



MELBOURNE AIRPORT AUTHORITY BOARD

Minutes May 22, 2024

Board Meeting Airport Board Room

In attendance: Mr. William C. Potter, Chairman
The Honorable Mark LaRusso, Councilmember
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
Ms. Melissa Naughton, C.M., ACE, Assistant Director of Business Development
Mr. Mike O'Dell, C.P.A., Director of Finance and Administration
Mr. Cliff Graham, C.M., Director of Operations and Maintenance
Mr. David Perley, A.I.C., Director of Capital Improvements

Absent: The Honorable Tim Thomas, Vice Chairman, Councilmember
The Honorable Paul Alfrey, Mayor
Mr. Adam Bird, Attorney
Ms. Renee Purden, Chief of Police/Director of Public Safety

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

MLB hosted the Melbourne Regional Chamber of Commerce Board Meeting on May 8, 2024.

Congratulations to the following employees for earning the following accreditations:

Kayla Krause, Accountant, ACE Airport Finance Program Certification.

Melissa Naughton, CM., ACE, Assistant Director of Business Development, ACE Planning and Environmental Certification.

Brendon Cooper, Operations Officer, CM accreditation.

Congratulations to Ed Bexfield promotion from Operations Utility Specialist to Equipment Operator I.

Passenger Activity Report. Total passengers year-to-date is 208,909, which is an 7.5 percent increase. April total passengers were 63,790, which is 5.8 percent increase over April 2023.

Mr. Donovan explained in last month's board meeting, Mr. Potter had inquired about the reduction of local general aviation operations and stated after reviewing a few things, staff determined that due to the weekly closures of north runway 9L-27R to allow crane work at the DFJ project site on Apollo Boulevard, the Airport has re-routed aircraft to different runways and has not been able to facilitate touch and go activity. The general aviation number reflects touch and go activity and these aircraft are going to other local Airports for their touch and go activity. This runway closure is temporarily to allow for the construction work taking place at the DFJ project site.

Executive Director's Recognition of Excellence Award

Congratulations to Travis McNeely, Airport Electrician, on receiving this month's award.

Action Items

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

Approval of the April 24, 2024, board meeting minutes. A motion was made by Mr. Peoples for approval of the minutes, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-2 Recommendation to Approve Resolution 2-24 to Amend Florida Department of Transportation Public Transportation Grant Agreement to Fund Certain Improvements for the Taxiway "A" Rehabilitation Project to increase the Grant by \$1,500,000.

Mr. Donovan explained Taxiway "A" is going to be a very extensive and expensive project and at this time staff is working on obtaining funding through Federal Aviation Administration (FAA) and Florida Department of Transportation (FDOT). FDOT has awarded the Airport an additional \$1.5 million to cover FDOT's share of the construction phase and this grant provides for 50 percent of the construction cost for the non-Federal Aviation Administration funded portion of the project.

Mr. Peoples inquired what would be the Airport's approximate cost for this project. Mr. Donovan stated the Airport is working on getting a cost and expecting the cost to be somewhere around \$27 million for this work. Mr. Donovan stated the cost is usually split at 90 percent federal, 5 percent state and 5 percent Airport.

Mr. Mikuen asked if the Airport is confident they will receive FAA funding for this project. Mr. Donovan stated that Congress passed a five-year authorization of the AIP program and FAA funding. The Airport has had discussions with FAA regarding this project and are very confident we will receive funding. Mr. Mikuen inquired if the Airport has an estimated time frame for the FAA to make its final determination. Mr. Donovan stated the Airport must submit hard numbers for FAA to review and sometime in the next few months, the Airport should receive a response.

A motion was made by Mr. LaRusso to approve Resolution 2-24 to amend Florida Department of Transportation Public Transportation Grant Agreement to fund certain improvements for the Taxiway "A" Rehabilitation Project to increase the Grant by \$1,500,000, seconded by Mr. Peoples. Motion passed unanimously.

Item A-3 Recommendation to Approve Renewal of Airport Liability Insurance Coverage Policy in the Amount Not-To-Exceed \$92,051.

Mr. Donovan explained the Airport's annual liability insurance policy expires on July 14, 2024. Rather than obtain proposals from other aviation insurers, Arthur J. Gallagher Risk Management Services, Inc. negotiated with the existing insurer, National Union Fire Insurance Company, to obtain the best price with adequate coverage. Gallagher negotiated a 2.9 percent reduction; however, the growth in passenger traffic resulted in a 9 percent premium increase. This quote also includes a liability limit of \$200 million and a deductible of \$50,000.

