



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

December 4, 2019 at 8:30 AM

Orlando Melbourne International Airport Board Room

Pledge of Allegiance

Airport Announcements

Action Items

Approval of the minutes of the October 23, 2019 meetings in the Orlando Melbourne International Airport Board Room.

Item A-1 Selection of Two (2) At-Large Members to the Melbourne Airport Authority to serve a two-year term.

Item A-2 Appointment of Chairman and Vice Chairman to the Melbourne Airport Authority to serve the term January 2020 through December 2020.

Item A-3 Recommendation to Approve the Third Amendment to Lease with STS Repair and Modification, LLC.

STS Repair and Modification, LLC (STS) continues to expand its presence at the Airport. STS has entered into additional maintenance contracts with various airlines, therefore making it necessary to add a second hangar to its operation at MLB. This amendment is for the underlying ground lease for the expanded apron and hangar (Apron Property).

STS will be erecting what is known as a Rubb hangar, which is a hangar with a steel frame and fabric skin. While its useful life is less than a full metal hangar and it is moveable, it is considered a permanent structure and is hurricane rated. This type of hangar is used by many airlines, airports, and military organizations worldwide. Between the apron and hangar construction, STS expects to spend \$10 million in capital improvements.

The salient points of the Lease are as follows:

- Apron Property: 4.75 acres.
- Apron Property Term: Same as the underlying lease. However, this amendment would add two additional five-year option periods. The base term of the lease terminates on March 31, 2026, and with the additional option periods the lease could extend to March 31, 2056. These two additional option periods are necessary for financing purposes.
- Lease Rate: Base rent is \$0.45 per square foot per year, which is \$93,109.56 annually.
- Incentives:
 - Tenant will pay 25 percent of base rent for six months during the construction period, which equals an incentive of \$36,916.09.
 - Tenant will pay 50 percent of base rent for 24 months following the construction period, which equals an incentive of \$93,109.56.

- Total incentives equal \$128,025.65.
- Off-site Drainage Service Fee: \$13,966.44. This service fee is not included in the rent incentives.
- Rent Adjustments: CPI adjustments will occur in accordance with the lease.
- Insurance, Taxes and Fees: STS is responsible for all insurance, taxes and fees associated with the lease.
- Apron Property Construction Requirements: The Airport met with a consultant and created guidelines for apron and hangar floor construction so that they will be able to be used by any future airport tenants, without modifications by Airport. The Rubb hangar will include a deluge system.
- Rubb Hangar Removal: At the expiration of the lease, STS may remove the hangar or the Airport can request that STS remove the hangar. If the hangar is removed, STS is responsible for all costs including repairing any and all damage to the apron and/or hangar floor. Additionally, the Airport can require STS to bring the Apron Property back to its condition prior to the Third Amendment.
- Planeport Property: Originally this property had a lesser lease term of five years commencing on October 26, 2016 with one, five-year option. However, since STS continues to make upgrades to its Planeport, including the addition of back wall and hangar doors, essentially converting it to a hangar, the Planeport Property will be subject to the same base term and option periods of the underlying lease. Currently the annual base rent is \$17,430.

The lease of this Apron Property and the extension of the Planeport property will generate additional revenues of approximately \$525,232.11 over the remaining 75 months of the base term, including incentives, but excluding any scheduled CPI increases.

Staff recommends approval of the Third Amendment to Lease with STS Repair and Modifications, LLC, and authorization for the Executive Director to execute said Lease on the behalf of the Authority.

Item A-4 Recommendation to Approve a Second Amendment to Lease with The Ascendency Corporation.

This is for the property at 1421 General Aviation Drive, which was originally leased by Flight Line Aviation, assigned to Jim Jenson Trust (Satcom) and then later assigned to The Ascendency Corporation ("Ascendency"). Ascendency has requested an extension of the base term of the lease for financing purposes as it is building a third hangar on the leased property.

The original termination date of the Base Term is June 30, 2026, and the tenant has requested an additional 13 years extending the base term to June 30, 2039. All other terms and conditions of the lease remain, which include CPI adjustments every five years with a 15 percent cap over the five-year period. There are also two option periods of 10 years each, which could potentially take the lease out to June 30, 2059. If Ascendency fails to build the third hangar within 18 months this amendment will be rescinded and the termination date will revert to the original termination date.

Staff recommends approval of the Second Amendment to Lease with The Ascendency Corporation and authorization for the Executive Director to execute said amendment on behalf of Authority.

Item A-5 Recommendation to Approve a Second Amendment to Bulk Services Agreement and Right of Entry Agreement with Spectrum d/b/a Bright House Networks, LLC.

This is for the bulk cable services at Tropical Haven. The second amendment increases the number of channels available to residents, increases the number of set top boxes provided to residents from one to three, and brings back the resident community channel, with a slight decrease in the per unit price per month. The resident community channel is programmed with information from Tropical Haven such as upcoming activities.

The current price per unit per month is \$30.40 with a total community monthly cost of \$21,675.20 and an annual cost of \$260,102.40. This amendment will reduce the price per unit per month to \$30.23 with a total community monthly cost of \$21,553.99 and annual cost of \$258,647.88. The current agreement base term commenced on January 1, 2015 and terminates on December 31, 2024 with three one-year option periods and is not modified by this amendment.

Staff recommends approval of the Second Amendment to Bulk Services Agreement and Right of Entry Agreement with Spectrum d/b/a Bright House Networks, LLC, and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Item A-6 Recommendation to Approve a Task Order with AVCON, Inc., Under Its Continuing Services Contract, for the Design and Installation of Perimeter Patrol Roads in an Amount Not-to-Exceed \$125,000.

The existing perimeter patrol roads are in need of replacement. The road used for perimeter security was constructed by maintenance staff many years ago using leftover asphalt millings. Conditions of the road are poor at best in several locations. Grant money for this project is not available.

After the completion of the main runway, the millings from that project were stored on-site for future use. Through the advice of a local contractor, they recommended the airport improve the perimeter roads with the millings from the runway and use the remaining millings as payment. Staff has conferred with one of our airfield engineers that this was possible.

Staff has asked AVCON, under its continuing services contract for both airfield engineering and construction management, to provide a price for the complete design and installation of the perimeter road with the help of Airport Engineering Company and several local site contractors. The proposal of \$125,000 includes the design and engineering required for a new and improved (wider and thicker) perimeter road in most locations and the installation of the millings with the remaining being given to the installing site contractor at the end of the project as payment for the installation.

Staff recommends Approval of the Task Order to AVCON, Inc. in an amount not-to-exceed \$125,000 and authorization for the Executive Director to execute a Purchase Order on behalf of the Authority.

Item A-7 Recommendation to Approve a Task Order to Building Management Systems, Inc., Under Its Continuing Services Contract, for the Installation of a Roof Hugger System Over the Standing Seam Metal Roof of the Northrop Grumman 219 Building in an Amount Not-to-Exceed \$149,809.

