



MELBOURNE AIRPORT AUTHORITY BOARD MEETING
AGENDA

April 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 March 27, 2024, Regularly Scheduled Board Meeting

Item A-2 Recommendation to Approve a Change Order for the Taxiway "M" Extension Project to KCF Site Development, LLC, in the Amount of \$608,259.66.

Now that the Federal Aviation Administration's (FAA) requirement for the offset of Taxiway "M" is underway, the next phase of work for the Taxiway "M" extension can begin.

Airport Engineering Company (AEC) has prepared the design documents for the project, and they were given to the contractor for the Taxiway "M" Offset project for pricing. The contractor, using established bid unit prices, prepared a proposal for the extension. Since the contractor is already on site for the project, no added costs for mobilization were required. Savings are also achieved for reuse of subgrade material now being shared from the current project.

The Taxiway "M" extension project is part of the Northside Expansion project which is 100% funded by an FDOT grant. There is sufficient funding available in the grant and budget available in the Northside Expansion/Taxiway "M" expansion project to cover this change order.

Staff recommends approval of a Change Order for the Taxiway "M" Extension Project to KCF Site Development, LLC, in the Amount of \$608,259.66 and authorization for the Executive Director to execute said change order on behalf of Authority.

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/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

February 29, 2024

	Year To Date Actual		\$ change	% change
	2/29/2024	2/28/2023		
Operating Revenue				
Airline Landing Fees	267,648	218,990	48,659	22%
Airline Service Fees	1,187,733	1,035,569	152,164	15%
Land & Bldg Lease Rents	4,994,754	4,208,513	786,241	19%
Terminal Rents	116,330	117,507	(1,177)	-1%
Parking Lot Fees	864,617	781,848	82,769	11%
Car Rental Concessions	686,876	736,577	(49,700)	-7%
Restaurant Concessions	153,924	121,478	32,446	27%
Mobile Home Park Rent	848,364	851,997	(3,633)	0%
T-Hangar Rentals	37,976	36,481	1,495	4%
Operating Grant Revenue	28,275	27,150	1,125	4%
Other	366,946	259,270	107,676	42%
Total Operating Revenues	9,553,444	8,395,378	1,158,066	14%
Operating Expense:				
Personnel Services	2,394,205	2,424,813	(30,608)	-1%
Contract Services	3,204,903	3,129,729	75,174	2%
Police & Fire Services	558,986	526,691	32,295	6%
Maintenance and Operations	2,543,832	2,267,439	276,393	12%
Other	56,563	109,916	(53,353)	-49%
Total Operating Expenses	8,758,490	8,458,589	299,901	4%
Operating Income (Loss)	794,954	(63,210)	858,165	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	563,162	627,925	(64,763)	-10%
Customer Facility Charges	571,524	451,395	120,129	27%
CARES Grant Revenue	1,391,947	2,117,020	(725,073)	-34%
Gain (Loss) on Sale of Assets	6,671	28,459	(21,788)	-77%
Interest Income (Loss)	542,989	329,372	213,617	65%
Ad Valorem Tax Revenue	1,069,070	900,181	168,889	19%
Ad Valorem Tax Expense	(1,035,152)	(908,259)	(126,893)	14%
Interest Expense	(24,375)	(24,375)	-	0%
Total Non-Operating Revenue (Expense)	3,085,835	3,521,717	(435,881)	
Net Income (Loss) Before Depreciation*	3,880,790	3,458,506		

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

MELBOURNE ORLANDO INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
February 29, 2024

