



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for March 27, 2019 Board Meeting
Airport Board Room

At which were present: Mr. Jack L. Ryals, Chairman
The Honorable Debbie Thomas, Vice Mayor
The Honorable Tim Thomas, Councilmember
Mr. William C. Potter, Member
Mr. Michael Fischer, Member
Mr. Scott Mikuen, Member
Mr. Adam Bird, Airport Attorney
Mr. Greg Donovan, A.A.E., Executive Director
Ms. Lori C. Booker, A.P.R., Director of Communications
Mr. Mark Busalacchi, Director of Business Development
Mr. Cliff Graham, 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

Not present: Mayor Kathy Meehan, Vice Chairman

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan:

- Lisa Waters from the National Society of the Daughters of the American Revolution presented a Certificate of Appreciation to the Airport in support of constitution week.
- American Airlines begins nonstop service to Philadelphia.
- International aviation publication Anna Aero features MLB as the winner of the industry-famous Cake of the Week.
- Passenger numbers are up for the first two months of 2019.
- MLB provides tenant tours of air traffic control tower.
- MLB hosts tour of Embraer for young aviation dreamer.
- New MLB Officer Cattell and Officer Beer were welcomed.
- Congratulations to Corporal Wheeler and Sergeant Sadulski on their promotions.
- Officer Moyer recognized as 2018 Officer of the Year.
- Congratulations to Clifford Graham, CM and Patrick Mac Carthaigh, CM now certified members of American Association of Airport Executives (AAAE).
- MLB hosts Air Service Development Public Workshop.
- Air show performers and static arrivals begin Thursday.
- MLB named once again #1 Most Scenic Airport in the U.S. and moved up to #4 in the world.

Action Items

Approval of the minutes for the January 23, 2019 meeting. A motion was made by Mr. Potter for approval of meeting minutes, seconded by Mr. Thomas. Motion passed unanimously.

Item A-1 Recommendation to approve a contract with netDirective Technologies, Inc., d/b/a Artemis for complete Professional Managed Information Technology (IT) Services.

Mr. Donovan explained Item A-1 is the result of a request for proposals for IT services. Seven proposals were received and evaluated. The recommendation is to enter into an agreement with Artemis for 24-hour support with a fulltime, on-site field technician. The total contract amount is \$620,000 for 5 years with a 3-year Base and a 2-year Option Period. Year 1 pricing is \$9,732 per month.

Mr. Proctor, CEO of Artemis Information Technology, thanked the airport for the pleasure of working with airport staff over the past year stating it was a very productive partnership. He is pleased to continue that partnership and be a part of an outstanding team. Mr. Mikuen questioned if there is an ability to terminate the contract at our convenience without paying penalties and is there any equipment involved with the contract or it is just for services.

Mr. Graham stated that there is a termination agreement and yes there is a plan for capital investment within the contract. Mr. Donovan explained that the airport staff will work with Artemis for any updates which would be part of the proposed budget as a capital expense. Mr. Potter commended staff on soliciting a variety of proposals.

Staff recommends approval of Item A-1. A motion was made by Mr. Potter to approve a contract with netDirective Technologies, Inc., d/b/a Artemis for complete Professional Managed Information Technology (IT) Services 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 Approval of an Option to Lease with Fallon Aviation, LLC.

Mr. Donovan explained that Fallon Aviation and Melbourne Flight School have seen an increase in both businesses and are experiencing tremendous growth. This company has been very successful and requires larger accommodations. MLB's Business Development team has been working with Fallon Aviation on a specific parcel of land. Due to infrastructure to the current tower, if Fallon were to begin construction today, that infrastructure would have to be relocated. Since the tower will be decommissioned and demolished, both the Airport and Fallon agree it would be more fiscally and operationally prudent to delay entering into a lease until they can reasonably begin construction.

Fallon will pay \$3,000 for a six-month option to lease with an additional six-month option period. This is a very reasonable and fair market value for this 7.3 acre parcel.

Mr. Busalacchi explained that this lease option is a fair compromise due to the decommissioning and demolition of the old tower causing this delay. Mr. Fischer questioned if entering into a Letter of Intent would be an option. Mr. Busalacchi said he would be happy to move forward on the Letter of Intent if Fallon would be interested. Mr. Busalacchi stated there was a fair market appraisal conducted and conveyed that rate per acre. Mr. Potter questioned the lease price and addressed Mr. Bird for his input.

Mr. Bird discussed details regarding the lease price/option. Getting exclusivity is key, and agreement is made as part of the option that it will not be marketed to entertain other offers on this parcel. This operates as a Right of First Refusal, but also has a pro forma lease attached. Chairman Ryals added the main thing is the exclusive right to negotiate. Mr. Potter asked for justification of these items. Mr. Busalacchi stated the justification is the fact that Fallon is being delayed from development because of the negotiations with the FAA and the decommissioning of the old tower. It is better to enter into an option agreement that secures the parcel.

