



MELBOURNE AIRPORT AUTHORITY BOARD MEETING
AGENDA

January 24, 2024, at 8:30 AM
Melbourne Orlando International Airport Board Room

Pledge of Allegiance

Airport Announcements

Executive Director's Recognition of Excellence Award

Action Items

Item A-1 Approval of the minutes for the December 4, 2023, Regularly Scheduled Board Meeting

Item A-2 Recommendation to Approve a Consent to Assignment of Lease from The Ascendancy Corporation to Falcon Aviation, LLC., and an Assignment of Lease from Falcon Aviation, LLC. to South Brevard Aviation, Inc.

Bob Bull, owner of The Ascendancy Corporation has requested a consent to the assignment of lease of a 1.5-acre parcel at 1421 General Aviation Drive as he is selling his three hangars to Falcon Aviation, LLC (Falcon). Falcon is owned by Larry Kimble, owner of South Brevard Aviation, Inc. (SBA), which currently has a lease and operation on the southside of the airport. Falcon then wishes to assign the lease to SBA. Staff along with outside counsel have reviewed the purchase and sale agreement and the assignment agreements. SBA is a tenant in good standing.

Staff recommends approval for the Consent to Assignment of Lease from The Ascendancy Corporation to Falcon Aviation, Inc. and the Consent to Assignment of Lease from Falcon Aviation, Inc. to South Brevard Aviation, Inc., and authorization for the Executive Director to execute said consent and other necessary documents on behalf of the Authority.

Item A-3 Recommendation to Approve a Third Amendment to Lease with South Brevard Aviation, Inc.

This amendment is for the same property in the item above. As part of the sale of the hangars, staff agreed to include allowing the new tenant, South Brevard Aviation, Inc. (SBA), to construct a fuel facility to be installed in accordance with all airport, local, state, and federal regulations. There is a yearly fee of \$1,200 for each fuel tank and fuel truck to cover Airport staff time required for inspections. A fuel flowage fee of \$0.07 will be charged per gallon of fuel dispensed. Also, SBA will only be able to use the fuel facility for its own purchased or leased aircraft and cannot dispense to other airfield users.

Staff has also taken this opportunity to update certain boilerplate articles so the lease better conforms to the current, standard lease.

Staff recommends approval of the Third Amendment to Lease with South Brevard Aviation, Inc. and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Item A-4 Recommendation to Approve a Lease Agreement for 4A Aerospace Center with STS Repair and Modification, LLC

STS Repair and Modification, LLC (STS) is leasing this unit for storage of aircraft parts such as aircraft seats as part of its modification, repair, and overhaul operation at the Airport.

The salient points of the lease are as follows:

- **Term**: Base term of one year with four one-year options.
- **Lease Rate**:
 - Base rent is \$5.50 per square foot per year, which is \$31,899.96 annually.
 - Common Area Maintenance (CAM) charge is \$1.00 per square foot per year, which is \$5,800 annually.
- **Rent and CAM Adjustments**: CPI adjustments will occur on the extension of each option period with a minimum of 2 percent and a maximum of 5 percent per year.
- **Taxes and Fees**: STS is responsible for all taxes and fees associated with the lease.
- **Maintenance**: Airport is responsible for the replacement of the HVAC system or any HVAC units, if necessary. It is also responsible for any exterior maintenance, roof repairs or replacement.

This lease will generate revenues of approximately \$37,699.96 over the original one-year term.

Staff recommends approval of the Lease Agreement for Unit 4A Aerospace Center Lease with STS Repair and Modification, LLC. and authorization for the Executive Director to execute said Lease on behalf of the Authority.

Item A-5 Recommendation to Approve a Second Amendment of the Purchase and Sale Agreement with Adelon Real Estate Manager, LLC

As the Lakoona Beach project with Adelon Real Estate Manager, LLC progresses, Airport staff continues to work with Adelon on revisions to the purchase and sale agreement related to the project in order to accommodate updates, changes, and other matters negotiated between the parties. To that end, Adelon and Airport staff have negotiated a Second Amendment to Commercial Contract Dated December 1, 2022, which makes the following changes to the transaction terms:

- Extension of the Due Diligence Period from 180 days from the First Amendment Effective Date to one (1) year from the Second Amendment Effective Date to provide additional time for the Federal Aviation Administration to complete its analysis of the Authority's request for a Deed of Release to proceed with the sale of the subject property to Adelon;
- Revision of the proposed use of the subject property by Adelon to permit a mixed-use development that may include short-term (i.e., terms not longer than six (6) months) furnished hotel rentals, extended-stay accommodations, and industrial and other commercial facilities (e.g. warehouse and storage facilities, retail, entertainment, and amusement facilities, including without limitation a public access 'Crystal Lagoons' water project);
- Reimbursement to Adelon by the Authority of up to \$250,000 for confirmed expenses in excess of \$200,000 incurred by Adelon in the removal and cleanup of the construction debris under the surface of the subject property, with the Authority's maximum out-of-pocket reimbursement being paid from the net sale proceeds into escrow at closing.

Staff recommends approval of the Second Amendment of the Purchase and Sale Agreement with Adelon Real Estate Manager, LLC and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Item A-6 Recommendation to Approve Melbourne Airport Authority Purchasing Manual Revision 14

The Melbourne Airport Authority established an airport specific Purchasing Manual through Resolution 2-94 in February 1994. The manual is periodically updated for accuracy and improvements. This revision is the 14th since its formation. Revision 14 addresses threshold increases, the single and sole source review processes, simplification and clarity of addressing vendor protests, and updates definitions and procedures throughout.

Staff recommends approval of the 14th revision of the Melbourne Airport Authority Purchasing Manual Revision 14.

Item A-7 Recommendation to Award a Contract to TK Elevator Corporation for the Replacement of the Escalator in the Federal Inspection Station in an Amount Not-To-Exceed \$543,525

The current escalator in the Federal Inspection Station (FIS) was installed in the early 1990s. While this escalator did not get much use during the early part of its life, it has seen significant use in the past two years. While this unit is under a maintenance contract, parts are no longer available, and the maintenance company will no longer be able to service the unit.

Bids were requested to replace the escalator and only two firms submitted quotes. TK Elevators was significantly lower, and staff reviewed the scope of work to verify that they had the full scope. Due to the lead time for escalators, it will take 38 weeks before the unit is delivered and installed. This was also quicker than the other quote of 42 weeks.

There is adequate budget for this project in the approved capital budget and it is being funded primarily with a Bipartisan Infrastructure Law discretionary grant. Total funding is as follows:

FAA	\$	489,173
FDOT	\$	27,176
MAA	\$	27,176
Total	\$	<u>543,525</u>

Staff recommends approval of the award of contract to TK Elevator Corporation for the replacement of the escalator in the Federal Inspection Station in an amount not to exceed \$543,525.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Item A-8 Recommendation to Award a Contract to Western Industrial Contractors, Inc. for the Refurbishment of the Domestic Bag Claim Belt in the Amount of \$441,311

The current domestic bag belt is part of the original equipment installed in the terminal in 1988. Portions of this bag belt system have been replaced over time. Due to its age, replacement parts are no longer available and the cost to maintain the system is no longer feasible.

