will there be more testing done, and if there is a change would that be an Authority or city issue. Mr. Bird stated he does not think that would change the damage claim and would be a city issue.

Mr. Thomas asked if the turn-key fire services with the city is covered under the cost allocation plan? Mr. Bird stated yes.

Motion was made by Mr. Thomas not to be party to the City of Melbourne Joint Agency Lawsuit Against Manufacturers of AFFF (Aqueous Film-Forming Foam) for Damages Due to Clean-Up and Remediation, seconded by Mr. Potter. Motion passed unanimously.

Discussion – Mr. Potter stated that if there is a strategic reason the city needs the airport to be involved with this, the board will have an open mind. Chairman Ryals stated that if additional information is received, it would be put on the agenda and discussed at that time.

### **Discussion Items**

#### **Item D-1 MAA Board Meeting Dates**

Mr. Donovan reminded the board that the combined November/December MAA Board meeting on December 2, 2020 will be held in person, due to the expiration of the Governor's order.

### **Information Items**

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

##### **Top 10 Highlights**

Revenues expected to be down due to the current COVID-19 pandemic.  
Reduction in operating expenses with contractual employee down 27 percent.  
Decreases in air incentives and in advertising and marketing.  
True ups posted by the end of calendar year which will include ARFF credit.  
Risk Management increased due to property values.

Mr. Potter asked if additional federal support for airports under these stimulus packages will be available? Mr. Donovan stated that the staff is in constant contact with ACI and other professional associations and have several proposals and will keep the board posted.

#### **Item I-2 Operations Update by Mr. Graham**

##### **Air Service and Aircraft Operations Update**

Total passengers per month changes were noted, showing the lowest in April at a decrease of 95 percent, but rebounding to -3.1 percent as of September. The same was noted for operations, with -67.1 percent in April and rebounding to -3.1 percent as of September.

He continued stating the Delta Air Lines is currently up to full operations, operating three Boeing 717 aircraft and one CRJ 900. American Airlines is also up on its flights, operating CRJ 900s exclusively. Load factors are running 88 percent for Delta Air Lines and 70 percent for American Airlines, with additional aircraft to be added for both airlines during the holidays.

### **Item I-3 Construction Projects Update by Mr. Perley**

#### **Air Traffic Control Tower**

This project is complete, with access control system operational. Currently waiting on FAA as-built drawings from the relocation of equipment before the project can be closed out completely and remaining funds returned to the Melbourne Airport Authority.

#### **Terminal Renovation Phase 2**

Programming and planning are complete with the Haskell team now working to complete the 30 percent design documents due mid-November. Meetings have been held with CPB, TSA, the City and other authorities that have jurisdiction over this project. Bids have been received for the apron work and are currently under review.

#### **New Passenger Boarding Bridges**

With approval by the board today, the Notice to Proceed will be issued within the next two weeks. Design will start immediately as the foundations for the bridges needs to be coordinated with the terminal project. Fabrication will take about eight months. Installation is expected next December.

#### **Ground Run-up Enclosure**

The foundations are complete, slab on grade complete, and vertical construction has started. Asphalt apron work to begin next month with a project completion February 2021.

Mr. Potter asked if Aerion will be using the Ground Run-up Enclosure. Mr. Perley said it may be possible.

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

Both bridges are complete and operational and spare parts have been delivered. Project closeout is complete and are preparing for final reimbursement from the FAA.

#### **Obstruction Removal and Lighting**

This project is complete and are preparing for final reimbursement from the FAA.

#### **Northside Expansion**

Design drawings for utilities are 30 percent complete. Road design is expected to start in mid-November. Expect drawings for bidding in January with board approval in February. Construction to begin by May 1' 2021 and the project substantial completion by December 2021.

#### **Tropical Haven Community Center Re-roof**

This project is nearing completion. All shingles and single ply roofing complete, special drip cap ordered and should be installed by the end of the month. Project will close out in November.

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

Mr. Busalacchi made a statement with regards to the Aerion question from Mr. Potter. He stated that staff had worked with Aerion and gave them the opportunity to be involved, however, the final design of

the aircraft was not complete at that time. So as for Aerion being able to use the GRE, it is still a possibility they could.

### **T-Hangar**

A Request for Proposal (RFP) was submitted, and preproposal meeting was held on October 23 with good participation. November 4, 2020 is the due date for the plans, with the award announced on January 6, 2021. Mr. Busalacchi has asked Mr. Ray Lyles, as a member of the general aviation community, to be part of the selection committee.

### **Hotel Update**

The developer plans to break ground in late January 2021.

### **Item I-5 Executive Director Evaluation (added by Chairman Ryals at the meeting)**


Mr. Chairman stated that it has been a very difficult year to have an evaluation of the executive director due to these unprecedented times. However, he requested an action item for the December 2, 2020 for an overall compensation package of the executive director be placed on the agenda. Chairman Ryals continued stating that city employees have received a cost of living adjustment of 2.53 percent increase in pay, which included Mr. Donovan.

At the request of Chairman Ryals, retirement packages have been researched by Mr. O'Dell. He requests the board to be prepared to discuss an overall compensation package for the executive director at the December 2, 2020 board meeting.


### **Adjournment**

The meeting was adjourned by Chairman Ryals at 10:47 a.m.

**PREPARED BY:**

  
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Tammy Till, Board Secretary

**SUBMITTED BY:**

  
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Greg Donovan, A.A.E.  
Executive Director

**APPROVED BY ACTION OF AIRPORT AUTHORITY:**

  
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Jack L. Ryals, Chairman