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Operating Revenues:			
Airline Landing Fees	267,648	548,700	49%
Airline Service Fees	1,187,733	2,580,095	46%
Land & Bldg Lease Rents	4,994,754	9,985,740	50%
Terminal Rents	116,330	253,683	46%
Parking Lot Fees	864,617	1,869,722	46%
Car Rental Concessions	686,876	1,712,402	40%
Restaurant Concessions	153,924	800,000	19%
Mobile Home Park Rent	848,364	2,884,990	29%
T-Hangar Rentals	37,976	-	#DIV/0!
Operating Grant Revenue	28,275	66,000	43%
Other	366,946	811,493	45%
Total Operating Revenues	<u>9,553,444</u>	<u>21,512,825</u>	44%
Operating Expense:			
Personnel Services	2,394,205	6,734,923	36%
Contract Services	3,204,903	9,183,957	35%
Police & Fire Services	558,986	1,375,676	41%
Maintenance and Operations	2,543,832	7,818,561	33%
Other	56,563	300,000	19%
Total Operating Expenses	<u>8,758,490</u>	<u>25,413,117</u>	34%
Operating Income (Loss)	794,954	(3,900,292)	
Non-Operating Revenue (Expense):			
Passenger Facility Charges	563,162	1,577,117	36%
Customer Facility Charges	571,524	1,325,101	43%
CARES Grant Revenue	1,391,947	2,262,865	62%
Gain (Loss) on Sale of Assets	6,671	2,328	287%
Interest Income (Loss)	542,989	796,201	68%
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)	<u>3,085,835</u>	<u>5,600,624</u>	
Net Income (Loss) before			
Depreciation, Transfers, and Capital Contributions	<u>3,880,790</u>	<u>1,700,332</u>	
Depreciation Expense	-	-	
Machinery and Equipment	(211,593)	(754,000)	28%
FAA Equipment Grant	-	-	#DIV/0!
Intra Transfer to Airport Capital	-	(2,154,365)	0%
Net Income (Loss) After Transfers	<u>3,669,197</u>	<u>(1,208,033)</u>	

Melbourne Orlando International Airport
Top 10 Operating Revenues
2/29/2024

Rank	Description	YTD FY 2024	FY 24 % of Total Rev	YTD FY 2023	FY 23 % of Total Rev	\$ Change	% Change	
1	Airfield Facilities Rental	3,168,802	33%	2,441,685	29%	727,117	30%	A
2	Commercial Business Center Rent	1,349,148	14%	1,305,556	16%	43,592	3%	
3	Parking Revenue	864,617	9%	781,848	9%	82,769	11%	B
4	Tropical Haven Revenue	848,364	9%	817,020	10%	31,344	4%	
5	Ground Handling Revenue	802,579	8%	691,829	8%	110,750	16%	C
6	Car Rental Concession	686,876	7%	736,577	9%	(49,701)	-7%	D
7	Terminal Rent-Airline	406,854	4%	366,471	4%	40,383	11%	E
8	Hangar Rent	357,941	4%	340,562	4%	17,379	5%	
9	Landing Fees	267,648	3%	218,990	3%	48,658	22%	E
10	Terminal Concessions	153,924	2%	121,478	1%	32,446	27%	E
Total Top 10 Operating Revenue		8,906,753	93%	7,822,016	93%	1,084,737		
Other Operating Revenue		646,691	7%	573,362	7%	73,329	13%	
Total Operating Revenue		9,553,444	100%	8,395,378	100%	1,158,066	14%	

A Increase is primarily the result of an option for property that was executed in Feb 2024 for airport property, the airport received \$578,147 for the option (project autobahn)-a new revenue source for FY 24. The remaining increase is due to normal CPI adjustments plus one tenant's rent was higher on a parcel that has a multi-year phase in period.

B Parking is higher due to the impact of moving to a single tiered rate in all public parking lots 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). Parking layovers (overnight parkers) were basically flat through the period reviewed.

C Revenue increase is due primarily to increase in activity levels coupled with a 5% rate adjustment that went into effect on 10/1/23 plus some airlines are rolling off the incentive plan so they are paying airport fees.

D Revenue decline is due to a reduction in the price car rental companies charge (MLB receives 10% of the gross revenues). During the pandemic, there was a shortage of cars that resulted in the escalation of prices charged by the rental car companies. As the supply of vehicles available for rent increases, the average price charged to end users has declined so the applicable fees remitted to the airport have had a corresponding decrease.

E Revenue is higher due to increase in activity level, such as gate use fees, as there was no rate adjustment for terminal rent or landing fees. In addition, some airlines their finished incentive periods on certain routes in FY 24 so they are now paying airport fees.