Western Industrial Contractors installed the new bag belt behind TUI's ticket counters and the new slant plate belt system in the Federal Inspection Station (FIS). It currently provides maintenance for all the belts at the airport. It has provided a proposal for the refurbishment of the current domestic bag belt system that will replace all the old equipment and bring the system up to current standards.

There is adequate budget for this project in the approved capital budget and it is being funded primarily with a Bipartisan Infrastructure Law discretionary grant. Total funding is as follows:

FAA	\$	397,180
FDOT	\$	22,065
MAA	\$	22,066
Total	\$	441,311

Staff recommends approval of a Contract to Western Industrial Contractors, Inc. for the refurbishment of the domestic bag claim belt in the amount of \$441,311.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Item A-9 Recommendation to Approve a Purchase Order to Atlantic Electrical Systems for the Phase 1 Security Camera Replacement within the Existing Terminal in an Amount Not-To-Exceed \$232,000

As part of the existing terminal’s fire sprinkler system project, existing mechanical, electrical, plumbing (MEP), and low voltage systems (LVS) will be replaced or upgraded as necessary. This includes the fire alarm, public address system, security access system, and security cameras.

Many of the security cameras within the existing terminal are between five and nine years old. With the addition of the new cameras in the Terminal Expansion and Renovation project, many of them are creating connection issues with the existing servers that can’t record the required data specified by the different agencies.

In the Federal Inspection Station (FIS), Customs and Border Protection (CBP) requires servers to record 60 days of retention at 30 frames per second. The current servers in CBP can’t handle this data and must be upgraded.

A price to upgrade the servers was requested from the firm currently providing the new equipment within the new terminal area. The price received was based on state contracts.

As an alternative to upgrading just the servers where current cameras would need to be replaced within the next one to five years, staff reviewed an alternate security camera system that is currently being used at the airport in the Southwest Florida International Airport in Fort Myers and is currently in use with the Brevard County Public Schools, City of Melbourne, City of Melbourne Police Department and City of Palm Bay.

This new camera system is cloud based and meets all the requirements for Florida Department of Law Enforcement, Transportation Security Administration, and CBP. This system would eliminate the need for servers and provides cameras with more capability than what is currently used.

While the replacement of cameras within the FIS would have been in the third phase of the fire sprinkler and ceilings project, there is an opportunity to replace them now with the new system in lieu of replacement of the servers only where cameras would still need to be replaced within the next year. The cost of installing all new cameras and eliminating the servers would result in savings now, plus a significant savings of not having to replace the cameras later. The overall cost impact could be a savings of over \$250,000.

Atlantis Electrical Systems (AES), who is currently under contract for the fire alarm replacement in the existing terminal, would be the contractor for the camera work as it is a licensed installer of the Verkada camera system.

The scope of this project is included in the Terminal Upgrade-Fire Sprinkler Project and will be funded by the following sources:

FAA	\$	208,800
FDOT	\$	11,600
MAA	\$	11,600
Total	\$	232,000

Staff recommends approval of a Purchase Order to Atlantic Electrical Systems for the Phase 1 Security Camera Replacement within the existing terminal in an amount not to exceed \$232,000.00 and authorization for the Executive Director to execute said agreement on behalf of Authority.

Item A-10 Recommendation to Approve a Purchase Order Change Order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for the Construction Administration (CA) and Resident Project Representative (RPR) of the Mill and Overlay Rehabilitation of Taxiway “C” in an Amount Not-To-Exceed \$159,717

At the last Board meeting, a Purchase Order Change Order was approved to AVCON for the construction administrative services and Resident Project Representative in the amount of \$150,502 for the Taxiway “C” rehabilitation project. After the meeting, a clerical error was discovered, and the amount approved for services for Taxiway “C” should have been the amount for the Taxiway “M” project.

The additional amount for correcting the purchase order is available in the budget as this project is funded with a 100 percent grant from Florida Department of Economic Opportunity (FDEO).

Staff recommends approval of the approval of a purchase order change order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for the construction administration (CA) and Resident Project Representative (RPR) of the Mill and Overlay Rehabilitation of Taxiway “C” in an Amount Not-To-Exceed \$159,717.00 and authorization for the Executive Director to execute said purchase order change order on behalf of Authority.

Item A-11 Recommendation to Approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for the Resident Project Representative (RPR) of the Taxiway “M” Offset Project in an Amount Not-To-Exceed \$150,502

At the last Board meeting, a Purchase Order was approved for AVCON for Resident Project Representative services for the Taxiway “M” project. A clerical error was discovered after the meeting that the proposed amount for this project was approved for AVCON’s other project, Taxiway “C”.

The additional amount requested is covered in a grant for this work is already in place and approved by the Board in May 2023.

Staff recommends approval of the approval of a purchase order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for the Resident Project Representative (RPR) of the Taxiway “M” Offset Project in an Amount Not-To-Exceed \$150,502.00 and authorization for the Executive Director to execute said purchase order change order on behalf of Authority.

Item A-12 Recommendation to Award a Purchase Order to W&J Construction Corporation under their continuing services contract for storm hardening of the Air Traffic Control Tower cab roof in an Amount Not-To-Exceed \$66,500.

While the Airport dodged major impact from hurricanes this past season, some of the significant summer storms had an impact on the air traffic control tower (ATCT). To prevent any future damage to the ATCT roof, hardening of the cap flashing and antenna mounts on the parapet of the roof are necessary.

W&J Construction Corporation (W&J) was selected for this work under its continuing services contract. The Project Manager for W&J for this project was the assistant project manager when the tower was built and is very familiar with the work that needs to be performed.

Airport staff proposes to create a new project and use existing budget from savings from closed projects. This is within the scope of the current approved budget authority and can be completed with concurrence of the Airport Authority Board. With approval of this agenda item, staff will proceed in setting up a new project titled "ATCT Roof Upgrade" and transferring \$66,500 budget to the project.

Staff recommends approval of a Purchase Order to W&J Construction Corporation under its continuing services contract for storm hardening to the Air Traffic Control Tower cab roof in an amount not to exceed \$66,500.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Item A-13 Recommendation to Approve a Purchase Order to AERO BridgeWorks, Inc. in the Amount of \$46,269

Operations staff has identified that the nitrogen filled pneumatic tires presently in place for passenger boarding bridges at gates 3 and 5 are at the end of their useful life. To meet current Federal Aviation Administrative guidelines, it has been identified that changing from the current tires to solid rubber tires is the best strategy for future repairs and overall longevity.

It is important that these repairs are completed before the beginning of TUI's seasonal return on March 18, 2024. AERO BridgeWorks has consistently performed and provided exceptional service on various projects for jet bridge and terminal equipment over the years, and staff has confirmed that it is the only vendor who advised it would be able to meet this timeline. There is sufficient budget in the current approved operating budget to cover this expense.

Staff recommends approval of a Purchase Order to AERO BridgeWorks, Inc. in the amount of \$46,269.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Item A-14 Recommendation to Award a Purchase Order to W&J Construction Corporation under its Continuing Services Contract for Water Damage Repairs at 1135 W. NASA Boulevard in an Amount Not-To-Exceed \$96,500.