Mr. Potter would like to adopt a formal policy regarding lease price/option prices. Mr. Busalacchi agrees and stated that has been a topic of discussion to establish a policy. Mr. Donovan stated there is a land use workshop being scheduled in the summer and will be the perfect opportunity to give a revision on the policy. Having consistency is the main goal. Mr. Fischer added that Fallon has already incurred design and development fees in order to expedite the process. They are in full agreement with the lease option. Mr. Mikuen spoke in support of this important project.

Staff recommends approval of Item A-2. A motion was made by Mr. Fischer to approve and authorization for the Executive Director to execute said Option on the behalf of the Authority, seconded by Ms. Thomas. Motion passed unanimously.

Item A-3 Approval of an Option to Lease with Health First, Inc.

Mr. Donovan explained that Health First operates with First Flight, Brevard County's only air ambulance service. Health First currently leases a facility for the helicopter and maintenance and support functions. Health First needs dictate that it needs to build its own facility. This is a request of the Option to Lease for 1.271 acres on the northwest side of the airport for a nine-month period at a cost of \$5,799.42.

Mr. Potter disclosed that he is a member of the Board of Trustees at Health First and has no financial interest, therefore having the obligation to vote on this item.

Staff recommends approval of Item A-3. A motion was made by Mr. Fischer to approve and authorization for the Executive Director to execute said Option on the behalf of the Authority, seconded by Ms. Thomas. Motion passed unanimously.

Item A-4 Recommendation for Approval of Final Change Order No. 5 to Preferred Materials, Inc. for the Runway 9R-27L Mill and Overlay project in the deductive amount of \$69,844.00.

Mr. Donovan stated this is the closeout of replacing runway 9R-27L. During the course of construction, several change orders were issued for additive and deductive changes, including deductions for Owner Direct Purchases (ODPs) and time extensions due to weather delays. At the completion of the project, the Engineer of Record determined that the Airport was entitled to additional savings resulting in an overall savings amount of \$261,736. The revised final contract amount is \$18,622,993.

Even though the Contractor had received additional time for weather delays, it did not complete certain milestones resulting in liquidated damages. MLB, AVCON, and Preferred Materials reviewed the contractual dates and agreed to an amount of \$41,200 in liquidated damages. This brings the final contract amount to \$18,581,793.

Staff recommends approval of Item A-3. A motion was made by Mr. Mikuen to approve and authorization for the Executive Director to execute said Change Order on the behalf of the Authority, seconded by Mr. Potter. Motion passed unanimously.

Item A-5 Recommendation to Approve an Extension of the Professional Services Agreement with Quadrex Aviation, LLC for the Air Traffic Control Tower project coordination with the Federal Aviation Administration (FAA) in an amount not-to-exceed \$32,760.00.

Mr. Donovan explained that Dr. Dave Byers has assisted with the technical details for ATCT project. There have been a number of timeline set-backs associated with the FAA. The government shutdown and the inability for the FAA team to come and install the equipment are part of those set-backs. Many contacts have been made to the FAA including to the Assistant to the Secretary of Transportation, with the assistance of Mr. Thomas. The Secretary of Transportation and the acting FAA administrator have assured in writing that the FAA is working to correct the delay.

Item A-5 is to allow Dr. Byers to continue to work with the airport and would be an extension of his services in an amount not-to-exceed \$32,760. Mr. Potter inquired as to how the amount was calculated. Dr. Byers explained the hours for the extension is estimated on an hourly rate. An additional 168 hours at a rate of \$195 is needed for the completion of the new tower as well as for the demolition coordination of the old tower and the closeout of the project.

Staff recommends approval of item A-5. A motion was made by Mr. Thomas to approve and authorization for the Executive Director to execute said Extension on the behalf of the Authority, seconded by Ms. Thomas. Motion passed unanimously.

Discussion Items

Item D-1 MAA Board Member Self-Evaluation

Mr. Potter addressed the self-evaluation handout given to the board last month. With no changes or discussion from other board members, Mr. Potter asked the administrative staff to submit the form to the MAA board members electronically. The board will submit completed forms to Tammy Till.

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

Top ten revenues and expenses were presented, with year-to-date amounts.

Items highlighted were:

- Operating income
- Revenue with ground handling rate adjustment and landing fees increased
- Expenses decreased for legal and marketing
- Cash flow sheet details; slowing building reserves
- Audit completed for 2018

Mr. Potter stated that he is very happy with the reporting style of Mr. O'Dell.

Item I-2 Operations Update by Mr. Graham

139 Inspection

New inspector to MLB - Out brief slide show was presented; highlighted the following:

Records were well organized.

Personnel qualified.

AARF equipment – hose and gauge issue, but corrected.

Approach to 9-L, grassy area in safety area had small erosion, but corrected.

Airport signage book commended, not required.

Airshow

Worked hard with tenants, great partnerships with all.

Airport continues to run during the airshow.

Station Performance (On-time, baggage, customer service surveys)

Delta Air Lines received Station of the Month, two months in a row.

American Airlines received an “A” report card.

Thanked staff for their dedication and performance.