Melbourne Orlando International Airport
Top 10 Operating Expenses
2/29/2024

Rank	Description	YTD FY 2024	FY 24 % Operating Expense	YTD FY 2023	FY 23 % Operating Expense	\$ change	% change
1	Personnel	2,394,205	27%	2,424,813	29%	(30,608)	-1%
2	Other Contract Services	2,270,838	26%	2,259,132	27%	11,706	1%
3	Fire Services	554,584	6%	513,590	6%	40,994	8%
4	Contractual Employee	529,050	6%	443,890	5%	85,160	19% A
5	Electric	335,109	4%	340,773	4%	(5,664)	-2%
6	Consulting Fees	207,918	2%	213,292	3%	(5,374)	-3%
7	Risk Management	196,547	2%	197,946	2%	(1,399)	-1%
8	R&M-Runways/Taxiways	171,918	2%	20,323	0%	151,595	746% B
9	Cable TV Expense	169,221	2%	153,613	2%	15,608	10%
10	R&M-Building	157,583	2%	74,614	1%	82,969	111% C
Total Top 10 Operating Expense		6,986,973	80%	6,641,986	79%		
Other Operating Expense		1,771,517	20%	1,816,603	21%	(45,086)	-2%
Total Operating Expense		8,758,490	100%	8,458,589	100%	299,901	4%

A Increase is due to increased custodial and maintenance staffing expense. Management is working to reduce temp labor costs during TUI's off-season as the frequency of cleaning the terminal areas goes down passenger traffic decreases.

B Taxiway A pavement is deteriorating and needs to be strengthened to endure the weight of the 787 aircraft. The Airport has spent \$164,891 repairing Taxiway A in order to keep it operational until funding is secured for the reconstruction of T/W A (slated for later this year).

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 - \$35,760; elevator repairs-\$16,365; TSA Glass wall infill-\$5,361

Melbourne Orlando Int'l Airport
Cash Flow Projection
4/10/2024

	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25
Beginning Cash/Investment Balance	\$ 32,692,601	\$ 32,225,051	\$ 31,577,690	\$ 29,842,817	\$ 26,839,448	\$ 26,836,154	\$ 25,009,026	\$ 25,203,050	\$ 25,855,835	\$ 25,838,118	\$ 26,515,020	\$ 27,115,201
Operating Revenue	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	2,061,002	2,061,002	2,061,002	2,966,097	2,061,002
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	133,988	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					(120,450)							
Personnel	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(559,687)	(559,687)	(559,687)	(559,687)	(559,687)
TUI Marketing Incentive Payment	(988,585)		(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(36,415)				
Debt Payment (Interest)			(146,750)						(128,700)			
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)	(1,410,681)	(1,410,681)	(1,410,681)	(1,410,681)	(1,410,681)
Ad Valorem Tax Payment									(2,707,599)			
Net Increase (Decrease) in Cash Flow from Operations	738,422	(132,444)	(404,194)	(257,444)	(377,894)	(257,444)	(257,444)	160,935	(2,638,949)	197,350	1,102,445	197,350
Total Capital Outlay	(1,405,975)	(2,274,405)	(2,373,659)	(3,814,294)	(3,443,000)	(3,763,572)	(3,168,022)	(2,774,070)	(1,450,000)	(1,350,000)	(1,363,255)	(500,000)
Principal Payment-Outstanding Debt			(1,800,000)									
Total Capital Grant Revenue	-	1,450,989	2,543,737	778,532	3,513,850	1,902,500	3,347,500	3,046,512	3,887,500	1,667,218	700,000	1,837,591
PFC Collections (Reimbursement of Eligible Costs)	111,101	171,369	166,228	161,003	168,732	161,864	151,089	115,013	96,312	85,095	84,391	90,009
CFC Collections	88,903	137,129	133,015	128,833	135,018	129,523	120,901	104,395	87,420	77,239	76,600	81,699
Net Increase (Decrease) in Cash From Capital and Debt	(1,205,971)	(514,918)	(1,330,680)	(2,745,926)	374,600	(1,569,685)	451,468	491,850	2,621,232	479,552	(502,264)	1,509,299
Beginning Cash/Investments	32,692,601	32,225,051	31,577,690	29,842,817	26,839,448	26,836,154	25,009,026	25,203,050	25,855,835	25,838,118	26,515,020	27,115,201
Ending Cash/Investments	32,225,051	31,577,690	29,842,817	26,839,448	26,836,154	25,009,026	25,203,050	25,855,835	25,838,118	26,515,020	27,115,201	28,821,851