The portion of the building at 1135 W. NASA Boulevard is currently vacant and needs certain improvements to be completed so it is rentable. A broken water line, which was replaced, expanded the improvements needed and includes removal and replacement of interior finishes of drywall, ceilings, and flooring. During the investigation of the removal of the wet material, it was discovered that the flooring contained asbestos. This will require special asbestos remediation of the flooring before all the demolition can be completed.

W&J Construction Corporation (W&J) was selected for this work under its continuing services contract as it had previously done work in this building and is familiar with the scope of the work. W&J will perform the removal and replacement of all damaged material and supervise the asbestos remediation by a licensed firm to perform that work. Once the remediation is complete, the new finishes will be installed.

Airport staff proposes to create a new project and use existing budget from savings from closed projects. This is within the scope of the current approved budget authority and can be completed with concurrence of the Airport Authority Board. With approval of this agenda item, staff will proceed in setting up a new project titled "1135 W NASA Building Improvements" and transferring the budget needed to fund the project.

Staff recommends approval of a Purchase Order to W&J Construction Corporation under its continuing services contract for water damage repairs at 1135 W. NASA Blvd. in an amount not to exceed \$96,500.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Information Items

Item I-1 Exercise of Option D-1 by Northrop Grumman

As a result of their continued success and growth at MLB, Northrop Grumman has notified staff it will be exercising the option for Parcel D-1 under the terms of the original agreement under Project Magellan. As part of the option's terms, the Authority approved a form of ground lease agreement at the same time the option was approved in the master Project Magellan transaction documents.

Parcel D-1 is approximately 15.29 acres and is located on the south side of the airport along NASA Boulevard between the existing Northrop Grumman facilities and Satcom. Under the terms of the agreement, Northrop Grumman paid a one-time Option Fee of \$37,963.85 for this parcel.

The salient points of the lease are as follows:

- Acreage: 15.29 acres will be added to the Master Aeronautical Ground Lease for the remaining term of the lease.
- Lease Rate: \$0.38 per square foot per year, which is \$253,092.36 per year. This is based on fair market value (FMV) appraisals conducted by the Airport and Northrop Grumman when the first portion on Parcel D was leased.
- Rent Adjustments: CPI increases will occur every five years with a minimum of 0.8 percent and maximum of 5 percent per year in accordance with the Master Ground Lease.
- Insurance, Taxes, and Fee: Tenant is responsible for all insurance, taxes, and fees associated with the amendment.
- Airport responsibilities: In accordance with the Master Ground Lease, Airport is responsible to reimburse tenant for relocation of endangered species and to remediate a certain environmental condition, which is not known to exist on this parcel.

The ground lease of this property will generate approximate revenues of \$7,500,000.00 over the remaining lease term not including CPI adjustments.

Item I-2 Financial Update

Item I-3 Operations Update

Item I-4 Construction Projects Update

Item I-5 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/she 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 (321) 723-6227 at least 48 hours prior to the meeting.

MELBOURNE ORLANDO INTERNATIONAL AIRPORT

Income Statement

November 30, 2023

	Year To Date Actual			
	11/30/2023	11/30/2022	\$ change	% change
Operating Revenue				
Airline Landing Fees	97,419	77,788	19,631	25%
Airline Service Fees	503,711	441,380	62,330	14%
Land & Bldg Lease Rents	1,621,685	1,606,562	15,123	1%
Terminal Rents	46,172	46,261	(89)	0%
Parking Lot Fees	383,045	325,155	57,890	18%
Car Rental Concessions	342,084	395,269	(53,186)	-13%
Restaurant Concessions	89,905	66,413	23,492	35%
Mobile Home Park Rent	338,203	339,493	(1,290)	0%
T-Hangar Rentals	15,190	14,443	748	5%
Operating Grant Revenue	6,300	10,020	(3,720)	-37%
Other	215,277	136,882	78,395	57%
Total Operating Revenues	3,658,991	3,459,666	199,324	6%
Operating Expense:				
Personnel Services	676,535	783,145	(106,610)	-14%
Contract Services	1,587,133	1,594,943	(7,810)	0%
Police & Fire Services	221,946	211,608	10,339	5%
Maintenance and Operations	935,953	818,732	117,220	14%
Other	51,407	46,469	4,938	11%
Total Operating Expenses	3,472,975	3,454,897	18,077	1%
Operating Income (Loss)	186,016	4,769	181,247	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	319,284	211,183	108,101	51%
Customer Facility Charges	307,280	249,975	57,305	23%
CARES Grant Revenue	-	-	0	#DIV/0!
Gain (Loss) on Sale of Assets	6,636	4,833	1,803	37%
Interest Income (Loss)	204,506	118,771	85,735	72%
Ad Valorem Tax Revenue	1,069,070	905,210	163,860	18%
Ad Valorem Tax Expense	(1,035,152)	(913,289)	(121,863)	13%
Interest Expense	(24,375)	(24,375)	-	0%
Total Non-Operating Revenue (Expense)	847,248	552,308	294,940	
Net Income (Loss) Before Depreciation*	1,033,265	557,077		

* Net Income before capital contributions, capital equipment, and transfers

MELBOURNE ORLANDO INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
November 30, 2023

	YTD Actual	Annual Budget	% of Budget
Operating Revenues:			
Airline Landing Fees	97,419	548,700	18%
Airline Service Fees	503,711	2,580,095	20%
Land & Bldg Lease Rents	1,621,685	9,985,740	16%
Terminal Rents	46,172	253,683	18%
Parking Lot Fees	383,045	1,869,722	20%
Car Rental Concessions	342,084	1,712,402	20%
Restaurant Concessions	89,905	800,000	11%
Mobile Home Park Rent	338,203	2,884,990	12%
T-Hangar Rentals	15,190	-	#DIV/0!
Operating Grant Revenue	6,300	66,000	10%
Other	215,277	811,493	27%
Total Operating Revenues	3,658,991	21,512,825	17%
Operating Expense:			
Personnel Services	676,535	6,734,923	10%
Contract Services	1,587,133	9,183,957	17%
Police & Fire Services	221,946	1,375,676	16%
Maintenance and Operations	935,953	7,818,561	12%
Other	51,407	300,000	17%
Total Operating Expenses	3,472,975	25,413,117	14%
Operating Income (Loss)	186,016	(3,900,292)	
Non-Operating Revenue (Expense):			
Passenger Facility Charges	319,284	1,577,117	20%
Customer Facility Charges	307,280	1,325,101	23%
CARES Grant Revenue	-	2,262,865	0%
Gain (Loss) on Sale of Assets	6,636	2,328	285%
Interest Income (Loss)	204,506	796,201	26%
Ad Valorem Tax Revenue	1,069,070	2,042,116	52%
Ad Valorem Tax Expense	(1,035,152)	(2,092,604)	49%
Interest Expense	(24,375)	(312,500)	8%
Total Non-Operating Revenue (Expense)	847,248	5,600,624	
Net Income (Loss) before			
Depreciation, Transfers, and Capital Contributions	1,033,265	1,700,332	
Depreciation Expense	-	-	
Machinery and Equipment	(127,011)	(754,000)	17%
FAA Equipment Grant	-	-	#DIV/0!
Intra Transfer to Airport Capital	-	(2,154,365)	0%
Net Income (Loss) After Transfers	906,254	(1,208,033)	

