

MELBOURNE AIRPORT AUTHORITY BOARD
Minutes January 25, 2023, Board Meeting
Airport Board Room

In attendance: Mr. William C. Potter, Chairman
The Honorable Tim Thomas, Vice Chairman, Councilmember
The Honorable Mark LaRusso, Vice Mayor, Councilmember
Mr. Michael Fischer, Member
Mr. Scott Mikuen, Member
Mr. Brent Peoples, 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
Ms. Renee Purden, Chief of Police/Director of Public Safety

Absent: The Honorable Paul Alfrey, Mayor

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

Welcome new MAA board member Mr. Brent Peoples

Welcome new MAA Board Chairman Mr. Bill Potter, Esq.

Passenger Activity Report through December totaling 242,542 for international passengers in 2022. 701,257 total passengers in 2022, which is the second highest number in Airport's history.

Terminal Renovation and Expansion Project Event today at 11:00am

Sun Country inaugural flight celebration on February 3, 2023, at 10:30 a.m.

Canada Jetlines Inaugural flight celebration on February 16, 2023, at 11:30 a.m.

Executive Director's Recognition of Excellence Award

Congratulations to Doug Sayles, maintenance foreman, in receiving this month's award.

Action Items

Approval of the December 14, 2022, board meeting minutes. A motion was made by Mr. Thomas with changes per Mr. Potter's comment on Item A-11, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-1 Recommendation to Approve a Purchase Order to AVCON, Inc., under its Continuing Service Contract, for the Professional Airside Engineering Services for Design Services of the Common Use Area of the Dassault Falcon Jet site in an Amount Not-To-Exceed \$255,198.00.

Mr. Donovan explained last month, the board had approved a purchase order for the clearing and grubbing of the site, which work has already started. As the project develops, additional work for utilities, taxiways and aprons are ready to be designed. The project cost is covered 100 percent by the Florida Department of Transportation (FDOT) reimbursable grant.

A motion was made by Mr. Fischer to approve a purchase order to AVCON, Inc., under its Continuing Service Contract, for the Professional Airside Engineering Services for Design Services of the Common Use Area of the Dassault Falcon Jet site in an amount Not-To-Exceed \$255,198.00, seconded by Mr. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Approve Purchase of Police Body Cameras in the Amount of \$37,209.00.

Mr. Donovan explained the request to purchase body cameras for on-duty police officers that offers ease of functionality, video quality and storage capabilities that allows them to document their engagements with the public. The Airport demoed the equipment from three companies, and it was determined one company provided the best value for all components. The cost of the body cameras is included in the Operating Budget.

Mr. LaRusso asked if the equipment being purchased be in sequence with the City's system. Ms. Purden stated the city has a different system and the two systems are not compatible.

Mr. Thomas commented that the City of Melbourne spent a significant amount of money for the City's police officers body cameras and the feedback they have received is very good.

A motion was made by Mr. Thomas to approve a purchase order of Police Body Cameras in the amount of \$37,209.00, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-3 Recommendation to Approve Purchase Order with McFarland Johnson for an Analytical Airspace Study in the Amount of \$47,982.00

Mr. Donovan explained the airport has had significant growth over the last years due to an increase in aircraft operations. During this past year, 2022, the airport recorded 147,506 aircraft operations. The types of operations include wide-body aircraft that require greater distance to approach the airport's runway. This study will identify potential aviation safety concerns and recommend airspace opportunities for improving the Airport current airspace designation from Class Delta (D) to a Class Charlie (C) for Federal Aviation Administration (FAA) approval.

Mr. Mikuen asked if we will reach out to the flight schools. Mr. Donovan stated yes to all the flight schools that operate from the airport.

Mr. Thomas asked if the study would help increase the number of potential new carriers. Mr. Donovan stated that it is a step in the right direction.

Mr. Fischer asked if this would impact training facilities areas like Florida Institute of Technology (Florida Tech). Mr. Donovan stated he does not know how they would be affected.

A motion was made by Mr. Thomas to approve a purchase order with McFarland Johnson for an Analytical Airspace Study in the Amount of \$47,982.00, seconded by Mr. Fischer. Motion passed unanimously.

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

Mr. Donovan explained Embraer Aircraft has approximately 68 acres of land under option. These options have been extended in the past. This amendment will extend the option period for this property for a period of five years until February 28, 2028. Embraer will pay an annual option fee of \$222,156.00 for the entire 68 acres. This extension will allow Embraer future development planning.

Mr. Mikuen asked if it is the same footprint. Mr. Donovan stated yes, it's the existing parcel they have in the current agreement.

Mr. LaRusso commented he was on council when Embraer first started and has seen how Embraer has grown and thanked Mr. Donovan.

A motion was made by Mr. LaRusso to approve the Sixth Amendment to Lease Agreement with Embraer Aircraft Holding, Inc., seconded by Mr. Thomas. Motion passed unanimously.

Item A-5 Recommendation to Approve Purchase Order with Granicus Digital Government Solutions for the Development, Storage, and Annual Software License of the Airport's Website.