Item I-3 Construction Projects Update by Mr. Perley

Runway 9R/27L Rehab

Project is complete and ready for final payment.

All final closeout documents have been received and reviewed by the Engineer of Record and deemed acceptable.

Final closeout was brought to the Board this month.

Ground Run-Up Enclosure (GRE)

Contract finalized with Atkins for the siting and criteria package.

Currently working on siting. Location on Master Plan does not work due to FAA restrictions.

Request for Proposal packages being prepared.

Current schedule to have criteria package on the streets by the middle to end of April.

Proposals will be due in May. Award of the project is expected at the May board meeting.

Replacement of Passenger Boarding Bridges 7 & 4

A Request for Bids has been issued.

Bids are expected at the end of April and will be brought to the Board in May for approval.

Once approved, staff will forward the results to the FAA and FDOT for funding.

Funding not expected until August with a project start date in September.

Obstruction Removal and Lighting

C&S Companies under their continuing services contract has been retained to prepare the criteria bid package for the obstruction removal and lighting.

This work was identified on our current approved Master Plan.

Documents should be completed by mid-April and on the street for bids.

Bids are expected mid-May and will be brought to the Board in May for approval.

Once approved, staff will forward the results to the FAA and FDOT for funding.

Funding not expected until August with a project start date in September.

Perimeter Patrol Roads

AVCON under its continuing services contract has been retained to design and construct the perimeter roads.

This project is in our JACIP (Joint Automated Capital Improvement Program) for last year to be funded by both the FAA and FDOT with a total estimated cost of just over \$1 million.

In our last team meeting with both groups, we were informed that our patrol road improvements did not qualify for grant funding.

Our operations team, in discussing the project with local site contractors, came up with a unique alternative to get the project completed.

Millings we have from the runway project will be used to reconstruct the perimeter roads.

This will use about 1/3 of the total millings we have.

The rest we will use as payment to the contractor for constructing the roads.

This use of material will reduce the overall out of pocket costs for the project (design and construction) to be reduced to under \$200,000.

We have already been given approval from the FAA for this use of our millings of which they thought this was a very innovative project idea.

Staff has met with AVCON and reviewed all the patrol roads.

Drawings are being prepared at this time.

Once complete, it will bid the project out to site and paving contractors.

Bids are expected by June and should be brought to the Board then.

Taxiway "S" Improvements, Phase 1

Currently our JACIP has the Taxiway "S" slated for 2026.

Right now there is a need for improvements to the taxiway for the current tenants (Apex, Envoy).

Staff is currently working with Airport Engineering Company to determine the best feasibility for the project which will be divided into 2 two phases (current needs and future needs).

A cost estimate has been prepared to determine each phase's costs and the overall costs (\$3M & \$5M.)

We are looking at this project now as there may be a potential for unused FDOT available that we may be able to acquire.

Item I-4 ATCT Project Update by Dr. Byers

Staff has received an update from FAA and based on their schedule, plan to switch to the new tower October 16, 2019. Install team will be arriving August 1 to begin process.

This is based on them acquiring FTI lines from Harris. Staff has been in contact with Harris and is ready to go and should not affect the schedule.

Tower contractor, Walbridge has been notified so the final mobilization to the site is coordinated with the switch-over.

Following the commissioning of the new tower, demolition of the old tower to follow with a 60-90 day process.

Close out of the reimbursable agreement to follow.

Mr. Donovan continued to explain the FAA has presented a Tower Operating Agreement which has included a zero lease expense. Zero lease expense means that the airport would be required to pay for utilities, preventative maintenance, and janitorial services. These expenses would be approximately \$3,000 to \$4,000 a month. Currently the FAA is paying for all of these expenses in the old tower. Discussion between Mr. Donovan, the FAA

Administrator and high levels at the Department of Transportation have been conducted regarding the zero lease expense. Mr. Donovan will be meeting with the regional administrator to work out all the details.

Item I-5 Business Development Update by Mr. Busalacchi

Collaboration

Mr. Busalacchi explained that the president of STS contacted him just prior to the 737 Max 8 grounding. He asked if the airport could assist with the handing of 26 of these planes. After discussion with operations team, the airport determined it could park approximately 20 aircraft at a cost of \$100 a day per plane.

Site Selector

Active discussions are being held with a site selector and a new company to build its headquarters at MLB. This request is for 138 acres of land both aeronautical and non-aeronautical use and could bring approximately 700 new jobs for the airport. MLB is one of the leading airports considered for this project.

Public Speakers

(None)

In Closing

Chairman Ryals congratulated Cliff Graham and Patrick Mac Carthaigh on their C.M. certifications.

Mr. Bird asked to address the board, as a matter of record, desiring advice on the current pending litigation involving the Greater Orlando Airport Authority. A closed session is required to discuss settlement and cost of litigation.

The meeting was suspended at 10:23 a.m. and then to reconvene in one hour after closed session has concluded.

The meeting was reconvened and then adjourned by Chairman Ryals.