Melbourne Orlando Int'l Airport
Cash Flow Projection - Capital Exp and Grant Revenue
4/10/2024

Capital Project Expenditures	Proj #	Total Cost	Prior Expend	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25
Term Upgrade-Restrooms Gate Belt etc	Various	5,263,158	(179,111)	(489,755)	(220,222)	(350,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(774,070)				
Term Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	(560,217)	(35,940)	(200,000)	(200,000)	(250,000)	(500,000)	(750,000)	(750,000)	(750,000)	(600,000)	(500,000)	(863,255)	
Terminal Exp PH2-Int'l PBB (Gate 9)	50423	4,500,000	(4,130,523)	-	(200,403)										
Terminal Exp-Public Space (Haskell)	50519	52,264,894	(50,130,131)		(170,469)		(1,964,294)								
In Line Baggage System-Design	50121	1,024,944	(1,024,918)	-	-										
Northside Expansion	54120	11,948,523													
Northside Exp-T/W M Ext	54320	3,930,000	(102,801)	(115,835)	(226,895)	(250,000)	(350,000)	(350,000)	(400,000)	(400,000)	(350,000)	(350,000)	(350,000)		
Northside Exp-Taxiway C Rehab	50623	3,060,405	(440,163)	(492,060)	(600,000)	(686,722)									
Project Vista Site Improvements	50323	6,600,000	(1,614,111)	(31,504)	(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	(137,036)	(57,581)	(250,000)	(300,000)	(300,000)	(250,000)	(113,572)						
ATCT Roof/Bldg Imp/Remodel	50924/51024	306,605	(11,337)	(66,500)	(106,416)	(122,352)									
Equipment Purchases		754,000	(211,593)	(116,800)		(114,585)		(43,000)		(268,022)					
T-Hangars Phase 1	50223	3,000,000					(100,000)	(1,000,000)	(1,000,000)	(500,000)	(400,000)				
Total Capital Outlay				(1,405,975)	(2,274,405)	(2,373,659)	(3,814,294)	(3,443,000)	(3,763,572)	(3,168,022)	(2,774,070)	(1,450,000)	(1,350,000)	(1,363,255)	(500,000)
Grant Revenue															
FDOT DRA-Ramp Reimb (\$5,902,919)			3,343,400		1,071,700			1,071,700			416,119				
FAA Grant 59 Restrooms/Gate/Belt/etc	Multi	5,000,000				844,634				2,707,500			1,447,867		
FDOT Restrooms/Gate/Belt/Flooring/etc	Multi	131,000				22,227				90,000			19,352		
FAA-Fire Sprinklers-Grnt 60	50023	5,363,470	180,000			554,541			855,000			2,025,000			1,748,929
FDOT Fire Sprinklers	50023	297,971	10,000			39,308			47,500			112,500			88,663
FAA BIL AIG Gate 9-Grnt 62	50423	4,050,000	3,717,470			180,363									
TSA OTA-In Line Baggage Sys Design (\$711,496)			640,316			-	71,146								
NORTHSIDE EXPANSION GRANTS															
FDOT (T/W M Realignment/Ext)	54320	6,815,402	-		102,801			942,730			1,500,000			700,000	
FDEO (Inf Dev & T/W C)	54420/50623	3,922,132	1,654,164		276,488	492,060		1,499,420			-				
FDOT-Project Vista Grant	50323	6,600,000	1,535,011			410,604			1,000,000			1,500,000			
FDOT FY 23 T Hangar Grant	50223	1,500,000								550,000	500,000	250,000	200,000		
FAA Taxiway A Rehab	50524	1,267,370	-				670,155				597,215				
FDOT Taxiway A Rehab	50524	70,410	-				37,231				33,179				
Total Grant Revenue				-	1,450,989	2,543,737	778,532	3,513,850	1,902,500	3,347,500	3,046,512	3,887,500	1,667,218	700,000	1,837,591