Mr. Mikuen mentioned the amount quoted is quite reasonable and recommends that the Airport work with Gallagher to make sure the terms and conditions of coverage are adequate.

A motion was made by Mr. Peoples to approve Renewal of Airport Liability Insurance Coverage Policy in the amount not-to-exceed \$92,051, seconded by Mr. Fischer. Motion passed unanimously.

Item A-4 Recommendation to Increase a Purchase Order for Environmental Science Associates Corporation to the Amount of \$201,722.

Mr. Donovan explained as part of the land release process for the sale of 53.852 acres to Adelon Real Estate Manager, LLC for the Lakoona Beach project, the Federal Aviation Administration (FAA) has given the Airport a conditional approval to release the land but has requested that the Airport conduct an environmental assessment. The Airport engaged Environmental Science Associates Corporation (ESA) to conduct the requested assessment. The initial purchase order was issued to ESA and this increase to its purchase order will allow ESA to commence the EA process and provide the information to the FAA. The environmental assessment is not just specific to this project, it is a necessary step for the release of the land and required under the National Environmental Policy Act of 1969 (NEPA). The Airport has sufficient budget available to cover this expenditure.

Mr. Fischer inquired if the purchaser could still back out of the project through the due diligence period if the Airport spends this money for the EA. Mr. Donovan replied yes. Mr. Fischer stated if the money is spent, the Airport would still have to do the assessment even if the property was sold to another entity. Mr. Donovan replied yes. Mr. Fischer inquired if the Airport is aware how long it takes to complete this assessment. Mr. Busalacchi stated Phase 1 assessment would take about three months to complete and that will determine if a Phase 2 assessment will be required. Mr. Fischer asked if the \$200,000 could be higher. Mr. Busalacchi replied probably. Mr. Fischer stated it is a large amount of money to spend and inquired if the Airport should do this work now or wait until the Airport is certain this project will move forward. Mr. Donovan stated this assessment has to be done and it will be beneficial for the Airport to address the issue now and get the assessment completed.

Mr. Mikuen stated that NEPA may take a longer period of time than what Mr. Busalacchi stated for Phase 1 assessment and recommended if the Airport can acquire a NEPA expert and asked if ESA has one, to bring them aboard on this environmental assessment.

Mr. Peoples asked if this is the final requirement by the FAA, once this assessment is completed, this item can be signed off and completed. Mr. Donovan stated there are some parallel tracks that this has to be put in the federal register and advertised for 30 days. The work being done is all pre-requisites for FAA approval.

Mr. Potter asked Mr. Busalacchi since this property is a former landfill, is it likely to increase the chances of a Phase 2 assessment. Mr. Busalacchi stated the preliminary findings indicate that there is the potential for a Phase 2 assessment to be necessary. Mr. Potter asked if the Airport has an idea of what the additional cost would be for a Phase 2 assessment. Mr. Busalacchi stated he does not and to Mr. Donovan's point previously stated, this assessment would need to be done whether the Airport develops this property or sells the property that it's an unavoidable hurdle the Airport has to take on as per FAA requirements. Mr. Donovan stated the Airport will seek eligibility of grant assistant for this matter.

A motion was made by Mr. LaRusso to increase a Purchase Order for Environmental Science Associates Corporation to the amount of \$201,722, seconded by Mr. Peoples. Motion passed unanimously.

Item A-5 Recommendation to Approve Award of a Contract to Janitorial Depot for Janitorial Supplies in the Amount Not-To-Exceed \$90,000 Annually.

Mr. Donovan explained the Airport acquires janitorial supplies to maintain and meet all operational needs. Airport staff issued an Invitation to Bid for janitorial supplies to which 17 bidders responded and 6 bidders provided pricing. After reviewing the bid proposals, it was determined that Janitorial Depot of West Melbourne, FL provided the best pricing and value for the Airport to recommend awarding all items of the bid. The bid proposal pricing is valid for a two (2) year period, with two (2), two (2) year renewal options.

Mr. LaRusso requested a copy of the bid tabulation to review the quotes and stated the pricing received was good based on his experience.

A motion was made by Mr. LaRusso to approve the award of a Contract to Janitorial Depot for Janitorial Supplies in the amount not-to-exceed \$90,000, seconded by Mr. Peoples. Motion passed unanimously.

