

MELBOURNE AIRPORT AUTHORITY BOARD  
Minutes for September 25, 2019 Board Meeting  
Airport Board Room

At which were present: Mr. Jack L. Ryals, Chairman  
Mayor Kathy Meehan, Vice Chairman  
The Honorable Debbie Thomas, Vice Mayor  
The Honorable Tim Thomas, Councilmember  
Mr. William C. Potter, Member (via phone)  
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**

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

- MLB hosted over 150 public safety officials and over 200 National Guard members during Hurricane Dorian.
- Bahamas Relief Operations continues at MLB. Mr. Thomas added specifics about the missions and thanked airport staff for all their help.
- MLB host Space Coast Women in Defense with tour of the airport.
- Mr. Hector Mendez retires after 21 years of service at MLB.

**Action Items**

**Item A-1 Recommendation to Approve Melbourne Airport Authority Purchasing Manual Revision 13.**

Mr. Donovan explained that Item A-1 is regarding the Airport's Purchasing Manual. The manual has undergone 12 administrative revisions since its inception, the last in January 2015. Ms. Karen Schlottach addressed the board with a brief presentation regarding purchasing thresholds and change orders and ended with a summary of revisions.

Mr. Mikuen asked if the \$35,000 limit is a statute. Ms. Schlottach confirmed it is a statute. He also asked how this purchasing manual was developed, what was the process, how would staff be trained, and how will this information go out to vendors. Ms. Schlottach stated she reviewed several other airports' purchasing manuals and combined some portions of other airports' manuals with the current City of Melbourne manual. She stated staff will be trained on the new pieces and this manual will be available on the website for all vendors and the public to view.

Mr. Mikuen asked to have a rewrite of some terminology, including the Authority 'shall' ratify, to include 'the Chair or the Vice-Chair to approve', then 'to the full board for approval'. She agreed to a rewrite of terminology.

Mr. Potter asked (via phone) that "Demandstar" be explained in the glossary. Also on page 59, 10.5b speaks to selection committees 'shall be comprised of airport employees'. In the past the airport has used authority members as part of the selection committee. He would like that to be revised to include authority members. Another suggestion he made was on page 71, Real Estate titled under the name of the Authority, but most is titled in the name of the City. Mr. Donovan stated he agrees and those changes will be made and will be re-worded.

Staff recommends approval of Item A-1. Motion was made by Mr. Mikuen to approve Melbourne Airport Authority Purchasing Manual Revision 13, seconded by Mayor Meehan/Ms. Thomas. Motion passed unanimously.

**Item A-2 Approval of a Lease Agreement for Unit 1 Aerospace Center with STS Repair and Modification, LLC.**

Mr. Donovan explained that Item A-2 is regarding a temporary lease with STS Repair and Modification, LLC. This lease would include a base term of three years with eight, three-year option periods. The option periods align with the length of STS's current hangar and Unit 6 leases. Base rent is \$5.00 per square foot per year, which is \$198,000 annually and a Common Area Maintenance (CAM) charge is \$1.50 per square foot per year, which is \$59,400 annually. CPI adjustments will occur upon the exercise of an option period with a minimum of 2 percent and a maximum of 5 percent per year. STS will be responsible for all the taxes and fees associated with the lease.

This lease will generate revenues of approximately \$772,200 over the original three (3) year term, not including CPI adjustments.

Staff recommends approval of Item A-2. Motion was made by Mr. Thomas to approve a Lease Agreement for Unit 1 Aerospace Center with STS Repair and Modifications, LLC, seconded by Ms. Thomas. Motion passed unanimously.

**Item A-3 Approval of an Option to Exchange Premises, Option to Lease, and Right of First Refusal with STS Repair and Modification, LLC.**

Mr. Donovan explained that Item A-3 is related to A-2. This allows STS to exchange its Unit 1 facility with Units 3, 4, and 5 if those units should become available. STS will have 30 days from the Notice of Vacancy to exercise its option. If STS should exercise its option, then an appraisal will be conducted to determine the rental rate of the units. If STS does not exercise its option within a 30-day period, it will have a six-month Right of First Refusal on those units. This gives STS a clear path forward to have the resources to bid on projects and to have the space to complete such projects. It also gives STS the security, the option to exchange, to lease, and option for first refusal.