Melbourne Orlando International Airport
Top 10 Operating Revenues
11/30/2023

Rank	Description	YTD FY 2024	FY 23 % of Total Rev	YTD FY 2023	FY 22 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	897,502	25%	888,034	26%	9,468	1%
2	Commercial Business Center Rent	535,094	15%	535,940	15%	(846)	0%
3	Parking Revenue	383,045	10%	325,155	9%	57,890	18% A
4	Ground Handling Revenue	356,889	10%	314,470	9%	42,419	13% B
5	Car Rental Concession	342,084	9%	395,269	11%	(53,185)	-13%
6	Tropical Haven Revenue	338,203	9%	339,493	10%	(1,290)	0%
7	Terminal Rent-Airline	155,282	4%	135,623	4%	19,659	14% C
8	Hangar Rent	143,177	4%	134,487	4%	8,690	6%
9	Landing Fees	97,419	3%	77,788	2%	19,631	25% C
10	Terminal Concessions	89,905	2%	66,413	2%	23,492	35% D
Total Top 10 Operating Revenue		3,338,600	91%	3,212,672	93%	125,928	
Other Operating Revenue		320,391	9%	246,994	7%	73,397	30%
Total Operating Revenue		3,658,991	100%	3,459,666	100%	199,325	6%

A Parking is higher than prior year due to increase in demand plus the impact of moving to a single tiered rate in January 2023 (rate increased for all lots from \$13/day to \$14/day rather than having different maximum rates for long term and short term lots).

B Revenue increase is due primarily to increase in activity levels coupled with a 5% rate adjustment that went into effect on 10/1/23.

C Revenue is higher solely because of increase in activity level as there was no rate adjustment for terminal rent.

D Concession revenue increase is due to increase in passenger traffic plus the maturation of the concession program (the new concession program was rolled out in October 2022).

Melbourne Orlando International Airport
Top 10 Operating Expenses
11/30/2023

Rank	Description	YTD FY 2023	FY 23 % Operating Expense	YTD FY 2022	FY 22 % Operating Expense	\$ change	% change
1	Other Contract Services	1,197,039	34%	1,238,486	36%	(41,447)	-3%
2	Personnel	676,535	19%	783,145	23%	(106,610)	-14% A
3	Contractual Employee	244,531	7%	204,893	6%	39,638	19% B
4	Fire Services	221,834	6%	205,436	6%	16,398	8%
5	Electric	145,221	4%	143,399	4%	1,822	1%
6	Risk Management	78,619	2%	79,178	2%	(559)	-1%
7	Solid Waste Disposal	72,111	2%	72,221	2%	(110)	0%
8	R&M-Building	70,395	2%	12,511	0%	57,884	463% C
9	Consulting Fees	68,572	2%	56,767	2%	11,805	21% D
10	Cable TV Expense	64,906	2%	59,948	2%	4,958	8%
Total Top 10 Operating Expense		2,839,763	82%	2,855,984	83%		
Other Operating Expense		633,212	18%	598,913	17%	34,299	6%
Total Operating Expense		3,472,975	100%	3,454,897	100%	18,078	1%

A Decrease is due to reduction in overtime as management has focused on reducing overtime costs (decreased from \$92k last year to \$39k this year). The remaining reduction is due to timing differences on when payroll is processed and is expected to even out as the year progresses.

B Increase is due to increased custodial and maintenance staffing costs. Management is planning to reduce temp labor costs during TUI's off-season as the frequency of cleaning the terminal areas will go down with a reduction in the passenger traffic.

C Increase is due to the following non-recurring expenses recorded in FY 24: Repairs to 1135 Nasa loading dock - \$30,720; Repair to water leak at tropical haven clubhouse - \$10,604; TSA glass wall drywall infill - \$5,631.

D Consulting expense due to new contract with strategic advisor that started in February 2023 (\$5,375/month).

Melbourne Orlando Int'l Airport
Cash Flow Projection
1/3/2024

	December-23	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24	November-24
Beginning Cash/Investment Balance	\$ 29,345,795	\$ 29,889,392	\$ 31,811,693	\$ 31,182,648	\$ 28,467,607	\$ 29,284,975	\$ 26,003,246	\$ 21,859,181	\$ 21,931,204	\$ 25,522,055	\$ 24,121,395	\$ 25,276,640
Operating Revenue	1,722,929	1,722,929	1,722,929	2,628,024	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	1,740,159	1,740,159
Plus: ARPA Grant		1,392,000			870,865							
Less: Prepaid Rent Recorded as Deferred Revenue	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)
Plus: Monthly Collections Ad Valorem Tax	1,039,083	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988
Operating Expense:												
Liability Insurance								(108,450)				
Personnel	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(582,853)	(582,853)	(582,853)
TUI Marketing Incentive Payment (988,585)				(125,000)	(125,000)	(125,000)		(125,000)		(136,415)		
Debt Payment (Interest)						(146,750)						(146,750)
Maintenance and Operations Expense	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,435,131)	(1,435,131)
Ad Valorem Tax Payment												(2,707,599)
Net Increase (Decrease) in Cash Flow from Operations	772,652	1,259,557	(132,444)	647,652	613,422	(404,194)	(132,444)	(365,894)	(132,444)	(296,613)	(171,109)	(3,025,458)
Total Capital Outlay	(385,259)	(1,297,775)	(1,250,903)	(3,640,294)	(2,200,000)	(4,221,000)	(4,300,000)	(3,593,000)	(3,091,610)	(2,390,000)	(1,551,038)	(1,440,429)
Principal Payment-Outstanding Debt						(1,800,000)						
Total Capital Grant Revenue	-	1,804,314	596,812	71,146	2,080,550	2,831,094	-	3,721,700	6,518,750	1,010,000	2,659,118	3,113,408
PFC Collections (Reimbursement of Eligible Costs)	86,771	86,771	87,485	112,192	175,739	169,748	156,710	168,033	160,936	149,958	118,614	104,160
CFC Collections	69,434	69,434	70,005	94,264	147,657	142,623	131,668	141,183	135,219	125,996	99,660	87,516
Net Increase (Decrease) in Cash From Capital and Debt	(229,054)	662,744	(496,601)	(3,362,693)	203,946	(2,877,535)	(4,011,622)	437,916	3,723,294	(1,104,046)	1,326,354	1,864,654
Beginning Cash/Investments	29,345,795	29,889,392	31,811,693	31,182,648	28,467,607	29,284,975	26,003,246	21,859,181	21,931,204	25,522,055	24,121,395	25,276,640
Ending Cash/Investments	29,889,392	31,811,693	31,182,648	28,467,607	29,284,975	26,003,246	21,859,181	21,931,204	25,522,055	24,121,395	25,276,640	24,115,836

Melbourne Orlando Int'l Airport
Cash Flow Projection - Capital Exp and Grant Revenue
1/3/2024