Item A-6 Recommendation to award a Contract for the Project Vista (Dassault Falcon Jet) Site Infrastructure Improvements Project to the Lowest Responsive Qualified Bidder, KCF Site Development, LLC, in the Amount of \$4,478,428.57

Mr. Donovan explained as part of the agreement with Dassault Falcon Jet (DFJ), the Airport secured a \$6.6 million grant from the Florida Department of Transportation (FDOT) to help DFJ in its construction for the common use infrastructure of underground utilities and taxiway pavement for Project Vista. Airport staff issued an Invitation to Bid with only two bidders responding and the low bid was considerably over budget. The project was re-designed and four new bids were received and bids came in at \$2 million less, but not low enough to include the entire scope of work. Due to the schedule for this work to commence and not impact the DFJ project, Airport staff is recommending award of bid schedules B, C and D at this time to the lowest qualified bidder, KCF Site Development. The Airport's agreement with DFJ is that the Airport would cover project development costs up to the amount of funding provided by the State. Airport staff is working with various stakeholders to develop options to fund bid schedule A. The FDOT grant will cover 100 percent of the project with no local match required.

Mr. Potter inquired what time frame does the airport have to complete the work for bid schedule A. Mr. Donovan stated to not disrupt the schedule of completing this project in the next year, the airport will need to have some type of solution implemented by November of this year for schedule A.

Mr. Mikuen inquired if the airport is not able to come up with a solution for schedule A, and DFJ ends up paying, would the airport be eligible for a grant and reimburse DFJ for those costs. Mr. Donovan answered no. If the airport cannot find a solution, the cost will be significantly more for DFJ.

A motion was made by Mr. Peoples to award a Contract for the Project Vista (Dassault Falcon Jet) Site Infrastructure Improvements Project to the lowest responsive qualified bidder, KCF Site Development, LLC, in the amount of \$4,478,428.57, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-7 Recommendation to approve a Purchase Order to AVCON, Inc., under its Continuing Services Contract, for the Professional Airside Engineering for the Construction Administration (CA) Services and Resident Project Representative (RPR) Phase of the Project Vista (Dassault Falcon Jet) Site Infrastructure Improvements Project in an Amount Not-To-Exceed \$506,228.00.

Mr. Donovan explained AVCON, Inc. has completed several projects with the airport and continues to do a great job. This purchase order will be for Construction Administration Services and Resident Project Representative Services for the construction phase of Project Vista site improvements. The FDOT grant will cover 100 percent of the project with no local match required.

A motion was made by Mr. Fischer to approve a Purchase Order to AVCON, Inc., under its Continuing Services Contract, for the Professional Airside Engineering for the Construction Administration (CA) Services and Resident Project Representative (RPR) Phase of the Project Vista (Dassault Falcon Jet) Site Infrastructure Improvements Project in an amount not-to-exceed \$506,228, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-8 Recommendation to Approve a Lease Agreement with Melbourne Regional Chamber of Florida's Space Coast, Inc.

Mr. Donovan explained the Melbourne Regional Chamber of Florida's Space Coast, Inc., sold its building in downtown Melbourne and will be leasing space in the Airport-owned building at 1135 W. NASA Boulevard. The lease options will be for two years, with two, one-year options, and entails a little over 4,300 square feet at a rate

of \$13.00 per square foot which is \$56,388 dollars annually; the Common Area Maintenance (CAM) charge is \$3.50 per square foot which is \$15,168 dollars annually. CPI adjustments will occur on the extension of each option period with a minimum of 2 percent and a maximum of 7 percent per year. A yearly rent credit of \$20,028.46 will be applied evenly per month over each year. This is an in-kind credit for the Airport's annual Chamber membership and additional sponsorship fees. The first month of the base rent and CAM will be waived as a rent abatement.

Mr. LaRusso inquired if this is the Elite Air building. Mr. Donovan replied yes.

Mr. Potter inquired when did the airport change from a 2 to 7 percent CPI increase? Mr. Busalacchi stated it was written in the lease agreements about a year ago per Mr. Potter's recommendation. Mr. Potter stated that the airport is responsible for the roof and air conditioning at 1135 W. NASA Boulevard and inquired if the airport is going to have any problems with those two items. Mr. Busalacchi stated that the airport is planning to replace the roof and the air conditioning in the next fiscal year.

A motion was made by Mr. Fischer to approve a Lease Agreement with Melbourne Regional Chamber of Florida's Space Coast, Inc., seconded by Mr. Mikuen. Motion passed unanimously.

Discussion Items

Item D-1 FY-25 Budget Presentation

Mr. O'Dell presented a PowerPoint presentation that detailed key points of the FY25 budget request and responded to questions by Board members. Mr. O'Dell provided each member with a hard copy of the budget for their review.