The existing standing seam metal roof on the 219 Building currently leased by Northrop Grumman has had numerous repairs over the last several years. The last repair being a roof coating applied on top of the metal panels. Currently the roof is experiencing more leaks. With the sensitive nature of work being performed by Northrop Grumman in the building, removal of the roof to expose the inside of the building was not an option. Staff hired Building Management Systems, Inc., (BMS) under its continuing services contract to evaluate the conditions and offer a reasonable solution. The final report recommended a roof hugger system that is installed over the existing standing seam metal roof. Calculation by a licensed engineer confirmed that the weight of a roof hugger system over the existing roof would not affect the building structural integrity.

With the start of the new fiscal year, staff had been putting together a bid package for the roof hugger system. A call from Northrop Grumman indicated that the roof is leaking more and needs immediate attention. Since the cost of replacement falls below the threshold of the State Statutes for continuing services contracts, staff went back to BMS, Inc. to see if it would honor the proposal it recommended for a roof hugger system.

The proposal of \$149,809 includes verification of the engineering for the proposed system and the complete installation and warranty of that portion of the roof. BMS can begin work within two weeks from approval and notice to proceed.

Staff recommends approval of the Task Order to Building Management Systems, Inc. in an amount not-to-exceed \$149,809 and authorization for the Executive Director to execute a purchase order on behalf of the Authority.

Discussion Items

Item D-1 2020 MAA Board Meeting Calendar

Information Items

Item I-1 Financial Update

Item I-2 Operations Update

Item I-3 Construction Projects Update

Item I-4 Business Development and Marketing 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

September 30, 2019

	Year To Date Actual		\$ change	% change
	9/30/2019	9/30/2018		
Operating Revenue				
Airline Landing Fees	593,736	387,385	206,351	53%
Airline Service Fees	2,129,544	1,861,928	267,616	14%
Land & Bldg Lease Rents	8,240,806	8,120,959	119,848	1%
Terminal Rents	229,475	201,851	27,624	14%
Parking Lot Fees	1,831,567	1,795,497	36,070	2%
Car Rental Concessions	1,037,316	1,007,009	30,307	3%
Restaurant Concessions	138,240	114,282	23,958	21%
Mobile Home Park Rent	2,050,269	1,824,175	226,094	12%
T-Hangar Rentals	113,556	115,530	(1,975)	-2%
Operating Grant Revenue	66,300	69,940	(3,640)	-5%
Other	506,553	637,629	(131,076)	-21%
Total Operating Revenues	16,937,362	16,136,185	801,177	5%
Operating Expense:				
Personnel Services	4,999,941	4,946,750	53,191	1%
Contract Services	5,195,935	5,359,524	(163,589)	-3%
Police & Fire Services	1,074,166	1,113,716	(39,550)	-4%
Maintenance and Operations	4,298,479	5,292,520	(994,042)	-19%
Other	14,835	123,818	(108,983)	-88%
Total Operating Expenses	15,583,356	16,836,328	(1,252,972)	-7%
Operating Income (Loss)	1,354,006	(700,143)	2,054,149	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	1,002,531	795,188	207,343	26%
Customer Facility Charges	354,024	-	354,024	#DIV/0!
Gain on Sale of Assets	5,476	1,325,471	(1,319,995)	-100%
Interest Income (Loss)	421,765	111,491	310,274	278%
Ad Valorem Tax Revenue	1,741,692	1,764,398	(22,705)	-1%
Ad Valorem Tax Expense	(1,754,588)	(1,821,419)	66,831	-4%
(Loss) on Disposal of Fixed Assets	-	-	0	#DIV/0!
Interest Expense	(23,571)	(29,839)	6,268	-21%
Total Non-Operating Revenue (Expense)	1,747,329	2,145,290	(397,960)	
Net Income (Loss) Before Depreciation*	3,101,335	1,445,147		

* Net Income before capital contributions and transfers

Orlando Melbourne International Airport
Top 10 Operating Revenues
9/30/2019

Rank	Description	YTD FY 2019	FY 19 % of Total Rev	YTD FY 2018	FY 18 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	4,358,925	26%	4,178,903	26%	180,022	4%
2	Commercial Business Center Rent	3,010,048	18%	3,081,400	19%	(71,352)	-2%
3	Tropical Haven Revenue	2,033,731	12%	1,811,589	11%	222,142	12% A
4	Parking Revenue	1,831,567	11%	1,795,497	11%	36,070	2%
5	Car Rental Concession	1,037,316	6%	1,007,009	6%	30,307	3%
6	Ground Handling Revenue	1,028,588	6%	1,003,346	6%	25,242	3%
7	Terminal Rent-Airline	889,400	5%	827,605	5%	61,795	7%
8	Hangar Rent	708,025	4%	668,885	4%	39,140	6%
9	Landing Fees	593,736	4%	387,385	2%	206,351	53% B
10	Terminal Concessions	138,240	1%	114,282	1%	23,958	21%
Total Top 10 Operating Revenue		15,629,576	92%	14,875,901	92%	753,675	
Other Operating Revenue		1,307,786	8%	1,260,284	8%	47,502	4%
Total Operating Revenue		16,937,362	100%	16,136,185	100%	801,177	5%

A Increase is due to rate increase that went into effect on 10/1/18 coupled with the \$25 per lot capital assessment that started on 1/1/19 (\$159,975 of the increase is due to the capital assessment). The capital assessment will be charged through September 2019 so this revenue is expected to drop in FY 20.

B 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).

Orlando Melbourne International Airport
Top 10 Operating Expenses
9/30/2019

Description	YTD FY 2019	FY 19 % Operating Expense	YTD FY 2018	FY 18 % Operating Expense	\$ change	% change
1 Personnel	4,999,941	32%	4,955,522	29%	44,419	1%
2 Other Contract Services	3,288,806	21%	3,253,625	19%	35,181	1%
3 Fire Services	1,051,200	7%	1,087,484	6%	(36,284)	-3%
4 Contractual Employee	725,694	5%	762,577	5%	(36,883)	-5%
5 Marketing Incentives	567,585	4%	994,452	6%	(426,867)	-43% A
6 Electric	535,837	3%	537,520	3%	(1,683)	0%
7 Consulting Fees	509,828	3%	554,398	3%	(44,570)	-8% B
8 Outside Counsel Fees	328,302	2%	366,029	2%	(37,727)	-10%
9 Risk Management	319,424	2%	499,880	3%	(180,456)	-36% C
10 Advertising and Marketing	306,738	2%	500,750	3%	(194,012)	-39% D
Total Top 10 Operating Expense	12,633,355	81%	13,512,237	80%		
Other Operating Expense	2,950,001	19%	3,324,091	20%	(374,090)	-11%
Total Operating Expense	15,583,356	100%	16,836,328	100%	(1,252,972)	-7%

A Payment of the Advertising reimbursement--FY 19 consists of Porter which qualified for \$550,000 based on the ASIP. This represents the full payout of the ASIP to Porter Airlines. No other service qualified for the ASIP in FY 19.

B Decrease is due to non-recurring expenditures incurred in FY 18 for Executive Search Firm (\$22,000) and study on Indirect Cost Allocation Plan (\$9,000).

C Decrease due to revised cost allocation plan and the true up that was processed in FY 19.

D Decrease is due to cost saving measures associated with goals of improving cash position that were implemented during FY 19.