Capital Project Expenditures	Proj #	Total Cost	Indi	Prior Expend	December-23	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24	November-24
Term Upgrade-Restrooms Gate Belt etc	Various	5,263,158	D	-			(250,000)	(250,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(750,000)	(500,000)	(263,158)	
Term Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	D	(154,733)	(14,250)	(100,000)	(150,000)	(250,000)	(500,000)	(750,000)	(750,000)	(750,000)	(600,000)	(500,000)	(500,000)	(940,429)
Terminal Exp PH2-Int'l PBB (Gate 9)	50423	4,500,000	E	(4,026,606)	(4,024)	(300,296)										
Ticket Counter Improvements	50523	214,476	C	(193,637)	(20,839)											
Terminal Exp-Public Space (Haskell)	50519	50,880,026	E	(48,540,877)	(229,531)	(170,469)		(1,964,294)								
Terminal Exp-Public Space (Others)	50519	1,386,601	E	(1,359,723)	-											
Terminal Exp-VIP Lounge (Iveys)	54319	1,091,812	C	(972,811)	(57,090)		(50,903)									
Terminal Exp-Welcome Center (Iveys)	54519	1,606,053	C	(1,606,053)												
Terminal Exp-Common Use Tech Equip	54619	252,204	C	(232,234)	-											
In Line Baggage System-Design	50121	1,024,944	D	(1,024,918)	-	-										
Aerospace Dr. Lift Station Replace	50122	100,000	C				(50,000)	(50,000)								
Northside Expansion	54120	11,948,523	D													
Northside Exp-St. Michael PI Ext	54220	2,788,229	D	(2,788,229)												
Northside Exp-T/W M Ext	54320	3,930,000	D	(66,404)	(4,690)	(150,000)	(150,000)	(250,000)	(250,000)	(250,000)	(350,000)	(350,000)	(350,000)	(350,000)		
Northside Exp-Infrastructure Dev	54420	1,490,490	D	(1,490,490)												
Northside Exp-Taxiway C Rehab	50623	3,060,405	D	(163,675)	(8,850)	(150,000)	(200,000)	(250,000)	(350,000)	(350,000)	(400,000)	(400,000)	(250,000)	(250,000)	(287,880)	
Project Vista Site Improvements	50323	6,600,000	D	(1,165,892)	(45,985)	(300,000)	(350,000)	(350,000)	(300,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Taxiway A Rehab	50524	28,937,300	E/I	-			(50,000)	(150,000)	(200,000)	(200,000)	(300,000)	(300,000)	(241,610)			
Equipment Purchases		754,000	C	-		(127,010)		(126,000)		(171,000)		(43,000)		(290,000)		
T-Hangars Phase I	50223	3,000,000	D						(100,000)	(1,000,000)	(1,000,000)	(500,000)	(400,000)			
Total Capital Outlay					(385,259)	(1,297,775)	(1,250,903)	(3,640,294)	(2,200,000)	(4,221,000)	(4,300,000)	(3,593,000)	(3,091,610)	(2,390,000)	(1,551,038)	(1,440,429)
Grant Revenue																
FDOT DRA-Ramp Reimb (\$5,902,919)				2,271,700		1,071,700			1,071,700			1,071,700				
FAA Grant 59 Restrooms/Gate/Belt/etc	Multi	5,000,000								950,000			2,612,500			
FDOT Restrooms/Gate/Belt/Flooring/etc	Multi	131,000								25,000			68,750			
FAA-Fire Sprinklers-Grnt 60	50023	5,363,470					242,085			810,000			2,025,000			2,286,386
FDOT Fire Sprinklers	50023	297,971					13,449			45,000			112,500			127,021
FAA BIL AIG Gate 9-Grnt 62	50423	4,050,000		3,556,555			341,278									
TSA OTA-In Line Baggage Sys Design (\$711,496)				640,316			-	71,146								
NORTHSIDE EXPANSION GRANTS																
FDOT (St. Michael PI Ext)	54220	2,781,679	D	2,781,679								-		-		
FDOT (T/W M Realignment/Ext)	54320	6,819,815	D	-						621,094			1,200,000			700,000
FDEO (Inf Dev & T/W C)	54420/50623	3,922,132	D	1,654,164					358,850			950,000			959,118	
FDOT-Project Vista Grant	50323	6,600,000	D	505,579		732,614			650,000			1,150,000			1,500,000	
FDOT FY 23 T Hangar Grant	50223	1,500,000	D									550,000	500,000	250,000	200,000	
FAA Taxiway A Rehab	50524	1,267,370	D							360,000				720,000		
FDOT Taxiway A Rehab	50524	70,410	D							20,000				40,000		
Total Grant Revenue					-	1,804,314	596,812	71,146	2,080,550	2,831,094	-	3,721,700	6,518,750	1,010,000	2,659,118	3,113,408

**MELBOURNE ORLANDO INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
DECEMBER 2023**

	2023	2022	MO CHANGE (%)	2023 YTD	2022 YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	20,798	19,695	5.6%	249,850	220,973	13.1%
Deplaned	21,915	20,537	6.7%	249,060	220,037	13.2%
Total Revenue PAX - Domestic	42,713	40,232	6.2%	498,910	441,010	13.1%
Revenue PAX - Int'l						
Enplaned	37	244	-84.8%	114,853	122,571	-6.3%
Deplaned	161	0	#DIV/0!	116,619	119,971	-2.8%
Total Revenue PAX - Int'l	198	244	-18.9%	231,472	242,542	-4.6%
Non-Revenue PAX						
Enplaned	649	769	-15.6%	8,594	9,003	-4.5%
Deplaned	639	760	-15.9%	8,715	8,702	0.1%
Total Non-Revenue PAX	1,288	1,529	-15.8%	17,309	17,705	-2.2%
Total PASSENGERS	44,199	42,005	5.2%	747,691	701,257	6.6%
AIRCRAFT OPERATIONS						
Air Carrier	507	468	8.3%	6,507	6,136	6.0%
Air Taxi	163	185	-11.9%	1,804	2,069	-12.8%
General Aviation - Itinerant	7,495	6,975	7.5%	105,979	86,670	22.3%
General Aviation - Local	3,955	3,888	1.7%	55,877	51,931	7.6%
Military	58	44	31.8%	702	811	-13.4%
Total OPERATIONS	12,178	11,560	5.3%	170,869	147,617	15.8%



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes December 4, 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
Mr. Brent Peoples, 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. 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
Ms. Renee Purden, Chief of Police/Director of Public Safety

Absent: The Honorable Mark LaRusso, Vice Mayor, Councilmember

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

Passenger Activity Report. Total passengers year-to-date is 653,823, which is a 6.2 percent increase. October total passengers were 70,950, which is a 2.4 percent increase and October 2022 to October 2023 increase of 7.5 percent in Domestic passengers.

Allegiant's new route to Allentown, PA Inaugural flight started on November 17, 2023.

Busiest day in Melbourne Airport History on November 5, 2023, with six TUI flights on the ground.

End of 2023 TUI season with a special thanks to MLB's team of Ambassadors.

Melbourne Orlando International Airport management trip to UK for TUI annual visit to discuss 2024.

Dassault Falcon Jet groundbreaking celebration November 1st held at the Airport Hyatt Place Hotel.