Mr. Potter inquired if Mr. O'Dell will be presenting the budget slide presentation and details at the June board meeting. Mr. O'Dell indicated the resolution for approval would be on the agenda at next Board Meeting, but that another presentation was not planned. Mr. Donovan stated staff is hoping to accomplish the board taking the next month to review in detail the budget and if there are any questions or concerns, the board can meet with Mr. O'Dell or him to go over any concerns. At next month's board meeting, the goal would be for staff to incorporate any changes made to the budget and look for a vote of approval of the budget by the board. Mr. Potter commended staff for having the budget ready early.

Mr. Mikuen requested some additional detail on the budget which Mr. O'Dell indicated he would provide.

Information Items

Item I-1 Financial Update

Mr. O'Dell presented the financial report through March 31, 2024.

Mr. Peoples inquired if the airport is fully staffed with labor being the biggest cost in the budget. Mr. Donovan stated the airport is not fully staffed and there are some positions still open in the Police and Maintenance departments.

Item I-2 Operations Update

Mr. Graham gave an update on Ellis Road. Brevard County has submitted for the second time the INFRA grant application which was due earlier this month with the help of their new consultant Kittelson & Associates. The project has a new name, "Ellis Road - Linking Aerospace, National Defense and Community". The goal of the new name change is to accurately describe the project and attract the attention it deserves. The grant amount requested is \$46.9 million for construction. Brevard County and the Space Coast Transportation Planning Organization (SCTPO) are pleased with the grant submission and are cautiously optimistic in receiving the grant. Melbourne Airport Authority, the local Chambers and consultants all wrote letters of support for the Ellis Road project. Brevard County

is also working with the Florida Department of Transportation (FDOT) to explore financing options as an alternative for the INFRA grant or other grants.

Mr. Graham gave an update on how the operations and maintenance team has been managing the airfield during several ongoing construction projects such as the DFJ Facility, Embraer Expansion, Taxiway "C" Rehabilitation, Taxiway "M" Rehabilitation and Expansion and coming soon is Taxiway "H" Relocation all happening on the north side of the airport. With the construction of the DFJ Facility, and the daily use of cranes, the airport has been closing runway 9L-27R on Monday through Friday from 7:30am till 5:00pm. This activity is expected to continue through late June. This closure has also assisted Embraer with the improvements and use of cranes on their site for the construction of a new paint hangar. Maintenance staff has also taken the opportunity of the runway closures to perform airfield maintenance such as painting markings, stormwater maintenance, and inspections in the safety areas. The Airport's goal has been to strike a balance to complete the necessary improvements while safely operating the airfield, communicating and having tenant meetings, sending email updates and having stakeholder site visits. Airport staff is working closely with the Airport Traffic Control Tower and flight schools along with other stakeholders at MLB and keeping a watchful eye over all these activities daily to make sure all these activities are kept safe and operating smoothly.

Item I-3 Construction Projects Update

In-Line Baggage System

TSA is still reviewing the 100% documents. They have called for a final review and acceptance meeting the first week of June. Once TSA approval is given, a follow-up with the Construction Manager's at Risk will be conducted for any last-minute cost adjustments. Currently additional questions are being prepared for the Construction Manager's at Risk to answer before the committee makes their final recommendation which will be brought to the Board for approval. This should occur at the June Board Meeting. Notice to proceed should be issued in July and start with the relocation of bag screening and offices to temporary facilities east of the current ticketing area. Due to the long lead of the new TSA scanners, they have already been released by TSA. The new expected delivery date is February 2025. With the cross-belt system design, the overall construction schedule is reduced, and completion is expected in March of 2026. This will be the second cross-belt system installed in this country and the first for use by TSA.

Terminal Fire Sprinklers

Fire alarm and fire sprinkler work continues in the existing terminal. Current sprinkler work in the administrative office area is complete. Fire sprinklers work now beginning in the Police Department and TSA office area and should be completed by the end of June with Fire Marshall acceptance in July. Next phase of work to begin in the car rental area. As each of the sprinkler's areas are completed, the fire alarm contractor is making connections to the new fire alarm system. It is expected that the old fire alarm system will be able to be removed in its entirety by the end of August.

Existing Terminal Re-roofing

Bid documents are currently out to bid. There were 22 firms that picked up plans and attended the pre-bid meeting. Bids are due June 11, 2024. Expect to bring to Board for approval in June. Project should complete by November 2024.