Mr. Fischer asked to explain the unit division. Mr. Busalacchi stated that STS would have to package the units, not divide them.

Staff recommends approval of Item A-3. Motion was made by Mr. Thomas to approve an Option to Exchange Premises, Option to Lease, and Right of First Refusal with STS Repair and Modification, LLC, seconded by Mr. Fischer. Motion passed unanimously.

**Item A-4 Approval of a Right of First Refusal with "Project Peregrine II".**

Mr. Donovan stated that representatives for "Project Peregrine II" have requested that the airport provide a 45-day Right of First Refusal on the parcel of property in which "Project Peregrine II" is interested in leasing. This will assist this company to continue to evaluate the airport as a possible landlord.

Mr. Potter asked if 45 days is sufficient. Mr. Donovan stated this is the time period that the company had requested.

Staff recommends approval of Item A-4. Motion was made seconded by Mayor Meehan to approve a Right of First Refusal with "Project Peregrine II", seconded by Ms. Thomas. Motion passed unanimously.

**Item A-5 Recommendation to Approve a Lease with the Department of the Air Force for the Advance Lightning Detection Site.**

Mr. Donovan explained that Item A-5 is a renewal for a weather device to continue to be on airport property. Terms of this lease is a base term of one year with four, one-year options as a no cost lease.

Mr. Mikuen asked with the current development, would it be better to relocate this device elsewhere on the airport. Mr. Donovan stated this land is inside airspace around safety areas of the runway and is not suitable for development.

Staff recommends approval of Item A-5. Motion made by Ms. Thomas to approve the Lease with the Department of the Air Force for the Advance Lightning Detection Site, and authorization for the Executive Director to execute such Lease on behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

**Item A-6 Recommendation to Approve Resolution 5a-19 Florida Department of Transportation Grant for the Obstruction Removal and Markings Project.**

Mr. Donovan stated that item A-6 is a grant from Florida Department of Transportation (FDOT) for an additional \$31,383.79 toward the overall cost for the Obstruction Removal project. This is an increase in grant moneys and a decrease in airport's costs.

Staff recommends approval of Item A-6. Motion was made by Ms. Thomas to approve Resolution 05a-19 (which supersedes Resolution 05-19) Florida Department of Transportation's portion of the grant for the Obstruction Removal and Markings Project and authorization for the Chairman to execute said resolution on behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

**Item A-7 Recommendation for acceptance of a \$550,000 Other Transaction Agreement (OTA) from the Federal Aviation Administration (FAA) for related Air Traffic Control Tower expenses.**

Mr. Donovan explained that Item A-7 is an agreement with the Federal Aviation Administration (FAA) for related Air Traffic Control Tower expenses. FAA agreements do not allow reimbursement for utilities, operating expenses, HVAC, landscaping, etc. These funds will be a single lump sum payment to the airport in the amount of \$550,000 and will be received by the end of the federal fiscal year. These funds would be equally applied over the next 10 years to the ATCT section of the airfield cost center budget.

Mr. Mikuen stated this is a good result.

Mr. Potter asked if the dollar amount was negotiable. Mr. Donovan stated this was determined by the FAA and no other options are available.

Staff recommends approval of Item A-7. A motion was made by Mr. Fischer to accept a \$550,000 Other Transaction Agreement from the Federal Aviation Administration for related Air Traffic Control Tower expenses and acceptance of payment from the FAA and authorization for the Executive Director to execute such Memorandum of Agreement on behalf of the Authority, seconded by Mr. Thomas. Motion passed unanimously.

**Informational Items**

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

**Revenue and Expense Highlights**

Landing fees are up due to rate increase.

Operating revenue up.

Investment income increase.

Operating expenses down.

Contract Services increased.

Contractual Employees increased due to temporary employees in finance.

Advertising and Marketing is down by over \$100,000.