Melbourne Airport Authority passes comprehensive Airport Security Program Inspection. A special thanks to Chief Purden, her team and airport staff.

Sun Country's Minneapolis-St. Paul service begins December 15, 2023.

Executive Director's Recognition of Excellence Award

Congratulations to all our 2023 recipients.

Congratulations to Cliff Graham, Director of Operations, on receiving this month's award.

Action Items

Item A-1 Approval of the minutes for the October 25, 2023, regularly scheduled Board Meeting.

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

Item A-2 Selection of Three (3) Members to the Melbourne Airport Authority to Serve a Two-Year Term.

Mr. Thomas stated that he, Mayor Alfrey, and Mr. LaRusso, , who are members of the Melbourne City Council requested to continue serving on the Board of Melbourne Airport Authority and were approved until next year. Mr. Potter stated Mr. Scott Mikuen was appointed by the industrial tenants to serve another term.

Mr. Thomas asked if there are any nominations for the selection of two members at large. Mayor Alfrey suggested keeping the existing two members at large, Mr. Potter and Mr. Fischer, to serve another term. A motion was made by Mayor Alfrey to keep the existing two at large members, seconded by Mr. Peoples. Motion passed unanimously.

Item A-3 Appointment of Chairman and Vice Chairman to the Melbourne Airport Authority to Serve the Term from January 2024 through December 2024.

Mr. Potter asked if there are any nominations for Chairman to the Melbourne Airport Authority to serve in 2024. Mr. Fischer motioned if Mr. Potter will accept to continue to serve as the Chairman of the Board and seconded by Mr. Thomas. Motion passed unanimously.

Mr. Potter asked if there are any nominations for Vice Chairman to the Melbourne Airport Authority to serve in 2024. Mr. Peoples made a motion to retain Mr. Thomas as the Vice Chairman of the Board and seconded by Mayor Alfrey. Motion passed unanimously.

Item A-4 Recommendation for Approval of Resolution 12-23 to Approve of a New Capital Project and to Establish a Budget of \$37,475,966 for the Construction of an In-Line Baggage System Needed to Accommodate Passenger Growth.

Mr. Donovan explained the In-Line Baggage System project will be a very complex project and the new screening system will allow checked bags to be screened efficiently and will increase the airport's throughput processing capacity from 360 bags per hour to 1,600 bags per hour. This is the first capital grant that the airport has received from TSA. This project will be funded through various sources such as Transportation Security Administration (TSA), Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT).

Mr. Mikuen inquired if the airport will enter into a contract with the vendor or will TSA enter into the contract. Mr. Donovan stated the airport will enter into a contract with the vendor the first of the year. The airport has a bid process, and it will be a hard bid. Mr. Mikuen asked if there are over runs, will this be a not-to-exceed contract and the airport is protected contractually for the over runs that the vendor will be responsible for. Mr. Donovan stated yes, and it will be a not-to-exceed contract.

Mr. Fischer asked when this project begins, what will be the impact on the current baggage system. Mr. Perley stated the project will be 16 to 18 months construction. Since the construction will be occurring where the existing baggage screening area is, the airport will be setting up a temporary enclosed facility just to the east of ticketing and will move all four current baggage scanners to this location to continue its current capacity until the construction is complete. Mr. Fischer stated he knows the airport's team has a great history

of making things work when things do not always go as planned, but with the increase of traffic that is happening, inquired if the airport is prepared for this. Mr. Perley stated yes. Mr. Donovan stated the temporary arrangements will all be behind the scenes.

Mr. Thomas inquired if each one of the in-line baggage system is tailored to meet the airport specific needs and areas of operations. Mr. Donovan stated yes. Each time these baggage systems are built, they are customized developed for the needs of the airport.

Mr. Potter inquired about Item A-5 FDOT grant is in the approval process phase and asked by whom. Mr. O'Dell stated that this grant was issued and ready to be executed by the Florida Department of Transportation (FDOT). Mr. O'Dell stated he has been working with FDOT to get the complete funding of the overall project costs. Mr. Potter asked with the permission of the board, suggested that Item A-4 and Item A-5 be approved together if acceptable.

A motion was made by Mr. Thomas for approval of Resolution 12-23 to Approve of a New Capital Project and to Establish a Budget of \$37,475,966 for the Construction of an In-Line Baggage System Needed to Accommodate Passenger Growth, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-5 Recommendation to Approve Resolution 13-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the In-Line Baggage System Project in the Amount of \$2,500,000.

A discussion ensued regarding the overall budget plan in Item A-4 and how the funding from Florida Department of Transportation (FDOT) factored in.

Mr. Potter asked with the permission of the board, suggested that Item A-4 and Item A-5 be approved together if acceptable.

A motion was made by Mr. Thomas for approval of Resolution 13-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the In-Line Baggage System Project in the amount of \$2,500,000, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-6 Recommendation to Approve a Contract for the Mill and Overlay Rehabilitation of Taxiway "C" Project to the Lowest Responsive Qualified Bidder, KCF Site Development, LLC, in the Amount of \$1,918,276.90.

Mr. Donovan explained the pavement of Taxiway "C" is in poor condition. The last pavement evaluation report completed in 2019 from the Florida Department of Transportation (FDOT) indicates a Pavement Condition Index (PCI) of 65 and the state report suggests a minimum value of 70 for taxiways. The funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO). This funding will cover the contract of the work to KCF Site Development and the Construction Administration and Resident Project Representative (RPR) Services to be performed by AVCON, Inc., in Item A-7. All work must be completed by June 1, 2024.

A motion was made by Mr. Peoples to approve a Contract for the Mill and Overlay Rehabilitation of Taxiway "C" Project to the Lowest Responsive Qualified Bidder, KCF Site Development, LLC in the amount of \$1,918,276.90, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-7 Recommendation to Approve a Purchase Order Change Order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for the Construction

Administration (CA) and Resident Project Representative (RPR) of the Mill and Overlay Rehabilitation of Taxiway “C” in an Amount Not-To-Exceed \$150,502.

Mr. Donovan explained funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO). This funding will cover the contract of the work in Item A-6 to KCF Site Development and the Construction Administration (CA) and Resident Project Representative (RPR) Services to be performed by AVCON, Inc., in Item A-7. All work must be completed by June 1, 2024.

A motion was made by Mr. Peoples to approve a Purchase Order Change Order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for the Construction Administration and Resident Project Representative of the Mill and Overlay Rehabilitation of Taxiway “C” in an amount not-to-exceed \$150,502, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-8 Recommendation to Approve a Contract for the Taxiway “M” Offset Project to the Lowest Responsive Qualified Bidder, KCF Site Development, LLC, in the Amount of \$1,123,343.40.

Mr. Potter stated Item A-8 through Item A-11 all correspond with Taxiway “M” and asked Mr. Donovan to give a summary for all items to receive one approval if acceptable.

Mr. Donovan explained the Federal Aviation Administration (FAA) is requiring that the portion of the taxiway that connects to a runway be offset to prevent runway incursion. There were 15 firms that requested the bid package and only one bid received. The funding for this project is a 100 percent grant from Florida Department of Transportation (FDOT). A request was made to award a contract for the Taxiway “M” Offset Project to KCF Site Development, LLC in the amount of \$1,123,343.40.

