



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes February 22, 2023, Board Meeting
Airport Board Room

In attendance: Mr. William C. Potter, Chairman
The Honorable Tim Thomas, Vice Chairman, Councilmember
The Honorable Paul Alfrey, Mayor
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., ACE, 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

Absent: Ms. Renee Purden, Chief of Police/Director of Public Safety

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

Save the date for the Jack L. Ryals Welcome Center Dedication Ceremony - March 10, 2023
Congratulations to the new Assistant Director of Operations & Maintenance – Stephanie Betts
Welcome to new Marking Intern – Sindiso Mafico
Passenger Activity Report through January totaling 40,276 passengers, increase of 17.2% from previous year.
Sun Country Inaugural Flight on February 3, 2023 was a success.
Terminal Renovation and Expansion Project Event, January 25, 2023, video presentation.
Capital Improvements Workshop will be on April 26, 2023, following board meeting.
MLB Job Fair will take place on February 28, 2023, at 11:00 a.m., location will be in the VIP Lounge.

Executive Director's Recognition of Excellence Award

Congratulations to Kayla Krause, Finance Accountant on receiving this month's award.

Action Items

Approval of the January 25, 2023, board meeting minutes. A motion was made by Mayor Alfrey for approval of the minutes, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-1 Recommendation to Approve a Use and Lease Agreement with Sun Country, Inc.

Mr. Donovan explained Sun Country began operating Minneapolis-St. Paul International Airport (MSP) service in to Melbourne Orlando International Airport February 3, 2023. MSP service will continue through April 28, 2023. The Use and Lease Agreement is a standard agreement the airport has with all carriers and will allow Sun Country the flexibility to fly seasonally.

Mr. Peoples commented that the airport is supplying up to \$25,000 in marketing assistance incentives and inquired if the airport asked TDC to see if they can match the incentive.

Mr. Donovan explained that the airport has worked with the TDC team, and their incentives are separate from ours.

A motion was made by Mr. LaRusso to Approve a Use and Lease Agreement with Sun Country, Inc., seconded by Mr. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Approve a Change Order to Southern Fire Protection for the Remaining Fire Sprinkler System within the Existing Terminal in an Amount Not-To-Exceed \$956,590.00.

Mr. Donovan explained that with the new terminal expansion, the airport has a responsibility and is required by the City of Melbourne to install fire sprinklers in portions of the terminal that has never had them. The airport agreed with the city to complete the remaining fire sprinkler work in phases over the next three years in order to receive a Certificate of Occupancy (CO) for the Terminal Renovation and Expansion Project. The Airport has applied for a grant that would be used for the upgrades to the fire sprinkler system and anticipates having a response from Federal Aviation Administration (FAA) by the end of February.

Mr. Donovan explained awarding this change order to Southern Fire allows them to purchase material ahead of time and have on hand. No work will not be started, and funds will not be expended, until the grant has been awarded and approved by the MAA Board and is fully executed.

Mr. Fischer stated that this work may commence at a later time. Mr. Fischer asked if the price is fixed or is there a means of adjustment. Mr. Perley stated there would be a means of adjustment after ninety days. Mr. Fischer asked if the price had been negotiated. Mr. Perley stated yes.

Mr. Fischer asked is the contract is directly with the sprinkler contractor and not through the general contractor. Mr. Perley stated yes, the contract is directly with the sprinkler contractor.

Mr. Perley explained there will be additional work for the full scope of the project. This change order is strictly for the fire sprinklers to satisfy the City's requirement. The additional work requires repairs of the ceilings, light fixtures, air conditional ductwork. Mr. Fischer asked if this additional work be handled through our continuing contracts and will come back to the board for approval. Mr. Donovan stated yes it would be brought to the board for approval.

Mr. Mikuen asked if the grant for the fire sprinkler covers just the fire sprinkler or the extra work as well. Mr. Donovan explained that the grant would cover not only the fire sprinkler but also the extra work mentioned by Mr. Perley.

Mr. Fischer asked if the contractor could start work with their signed and sealed engineered drawings. Mr. Perley explained that the contractor submitted their paperwork to the city including this scope of work and they have acquired their permit.