ORLANDO MELBOURNE INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
September 30, 2019

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Operating Revenues:			
Airline Landing Fees	593,736	398,933	149%
Airline Service Fees	2,129,544	2,013,275	106%
Land & Bldg Lease Rents	8,240,806	7,993,940	103%
Terminal Rents	229,475	244,797	94%
Parking Lot Fees	1,831,567	1,850,040	99%
Car Rental Concessions	1,037,316	922,531	112%
Restaurant Concessions	138,240	109,998	126%
Mobile Home Park Rent	2,050,269	2,043,592	100%
T-Hangar Rentals	113,556	115,766	98%
Operating Grant Revenue	66,300	73,200	91%
Other	506,553	459,313	110%
Total Operating Revenues	16,937,362	16,225,385	104%
Operating Expense:			
Personnel Services	4,999,941	5,419,743	92%
Contract Services	5,195,935	5,192,994	100%
Police & Fire Services	1,074,166	1,132,365	95%
Maintenance and Operations	4,298,479	5,341,151	80%
Other	14,835	-	#DIV/0!
Total Operating Expenses	15,583,356	17,086,253	91%
Operating Income (Loss)	1,354,006	(860,868)	
<u>Non-Operating Revenue (Expense):</u>			
Passenger Facility Charges	1,002,531	1,084,430	92%
Customer Facility Charges	354,024	-	#DIV/0!
Gain on Sale of Assets	5,476	-	#DIV/0!
Interest Income (Loss)	421,765	171,509	246%
Ad Valorem Tax Revenue	1,741,692	1,943,582	90%
Ad Valorem Tax Expense	(1,754,588)	(1,943,582)	90%
Gain (Loss) on Disposal of Fixed Assets	-	-	#DIV/0!
Interest Expense	(23,571)	(60,000)	39%
Total Non-Operating Revenue (Expense)	1,747,329	1,195,939	
Net Income (Loss) before			
Depreciation, Transfers, and Capital Contributions	3,101,335	335,071	
Depreciation Expense	-	-	
Intra Transfer to Airport Capital	(2,406,146)	(2,406,146)	100%
Net Income (Loss) After Transfers	695,189	(2,071,075)	

Orlando Melbourne Int'l Airport
Cash Flow Projection
10/31/2019

	October-19	November-19	December-19	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20
Beginning Cash Balance	\$ 18,691,431	\$ 18,877,726	\$ 17,048,815	\$ 17,048,329	\$ 19,039,001	\$ 18,194,816	\$ 17,923,758	\$ 18,325,169	\$ 18,252,770	\$ 18,327,070	\$ 17,728,607
Operating Revenue	1,408,266	1,408,266	1,408,266	3,371,284	1,408,266	1,408,266	1,408,266	1,408,266	1,408,266	1,408,266	1,408,266
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)	(7,659)
Less: Deferred Rent (Embraer Leases-10 year deferral)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)	(12,703)
Operating Expense:											
Liability Insurance										(49,500)	
Personnel	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)	(454,258)
Maintenance and Operations Expense	(904,203)	(2,920,846)	(904,203)	(904,203)	(904,203)	(904,203)	(904,203)	(904,203)	(904,203)	(904,203)	(904,203)
Net Increase (Decrease) in Cash Flow from Operations	29,443	(1,987,200)	29,443	1,992,461	29,443	29,443	29,443	29,443	29,443	(20,057)	29,443
Total Capital Outlay	-	(5,000)	(200,000)	(810,000)	(1,455,000)	(1,493,000)	(1,222,000)	(1,217,000)	(1,150,000)	(1,472,000)	(1,431,458)
Total Grant Revenue	-	-	-	651,000	427,000	998,000	1,432,900	950,000	1,053,250	750,000	893,000
PFC Collections (Reimbursement of Eligible Costs)	92,226	96,012	99,999	92,438	90,769	114,362	94,705	97,111	83,263	84,431	86,602
CFC Collections (Designated for Future Projects)	64,625	67,278	70,072	64,773	63,604	80,136	66,362	68,048	58,344	59,163	60,684
Net Increase (Decrease) in Cash From Capital	156,852	158,289	(29,929)	(1,789)	(873,628)	(300,502)	371,968	(101,842)	44,857	(578,406)	(391,172)
Beginning Cash/Investments	18,691,431	18,877,726	17,048,815	17,048,329	19,039,001	18,194,816	17,923,758	18,325,169	18,252,770	18,327,070	17,728,607
Ending Cash/Investments	18,877,726	17,048,815	17,048,329	19,039,001	18,194,816	17,923,758	18,325,169	18,252,770	18,327,070	17,728,607	17,366,877
	18,877,726	17,048,815	17,048,329	19,039,001	18,194,816	17,923,758	18,325,169	18,252,770	18,327,070	17,728,607	17,366,877
Enp	20,053	20,876	21,743	20,099	19,736	24,866	20,592	21,115	18,104	18,358	18,830
Monthly enplanemnt	8.3%	8.7%	9.0%	8.4%	8.2%	10.3%	8.6%	8.8%	7.5%	7.6%	7.8%

K:\USERS\MODEL\Financial\Cash flow\FY 20 Cash Flow Projection Updated 11

Ad Valorem Tax Paid (incl liab accts) **(1,963,018)** 1,963,018 Ad Valorem Tax net receipt
Ad Valorem Tax Pmt

Orlando Melbourne Int'l Airport
Cash Flow Projection
10/31/2019

Capital Project Expenditures	Proj #	Total Cost	Funding	October-19	November-19	December-19	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20
Obstruction Removal and Lighting	50218	1,225,000	E	-	(5,000)	(50,000)	(280,000)	(320,000)	(440,000)	(100,000)	(30,000)			
PBB 4 and 7 Replacement	50019	2,464,958	E			(100,000)	(150,000)	(500,000)	(450,000)	(400,000)	(300,000)	-	(100,000)	(264,958)
Rehab Terminal-phase 1.4-1.6	50119	3,039,600	D					-	-	(200,000)	(300,000)	(500,000)	(750,000)	(750,000)
ATCT Tower Equipment Relo	50118	1,023,130	D											
ATCT Tower Demo	55019	388,000	D				(80,000)	(100,000)	(58,000)					
Airfield Utilities-GA Dr. & SO Lift	51119	1,400,000	E											
Ground Run Up Enclosure Facility	50319	4,000,000	D			(50,000)	(150,000)	(300,000)	(400,000)	(450,000)	(500,000)	(428,000)	(450,000)	(400,000)
Security System-phase 1	50419	461,959	D											
Terminal Transformation	50519	34,000,000	D											
ATCT Construction (FDOT)	50215	300,000	D				(80,000)	(120,000)	(100,000)					
Airplane Deposit Facility	50619	70,000	C											
Taxiway S Improvements-Phase 1	50120	3,400,000	D											
Perimeter Road Rehab	50220	125,000	C				(35,000)	(80,000)	(10,000)					
PBB 5 Replacement	50320	1,669,094	D											
Roof Replacement-1250 Nasa Bldg 219	50420	150,000	C									(150,000)		
Aerospace Dr. Lift Station Replace	50520	85,000	C										(85,000)	
Tropical Haven Facility Improvements	50620	148,000	C							(37,000)	(37,000)	(37,000)	(37,000)	
Equipment Purchases		291,500	C				(35,000)	(35,000)	(35,000)	(35,000)	(50,000)	(35,000)	(50,000)	(16,500)
Total Capital Outlay				-	(5,000)	(200,000)	(810,000)	(1,455,000)	(1,493,000)	(1,222,000)	(1,217,000)	(1,150,000)	(1,472,000)	(1,431,458)
Grant Revenue														
FAA ENTITLEMENT Grant - Obstruction Removal							49,500	252,000	288,000	396,000	90,000	27,000		
FDOT Grant-OBSTRUCTION REMOVAL									-	-	-	61,250		
FAA Ent Grnt - PBB 4 & 7							90,000	135,000	450,000	405,000	360,000	270,000	-	90,000
FDOT Grant-PBB 4 & 7												95,000		
FAA Grant 46 Tower Demo										270,000				
FDOT Grant-ATCT Demo										11,900				
FDOT Grant-ATCT Equip Relo							511,500							
FDOT Grant ATCT Construction								40,000	60,000	50,000	-	-		
FDEO Grant-Ground Run up									200,000	300,000	400,000	450,000	500,000	428,000
FDOT-Terminal Rehab FY 20 request							-	-	-	-	100,000	150,000	250,000	375,000
Total Grant Revenue				-	-	-	651,000	427,000	998,000	1,432,900	950,000	1,053,250	750,000	893,000