PREPARED BY:

Tammy Till
Executive Assistant

SUBMITTED BY:

Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:

Jack L. Ryals, Chairman



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

April 24, 2019 at 8:30 AM

Orlando Melbourne International Airport Board Room

Pledge of Allegiance

Airport Announcements

Action Items

Approval of the minutes of the March 27, 2019 meeting in the Orlando Melbourne International Airport Board Room.

Item A-1 Recommendation to approve a contract with KONE, Inc., for Elevator and Escalator Preventative Maintenance, Repairs, and Emergency Entrapment Services.

The Authority has contracted with Schindler Elevator Corporation for these services for more than 14 years. The current contract has been on a month-to-month basis for several years. Staff researched options for a new contract and found these services available via Cooperative Purchasing Contracts. Staff invited three elevator/escalator companies (KONE, Schindler, and ThyssenKrupp) to examine the equipment in order to provide pricing specific to the Authority's equipment and hourly labor rates (these rates are not published on the Cooperative Purchasing Contract websites).

Staff reviewed the final pricing and following discussions with company representatives, determined KONE, Inc., as providing the best value to the Authority. Contract includes:

- One-year Base Period (beginning May 1, 2019) with three, one-year options
- All state required testing, documentation filing and filing fees
- Monthly price fixed for first 3 years (year 4 increases by 3.25 percent)
- Monthly billing without convenience fees
- Asset Management Planning
- KONE online (Maintenance Dashboard) automatic email notifications
- Option to add 24/7 Connected Services and Wireless Phone Monitoring (eliminate landline costs for phone)

Preventative Maintenance costs are as follows:

Cost per month (years 1-3) is \$1,777.33

Cost per year (years 1-3) is \$21,327.96

Three-year cost is \$63,983.88

Fourth Year cost is \$22,021.12

Total Contract cost is \$86,005

Call-out rates are as follows (30 percent less than current or other proposed rates):

Company	Labor Category	Regular Hourly Labor Rate(s)	Overtime Rate(s)	Sunday/Holiday Rate(s)
KONE	Licensed Mechanic	\$ 179.08	\$ 304.43	\$ 358.15
	Mechanic Helper	\$ 153.40	\$ 260.79	\$ 306.81
	Adjuster	\$ 194.20	\$ 330.14	\$ 388.41

Staff recommends approval of the Contract with KONE, Inc., and authorization for the Executive Director to execute said Contract on behalf of the Authority.

Item A-2 Approval of a First Amendment to lease with Storage Partners – Melbourne, FL LLC (Storage Partners).

This amendment is to add 5.5 acres of property to the Storage Partners' lease. Storage Partners owns and operates the StoreSmart Storage facility on Apollo Boulevard. This additional property will be used for boat and recreational vehicle storage.

The salient points of the amendment are as follows:

- **Acresage:** The expansion parcel is 5.5 acres, with the original parcel being 9 acres, for a total of 14.5 acres.
- **Base Rent:** The Fair Market Value for the expansion parcel was appraised with a 12 percent rate of return per year at \$0.28 per square foot, however staff negotiated a price of \$0.32 per square foot.
- From May 1, 2019 - October 31, 2020 the annual base rent for the expansion parcel will be \$19,164.00, which is 25 percent of the full base rent.
- From November 1, 2020 – October 31, 2021 the annual base rent for the expansion parcel will be \$38,328.00, which is 50 percent of the full base rent.
- From November 1, 2021 and until the next CPI increase (August 2022), the annual base rent for the expansion parcel will be \$76,656.00, which is 100 percent of the base rent.
- The current annual base rent on the original parcel is \$136,329.72.
- **Term of Lease:** As a result of the of the projected capital improvement value of \$2,000,000, the base lease term will be returned to its original 30-year term by adding back the 14 years that have passed since the commencement of the original lease term. There are also 4, five-year option periods that remain from the original lease.

- **Return:** The rent to be collected over the 30-year term, including the original and expansion parcels, but not including scheduled CPI increases, is approximately \$6,217,096.

Staff recommends approval of the First Amendment to Lease with Storage Partners – Melbourne, FL LLC, and authorization for the Executive Director to execute said Amendment on behalf of the Authority.

Information Items

Item I-1 Financial Update

Item I-2 Operations Update

Item I-3 Construction Projects Update

Item I-4 ATCT Construction Project Update

Item I-5 Business Development Update

Public Speakers

Adjournment

Pursuant to 286.0105, Florida Statutes, the Airport hereby advises the public that if a person decides to appeal any decision made by the Airport Authority with respect to any matter considered at its meeting or hearing, he will need a record of the proceedings, and that for such purpose, affected persons may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Airport (723-6227) at least 48 hours prior to the meeting.