Mr. Potter asked if the board is going to approve a change order contingent upon receiving funding or withhold before executing the change order. Mr. Donovan stated he would ask the board for approval contingent upon receiving funding. The staff will be authorized to process the change order internally but will hold until the grant to fund the work is fully executed.

A motion was made by Mr. Fischer to approve a change order to Southern Fire Protection contingent upon receiving funding for the remaining Fire Sprinkler System within the Existing Terminal in an amount Not-To-Exceed \$956,590.00, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-3 Recommendation to Approve a five-year extension to the Master Consulting Agreement with Airport Engineering Company (AEC).

Mr. Donovan explained this will be the second five-year extension to the Master Consulting Agreement the board approved in March 2018. Mr. Pendleton has been providing work at MLB for over 30 years and has a depth of knowledge of the airport and staff continues to consult with AEC on many airport capital improvement projects and tenant-related issues.

Mr. Peoples asked what the average annual cost of Airport Engineering Company for services is and if it's included in the budget. Mr. Donovan stated that there are funds in the operating budget and in our construction improvements budget set aside for these services. Mr. Perley stated the cost for this past year expenditures was approximately \$200,000.

A motion was made by Mr. Peoples to approve a five-year extension to the Master Consulting Agreement with Airport Engineering Company, seconded by Mr. Thomas. Motion passed unanimously.

Information Items

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

Mr. O'Dell presented the financial report as of December 31, 2022.

Mr. Fischer stated that the Airport ambassador services increased due to the construction delays of the terminal. Mr. Fischer asked if this cost possibly be recovered from the contractor when closing of the contract. Mr. Donovan stated there are several additional increased costs due to construction delays and how much of these costs are recoverable are yet to be determined.

Mr. LaRusso stated the city budgets for specific contractual employees and asked if the airports unable to find the appropriate employees to fill these positions. Mr. O'Dell explained the airport has had success in using contractual employee services and the cost is managed in the budget.

Mr. Potter stated that the restaurant concession fees are down considerably from budget. Mr. Potter asked if the Airport is making sure that Metz is stable, and asked about trends that indicate they will get to a profitability point. Mr. O'Dell explained that the concessions are now open. Once TUI flights begin, it will increase their revenue. The airport had two FAA grants for concession relief that directly benefited Metz.

Item I-2 Operations Update by Mr. Graham

Regional Intermodal Connections Committee

Mr. Graham explained the Space Coast Transportation Planning Organization (TPO) developed the Regional Intermodal Connections Committee (RICC) made up of local leaders and transportation specialists. The goal of the committee is to advocate and prepare for an intermodal station associated with the Brightline project on the Space Coast. The Airport is in full support of this effort and Mr. Graham is currently the Airport's representative.

Brightline Update in Brevard County

Mr. Graham explained there are over 50 plus railroad crossings that have been improved throughout Brevard County roads and bridges. The high speed testing has commenced up to 110 miles per hour on the new rail and has gone very well. Project completion is expected in 2023.

Ellis Road Update

Last year, the airport held a stakeholder meeting with the cities, county, Space Coast TPO and FDOT representatives to focus on the construction of Ellis Road. The FDOT District 5 Secretary, John Tyler, suggested forming a smaller group committee to focus on the construction of this project. The smaller group committee consists of FDOT, Brevard County, and Space Coast TPO representatives. The goal of this committee is to align planning and to efficiently manage funding and construction of Ellis Road. FDOT is in the process of starting the Right of Way acquisition, using three appraisers to streamline the process. There are over 80 landowners in the 2 mile stretch of Ellis Road. The right-of-way acquisition should be certified and completed by October 2024.

Construction Funding

The cost of construction prices are increasing. At this time, there is \$30.7 million programmed for construction in FY 25/26, a combination of Brevard County, Space Coast TPO and FDOT funds. FDOT just completed a new construction estimate for the project at a cost of \$94 million dollars which leads to a \$62.8 million dollar shortfall. The Space Coast TPO has hired a consultant to pursue a federal Infrastructure for Rebuilding America (INFRA) Grant for the remaining balance. The Airport will participate in the process and assert our concerns and needs for the Ellis Road construction.