* Note: The expenditure for this project was December 2018 (Tower equipment relocation paid to the FAA) but the 50% reimbursement from FDOT will be made once the final reconciliation from FAA is complete.

** Grant application submitted; grant not awarded yet. 50% grant

MLB

Performance Measures-Non Hub Airports

11/19/2019

	Melbourne, FL	ACI Non Hub Avg	Allentown	Baton Rouge	Fort Wayne
16.1 - Operating Statistics-Enplanements	244,458	303,013	398,926	401,558	381,139
U8 - Liquidity Ratio (current assets/current liabilities)	2.8	6.0	-	-	-
U9 - Unrestricted Cash Reserves (# days)	431	368	80	(149)	842
16.3 - Operating Statistics-Signatory landing fee rate	\$ 1.50	\$ 2.85	\$ 4.20	\$ 1.42	\$ 2.56
Terminal-food and beverage revenue	138,240		579,591	185,917	222,758
Terminal-food and beverage revenue/Enp	\$ 0.57	\$ 0.73	\$ 1.45	\$ 0.46	\$ 0.58
Rental car revenue-excludes customer facility charges	1,037,316		1,455,397	1,772,737	1,262,483
Rental car revenue/Enp	\$ 4.24	\$ 4.87	\$ 3.65	\$ 4.41	\$ 3.31
Parking and ground transportation revenue	1,831,567		5,134,713	3,636,567	4,169,850
Parking and ground transportation revenue/Enp	\$ 7.49	\$ 9.47	\$ 12.87	\$ 9.06	\$ 10.94
	x				
Expenses					
16.7 - Operating Statistics-Security and law enforcement costs	1,906,132		992,959	-	444,085
Security/Law Enforcement Cost/Enp	\$ 7.80	\$ 4.48	\$ 2.49	\$ -	\$ 1.17
16.8 - Operating Statistics-ARFF costs	\$ 1,158,188		816,917	3,330,685	753,737
ARFF Cost/Enp	\$ 4.74	\$ 5.58	\$ 2.05	\$ 8.29	\$ 1.98
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	874,323		513,456	468,358	688,537
Marketing/Advertising per Enp	\$ 3.58	\$ 1.67	\$ 1.29	\$ 1.17	\$ 1.81
DD1f - Total Debt Outstanding	-		55,414,024	1,075,417	2,850,000
Debt Outstanding/Enplanement	\$ -	\$ 53.78	\$ 138.91	\$ 2.68	\$ 7.48

MLB

Performance Measures-Non Hub Airports

11/19/2019

	Lansing	Monterey	San Luis Obispo	Tri-Cities
16.1 - Operating Statistics-Enplanements	178,919	190,056	369,972	200,518
U8 - Liquidity Ratio (current assets/current liabilities)	-	-	-	6.0
U9 - Unrestricted Cash Reserves (# days)	848	251	501	206
16.3 - Operating Statistics-Signatory landing fee rate	\$ 2.87	\$ 2.35	\$ 3.99	\$ 2.53
Terminal-food and beverage revenue	47,535	215,546	169,050	-
Terminal-food and beverage revenue/Enp	\$ 0.27	\$ 1.13	\$ 0.46	\$ -
Rental car revenue-excludes customer facility charges	845,904	1,584,843	1,730,152	1,003,119
Rental car revenue/Enp	\$ 4.73	\$ 8.34	\$ 4.68	\$ 5.00
Parking and ground transportation revenue	1,326,991	1,082,422	3,286,126	2,298,365
Parking and ground transportation revenue/Enp	\$ 7.42	\$ 5.70	\$ 8.88	\$ 11.46
Expenses				
16.7 - Operating Statistics-Security and law enforcement costs	742,358	1,322,149	2,026,143	1,330,196
Security/Law Enforcement Cost/Enp	\$ 4.15	\$ 6.96	\$ 5.48	\$ 6.63
16.8 - Operating Statistics-ARFF costs	607,383	2,102,400	2,477,226	-
ARFF Cost/Enp	\$ 3.39	\$ 11.06	\$ 6.70	\$ -
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	533,945	207,020	446,366	437,555
Marketing/Advertising per Enp	\$ 2.98	\$ 1.09	\$ 1.21	\$ 2.18
DD1f - Total Debt Outstanding	4,765,000	4,325,320	46,795,399	10,336,910
Debt Outstanding/Enplanement	\$ 26.63	\$ 22.76	\$ 126.48	\$ 51.55

MLB
Performance Measures-Small Hub
11/19/2019

	Melbourne, FL	ACI Small Hub Avg	Moody's Avg	Atlantic City	Albany, NY
16.1 - Operating Statistics-Enplanements	244,458	1,198,252		580,790	1,466,706
U8 - Liquidity Ratio (current assets/current liabilities)	2.8	6.3		-	5.1
U9 - Unrestricted Cash Reserves (# days)	431	600	589	161	311
16.3 - Operating Statistics-Signatory landing fee rate	1.50	2.34		1.55	2.92
REVENUE					
Terminal-food and beverage revenue	\$ 138,240			\$ 313,196	\$ 902,530
Terminal-food and beverage revenue/Enp	\$ 0.57	\$ 0.63		\$ 0.54	\$ 0.62
Rental car revenue-excludes customer facility charges	\$ 1,037,316			\$ 598,643	\$ 5,561,921
Rental car revenue/Enp	\$ 4.24	\$ 4.04		\$ 1.03	\$ 3.79
Parking and ground transportation revenue	\$ 1,831,567			\$ 6,719,784	\$ 15,721,089
Parking and ground transportation revenue/Enp	7.49	7.64		11.57	10.72
EXPENSE					
16.7 - Operating Statistics-Security and law enforcement costs	\$ 1,906,132			\$ 3,019,634	\$ 2,281,644
Security/Law Enforcement Cost/Enp	\$ 7.80	\$ 2.30		\$ 5.20	\$ 1.56
16.8 - Operating Statistics-ARFF costs	\$ 1,158,188			\$ 2,045,107	\$ 1,969,154
ARFF Cost/Enp	\$ 4.74	\$ 1.63		\$ 3.52	\$ 1.34
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	\$ 874,323			\$ 445,914	\$ 226,176
Marketing/Advertising per Enp	\$ 3.58	\$ 0.64		\$ 0.77	\$ 0.15
DD1f - Total Debt Outstanding	\$ -			\$ 96,613,320	\$ 90,489,000
Debt Outstanding/Enplanement	\$ -	\$ 54.46	\$ 56.50	\$ 166.35	\$ 61.70