ORLANDO MELBOURNE INTERNATIONAL AIRPORT

Income Statement

February 28, 2019

	Year To Date Actual		\$ change	% change
	2/28/2019	2/28/2018		
Operating Revenue				
Airline Landing Fees	237,906	134,660	103,246	77%
Airline Service Fees	850,335	784,106	66,229	8%
Land & Bldg Lease Rents	3,414,953	3,412,757	2,196	0%
Terminal Rents	95,614	84,075	11,540	14%
Parking Lot Fees	758,990	697,719	61,271	9%
Car Rental Concessions	405,157	389,522	15,635	4%
Restaurant Concessions	54,063	42,223	11,840	28%
Mobile Home Park Rent	812,593	760,668	51,925	7%
T-Hangar Rentals	46,391	49,513	(3,123)	-6%
Operating Grant Revenue	32,087	6,400	25,687	401%
Other	116,192	134,174	(17,982)	-13%
Total Operating Revenues	6,824,281	6,495,816	328,465	5%
Operating Expense:				
Personnel Services	1,754,656	1,753,247	1,409	0%
Contract Services	2,104,933	1,796,634	308,299	17%
Police & Fire Services	483,024	478,308	4,716	1%
Maintenance and Operations	2,137,850	2,778,194	(640,344)	-23%
Other	-	85,426	(85,426)	-100%
Total Operating Expenses	6,480,463	6,891,810	(411,347)	-6%
Operating Income (Loss)	343,818	(395,994)	739,812	-187%
Non-Operating Revenue (Expense):				
Passenger Facility Charges	409,492	297,781	111,710	38%
Gain on Sale of Assets	4,248	8,169	(3,921)	-48%
Interest Income (Loss)	130,938	61,218	69,720	114%
Ad Valorem Tax Revenue	1,741,692	1,764,398	(22,705)	-1%
Ad Valorem Tax Expense	(1,753,743)	(1,803,219)	49,476	-3%
(Loss) on Disposal of Fixed Assets	-	-	0	#DIV/0!
Other	-	-	0	#DIV/0!
Total Non-Operating Revenue (Expense)	532,627	328,347	204,280	62%
Net Income (Loss) Before Depreciation*	876,445	(67,647)		

* Net Income before capital contributions and transfers

Melbourne International Airport
 Top 10 Operating Revenues
 2/28/2019

Rank	Description	YTD FY 2019	FY 19 % of Total Rev	YTD FY 2018	FY 18 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	1,786,142	26%	1,745,567	27%	40,575	2%
2	Commercial Business Center Rent	1,258,693	18%	1,255,666	19%	3,027	0%
3	Tropical Haven Revenue	805,558	12%	754,635	12%	50,923	7% A
4	Parking Revenue	758,990	11%	697,719	11%	61,271	9% B
5	Ground Handling Revenue	447,731	7%	426,932	7%	20,799	5% C
6	Car Rental Concession	405,157	6%	389,522	6%	15,635	4%
7	Terminal Rent-Airline	364,467	5%	339,350	5%	25,117	7%
8	Hangar Rent	309,758	5%	299,307	5%	10,451	3%
9	Landing Fees	237,906	3%	134,660	2%	103,246	77% D
10	Terminal Concessions	54,063	1%	38,323	1%	15,740	41% E
Total Top 10 Operating Revenue		6,428,465	94%	6,081,681	94%	346,784	
Other Operating Revenue		395,816	6%	414,135	6%	(18,319)	-4%
Total Operating Revenue		6,824,281	100%	6,495,816	100%	328,465	5%

A Increase is due to rate increase that went into effect on 10/1/18 coupled with the capital assessment that started on 1/1/19.

B Increase is due to increase in passenger activity.

C Increase is due to rate increase that went into effect 10/1/18.

D Increase is due to rate changes that went into effect 10/1/18 (25%) plus increase in size of aircraft serving MLB by American Airlines as well as increase in frequency by scheduled carriers. There has also been an increase in the airlines that are coming to MLB for maintenance (Ferry flights that arrive/depart without passengers).

E Increase is due to opening of Dunkin Donuts (It opened in mid Spring 2018).

Melbourne International Airport
 Top 10 Operating Expenses
 2/28/2019

Description	FY 2019		FY 19 %		FY 18 %		% change
	YTD	Operating Expense	YTD	Operating Expense	YTD	Operating Expense	
1 Personnel	1,754,656	27%	1,753,247	25%	1,409	0%	
2 Other Contract Services	1,417,637	22%	1,125,477	16%	292,160	26% A	
3 Marketing Incentives	567,585	9%	902,134	13%	(334,549)	-37% B	
4 Fire Services	469,179	7%	463,440	7%	5,739	1%	
5 Contractual Employee	299,024	5%	251,061	4%	47,963	19% C	
6 Risk Management	248,932	4%	208,283	3%	40,649	20% D	
7 Electric	209,151	3%	178,914	3%	30,237	17% E	
8 Consulting Fees	196,686	3%	211,159	3%	(14,473)	-7%	
9 Advertising and Marketing	118,709	2%	299,789	4%	(181,080)	-60% F	
10 Cable TV Service	112,172	2%	106,034	2%	6,138	6%	
Total Top 10 Operating Expense	5,393,731	83%	5,499,538	80%			
Other Operating Expense	1,086,732	17%	1,392,272	20%	(305,540)	-22%	
Total Operating Expense	6,480,463	100%	6,891,810	100%	(411,347)	-6%	

A Increase is due to improved cutoff/processing of invoices; In FY 19, 5 invoices were processed for major vendors compared to only 4 in FY 18 --Republic Parking for Parking management and Menzies for ground handling/passenger service agents

B Payment of the Advertising reimbursement--FY 19 consists of Porter which qualified for \$550,000 based on the ASIP. This is the full payout of the ASIP to Porter and the full payout of the FY 19 ASIP based on current air service levels.