Mr. Thomas stated that Brightline had spoken with the school board about a public service information campaign to start alerting children and parents about the speed of these trains and asked if Mr. Graham has heard anything about this. Mr. Graham stated that he attended a meeting and Brightline was speaking about the efforts to making each crossing safe.

Mr. Donovan expressed thanks to Mr. Graham for attending these meetings on behalf of the Airport.

Mr. Mikuen asked about the airport's master plan having intermodal and asked if the intermodal still feasible on airport property at this stage. Mr. Graham responded yes. The Airport has not transferred too much land in that area along the railroad. Mr. Donovan stated the Airport acquired an additional thirty acres for a total amount of seventy eight acres. The Airport has a standing offer to Brightline to enter into discussions with some type of facility here.

Item I-3 Construction Projects Update by Mr. Perley

Terminal Renovation and Expansion

Contractor has notified the Airport that they have completed their punch list work.

Roofing and all related trim is now complete.

Installation of the new fire alarm in the renovation spaces continues with testing of the system.

Testing of the CCTV system is nearing completion.

Phase 2 of the VIP lounge in the old TSA Security Checkpoint area is complete and waiting on furniture.

Ticket counter renovations for the new airlines is complete.

Gate 9 Passenger Boarding Bridge

Design documents for Gate 9 are complete.

All demolition work is complete.

Building Department has issued a foundation permit for the project.

Foundations are ready to be poured as soon as concrete can be scheduled for delivery. The boarding bridge fabrication continues and is expected for delivery in mid-April. Delays in the building permit for Gate 9 are being addressed with the City as commitment of the fire sprinkler system for the remainder of the terminal must be in place before the permit on Gate 9 is issued. Completion of the project and first use of the bridge is set for May 5.

Northside Expansion

Delays in asphalt availability continues.

Special aggregate for the paving mix is now stuck in the Port of Nova Scotia and new material delivery is not expected for delivery for up to two months.

Looking at alternate asphalt plants and other mix designs to maintain schedule.

All other remaining work is complete with exception of grouting of old force main which must be coordinated with the City.

Shoulder stabilization nearing completion along GA Drive.

Contractor demobilizing all equipment and cleaning up lay down yard.

Final striping of the roadway will take place 30 days after asphalt is complete.

Anticipated substantial completion to be determined once availability of asphalt is verified.

Hurricane Damage Brief

FEMA did a review of the hurricane damages to the airport. The airport has received competitive bids for all the repairs required and this information has been sent to FEMA for review and approval. The work will consist of our (EFIS) exterior insulation finished system on the terminal. This work should begin in the next couple of weeks.

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

Mr. Busalacchi explained a tenant moved out of 1135 W. Nasa Boulevard and left their belongings behind. After several letters from our Attorney with no response, the Airport hired a contractor to clean out their offices. There are two other tenants in the building that are interested in leasing the vacated space and the airport will be working with them in the near future on lease options for this space.

The airport will be hosting the TUI executive team and media along with the Airport Authority Board at the Kennedy Space Center on April 30, 2023.

The on-airport hotel is scheduled to be operational and taking reservations in early May 2023.

Mr. LaRusso asked if the Board members can be provided with talking points for the TUI team. Mr. Busalacchi stated he will provide the Board with an information packet.

Mr. Peoples asked about the start date of service for Canada Jetlines. Mr. Donovan stated he received an article on Canada Jetlines regarding their operations services starting and shared a copy with the board members for their review. The Airport continues to work with Canada Jetlines for future services.

Mr. Alfrey stated after reading the article, he feels that Canada Jetlines is behind schedule and still wanting MLB as a destination.

Public Speaker

Ellen Pate a resident from Tropical Haven addressed the board about concerns at Tropical Haven.

Adjournment

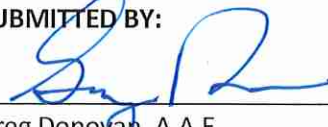
The meeting was adjourned by Chairman William Potter at 9:40a.m.

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