A motion was made by Mr. Thomas to approve a contract for the Taxiway “M” Offset Project to the lowest responsive qualified bidder, KCF Site Development, LLC, in the Amount of \$1,123,343.40, seconded by Mr. Peoples. Motion passed unanimously.

Item A-9 Recommendation to Approve Engineering Amendment No. 50 with Airport Engineering Company (AEC) for construction administrative services for the Taxiway “M” Offset Project in an Amount Not-To-Exceed \$48,000.

A request was made to approve an Amendment for the Taxiway “M” Offset Project to Airport Engineering Company (AEC) for construction administrative services in an Amount Not-To-Exceed \$48,000.

A motion was made by Mr. Thomas to approve Engineering Amendment No. 50 with Airport Engineering Company (AEC) for construction administrative services for the Taxiway “M” Offset Project in an amount not-to-exceed \$48,000, seconded by Mr. Peoples. Motion passed unanimously.

Item A-10 Recommendation to Approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for the professional Airside Engineering for the Resident Project Representative (RPR) of the Taxiway “M” Offset Project in an Amount Not-To-Exceed \$14,050.

A request was made to approve a purchase order for the Taxiway “M” Offset Project for the professional Airside Engineering for the Resident Project Representative (RPR) to AVCON, Inc., in an Amount Not-To-Exceed \$14,050.

A motion was by Mr. Thomas to approve a Purchase Order to AVCON, Inc., under its Continuing Services Contract, for the professional Airside Engineering for the Resident Project Representative (RPR) of the

Taxiway "M" Offset Project in an amount not-to-exceed \$14,050, seconded by Mr. Peoples. Motion passed unanimously.

Item A-11 Recommendation to Approve Engineering Amendment No. 51 with Airport Engineering Company (AEC) for the Design, Permitting and Bidding Services for Taxiway "M" Phase 2 Extension in an Amount Not-To-Exceed \$55,700.

A request was made to approve an Amendment for the Taxiway "M" Phase 2 Extension to Airport Engineering Company (AEC) for the design, permitting and bidding services in an Amount Not-To-Exceed \$55,700.

A motion was made by Mr. Thomas to approve Engineering Amendment No. 51 with Airport Engineering Company (AEC) for the Design, Permitting and Bidding Services for Taxiway "M" Phase 2 Extension in an amount not-to-exceed \$55,700, seconded by Mr. Peoples. Motion passed unanimously.

Item A-12 Recommendation to Award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Restroom Renovations in an Amount Not-To-Exceed \$898,469.

Mr. Donovan explained these restrooms next to the ticket counter and the premium lounge were not renovated as they were still in use during the construction of the terminal expansion. The renovation work will be up to standards as the other bathrooms in the renovated concourse area. The funding for this project will be covered under Federal Aviation Administration (FAA) and Florida Department of Transportation (FDOT) grants.

Mr. Potter inquired if the Airport is satisfied or will the Airport need to bid on Item A-12 and A-13. Mr. Donovan stated under our continuing services contract we are fine.

A motion was made by Mr. Fischer to award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Restroom Renovations in an amount not-to-exceed \$898,469, seconded by Mr. Peoples. Motion passed unanimously.

Item A-13 Recommendation to Award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Security Checkpoint Gate Entrance Modifications in the Atrium in an Amount Not-To-Exceed \$198,856.

Mr. Donovan explained as part of the Terminal Expansion and Renovation project, the checkpoint entrance has a low hanging threshold that is too low and needs to be raised and the structural columns will need to be updated. The funding for this project will be covered under Federal Aviation Administration (FAA) and Florida Department of Transportation (FDOT) grants.

A motion was made by Mr. Peoples to award a Purchase Order to Ivey's Construction, Inc., under its Continuing Services Contract for the Security Checkpoint Gate Entrance Modifications in the Atrium in an amount not-to-exceed \$198,856, seconded by Mr. Thomas. Motion passed unanimously.

Item A-14 Recommendation to approve a Purchase Order to BRPH, Inc. under its Continuing Services Contract for the Architectural Services for the Design of the Re-Roof of the Existing Terminal in Amount Not-To-Exceed \$71,000.

Mr. Donovan explained the existing roof in the terminal that has not been renovated is needing repairs. The existing roof was completed back in 1989. BPRH designed the original roof for the terminal and under its continuing services contract, the airport requested a proposal for the design of the re-roof of the existing

terminal. The funding for this project will be covered under Federal Aviation Administration (FAA) and Florida Department of Transportation (FDOT) grants.

Mr. Fischer inquired approximately how big is the area being re-roofed. Mr. Perley stated about one hundred 25,000 square feet of roofing. Mr. Fischer stated the airport just completed new roofing for the Terminal Expansion and Renovation project and inquired how does the airport maintain warranty between the new facility and this addition. Is the airport obligated with going with the same roofer or is it ok to use someone else. Mr. Perley stated there's clear delineation between the new and the existing roof. The new roof on the expansion project is a single-ply roof and the materials for the existing roof will be torched down type roof. Mr. Perley stated the difference will be separated by parapet walls.

A motion was made by Mayor Alfrey to approve a Purchase Order to BRPH, Inc., under its Continuing Services Contract for the Architectural Services for the Design of the Re-Roof of the Existing Terminal in an amount not-to-exceed \$71,000, seconded by Mr. Thomas. Motion passed unanimously.

Item A-15 Recommendation for Approval of Award of Phase II Landscaping Services to Yardnique, Inc.

Mr. Donovan explained there are seven areas of landscaping, irrigation, and maintenance on site which the Airport's current contract for landscape, turf and irrigation maintenance services was not included with the current landscaping services contract. Staff issued an invitation to bid (ITB) for these additional services and Yardnique, Inc., was identified as the lowest responsive bidder for overall service. Staff recommends approval of award to Yardnique, Inc., for a one (1) year base term with the option for renewal an additional three (3), one (1) year terms.

A motion was made by Mr. Thomas for approval of award of Phase II Landscaping Services to Yardnique, Inc., seconded by Mayor Alfrey. Motion passed unanimously.

Item A-16 Recommendation to Approve Purchase of an Electric Compact Crawler "Spider Lift" in the Amount of \$116,800.

Mr. Donovan explained this new spider lift will allow our maintenance staff to access areas and repair needs throughout the terminal and this new lift will be light enough to not exceed the weight limits of the second floor of the terminal. The Airport issued an invitation to bid and only received one bid, but it was deemed non-responsive. This purchase was planned within the 2024 budget.

A motion was made by Mr. Peoples to approve purchase of an Electric Compact Crawler "Spider Lift" in the amount of \$116,800, seconded by Mr. Thomas. Motion passed unanimously.

Item A-17 Results of Executive Director's Evaluation

Mr. Potter thanked all the board members for completing the Executive Director's evaluation. The evaluation ratings were high with most categories scoring a five, and comments from the board members expressed extreme appreciation for the work that Mr. Donovan has done. Mr. Potter asked Mr. Bill Johnson to do an informal survey of other small hub and non-hub airports in the state for another Director's compensation. Mr. Potter stated Mr. Donovan will be getting a five percent cost of living increase and is satisfied that Mr. Donovan's salary is sufficient, and his retirement plan has been updated. Mr. Potter stated last year that Mr. Donovan was given a \$50,000 thousand dollar bonus and recommended another bonus for the same amount this year.