**MELBOURNE ORLANDO INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
MARCH 2024**

	2024	2023	MO CHANGE (%)	2024YTD	2023YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	25,712	24,113	6.6%	68,337	63,585	7.5%
Deplaned	26,369	23,989	9.9%	69,107	62,928	9.8%
Total Revenue PAX - Domestic	52,081	48,102	8.3%	137,444	126,513	8.6%
*Revenue PAX - Int'l						
Enplaned	235	339	-30.7%	301	414	-27.3%
Deplaned	2,843	1,995	42.5%	3,281	2,313	41.9%
Total Revenue PAX - Int'l	3,078	2,334	31.9%	3,582	2,727	31.4%
Non-Revenue PAX						
Enplaned	707	826	-14.4%	2,070	2,424	-14.6%
Deplaned	734	882	-16.8%	2,023	2,446	-17.3%
Total Non-Revenue PAX	1,441	1,708	-15.6%	4,093	4,870	-16.0%
Total PASSENGERS	56,600	52,144	8.5%	145,119	134,110	8.2%
AIRCRAFT OPERATIONS						
Air Carrier	570	516	10.5%	1,561	1,484	5.2%
Air Taxi	187	160	16.9%	505	456	10.7%
General Aviation - Itinerant	11,340	9,987	13.5%	30,652	27,026	13.4%
General Aviation - Local	2,465	4,677	-47.3%	6,747	15,038	-55.1%
Military	89	53	67.9%	328	269	21.9%
Total OPERATIONS	14,651	15,393	-4.8%	39,793	44,273	-10.1%

*Includes Data from US Customs for General Aviation Passengers



MELBOURNE AIRPORT AUTHORITY BOARD

Minutes March 27, 2024

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. Cliff Repperger, 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, Councilmember

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

TUI International flights restarted March 18, 2024.

MLB Celebrating 40 years of partnership with Delta Air Lines.

Embraer hosted MLB Delegates to see display of C-390 Millennium and A-29 Super Tucano aircraft.

A \$5M grant for a new operations center has been approved by Florida Legislature and awaiting Governor approval.

Congratulations to Tyler Vavra, Police Department Officer of the Year.

MLB hosted the ninety-nines, members of the International Organization of Women Pilots.

Many thanks to Airport PD and Operations for their continued clean-up efforts off Apollo Boulevard near St. Michael Place.

MLB received the Agency Certification Award from the Universal Public Procurement Certification Council.

2024 Brevard Corporate 5K will be on April 11, 2024 on MLB's Airfield at 6:30 p.m.

2024 Law Enforcement Torch Run supporting the Special Olympics in Florida will be on April 24, 2024.

Passenger Activity Report. Total passengers year-to-date is 88,519, which is an 8 percent increase. February total passengers were 46,431, which is a 11.4 percent increase over February 2023.

Executive Director’s Recognition of Excellence Award

Congratulations to Melissa Naughton, C.M., ACE, Assistant Director of Business Development, on receiving this month’s award.

Action Items

Item A-1 Approval of the minutes for the January 24, 2024, Regularly Scheduled Board Meeting

Approval of the January 24, 2024, board meeting minutes. A motion was made by Mr. Thomas for approval of the minutes, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-2 Recommendation to Approve Melbourne Airport Authority Purchasing Manual Revision 14.

Mr. Donovan explained during the January 24, 2024 board meeting, there were considerable discussions about the revisions to the airport’s purchasing manual and a motion was approved to table the Purchasing Manual revision. During this time, airport staff interacted with several Board members to revise the original submittal. Mr. Donovan thanked Mr. Mikuen for his time and efforts on the changes made to the purchasing manual. Mr. O’Dell stated with the changes made, the purchasing manual is current and reflects the best practices.

Mr. Thomas stated one of the things he was concerned about was the buy local section of this document. Mr. Thomas recalls that Mr. Potter had stated previously that this airport serves the entire county, so from that standpoint, Mr. Thomas is comfortable with the information that has been established.

Mr. Peoples stated he does not agree with giving local companies any kind of discounts or advantage, but inquired if there were a tie break where cost and services are equal, and the other company bidding is based out of Brevard County. Mr. O’Dell explained that this is something that can be built into the RFP documents. Mr. Donovan stated the airport is mindful of all these scenarios and will make sure that these items are taken care of through our Procurement processes.

A motion was made by Mr. Fisher to approve Melbourne Airport Authority Purchasing Manual Revision 14, seconded by Mr. Thomas. Motion passed unanimously.

Item A-3 Recommendation to Approve Resolution 1-24 to Amend the Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the In-Line Baggage System Project to Increase the Grant by \$1,500,000.