Mr. Donovan explained the importance of having an active website that looks good aesthetically, communicates well, and can be easily modified in a timely matter. Granicus is a web designer that will develop a new website that will allow the airport to make updates, edits, conduct surveys, as well as send SMS text messages, update RSS feeds, has social media integration and allows users to access a mobile version of the website on their mobile devices. The one-time development fee is \$70,400.00 and there will be a five year annual commitment fee for a total of \$221,880.49. This is included in our budget.

Mr. Peoples asked if there is any connection to personal information or is it a completely separate website, for consideration from a confidentiality aspect. Mr. Donovan stated there will not be any personal information requested or stored on the website. It will be strictly informational for airport business, guidelines, and procedures.

A motion was made by Mr. Peoples to approve Purchase Order with Granicus Digital Government Solutions for the Development, Storage, and Annual Software License of the Airport's Website, seconded by Mr. Thomas. Motion passed unanimously.

Item A-6 Recommendation to Approve Purchase Order with Romjue Advertising & Company, Inc. for the 2023 Airport Marketing and Advertising Campaign in an Amount Not-To-Exceed \$190,000.00.

Mr. Donovan explained how airport staff assembled a campaign to increase awareness of the airport throughout the year, promoting new airlines, and ongoing awareness to fly from MLB. The next advertising campaign will focus on Sun Country and Canada Jetlines service while still supporting current, existing air service. It will entail digital advertising, social media ads and outdoor billboards which align with the airport's marketing plan. This will allow the airport to evaluate the results and bring to the board a performance progress on the ads. These funds are budgeted within our operating budget.

Mr. Fischer asked if the website and Romjue work together or are they separate. Mr. Donovan stated that products such as artwork and graphics will crossover. Mr. Busalacchi stated that Romjue will promote flying to MLB in the cities we fly to as part of this advertising campaign.

Mr. Potter asked if this is coordinated with the TDC. Mr. Busalacchi replied yes, we work closely with TDC.

Mr. Peoples asked if Romjue has experience with advertising for airports. Mr. Donovan stated that Romjue has over 30 years of experience.

A motion was made by Mr. Fischer to approve a Purchase Order with Romjue Advertising & Company, Inc. for the 2023 Airport Marketing and Advertising Campaign in an amount Not-To-Exceed \$190,000.00, seconded by Mr. Thomas. Motion passed unanimously.

Item A-7 Recommendation to Approve a Master Consulting Agreement with Jack L. Ryals, Sr. P.A.

Mr. Donovan explained that Mr. Ryals has been an essential part of the airport's leadership for over 19 years and possesses invaluable skills and corporate knowledge working with various local community organizations. In this new role, Mr. Ryals will be able to focus on local and regional affairs and represent the Airport with the EDC and Chambers as well as assist the senior advisor for state and federal affairs. The annual cost of the agreement is \$64,500.00 and the agreement will be for one year with two one-year options.

Mr. Fischer stated that this is a great idea and will support this recommendation.

Mr. Peoples thanked Mr. Ryals on behalf of the Chambers for his dedication and many years of service.

A motion was made by Mr. Fischer to approve a Master Consulting Agreement with Jack L. Ryals, Sr. P.A., seconded by Mr. LaRusso. Motion passed unanimously.

Information Items

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

Mr. O'Dell presented the financial report as of November 30, 2022.

Mr. Mikuen asked about the cash flow statement line item for Maintenance and Operations Expense starting at \$1.3 million and jumping to \$4 million. Mr. O'Dell explained that the ad valorem taxes payments are paid once a year which is in November.

Mr. Peoples asked how the mobile home expenses are captured. Mr. O'Dell explained he can run a financial report on that particular cost category or expenditure.

Mr. Potter stated the new terminal has been operating for a few months and asked if there are any risks that have been identified with that experience that were not anticipated. Mr. O'Dell stated he reviewed the proformas that were completed and compared them to how the airport performed with the TUI operations, and we were below projections due to the terminal not being complete and this resulted in the airport incurring additional non-recurring expenses.

Mr. Potter asked what is the most optimistic time within which we could achieve Port of Entry status. Mr. Donovan explained the process of port of entry status will be challenging and the process make take some time. The pre-requisite for port of entry status is to have the number of international passengers and having a consecutive twelve months of international activity.

Mr. Mikuen stated we are coming to an end on the heightened activity of construction and projects. What will be the vision or next phase in the next three years. Mr. Donovan stated that he will put together a workshop to show what the next five-year plan will be. We have a plan with the Federal Aviation Administration (FAA) and Florida Department of Transportation (FDOT) called JACIP which is a combined capital improvement five-year outlook where were able to ask for funds for individual projects. Our next project which is in the design phase is the In-Line Baggage System which is sponsored by TSA. The Airport is in the process of competing for FAA Discretionary Grant funds. If successful, the Airport will be able to fund the rest of the improvements to the existing terminal that will include modernizing the remaining area of the terminal.

Mr. Fischer asked if the Airport is fully compliant with the City of Melbourne and the fire sprinkler system. Mr. Donovan explained that the work is still ongoing. The Airport is currently compliant with the city and has the Certificate of Occupancy (CO).