Mayor Alfrey congratulated Mr. Donovan and staff for the amazing work done on the terminal expansion project and agreed with Mr. Potter on the recommendation of another bonus.

Mr. People's thanked Mr. Donovan and staff for their hard work and congratulated Mr. Donovan on his milestone accomplishments.

Mr. Thomas thanked Mr. Donovan for his hard work and doing a phenomenal job in managing and balancing all aspects of airport operations along with an amazing staff.

Mr. Fischer stated he has been impressed from the first day with Mr. Donovan's people management skills. It is a pleasure to be a part of this board and watch this team do incredible work.

A motion was made by Mayor Alfrey that Mr. Donovan be paid a one-time annual bonus of \$50,000, seconded by Mr. Thomas. Motion passed unanimously.

Mr. Donovan expressed his sincere gratitude to all the board members for their support, and to the staff for all their hard work and dedication.

Discussion Items

Item D-1 Proposed 2024 MAA Board Meeting Dates

Proposed dates were presented with no further discussion.

Information Items

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

Mr. O'Dell presented the financial updates regarding balance sheet, income statement, year to date actuals FY23 vs. FY22 and FY23 actuals vs. budget.

Mr. Mikuen inquired what is the current days cash outstanding. Mr. Odell stated the Airport has approximately 500 days' cash on hand. Mr. Donovan explained though he recognized and anticipated an operating loss this fiscal year, we are working towards the next few years with increasing our operating revenue with TUI's two-year extension.

Mr. Fischer explained one detail that was discussed in the beginning of TUI's arrival was adding the new terminal expansion, what would be the impact of adding a \$72 million dollar expansion and managing the operational and maintenance costs, that were hard to contain during that time. I foresee a lot of good things coming for the Airport and we should be able to project those future costs in our budget.

Mr. Peoples asked Mr. O'Dell is there anything else that can generate revenue. Mr. O'Dell stated the new options for lease that have been approved recently will generate more revenue. Mr. Donovan stated that we still have one year left with TUI incentives, and once that is complete, we will generate a large amount of revenue from TUI.

Item I-2 Operations Update by Mr. Graham

Mr. Graham discussed the results of the TUI customer and service level scores that occur after the end of each season. TUI sends out a survey to all their customers and asks how their airport experience was, specifically the airport experience, check-in time, boarding, the cleanliness of the aircraft and the destination airport. There are 79 TUI destination airports that MLB is measured against. MLB ranked third in airport experience, second in check-in experience, first in boarding and cleaning of aircraft experience. This is very

significant when you have foreigners traveling in groups with multiple bags and arriving to a new destination they have never been too. Last year scores, MLB was in the top five in all the categories. With the opening of the terminal expansion, we have improved our scores this year.

The next item TUI tests the airports are the areas of customer service and customer experience as the customers arrive at the check in counters and security checkpoints. TUI would like to see a wait time at check in counters no longer than fifteen minutes, MLB averaged thirteen minutes per customer at ticket counter. TUI would like to see a wait time at security checkpoint (TSA) no longer than 15 minutes, MLB averaged 14 minutes. The next two items are when the passengers have arrived, how long does it take for the last bag to be delivered and how long does it take to be processed at Customs & Border area. When the aircraft has arrived, the bags are loaded into cans and taken to baggage belt to unload the bags onto the belt. TUI would like to see the last bag delivered no longer than 35 minutes from arrival, MLB averaged 31 minutes of last bag delivered. Once the passenger has retrieved their bags, they go through the process of screening at Customs area. TUI would like to see their customers go through the screening process no longer than 60 minutes, MLB averaged 53 minutes per customer. On average, one person processes through Customs in eighteen minutes from the time they have retrieved their bag. All this hard work is through a collective effort from our TSA, Custom Agents, Menzies, Ambassadors, Airport staff and Amanda Moyer who is the liaison between Menzies ensuring all these things are happening in an orderly manner. Having a great relationship with these entities allows us to do a great job.

Item I-3 Construction Projects Update

Terminal Renovation and Expansion

Fire alarm and fire sprinkler work continues in the existing terminal. First phase of this work is nearing completion, and the next phase will start under the existing concourse. The terminal contractor is currently on site to correct roof drain issues that were discovered in a post inspection review when recurring leaks were happening in the building. The freight lift in the back-of-house area of the concession space in the new concourse has failed and is expected to be replaced within the next four to five months. The Terminal Contractor is still assessing the skylight in the atrium and has performed some invasive investigations. No further update has been given to the corrective measures.

In-Line Baggage System

Three Construction Management (CM) firms have been selected for the Step-2 of the RFP process. Those firms are Collage (Lake Mary, FL), Hensel Phelps (Orlando, FL) and Ivey's Construction (Merritt Island, FL). The design team continues to complete the drawings with the new cross-belt design. TSA Headquarters to be on site to review the design on December 19th. Drawings to be issued to the CM firms by late December with pricing and selection to be brought to the Board for approval in January. Construction is estimated to start in February with temporary TSA scanning facilities ready by May. The overall project will take 16 to 18 months to complete.

Project Vista – Dassault Falcon Jet Site Work

Coordination meetings continue between the Airport's site team and the tenant's contractor. Site clearing has been completed. Temporary security fencing is currently in use. The tenant's contractor has mobilized and has begun preparing the building pads. Utility drawings are planned to go out to bid on December 9th. They have been submitted for permitting and expect a response before the end of the year. Utility bids will be brought to the Board for approval at the January meeting.

Taxiway A Rehabilitation

AVCON continues with the design of the rehabilitation of Taxiway A. Temporary repairs to the taxiway were made in November to help prolong the surface until the full rehabilitation project can start. Project is

expected to go out to bid in April with pricing submitted to the FAA for discretionary funding in the fall. Due to the overall cost of the project, funding will be allocated over two years.

Taxiway C Rehabilitation

Bids have been received and an award to be made at the December Board meeting. Contractor to begin work after the first of the year. This work must be completed by May 31, 2024 to receive all the grant funding. Funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO).

Taxiway M Realignment

Only one bid was received for the project. It is by the same contractor who was the low bidder for Taxiway "C" project. Bid amount was within the engineer's estimate. The award is to be made at the December Board meeting. Contractor to begin work after the first of the year. This work is expected to be completed by the end of July 2024.

Non-Airport Projects

NASA Boulevard High Mast Arm Signal Project: The City will also be beginning a new High Mast Arm project for the replacement of the traffic lights at NASA and the exit to the airport on Air Terminal Parkway. This work is expected to begin after the first of the year.

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

Mr. Busalacchi explained Lori Richards from The AD Leaf will be doing a short presentation regarding marketing, advertising, and awareness of MLB.

Mr. Potter thanked all the board members and staff for a great productive year.

Adjournment

This meeting was adjourned by Chairman William Potter at 09:36 a.m.

PREPARED BY:

Sandra Acevedo, Executive Assistant

SUBMITTED BY:

Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:

William C. Potter, Chairman