Mr. Donovan explained that the contract award associated with this grant will be brought to the board for approval as bids will be received in a few weeks. This is a very substantial project with a cost of \$37 million. This In-line System will have the very best technology in screening checked luggage. TSA has awarded MLB with its first grant to fund this project, along with State and Federal grants to support this project. This is the second allotment of FDOT’s commitment to fund the project. The budget for the In-line Baggage System project has been approved by the Board and this grant amendment will not change the budget.

Mr. Potter inquired if next month the project will be bid on. Mr. Donovan stated that it is out to bid right now, and the design is complete. Mr. Perley stated the proposals are due on Friday, April 12, 2024. The Airport has gone through a two-step process and has shortlisted three firms, Collage from Maitland, FL, Hensel Phelps from Orlando, FL and Ivey’s Construction from Merritt Island, FL.

A motion was made by Mayor Alfrey to approve Resolution 1-24 to Amend the Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to fund certain improvements for the In-Line Baggage System Project to increase the Grant by \$1,500,000, seconded by Mr. Peoples. Motion passed unanimously.

Item A-4 Recommendation to Award a Change Order to W&J Construction Corporation under their Continuing Services Contract for Replacement of Damaged Material at 1135 W. NASA Blvd. in an Amount Not-To-Exceed \$108,300.

Mr. Donovan explained work had commenced to repair damage from a broken water line at 1135 W. NASA Blvd. After removal of the existing water damaged materials, unforeseen damage was discovered that need to be replaced and corrected as a new tenant is expected to occupy the newly renovated space.

A motion was made by Mr. Peoples to award a Change Order to W&J Construction Corporation under their Continuing Servies Contract for replacement of damaged material at 1135 W. NASA Blvd. in an amount not-to-exceed \$108,300, seconded by Mayor Alfrey. Motion passed unanimously.

Information Items

Item I-1 Financial Update

Mr. O'Dell presented the financial updates regarding year-to-date actuals FY24 vs. FY23 and FY24 actuals vs. budget and financial update through January 31, 2024.

Mr. O'Dell presented the audit results along with the required auditor communications. Mr. Mikuen inquired if there were any unadjusted differences the auditors had found. Mr. O'Dell stated there were no passed journal entries. Mr. Mikuen stated there has been a lot of press on IT Controls and Cyber and inquired if the auditors had performed any IT controls. Mr. O'Dell stated they did not. Mr. Mikuen stated it may be something to consider looking into.

Mr. Potter inquired about Taxiway A and asked how this is going to be addressed and how does it affect the cash flow projections. Mr. O'Dell stated Taxiway A is currently under design and the airport has requested discretionary funding on this and has plans to use airport entitlement grants from the FAA to fund this project. It is a significant project with an approximate cost of \$28 million dollars. This will be a multi-year project and will be done in two phases. Mr. Perley stated the bids will be due in June and be brought to the board in June for approval and then sent to the FAA for approval of discretionary grants in the fall. Mr. O'Dell stated that the airport has met with FAA, and this is a high priority item. The airport has already sent in a pre-application for funding, but the FAA will not award it until they have received the bid information. Mr. Potter asked if this would affect the airport's cash flow projections. Mr. O'Dell stated it will not have a significant impact on cash flow since the grant requested from the FAA should be a 90% grant and state will provide 5% grant. Mr. Potter asked how much more is the airport going to spend between now and the start of the Taxiway A project. Mr. Donovan stated the work that was done was to preserve and maintain the pavement of the runway until it gets replaced.

Mr. Potter inquired about Tropical Haven and asked how long this item is pending with the FAA and at what point is the airport going to make some adjustments to account for this. Mr. O'Dell stated he does not believe the airport needs to make any adjustments, as the Airport had some revenues that were not budgeted that have offset that, for example, project Autobahn, the options for \$578,000 that was billed in February. Mr. O'Dell stated that the airport is good without processing the Tropical Haven increases that were budgeted through May; the unanticipated revenue from project autobahn and bridges the airport through the end of the fiscal year even with the deferral of the Tropical Haven rent increase.