Mr. Potter asked about the funding for the in-line baggage system. Mr. Donovan explained TSA will fund the majority of the construction cost for the in-line baggage system. We anticipate coming to the board with further details and cost on the capital project.

Mr. Thomas asked now that the airport has their certificate of occupancy, are there any other issues with the city's building department. Mr. Donovan stated we have an obligation with the city to complete the fire sprinkler project to comply with the city requirements.

Item I-2 Operations Update by Mr. Graham

Mr. Graham explained the dynamics of his operations and maintenance staff. Our staff is highly skilled and cross-trained and utilized both on the airfield and in the terminal operations. Currently our team has been working on airfield inspections, wildlife inspections and management, electrical repairs, stormwater maintenance, landscape maintenance as well as surface paint and pavement markings.

Mr. Graham explained the airport has been working very hard with our airshow promoter and network to put together an airshow for 2024. We submitted a request for Military Aerial support, but did not receive that support from the Blue Angels or the Thunderbirds for 2024. Many airshows will be taking place in our area in 2024 within a six week period commencing in March with the Space Coast Warbird Airshow through May at Vero Beach Airport. We have decided to move forward and focus on an airshow in 2025, which will give us more time to prepare and have a successful event.

Item I-3 Construction Projects Update by Mr. Perley

Terminal Renovation and Expansion

Contractor continues to work on punch list items. Metal roofing trim and coping caps are nearing completion. Installation of the new fire alarm in the renovation spaces continues. Testing of the CCTV system is continuing with CBP area nearing completion. Test and balance of the new air handling equipment is complete and final report being written. All TSA equipment has been relocated. The old TSA checkpoint is being remodeled for the remaining VIP lounge and is nearing completion. Ticket counter renovations for the new airlines continue.

In-Line Baggage System

The Airport has terminated the current contract for design. Staff is currently working with a new team to pick up and complete the design in time for this year's construction funding. Staff will be issuing a two-step RFP for Construction Manager at Risk in February. To meet the TSA deadline, final construction costs will need to be approved by the April Board meeting and submitted to TSA by May 1, 2023.

Gate 9 Passenger Boarding Bridge

Design documents Gate 9 are complete. Waiting on the Building Department for issuance of the permit. All demolition work is complete. Foundations are ready to be poured as soon as the permit is issued. The boarding bridge is in fabrication and a factory inspection was completed in mid-January. Delivery of the bridge is expected in mid-April with completion by May 5, 2023.

Northside Expansion

First layer of asphalt has been placed. Delays in asphalt availability has pushed the final lift of asphalt until the second week of February. Storm water system is complete. Sod and landscaping installation is complete. Barrier wall is complete but still dealing with graffiti issues. Letting natural vegetation grow tall to hide the

wall. Final striping of the roadway will take place 30 days after asphalt is complete. Property boundary easements remain to be resolved. Anticipated substantial completion has been pushed to the end of February.

Mr. Fischer asked for an update on terminal roofing issues and materials and asked if these issues have been resolved. Mr. Perley explained all the material has been received and the contractor is completing all of the detail work on the metal copings. Mr. Fischer asked about the status of the storm damage and results. Mr. Perley stated that FEMA was on site a few weeks ago to do an assessment on the damages. We have submitted our report and are waiting on an approval so we can get started on the work.

Mr. Fischer asked about the process of closing out the terminal work with the contractor. Mr. Perley stated yes, we are working with the contractor.

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

Mr. Busalacchi explained due to an increase in air service the airport has seen an increase in our terminal parking. The Airport approaches capacity on certain days of the week and certain times of the year. To avoid any future problems with parking, the Airport has hired a consultant to complete a parking study for the Airport. To improve parking efficiency, the Airport plans to combine both long and short-term parking to one and add an additional ten spaces for handicap parking stalls. The Airport will also make a social media announcement to inform passengers of the upcoming changes for terminal parking.

Mr. Busalacchi explained that the Hyatt Place opening has been pushed back to April, due to an issue with the delivery of an FPL transformer being delayed.

Mr. Busalacchi explained the ticket giveaways campaign for our newest airline flights was successful.


Adjournment

The meeting was adjourned by Chairman William Potter at 9:41a.m.

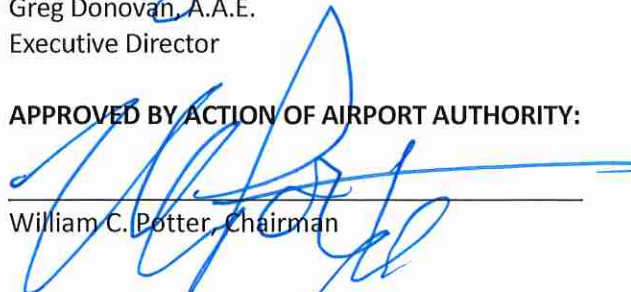
PREPARED BY:


Sandra Acevedo, Administrative Assistant II

SUBMITTED BY:


Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:


William C. Potter, Chairman