MLB
Performance Measures-Small Hub
11/19/2019

	Asheville, NC	Des Moines, IA	Panama City, FL	El Paso, TX	Fresno, CA
16.1 - Operating Statistics-Enplanements	521,686	1,386,278	523,316	1,576,390	816,653
U8 - Liquidity Ratio (current assets/current liabilities)	6.0	-	4.4	1.4	5.0
U9 - Unrestricted Cash Reserves (# days)	897	1,087	699	215	533
16.3 - Operating Statistics-Signatory landing fee rate	1.69	2.95	5.04	1.80	3.18

REVENUE

Terminal-food and beverage revenue	\$ 242,615	\$ 1,724,687	\$ 324,764	\$ 1,452,923	\$ 276,336
Terminal-food and beverage revenue/Enp	\$ 0.47	\$ 1.24	\$ 0.62	\$ 0.92	\$ 0.34
Rental car revenue-excludes customer facility charges	\$ 2,654,614	\$ 3,897,064	\$ 2,499,019	\$ 4,721,545	\$ 4,091,008
Rental car revenue/Enp	\$ 5.09	\$ 2.81	\$ 4.78	\$ 3.00	\$ 5.01
Parking and ground transportation revenue	\$ 4,482,852	\$ 13,933,864	\$ 3,257,712	\$ 7,218,312	\$ 5,768,284
Parking and ground transportation revenue/Enp	8.59	10.05	6.23	4.58	7.06

EXPENSE

16.7 - Operating Statistics-Security and law enforcement costs	\$ 1,162,364	\$ 2,182,002	\$ 1,221,716	\$ 3,136,460	\$ 2,700,662
Security/Law Enforcement Cost/Enp	\$ 2.23	\$ 1.57	\$ 2.33	\$ 1.99	\$ 3.31
16.8 - Operating Statistics-ARFF costs	\$ 193,727	\$ 1,099,936	\$ 847,173	\$ 2,963,835	\$ 1,157,500
ARFF Cost/Enp	\$ 0.37	\$ 0.79	\$ 1.62	\$ 1.88	\$ 1.42
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	\$ 408,016	\$ 188,276	\$ 227,282	\$ 145,285	\$ 746,447
Marketing/Advertising per Enp	\$ 0.78	\$ 0.14	\$ 0.43	\$ 0.09	\$ 0.91
DD1f - Total Debt Outstanding	\$ 20,045,000	\$ 34,360,000	\$ 37,154,090	\$ 52,580,201	\$ 47,715,000
Debt Outstanding/Enplanement	\$ 38.42	\$ 24.79	\$ 71.00	\$ 33.35	\$ 58.43

MLB
Performance Measures-Small Hub
11/19/2019

	Spokane, WA	Greenville, SC	Huntsville, AL	Wichita, KS	Phoenix/Mesa, AZ
16.1 - Operating Statistics-Enplanements	1,998,949	1,108,429	545,263	832,831	720,032
U8 - Liquidity Ratio (current assets/current liabilities)	-	2.3	4.9	3.6	10.7
U9 - Unrestricted Cash Reserves (# days)	315	347	759	410	721
16.3 - Operating Statistics-Signatory landing fee rate	2.10	1.58	1.65	3.17	1.20

REVENUE

Terminal-food and beverage revenue	\$ 1,360,914	\$ 478,989	\$ 119,070	\$ 397,026	\$ 381,334
Terminal-food and beverage revenue/Enp	\$ 0.68	\$ 0.43	\$ 0.22	\$ 0.48	\$ 0.53
Rental car revenue-excludes customer facility charges	\$ 6,589,249	\$ 7,848,300	\$ 2,290,277	\$ 3,949,405	\$ 2,022,022
Rental car revenue/Enp	\$ 3.30	\$ 7.08	\$ 4.20	\$ 4.74	\$ 2.81
Parking and ground transportation revenue	\$ 13,257,078	\$ 12,384,403	\$ 6,889,042	\$ 7,739,433	\$ 3,112,249
Parking and ground transportation revenue/Enp	6.63	11.17	12.63	9.29	4.32

EXPENSE

16.7 - Operating Statistics-Security and law enforcement costs	\$ 1,894,475	\$ 1,404,547	\$ 492,557	\$ 4,512,889	\$ 488,294
Security/Law Enforcement Cost/Enp	\$ 0.95	\$ 1.27	\$ 0.90	\$ 5.42	\$ 0.68
16.8 - Operating Statistics-ARFF costs	\$ 1,855,183	\$ 1,384,443	\$ 1,477,656	\$ -	\$ 1,183,344
ARFF Cost/Enp	\$ 0.93	\$ 1.25	\$ 2.71	\$ -	\$ 1.64
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	\$ 1,309,853	\$ 926,853	\$ 784,327	\$ 558,160	\$ 174,800
Marketing/Advertising per Enp	\$ 0.66	\$ 0.84	\$ 1.44	\$ 0.67	\$ 0.24
DD1f - Total Debt Outstanding	\$ 5,042,888	\$ 8,814,369	\$ 29,681,777	\$ 140,971,919	\$ 29,623,113
Debt Outstanding/Enplanement	\$ 2.52	\$ 7.95	\$ 54.44	\$ 169.27	\$ 41.14

MLB

Performance Measures-Small Hub

11/19/2019

	Long Beach, CA	Little Rock, AR	Memphis, TN	Myrtle Beach, SC	Pensacola, FL
16.1 - Operating Statistics-Enplanements	2,006,292	1,069,349	2,150,535	1,215,241	951,751
U8 - Liquidity Ratio (current assets/current liabilities)	6.4	18.1	5.4	-	-
U9 - Unrestricted Cash Reserves (# days)	460	839	312	1,169	252
16.3 - Operating Statistics-Signatory landing fee rate	4.00	4.17	1.25	1.67	0.65
REVENUE					
Terminal-food and beverage revenue	\$ 2,170,581	\$ 712,728	\$ 1,144,000	\$ 597,710	\$ 674,740
Terminal-food and beverage revenue/Enp	\$ 1.08	\$ 0.67	\$ 0.53	\$ 0.49	\$ 0.71
Rental car revenue-excludes customer facility charges	\$ 3,237,202	\$ 4,405,703	\$ 9,667,000	\$ 4,474,020	\$ 4,385,803
Rental car revenue/Enp	\$ 1.61	\$ 4.12	\$ 4.50	\$ 3.68	\$ 4.61
Parking and ground transportation revenue	\$ 11,868,245	\$ 9,879,670	\$ 19,535,000	\$ 4,919,246	\$ 6,247,903
Parking and ground transportation revenue/Enp	5.92	9.24	9.08	4.05	6.56
EXPENSE					
16.7 - Operating Statistics-Security and law enforcement costs	\$ 8,462,486	\$ 2,008,460	\$ 9,397,000	\$ 1,075,283	\$ 957,593
Security/Law Enforcement Cost/Enp	\$ 4.22	\$ 1.88	\$ 4.37	\$ 0.88	\$ 1.01
16.8 - Operating Statistics-ARFF costs	\$ 5,418,392	\$ 1,510,163	\$ 3,668,000	\$ 1,186,399	\$ 815,686
ARFF Cost/Enp	\$ 2.70	\$ 1.41	\$ 1.71	\$ 0.98	\$ 0.86
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	\$ 613,044	\$ 246,796	\$ 736,000	\$ 1,680,171	\$ 526,355
Marketing/Advertising per Enp	\$ 0.31	\$ 0.23	\$ 0.34	\$ 1.38	\$ 0.55
DD1f - Total Debt Outstanding	\$ 104,850,000	\$ -	\$ 348,797,000	\$ 56,785,000	\$ 58,702,600
Debt Outstanding/Enplanement	\$ 52.26	\$ -	\$ 162.19	\$ 46.73	\$ 61.68