C Increase is due to improved cutoff/processing of invoices, there were 27 invoices processed this year compared to 20 last year. There are also more contract employees in the terminal cost center needed to clean space such as the FIS which opened Summer 2018; The Accounting Department has employed more contract employees than in prior years.

D This is an internal charge from Risk and they charge 1/12 of the budgeted premium. The increase corresponds to the higher monthly charge due to new assets coming on line which is how these costs are allocated.

E Increase is due to improved cutoff/processing of invoices (last year represents 4 month of expense vs. 5 months in current year)

F Decrease is due to cost saving measures associated with goals of improving cash position that were approved as part of fy 19 budget.

ORLANDO MELBOURNE INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
February 28, 2019

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Operating Revenues:			
Airline Landing Fees	237,906	398,933	60%
Airline Service Fees	850,335	2,013,275	42%
Land & Bldg Lease Rents	3,414,953	7,993,940	43%
Terminal Rents	95,614	244,797	39%
Parking Lot Fees	758,990	1,850,040	41%
Car Rental Concessions	405,157	922,531	44%
Restaurant Concessions	54,063	109,998	49%
Mobile Home Park Rent	812,593	2,041,072	40%
T-Hangar Rentals	46,391	115,766	40%
Operating Grant Revenue	32,087	73,200	44%
Other	116,192	459,313	25%
Total Operating Revenues	6,824,281	16,222,865	42%
Operating Expense:			
Personnel Services	1,754,656	5,503,387	32%
Contract Services	2,104,933	5,152,994	41%
Police & Fire Services	483,024	1,132,365	43%
Maintenance and Operations	2,137,850	5,324,939	40%
Other	-	-	#DIV/0!
Total Operating Expenses	6,480,463	17,113,685	38%
Operating Income (Loss)	343,818	(890,820)	-39%
Non-Operating Revenue (Expense):			
Passenger Facility Charges	409,492	1,084,430	38%
Gain on Sale of Assets	4,248	-	#DIV/0!
Interest Income (Loss)	130,938	171,509	76%
Ad Valorem Tax Revenue	1,741,692	1,943,582	90%
Ad Valorem Tax Expense	(1,753,743)	(1,943,582)	90%
(Loss) on Disposal of Fixed Assets	-	-	#DIV/0!
Other*	-	(60,000)	0%
Total Non-Operating Revenue (Expense)	532,627	1,195,939	
Net Income (Loss) before			
Depreciation, Transfers, and Capital Contributions	876,445	305,119	
Depreciation Expense	-	-	
Intra Transfer to Airport Capital	-	(2,406,146)	0%
Net Income (Loss) After Transfers	876,445	(2,101,027)	