Terminal Wayfinding Signage

Wayfinding signs are nearing completion. Adjustments have been made and we are expecting two more signs before the project is complete.

Domestic Bag Belt Replacement

Fabrication of the new domestic bag belt continues. Expected delivery of the belt parts will begin in August. Replacement of the domestic bag belt will not begin until the current TUI season ends. It is anticipated that the replacement of the domestic bag belt will take four weeks.

Federal Inspection Station Escalator Replacement

Fabrication of the new replacement escalator in the Custom's area is underway. Delivery of the new escalator is expected in January 2025. Demolition of the existing escalator will begin after the last seasonal flight from TUI. Replacement of the escalator is expected to be completed by the end of February 2025.

Terminal Renovation and Expansion

Replacement of the freight lift in the back-of-house area of the concession space in the new concourse has begun. The old lift has been removed and the installation of the new one has begun. No update from the Terminal Contractor on their assessment of the skylight in the atrium or the corrective measures to be performed. A review of the skylight was performed by the contractor in the first week of May.

Project Vista – Dassault Falcon Jet Site Work

The revised bids have been received. Adjustments to the plans have resulted in bids coming in \$2 million lower than the previous bids. With the Board's approval in May, utility work for the project is expected to begin immediately. The common use apron work being over the grant budget amount will be reviewed with DFJ before moving forward. Project completion is expected in July 2025.

Taxiway A Rehabilitation

Design of the Taxiway A rehabilitation is complete. Pre-bid for the project was held on 5/21/24 with five firms attending. Bids are due June 13, 2024, with a recommendation for approval by the Board at the June Meeting. This is required before submitting 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

Taxiway C is complete. Final striping for the project was delayed due to rain. This project was completed ahead of the June 1 deadline for the grant.

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

Taxiway M Phase 1 realignment is underway. Installation of the underground storm water pipes is complete. Base rock is complete and being prepared for asphalt. Taxiway lighting rough in continues. Clearing of the ditches for Phase 2 is complete. Due to the long lead of scheduling asphalt paving, both Phase 1 and Phase 2 will be paved at the same time which is expected the first part of July. With a 30-day cure for asphalt before stripping, both projects are expected to be completed by the end of August.

Mr. Potter inquired if the airport would expect any more substantial expenditures for Taxiway A until the rehabilitation work begins. Mr. Perley stated it is potential. During the pre-bid walk-thru, airport staff did notice a chip on asphalt and an assessment was made. Staff will monitor it weekly and if we had to do the repair on the asphalt, it may cost approximately \$200 - \$300 hundred thousand before the grant is approved for the rehabilitation work. Mr. Potter asked if the airport has those funds in the budget to cover this repair. Mr. Donovan replied yes.

Item I-4 Business Development and Marketing Update

Mr. Busalacchi gave an update that the T-Hangar project on the south side is now underway after permitting issues. Equipment has been mobilized and work has commenced, and the project is expected to be around 18 months and at that point we will review the existing South T-Hangars and how to approach tearing them down.

Another project that is currently underway is the paint hangar building and hangar project at Embraer. The paint hangar building should be complete by January 2025 and the hangar building project in May 2025.

Mr. Busalacchi stated Keely Leggett will be leaving MLB and starting a new position with the City of Orlando as the new press secretary for Mayor Buddy Dyer. Mr. Donovan thanked Keely for her time here at MLB and congratulated her on her new endeavors.

Mr. Fisher stated there is a change in leadership over at Sheltair and asked if that would have any impact with MLB. Mr. Busalacchi stated Milo Zonka has introduced him to the new construction manager and is working with him directly on both Sheltair projects. Todd Anderson has indicated that he will be coming down for a meeting in the next few weeks.

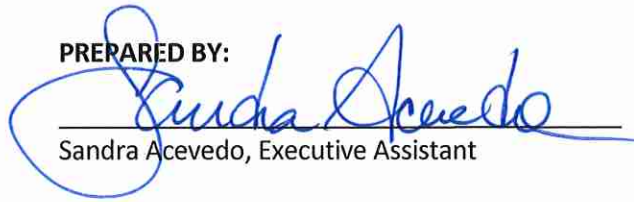
Public Speakers

Ray Liles stated with the new hangar construction taking place by Sheltair, will he be able to stay at the SE hangars until construction is complete. Mr. Donovan stated yes, he will be able to stay until the completion of the new hangars.

Adjournment

This meeting was adjourned by Chairman Willam Potter at 10:07 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