MLB
Performance Measures-Small Hub
11/19/2019

	Portland, ME	Reno, NV	Sarasota, FL	Tulsa, OK	Tucson, AZ
16.1 - Operating Statistics-Enplanements	970,649	2,064,968	642,486	1,430,909	1,782,050
U8 - Liquidity Ratio (current assets/current liabilities)	-	5.1	4.2	-	11.6
U9 - Unrestricted Cash Reserves (# days)	372	496	479	602	1,769
16.3 - Operating Statistics-Signatory landing fee rate	3.05	2.95	0.18	3.62	1.04

REVENUE

Terminal-food and beverage revenue	\$ 726,105	\$ 1,345,763	\$ 406,381	\$ 758,102	\$ 1,147,661
Terminal-food and beverage revenue/Enp	\$ 0.75	\$ 0.65	\$ 0.63	\$ 0.53	\$ 0.64
Rental car revenue-excludes customer facility charges	\$ 3,998,967	\$ 10,088,117	\$ 4,411,737	\$ 4,771,845	\$ 6,193,649
Rental car revenue/Enp	\$ 4.12	\$ 4.89	\$ 6.87	\$ 3.33	\$ 3.48
Parking and ground transportation revenue	\$ 7,039,830	\$ 12,009,701	\$ 3,667,556	\$ 9,883,977	\$ 8,306,828
Parking and ground transportation revenue/Enp	7.25	5.82	5.71	6.91	4.66

EXPENSE

16.7 - Operating Statistics-Security and law enforcement costs	\$ 2,433,704	\$ 4,965,177	\$ 1,545,444	\$ 303,631	\$ 5,734,578
Security/Law Enforcement Cost/Enp	\$ 2.51	\$ 2.40	\$ 2.41	\$ 0.21	\$ 3.22
16.8 - Operating Statistics-ARFF costs	\$ 2,182,842	\$ 2,978,367	\$ 1,372,901	\$ 1,811,659	\$ 3,698,156
ARFF Cost/Enp	\$ 2.25	\$ 1.44	\$ 2.14	\$ 1.27	\$ 2.08
16.10 - Operating Statistics-Marketing/ Advertising/Promotions	\$ 294,253	\$ 1,725,880	\$ 1,530,832	\$ 73,832	\$ 959,895
Marketing/Advertising per Enp	\$ 0.30	\$ 0.84	\$ 2.38	\$ 0.05	\$ 0.54
DD1f - Total Debt Outstanding	\$ 112,060,000	\$ 19,480,000	\$ -	\$ -	\$ 37,330,000
Debt Outstanding/Enplanement	\$ 115.45	\$ 9.43	\$ -	\$ -	\$ 20.95

**ORLANDO MELBOURNE INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
OCTOBER 2019**

	2019	2018	MO CHANGE (%)	2019 YTD	2018 YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	20,053	21,844	-8.2%	197,861	192,449	2.8%
Deplaned	19,868	21,867	-9.1%	193,469	186,810	3.6%
Total Revenue PAX - Domestic	39,921	43,711	-8.7%	391,330	379,259	3.2%
Revenue PAX - Int'l						
Enplaned	3	23	-87.0%	1,976	2,436	-18.9%
Deplaned	3	18	-83.3%	1,794	2,300	-22.0%
Total Revenue PAX - Int'l	6	41	-85.4%	3,770	4,736	-20.4%
Non-Revenue PAX						
Enplaned	714	1,148	-37.8%	7,977	9,142	-12.7%
Deplaned	673	1,125	-40.2%	8,240	9,288	-11.3%
Total Non-Revenue PAX	1,387	2,273	-39.0%	16,217	18,430	-12.0%
Total PASSENGERS	41,314	46,025	-10.2%	411,317	402,425	2.2%
CARGO Express/Freight/Sm Parcels (lbs)						
OUT	0	7,264	-100.0%	51,294	81,231	-36.9%
IN	0	1,661	-100.0%	14,257	30,088	-52.6%
Total CARGO (lbs)	0	8,925	-100.0%	65,551	111,319	-41.1%
Cargo in Metric Tons	0	4		30	50	
AIRCRAFT OPERATIONS						
Air Carrier	465	485	-4.1%	5,048	4,130	22.2%
Air Taxi	251	275	-8.7%	2,756	3,185	-13.5%
General Aviation - Itinerant	7,666	7,131	7.5%	67,486	54,839	23.1%
General Aviation - Local	4,412	4,762	-7.3%	35,915	32,335	11.1%
Military	66	46	43.5%	840	564	48.9%
Total OPERATIONS	12,860	12,699	1.3%	112,045	95,053	17.9%

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

Police Activity	
TSA Required Checks	
Response to Door & Gate Alarms	181
TSA Assists	3
Perimeter	111
Door inspections	7
SIDA & Secure Area Inspections	252
Gate Inspections	5
Customs Assists / Weapons Check	0
Security Violations	7
Assist to Other Agencies	13
Aircraft Alerts	2
Arrests	2
*Other Incident Reports	591
Traffic / Parking Citations/Warnings	7
Total	1,181
Administrative Action	
Security Badges Issued	217
Parking Permits Issued	12
Total	229



R 209

**Renee Purden
Chief of Police**

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

Arrest

Case 19-316 –Subject arrested and charged with concealed weapon with a permit. The subject was released from the scene with a Notice to Appear.

Case 19-332 - Subject arrested and charged with Petit theft. The subject was released from the scene with a Notice to Appear.

Aircraft alert:

19-298 Aircraft alert- Single engine plane landed safely on the runway. The alert was due to low engine pressure.

19-326 (pilot FIT student); plane ran out of fuel and landed on Old Nasa Blvd east bound on return flight from Okeechobee, FL. MFR 73 (Run# 15186) responded. No injuries.

Special Detail

Melbourne PD K9 training during daytime hours.

Security Violation:

10/03/19 Case #19-306 –subject tried to access the AOA with an expired badge.

10/03/19 Case # 19-307- subject tried to enter S151P door with an expired badge.

10/12/19 Case # 19-317- subject tried to enter N377V gate with an expired badge.