Cost Allocation Plan has been completed, \$200,000 lower costs and credit of \$387,000.

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

**Hurricane Dorian**

The airport initiated its hurricane plan.

Worked with tenants to prepare for the storm.

All airport departments were represented and worked together.

Communications with daily email update before, during and after the storm was very well received.

Communications also through social media by Mr. Rob Himler.

Fortunately, no impacts from this storm, but it was an opportunity for the entire airport to exercise the hurricane plan.

### **Airfield Driving Pilot Program**

Airport Operations has historically provided escorts to tenants needing to drive on the movement areas of the airfield.

Airport has a proven record of safety related to driving with very low number of runway incursions and surface incidents.

Escort procedures might not be the most effective and efficient. As a result, we have developed the Airfield Driving Pilot Program in partnership with Apex Aviation.

This (6) six month program provides procedures and training allowing airport tenants to drive on specific movement areas of the airfield unescorted.

Mr. Patrick Mac Carthaigh was involved with the development of the project and Ms. Stephanie Betts will be managing the project.

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

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

The proposed location for the GRE that was originally rejected by the FAA is back up for review.

It has requested an update of our Airport Layout Plan (ALP) to continue its review.

To run concurrent with the FAA's re-review of Site #5, staff has directed the consultant to continue looking at another potential site east of Taxiway "Q" and between the runways.

Environmental is currently reviewing the site.

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

Funding from FDOT has been received.

Kick-off meeting held and schedule is being worked out.

Design has begun and a site visit is schedule by the end of the month.

Project duration is 210 calendar days. Bridge installations should occur in March/April and be complete by the end of May.

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

Funding from the FAA has been received.

With approval of the revised resolution for FDOT, funding should be available within two weeks.

Contractor is ready to begin upon receiving notice.

#### **Perimeter Patrol Roads**

Project ready to start in October.

Project should take about three months to complete.

#### **St. Michaels Monument Sign**

The monument sign is installed.

Waiting on FPL to install their meter.

Project will close out next month.

#### **Tropical Haven Road Repairs**

Contractor to start the last week of September.

Residents have been notified.

Base rock to be installed in all areas before asphalt is laid.

Project should complete in five weeks.

**Northrop Grumman Building 219 Roof Replacement**

Out to bid in November.  
Back for Board approval.

**Air Traffic Control Tower by Dr. Byers**

Tower will open 6 a.m. on October 15.

Our tower contractor, Walbridge is aware of the schedule and will re-mobilize within two weeks of the cut-over to begin its work.

Once the new tower is fully operational, it will be another 8 to 10 weeks to finish the project with site-work and tower demo.

Closeout expected by the end of January 2020.

**Item I-5 Business Development and Marketing Update by Mr. Busalacchi**

**Melbourne Regional Chamber Retreat**

This event was attended by staff, great event.

Panel of business leaders including Mr. Donovan, and Gary Spulak, President of Embraer Aircraft Holding.

**Visit to FDOT**

Grant funds discussed for potential projects at MLB.

Moving forward with these discussions.

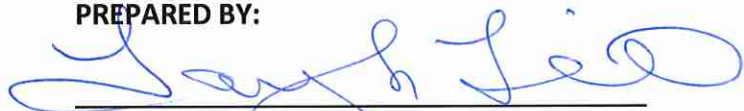
**Public Speakers**

None

**In Closing**

The meeting was adjourned by Chairman Ryals at 9:43 a.m.

**PREPARED BY:**



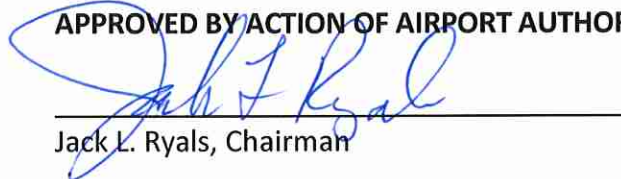
Tammy Till, Board Secretary

**SUBMITTED BY:**



Greg Donovan, A.A.E.  
Executive Director

**APPROVED BY ACTION OF AIRPORT AUTHORITY:**



Jack L. Ryals, Chairman