Item I-2 Operations Update

Mr. Graham explained the airport had its annual FAA Part 139 Annual Inspection last month. The inspection is two and a half day audit by a certified FAA inspector, and they are looking at all elements of safety physically on the airfield itself and all of the record keeping and training that goes along with this annual inspection. The airport did very well with its inspection this year, better than last year and last year's inspection was great with minor discrepancies. There were a few areas that were noted in this year's inspection; a couple of the fueling agents had some minor training and equipment discrepancies, all of which have been corrected and in compliance. On our night inspection, our airfield signs have a black coating on the back of the signs, and over time this black coating comes off and causes a light bleed in the back, which is not compliant. The signs have been corrected and in compliance. We had an individual from FAA Tech Ops, these are the people from FAA who perform maintenance on the airfield for the navigational aids that the FAA owns, was out of time on his airfield training. MLB staff was able to train him and correct this discrepancy. Another area noted in the runway safety area, the issue is the gopher tortoise burrows which can create a hazard for an aircraft that may veer off the runway. This is very common in airports, particularly in Florida and the FAA has looked at this over the years wanting the airports to take notice of these burrows, survey the burrows to see are there more or less of these burrows. FAA is now wanting to see the airports legally move the tortoises outside the safety areas to eliminate the hazard, and that is something MLB is currently working on. Another area the inspector noted in the safety areas that the airport possibly had a swale exceeding grade requirement, so MLB is having that area surveyed. The airport is currently working on one open discrepancy in the safety area and will have that completed. Mr. Graham wanted to thank Stephanie Betts and staff for doing a great job during this annual inspection.

Mr. Graham next item of discussion is MLB airspace study, which is something the airport has been working on a little over a year. This item was brought to the board last year to work with McFarland Johnson to complete this study. While conducting this study, the airport was notified by commercial airline pilots that there were times the airlines came into conflict during their descent into MLB with smaller general aviation aircraft operating in the vicinity. The airport would like to reduce any hazards and maintain safety. McFarland Johnson has worked on this study gathering data and meeting with local stakeholders for their input. The other concern is MLB is growing rapidly and operations at MLB has increased. The airport is currently classed as Delta airspace and our goal is to be classed as Charlie airspace. This study will be sent to the FAA to review MLB airspace reclassification request and advocate for increased safety through an upgrade in airspace to a Class C designation.

Melbourne Airport was recognized and named Delta Air Lines' station of the month, which relates to operational and safety standards, customer service, and baggage services. Congratulations to Delta, Menzies, and airport staff for their team efforts.

Mr. Potter inquired about the Ellis Road Project. Mr. Graham stated the county did not receive the infra-grant and they have hired a new consultant to work on second infra-grant request. The county is also working on alternative funding measures through the state.

Item I-3 Construction Projects Update

In-Line Baggage System

The 100% design drawings are complete and have been submitted to TSA for final approval. Design drawings have also been issued to the three Construction Management (CM) firms selected for the Step-2 of the RFP process: Collage (Lake Mary, FL), Hensel Phelps (Orlando, FL) and Ivey's Construction (Merritt Island, FL). Proposals are due Friday, April 12, 2024. Each firm will present their proposal on Tuesday April 16, 2024, with the selection committee making a recommendation at the conclusion of the presentations. The selected firm will be brought to the Board in April for approval. Construction is estimated to start in May with temporary TSA scanning facilities and temporary offices for the airlines while the areas behind the ticket counters is renovated. Due to the long lead of the new TSA scanners, they have already been released by TSA with an expected delivery by the end of January 2025. With the cross-belt system design, the expected completion will be reduced from 18 months to 15 months. This will be the second cross-belt system installed in this country and the first for use by TSA.

Premium Lounge Restroom Renovation

The restroom renovation project is complete. First use of the restrooms is expected on Monday, March 25, 2024. This project was challenging with the discovery of existing underground sanitary lines not having enough fall for proper flow of waste. This caused the pipe to be filled with enough debris to lose more than half of its capacity. Even with the unforeseen conditions, the project remained on budget.

TSA Security Entrance

The new roll-down security shutter for the entrance to the TSA security checkpoint has been installed. Entrance to the restroom adjacent to the checkpoint has been raised as the header installed under the terminal renovation and expansion project was too low and many felt that they had to duck to enter the restroom. New security access control is currently being installed for the roll-down security shutter. As with most renovation projects, the unforeseen came in the form of structural steel supports wrapped within the aluminum storefront frame. A structural engineer was brought in, and a modification was made. Completion of the new roll-down shutter is expected by Tuesday, March 26, 2024.