10/13/19 Case # 19-319- Employee did not secure cutlery per TSA requirements.

10/14/19 Case # 19-321- subject tried to enter the S151P door with an expired badge.

10/21/19 Case # 19-329 –subject did enter the SIDA area without badging the east card reader first.

10/28/19 Case # 19-333 –subject tried to enter the S120V gate with an expired badge.



MELBOURNE AIRPORT AUTHORITY BOARD

Melbourne Airport Authority Meeting Dates

2020 Meetings

January 22

February 26

March 25

April 22

May 27

June 24

July 22

August 26

September 23

October 28

(Proposed) November/December 2nd



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for October 23, 2019 Board Meeting
Airport Board Room

At which were present: Mr. Jack L. Ryals, Chairman
The Honorable Debbie Thomas, Vice Mayor
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

Excused: Mayor Kathy Meehan, Vice Chairman
The Honorable Tim Thomas, Councilmember

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan:

- New air traffic control tower is open.
- Mr. Bill Potter received the 2019 Gary R. Cunningham Distinguished Service Award for Economic Development from the Economic Development Commission.
- New finance department employee, Idalmis Vega, was introduced.
- MLB Police and Operations Department were thanked for airport property clean-up.
- Mr. Donovan was a guest speaker at Space Coast League of Cities monthly meeting.
- MLB staff travels to Tallahassee to visit with Senator Mayfield and other officials.
- Officer engagement with community, "Coffee with a Cop" at Tropical Haven.

Action Items

Approval of the minutes of the August 28, 2019 and (as corrected) September 25, 2019 meeting. A motion was made by Mr. Potter for approval of meeting minutes, seconded by Ms. Thomas. Motion passed unanimously.

Item A-1 Recommendation to Approve the Purchase of Two Vehicles for \$47,324 through the Florida Sheriff's Association State Contract Number FSA19VEL27.0 for the Airport Police Department.

Mr. Donovan stated that Item A-1 is in regard to purchasing two vehicles included in the FY 2020 budget. The two vehicles being replaced will be removed from service and auctioned. Funds from the auction will go into airport funds for future purchases.

Staff recommends approval of Item A-1. Motion was made by Mr. Potter to approve the purchase of two vehicles for \$47,324 through the Florida Sheriff's Association State Contract Number FSA19VEL27.0 for the Airport Police Department, seconded by Mr. Fischer. Motion passed unanimously.

Item A-2 Recommendation to Approve the Sole-Source Purchase of 12 L3Harris Corporation Two-Way Radios from Communications International for the Police Department for \$52,557.

Mr. Mikuen has signed and submitted Form 8B, Memorandum of Voting Conflict and has recused himself from voting on this matter.

Mr. Donovan explained that Item A-2 is to complete the purchase of the final 12 two-way radios that are necessary to comply with the U.S. Department of Homeland Security's Project 25 (P25). Communications International is the sole Public Safety and Professional Communications Channel Partner authorized to provide regional sales and service for L3Harris Corporation equipment. This is a critical element and tool for the police department.

Staff recommends approval of Item A-2. Motion was made by Mr. Potter to approve the sole-source purchase of 12 L3Harris Corporation two-way radios from Communications International for the Police Department for \$52,557, seconded by Ms. Thomas. Motion passed unanimously.

Item A-3 Recommendation to Approve a Single-Source Purchase Order with ABA-CON, INC., for Required Monthly, Quarterly, and Annual Avgas and Jet-A Fuel Tank Inspections, Cleaning, and Repairs.

Mr. Donovan explained that Item A-3 is in regard to the fuel farm and the required periodic checks and maintenance of the equipment. Staff solicited six companies in an attempt to secure the needed inspection, repair, and cleaning sources for Avgas and Jet-A fuel tank companies. As a result, ABA-CON is currently the only viable option for these services and requires a single-source purchase order.

Mr. Potter asked what is the term of the contract. Mr. Donovan stated it is for one year.

Staff recommends approval of Item A-3. Motion was made by Ms. Thomas to approve a single-source purchase order with ABA-CON, INC., for required monthly, quarterly, and annual Avgas and Jet-A fuel tank inspections, cleaning, and repairs, seconded by Mr. Potter. Motion passed unanimously.

Item A-4 Recommendation to Approve the Extension of a Consulting Agreement with Aeropandion.

Mr. Donovan explained that Item A-4 is for Mr. Bill Johnson's contract. He is an incredible asset to the airport. His background as an airport director within the state, and most recently as the director of the Florida Airports Council is invaluable. He works with the state agencies to obtain grants and understands the politics and lobbying. This is an annual "not-to-exceed" amount of \$42,995.

Staff recommends approval of Item A-4. Motion was made by Mr. Potter to approve the Extension of Consulting Agreement with Aeropandion, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-5 Recommendation to Approve a General Terms Agreement with Tango 2.

Mr. Donovan explained that Item A-5 is an opportunity with a company for new air service. Airport staff has been engaged in negotiations with this entity known as "Tango 2" since 2015. This project named, Tango 2, is being used to protect the company's anonymity.

Mr. Donovan explained that this company would like to make the announcement, should the board approve this item. As of last Wednesday, the company's board has signed the agreement. It does fall under economic development state statutes and is under a business level non-disclosure agreement (NDA). This decision involves tens of millions of dollars on its part and is a big leap-of-faith in our direction. Promises were made to increase our infrastructure and airfield environment. Around 100 million dollars has been spent over the last four years keeping this promise and there is still significant work ahead. If the board approves this agreement, service would commence in the spring of 2022. This is a seven (7) year agreement including the provisions of the existing Air Service Incentive Plan (ASIP). These provisions are the same for all companies and existing carriers, which is the airport's standard policy.

He continued to explain that the details listed under the marketing assistance item is an already approved policy. It entails significant amounts of waivers, including the per-turn charge. It includes marketing assistance for start-up, revenue sharing with duty free, and allowances for ground transportation. The ground transportation allowance rolls off after the first two years.

Mr. Donovan continued, stating MLB is a gateway to central Florida and with this agreement, MLB will be a major facilitator for international activity. In previous years, the airport has made improvements to the Federal Inspection Station (FIS), the airfield environment including runways and the tower. There are obstacles that still lie ahead of us, one being the terminal building. Mr. Donovan stated, as a reminder to the board, that the terminal reconstruction process is included in the master plan and in the Joint Improvement Plan (JCIP). The airport is at a crossroads where it would have to make normal improvements to this building, but with the approval of this agreement, it makes the terminal building a more urgent project.

Mr. Donovan explained that the airline industry itself has dealt this airport its biggest issues. Deregulation, consolidation, and bankruptcy are some of the industry issues and have been outside the airport's control. Small hub airports around the county have not had huge success with air service in recent years. MLB now has an opportunity to facility transportation to central Florida, not just Melbourne or Brevard County.

He continued to explain the risk that is involved and detailed current projects. There will be a major financial commitment to this project, but will not be risking or jeopardizing existing projects.

Mr. Donovan continued and thanked the board for being the oversight of this airport. If this agreement is approved, checks and balances will be put in place. This is a beginning of a long process over the next two years and the seven years beyond that. He continued stating that the airport has been debt free, but that is not the case with most airports. The level of debt that the airport can

carry is substantial and several financial scenarios have been discussed. There are many sources that will be explored with Airport Improvement Plan (AIP) funds, state funds, and other sources. He continued to explain that the pro forma and the Profit & Loss is based on actual operations.