*Other Consists of Interest Expense

	March-19	April-19	May-19	June-19	July-19	August-19	September-19	October-19	November-19	December-19
Melbourne Airport Cash Flow Projection 4/12/2019										
Beginning Cash Balance	\$ 15,663,926	\$ 15,440,558	\$ 15,529,391	\$ 15,538,279	\$ 15,583,404	\$ 15,540,683	\$ 15,561,176	\$ 15,562,686	\$ 15,564,195	\$ 15,565,705
Operating										
Revenue	1,334,199	1,441,070	1,566,455	1,397,362	1,362,517	1,372,730	1,353,747	1,353,747	1,353,747	1,353,747
Less: Prepaid Rent Recorded as Deferred Revenue	(7,659)	(7,659)	(7,659)	(7,659)	(7,659)	(7,659)	(7,659)	(7,659)	(7,659)	(7,659)
Less: Deferred Rent (Embreaer Leases-10 year deferral)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)
Expenses										
Liability Insurance					(53,000)					
Vehicle Lease Payments					(410,659)	(410,659)	(410,659)	(410,659)	(410,659)	(410,659)
Personnel	(615,988)	(410,659)	(615,988)	(410,659)	(410,659)	(410,659)	(410,659)	(410,659)	(410,659)	(410,659)
Operating	(741,483)	(741,483)	(741,483)	(741,483)	(741,483)	(741,483)	(741,483)	(741,483)	(741,483)	(741,483)
ASIP Incentive-Porter Advertising Reimbursement	-	-	-	-	-	-	-	-	-	-
City Allocations	(179,733)	(179,733)	(179,733)	(179,733)	(179,733)	(179,733)	(179,733)	(179,733)	(179,733)	(179,733)
Net Increase (Decrease) in Operating Cash	(223,368)	88,833	8,888	45,125	(42,720)	20,493	1,510	1,510	1,510	1,510
Ending Balance From Operations	\$ 15,440,558	\$ 15,529,391	\$ 15,538,279	\$ 15,583,404	\$ 15,540,683	\$ 15,561,176	\$ 15,562,686	\$ 15,564,195	\$ 15,565,705	\$ 15,567,215
Capital										
Total Cost										
Project Expenditures										
Obstruction Removal and Lighting					(150,000)	(400,000)	(447,409)			
Rehab Term-ph. 1.3 PBB 7 Replacement						(100,000)	(150,000)	(650,000)	(500,000)	(64,958)
Rehab Terminal-phase 1.4-1.6-deferred										
ATCT Tower Equipment Relo										
ATCT Tower Demo										
Rehab Utilities-Airfield Facilities										(237,000)
Ground Run Up Enclosure Facility										
Security System-phase 1										
Terminal Transformation										
ATCT Construction (FDOT)										
MRO Hangar										
R/W 9R/27L Rehab										
FIS Phase II										
Complete										
Capital Maintenance/Major R&M										
Total Capital Outlay										
Grant Revenue										
FAA ENTITLEMENT Grant - Obstruction Removal										
FDOT Grant-OBSTRUCTION REMOVAL										
FAA ENTITLEMENT Grant - PBB 7										
FDOT Grant-PBB 7										
FAA Grant 46 Tower Demo										
FDOT Grant-ATCT Demo										
FDOT Grant-ATCT Equip Relo										
FDOT Grant ATCT Construction										
FAA Grant 44- R/W 9R/27L Construction										
FDEO-Rehab Utilities										
FDEO Grant-Ground Run up										
Total Grant Revenue										
PPC Collections (Reimbursement of Eligible Costs)	100,839	102,347	106,263	84,337	89,663	98,432	88,306	95,293	100,365	77,399
Net Increase (Decrease) in Cash From Capital	100,839	(842,603)	336,081	(15,663)	(550,337)	(1,568)	(229,694)	(10,207)	(31,035)	12,441
Beginning Cash/Investments	15,663,926	15,541,397	14,787,627	15,132,597	15,162,058	14,569,001	14,587,925	14,359,741	14,351,043	14,321,518
Ending Cash/Investments	15,541,397	14,787,627	15,132,597	15,162,058	14,569,001	14,587,925	14,359,741	14,351,043	14,321,518	14,335,469

**Orlando Melbourne International Airport
Police Department
Monthly Activity Report
March 2019**

Police Activity	
TSA Required Checks	
Response to Door & Gate Alarms	221
TSA Assists	3
Perimeter	122
Door inspections	6
SIDA & Secure Area Inspections	256
Gate Inspections	4
Customs Assists / Weapons Check	2
Security Violations	7
Assist to Other Agencies	12
Aircraft Alerts	3
Arrests	1
*Other Incident Reports	363
Total	1000
Traffic / Parking Citations	13
Administrative Action	
Security Badges Issued	130
Parking Permits Issued	18
Total	148




Renee Purden
Chief of Police

* Other incident reports may include: Citizen Assists, Officer Stand By, Suspicious Incidents, Vehicle Crash Reports, Disturbance

*Airshow: MAPD primary agency

03/02/19 Case #19-045 –Subject attempted to enter AOA with an expired badge, security violation issued.

03/11/19 Case #19-058- Subject allowed a non-badged person to enter lot#2 without proper authorization. Security violation issued to both parties.

03/14/19 Case #19-063 Subject failed to properly escort someone in the AOA area, security violation issued.

03/27/19 Case # 19-083 Subject attempted to enter N377V gate with an expired badge, security violation issued

03/29/19 Case # 19-087 Subject attempted to enter the kitchen area with an expired badge, security violation issued.

Arrest

03/23/19 case# 19-0 Criminal Traffic UTC DWLS w/ Knowledge NTA /court date issued.

Project Status Update Report: April 2019

Air Traffic Control Tower:

Description: This project is a new air traffic control tower to replace the existing tower. Once complete, the existing tower will be demolished.

Designer: AEC/CTBXaviation

Contractor/CM: Walbridge

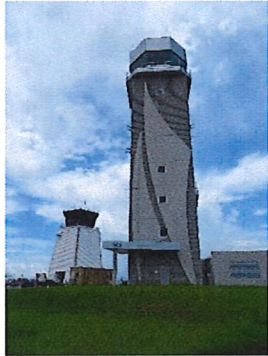
Construction Costs: \$5,895,724 (Anticipated increase of \$1,200,000 for FAA Reimbursable agreement and old tower demo)

Award Date: December 6, 2016

Completion Date: FAA move-in date: October 2019, (Final completion & tower demo: December 2019)

Status: FAA has begun work in the tower. The FTI lines from Harris have been installed and are ready for termination by the FAA.

Photos:



Ground Run-Up Enclosure:

Description: This facility is an enclosure to allow tenants to perform maximum power engine run-ups with little or no noise impact to the surrounding community. A siting study is to be performed for best location of the Ground Run-Up Enclosure (GRE) before the design and construction can begin. The location will be at or near the area designated on the Master Plan.