Terminal Fire Sprinklers

Fire alarm and fire sprinkler work continues in the existing terminal. First phase of the sprinklers is complete in the mezzanine and operational. Sprinkler work under the existing concourse is complete and operational with some punchlist work remaining. Fire Marshal inspected and passed the hydro test on the new 6" FDC to the front of the terminal near the existing fire hydrant. Tie-in of the new FDC is scheduled for Monday, March 25, 2024. Next phase of work will begin in the administrative offices. Not part of their contract, the fire sprinkler contractor will be fixing a leak in the existing fire line in the TSA scanner area behind ticketing.

Existing Terminal Roofing

Design of the roof replacement continues. Moisture survey and testing is complete, and the results are that the existing roof substrate is good and will not need replacement. Bid documents are expected to be issued at the end of April. Bids will be due in early June with Board approval in June. Project should complete by November 2024.

Terminal Security Camera Replacement Phase 1

Phase 1 of the security camera replacement is complete within the CBP area. Training of the new camera system to CPB staff is complete. CBP is currently using the system and no issues have been reported.

Terminal Renovation and Expansion

On March 14, 2024, the terminal contractor and their subs attempted another repair of the roof leak at one of the roof top air handling units that has been consistent since the new terminal has been in operation. No significant rainstorm has occurred since the repair to determine if it is fixed. Replacement of the freight lift in the back-of-house area of the concession space in the new concourse is expected to occur in April. Still waiting for the delivery date confirmation. No update from the Terminal Contractor on their assessment of the skylight in the atrium or the corrective measures to be performed.

Project Vista – Dassault Falcon Jet Site Work

Bids for the airport's portion of the work for off-site utilities and common use apron were way over budget. All bids were rejected, and plans were re-designed. Revised plans are now out for rebid and are expected in mid-April. The selected low bidder will be brought to the April Board meeting for approval. Utility work for the project is expected to begin immediately with the common apron and taxiway approach to wait until DFJ completes the exterior of their hangars. Apron work is not expected to start until the end of the year. Project completion is expected in July 2025.

Taxiway A Rehabilitation

AVCON continues with the design of the rehabilitation of Taxiway A. Review of the 70% plans expected the second week of April. Temporary repairs to the taxiway have been completed. Project is expected to go out to bid in May 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

Milling of the asphalt is complete. Crack repairs and sealing is complete. Clearing of all drainage canals are complete and sod is currently being installed. New pavement to start early on Monday morning, March 25, 2024. Project is slightly ahead of schedule and the 56 days of the taxiway closure could be improved by almost a week. Funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO).

Taxiway M Phase 1 (Realignment) and Phase 2 (Extension)

Due to the closure of Taxiway C, this project will be delayed until Taxiway C is reopened. Installation of the underground storm water pipes is complete. The realignment phase of work is expected to be completed by the end of July 2024. Drawings for Phase 2 (Taxiway extension) are complete and ready for final review and comment. Pricing for this work should be ready for approval at the April Board meeting.

Terminal Wayfinding Signage

Design is underway for the additional wayfinding signage throughout the terminal. Pricing is expected by the end of March and will be brought to the Board in April for approval.

Item I-4 Business Development and Marketing Update

Mr. Busalacchi stated the Hyatt Place Hotel has been able to secure Q’s Crackin’ Crab and Seafood Kitchen for the rooftop restaurant.

The ambassador program is fully staffed and trained ahead of TUI restart for this year. Congratulations to Samantha Jackson and the ambassador team for doing a great job.

The ADLeaf has embarked on a campaign to help promote the Washington, DC service provide by American Airlines. This campaign was a monumental quest to D.C and an opportunity to engage the public by entering in a contest, to win two round trip tickets by providing clues throughout Brevard County. The airport has received a lot of reaction through social media, clicks and piqued the interest of the public in regard to MLB. It was a successful campaign.

The interactive Welcome Center installation for Visit Space Coast video wall is completed.

Adjournment

This meeting was adjourned by Chairman Willam Potter at 9:57 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