Mr. Donovan thanked the staff on the long hours and behind the scenes work that has gone into this agreement. He continued stating that MLB will gain industry world-wide attention and reiterated that these improvements are not specific to Tango 2 but is for MLB in general. If the terminal building is improved, it positions the airport to accommodate a wide-range of activities. This new operation will include nine international destinations on wide-body aircrafts.

He continued explaining the details of the airport's significant reduction of expenses and increases in revenue, which is building the airport's reserves. The operating revenue is about \$16.7 million, the amount of airline revenue is only about \$2.3 million, total amount of revenue relating to airline activity is only 13.7 percent. Then adding concessions, parking and car rentals that number goes up to \$3 million for a total of 17.9 percent of airport revenue. He continued stating about 69 percent of the operating revenue comes from a different source than airline/passenger related services. The annual revenue from non-airline sources is about \$11.6 million, which will go up in the near future. These funds will be able to carry the airport through with this operation. He reminded the board that funds which are generated at the airport must be spent at the airport.

Mr. Donovan added that all of the analysis has not included the community impact. Nearly 200,000 will be arriving in the airport, spending money on rental vehicles, and eating at local restaurants. He concluded with hoping the board understands the importance of this opportunity. The airport council, Mr. Adam Bird has made sure this agreement allows for performance and consequences for both parties if the target is not met. Mr. Donovan stated this is a professional organization that has a proven track record and he is deeply honored to present this agreement to the board for a critical decision.

Mr. Chairman opened the floor for questions.

Mr. Mikuen began with he recognized the work that has gone into this agreement. He stated it is a measured risk and he will support this agreement, but with some reservations. Business is about the airfield here at this airport, but the biggest concern is regarding the capital and supports borrowing if it is the right thing to do and it has a return on capital and can service the debt. When staff does the designs, try to make it as modular as possible, to finish in phases. He requested that the board be updated with weekly or monthly meetings.

Mr. Donovan added Mr. Mikuen's concern. The types of improvements that will be done are universally wanted by airlines. The universal approach on infrastructure reaches all airlines.

Mr. Potter stated that there are pro formas and the assumptions are conservative, but basically are valid. One concern he has is for the capital requirements and agrees with Mr. Mikuen to have weekly or monthly updates. It always has been the theory that real estate revenue would support air service and it is appropriate to use that revenue to develop air service. But after this transaction Mr. Potter would like to revisit the marketing incentives in terms of the cash flow requirements. He continued to state that it is a risk, but it is a tolerable risk.

Mr. Fischer stated that the real estate revenues are substantial and sustainable and agrees that it will support moving forward with this agreement. He is in favor to move forward with this agreement. Another concern is the \$20 million for capital improvement, but feels it is a good investment if that also attracts other airlines. He also has a concern over the \$7 million committed toward design and implementation of the terminal and if that will need to be stopped due to Tango 2.

Mr. Donovan explained that the airport will be able to capitalize on what has been done so far, and continue with some slight alterations without losing any progress or wasting any funds.

Ms. Thomas supports this agreement and is very excited about it. The idea from this board is to move forward and to make bigger and better decisions. As this moves forward, she is thinking on how to capture these tourist dollars.

Chairman Ryals added that expending capital funds for one project may hinder the ability to expand in other areas, but he believes this particular project will increase demand for further development. He compared this project to what Embraer has accomplished here at MLB. He continued to address that the airport and the board has been looking at this project for four and half years and it has been very intense for the last few month. He complimented Mr. Donovan, Mr. Bird, Mr. Busalacchi and Mr. Dull for keeping the process moving forward and having this all come to fruition.

Staff recommends approval of Item A-5. Motion made by Mr. Potter to approve a General Terms Agreement with Tango 2, and authorization for the Executive Director to execute such lease on behalf of the Authority, seconded by Mr. Fischer. Motion passed unanimously.

Discussion Item

Item D-1 Combined November/December Board Meeting is scheduled for December 4, 2019.

Informational Items

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

Revenue and Expense Highlights

Revenues are up approximately \$920,000 (6%).

Tropical Haven revenue up due to the capital improvement assessment.

Traffic Report had some decline basically due to lower seat count with both Delta and American, but year-over-year numbers are up.

Operating expense down over \$1 million.

True-up of \$387,000 pushed through.

Electric up due to rate increase as well as 4 percent increase in usage.

Consulting fee down 8 percent.

Item I-2 Operations Update by Mr. Graham

Annual Wildlife Meeting

Public monthly meeting to be held on November 12 at 9 a.m. at MLB.

Purpose is to review and address MLB's specific wildlife hazards.

Gary Exner, FAA Certified Wildlife Biologist will facilitate the meeting. Any and all are invited to attend; airport management, airline representatives, airfield tenants, landside tenants, surrounding business.

Item I-3 Construction Projects Update by Mr. Perley

Ground Run-up Enclosure

FAA continues to review the updated Airport Layout Plan (ALP). Final documents for the siting study are ready to submit. FAA is coming to the Airport on 10/30/19 for a review at which time the formal submittal of the GRE for approval will be made.

Replacement of Passenger Boarding Bridges 7 & 4

Contract is fully executed.
Notice to Proceed has been issued.
Bonds and insurance are in place.
Initial meeting held for project kick-off.
Field survey by the Contractor of existing conditions has been completed.
Design is underway.
Bridges to be delivered in April 2020.

Obstruction Removal and Lighting

Funding from the FAA has been received.
FDOT has the executed revised resolution for funding.
New Grant agreement received and is ready for signature.
FDOT NTP should be within two weeks.
Contractor is ready to begin upon receiving notice.

Perimeter Patrol Roads

Project is currently out to bid.
Board approval of the award will be in the Nov/Dec Board meeting.
Project should take about three months to complete.

St. Michaels Monument Sign

The electric meter has been set and the monument sign is now complete.
Project will close out next month.

Tropical Haven Road Repairs

The Contractor has completed all the southern section of road repairs within the complex, including asphalt. North area base is being installed.
Paving should be completed within two weeks.
Project will close out next month.

Northrop Grumman Metal Roof Replacement

Bid package complete and ready for review.
Bid expected by the end of November.
Recommendation to Award will be brought to the next Board meeting for approval.

Air Traffic Control Tower

On October 16, 2019 at 6:00 AM, the new air traffic control tower became operational.

There is still some work to be completed in the tower and it is on-going.

A phase 2 kick-off meeting is schedule for the end of the month.

The contractor will continue with the Phase 2 parking and site work and will be completed in about 8 to 10 weeks. Tower demo will be completed during this time as well.

Closeout expected by the end of February 2020.

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

STS

New pavement next to MRO hangar.

A new Rubb Hangar project will begin shortly. This hangar, which is made of tension fabric, will be a permanent structure.

All financed by STS.

Lease agreement in the process, will be brought to the board for final approval.

Avidyne

Construction of a new hangar begins.

Will be completed within the next six months.

Public Speakers

None

In Closing

The meeting was adjourned by Chairman Ryals at 9:48 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