Designer: Atkins (Siting and Criteria Package Only)

Design/Builder: TBD

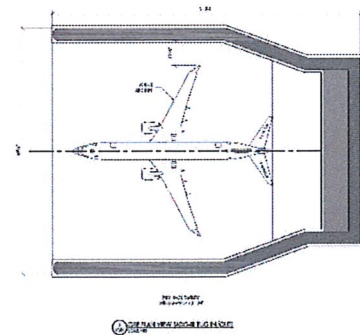
Total Project Costs: \$4,000,000 (100% Grant funded by the Florida Department of Economic Opportunity)

Award Date: May 2019

Completion Date: April 2020

Status: Siting of the GRE is underway. Several locations have been identified and are currently under review for environmental and tenant impacts. The Engineer is looking to the FAA for a variance for one of the preferred locations. Environmental assessments are currently underway.

Photos:



Passenger Boarding Bridges 7 and 4 Replacement:

Description: The Melbourne Airport Authority has begun replacing the Passenger Boarding Bridges (PBB's) with PBB #1 in 2015 and PBB #2 in 2017. This year, 2 bridges will be replaced – PBB #7 and PBB #4. Sea coast conditions have accelerated the deterioration of the PBB's causing replacement earlier than their 15 year life expectancy. FAA has accepted the accelerated deterioration and is funding 95% of their replacement. Replacement is being determined based on criteria which ranks the next PBB for replacement.

Designer: TBD

Design/Builder: TBD

Total Project Costs: \$2,669,094 (90% FAA, 5% FDOT, .5% MAA)

Award Date: May 2019

Completion Date: December 2019

Status: Project is out to bid with the major PBB manufacturer's requesting the bid documents. Bids are due April 30. This project will be brought to the Board in May for approval. Once approved, Staff will forward the results to the FAA for funding.

Photos:



Obstruction Removal and Lighting:

Description: Runway obstructions have been identified in the FAA 139 inspections. These obstructions consist mostly of trees and vegetation from Runway Protection Zones, Object Free Areas, and 7:1 Transitional Zones of RW 9L/27R, RW 9R/27L & RW 5/23. Project includes approximately ± 154 acres of vegetation, miscellaneous trees, and 15-20 L-810 obstruction lights. Operations has performed a majority of the vegetative clearing for this past year's inspection on RW 9R-27L. Obstruction lighting will be placed on buildings within the airport property as identified in the approved Master Plan.

Designer: C&S

Contractor: TBD

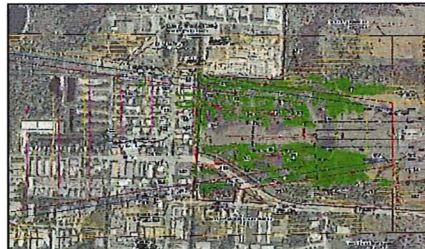
Total Project Costs: \$997,409 (90% FAA, 5% FDOT, 5% MAA)

Award Date: May 2019

Completion Date: December 2019

Status: Project is out to bid with several local contractors requesting the bid documents. Bids are Due May 14 and will be brought to the Board in May for approval. Once approved, Staff will forward the results to the FAA for funding.

Photos:



Perimeter Patrol Road Refurbishment:

Description: The perimeter patrol road around the airport was constructed in 1996. It consists of asphalt milling laid over un-compacted ground. Since then, only additional millings have been added to fill the pot-holes on the road. With the millings the airport now possesses from the refurbishment of the three runways, there is ample material to refurbish the patrol road. Only about one third of the millings on site will be required to complete the road refurbishment. The remaining millings will be used as partial payment for the road reducing the overall cost of the project. As this project falls within the guidelines of the CCNA of the Florida Statutes, one of our continuing service contract consultants will be responsible for the entire project from design through completion.

Designer: AVCON

Contractor: AVCON

Total Project Costs: \$125,000

Award Date: June 2019

Completion Date: October 2019

Status: Staff is currently working with the Engineer to finalize the criteria for the perimeter road which will be used to solicit bids from qualified site contractors.

Photos:



Taxiway "S" Improvements – Phase 1:

Description: The current Taxiway "S" is the old WWII runway and has never been refurbished since the airport was turned over to the City of Melbourne. Currently the taxiway serves tenants along South Apollo Blvd with the potential for expansion of tenants. At the end of the taxiway is the compass calibration used by many of the airport tenants. The existing pavement is of inadequate strength and is in poor condition. New pavement will be of adequate strength and width to accommodate ADG V / TDG 5 aircraft. Phase 2 of the project will extend to taxiway to accommodate ADG III / TDG 4 aircraft and will provide a new compass calibration pad.

Designer: AEC

Contractor: TBD

Total Project Costs: \$3,400,000 (Phase 1)

Award Date: October 2019

Completion Date: December 2020

Status: Staff continues to work with AEC to determine the best feasibility for the project and to determine overall costs. Staff looking into potential funding sources for this project.

Photos:

