



MELBOURNE AIRPORT AUTHORITY BOARD MEETING  
**AGENDA**

July 19, 2023, at 8:30 AM

Melbourne Orlando International Airport Board Room

**Pledge of Allegiance**

**Airport Announcements**

**Executive Director’s Recognition of Excellence Award**

**Action Items**

Approval of the minutes for the May 24, 2023, regularly scheduled Board Meeting.

**Item A-1 Recommendation to Approve Resolution 3-23 Approving the Airport Operating and Capital Budget in the amount of \$63,838,886 for the Fiscal Year Beginning October 1, 2023, and Ending September 30, 2024.**

In June 2023, staff distributed the fiscal year 2023-2024 Proposed Budget Book, which contains the details of the proposed budget including the Executive Director’s memorandum, for review by the MAA Board. Attached is a copy of Resolution 3-23, recommending approval of the \$63,838,886 budget to appropriate and allocate all revenue and expenses of the airport for the next fiscal year that will be forwarded to the city council for adoption after board approval.

Staff recommends approval of Resolution 3-23, recommending the appropriation and allocation of all revenue and expenses of the airport for the fiscal year, beginning October 1, 2023, and ending September 30, 2024, that will be forwarded to city council for adoption after board approval.

**Item A-2 Recommendation to Approve Resolution 6-23 for the Airport Improvement Project Grant for the Addition of a New Passenger Boarding Bridge (Gate 9) Project with the Federal Aviation Administration in the Amount of \$4,050,000.**

This action item is to approve the Federal Aviation Administration (FAA) portion to install a new Passenger Boarding Bridge (Gate 9) needed to accommodate the increase in commercial passenger traffic. The funding for the proposed grant is:

	<u>Amount</u>
FAA	\$ 4,050,000
MAA	\$ 450,000
Total Funding	\$ 4,500,000

The FAA grant is funded with Bipartisan Infrastructure Law – Airport Infrastructure Grant funds (FY 22 and FY 23) and covers 90 percent of eligible costs. This project is included in the current approved budget.

Staff recommends approval of Resolution 6-23 for the Airport Improvement Project Grant for the Passenger Boarding Bridge (Gate 9) project with the Federal Aviation Administration in the amount of \$4,050,000 and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-3 Recommendation to Approve Resolution 4-23 for the Airport Improvement Project Grant for the Taxiway A Rehabilitation Project with the Federal Aviation Administration in the Amount of \$1,267,370.**

This action item is to approve the Federal Aviation Administration (FAA) portion of the Taxiway A Rehab project and is for design only. The funding for the proposed grant is:

	<u>Amount</u>
FAA	\$ 1,267,370
FDOT	\$ 70,410
MAA	\$ 70,410
Total Funding	<u>\$ 1,408,190</u>

This FAA Entitlement grant covers 90 percent of the eligible project costs, and the project is part of the fiscal year 2024 proposed budget.

Staff recommends approval of Resolution 4-23 for the Airport Improvement Project Grant for the Rehabilitation of Taxiway A (Design Only) with the Federal Aviation Administration in the amount of \$1,267,370 and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-4 Recommendation to Approve Resolution 8-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the Taxiway A Rehabilitation Project in the Amount of \$70,410.**

This action item is to approve the Florida Department of Transportation (FDOT) portion of the Taxiway A Rehab project and is for design only. This grant covers 50 percent of the non-Federal Aviation Administration (FAA) funded portion of the project, the funding for the proposed grant is:

	<u>Amount</u>
FAA	\$ 1,267,370
FDOT	\$ 70,410
MAA	\$ 70,410
Total Funding	<u>\$ 1,408,190</u>

This project is part of the fiscal year 2024 proposed budget.

Staff recommends approval of Resolution 8-23 to accept the Florida Department of Transportation grant to fund the Taxiway A Rehabilitation design and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-5 Recommendation to Approve Resolution 5-23 for the Airport Improvement Project Grant for the Terminal Upgrade-Fire Sprinkler Project with the Federal Aviation Administration in the Amount of \$5,363,470.**

This action item is to approve the Federal Aviation Administration (FAA) portion to upgrade the Fire Sprinklers and associated infrastructure to bring the old portion of the terminal up to current code. The funding for the proposed grant is:

	Amount
FAA	\$ 5,363,470
FDOT	\$ 297,971
MAA	\$ 297,971
Total Funding	\$ 5,959,412

This is a discretionary grant awarded by the FAA and covers 90 percent of the eligible costs and the project is included in the current approved budget.

Staff recommends approval of Resolution 5-23 to accept the Airport Improvement Project Grant for the terminal upgrade-fire sprinkler project with the Federal Aviation Administration in the amount of \$5,363,470 and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-6 Recommendation to Approve Resolution 9-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the Terminal Upgrade-Fire Sprinkler Project in the amount of \$297,971.**

This action item is to approve the Florida Department of Transportation (FDOT) portion of the Fire Sprinklers and associated infrastructure to bring the old portion of the terminal up to current code. This grant covers 50 percent of the non-Federal Aviation Administration (FAA) funded portion of the project, the funding for the proposed grant is:

	Amount
FAA	\$ 5,363,470
FDOT	\$ 297,971
MAA	\$ 297,971
Total Funding	\$ 5,959,412

This project is part of the current approved budget.

Staff recommends approval of Resolution 9-23 to accept the Florida Department of Transportation grant to fund the terminal upgrade-fire sprinkler project and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-7 Recommendation to Approve Resolution 7-23 for the Airport Improvement Project Grant for Terminal Upgrades-Restrooms, Bag Belts, Escalator, and Flooring Project with the Federal Aviation Administration in the amount of \$5,000,000.**

This action item is to approve the Federal Aviation Administration (FAA) portion of the grant to fund terminal upgrades needed to accommodate the increase in passenger traffic and replace dated infrastructure. The funding for the proposed grant is:

	Amount
FAA	\$ 5,000,000
FDOT	\$ 131,579
MAA	\$ 131,579
Total Funding	\$ 5,263,158

The FAA grant is funded with Bipartisan Infrastructure Law – Airport Terminal Program grant (FY 23) and covers 95 percent of eligible costs.

The projects included in this grant are partially included in the current budget and partially in the fiscal year 2024 proposed budget.

Staff recommends approval of Resolution 7-23 for the Airport Improvement Project Grant for the Terminal Upgrades project with the Federal Aviation Administration in the amount of \$5,000,000 and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-8 Recommendation to Approve Resolution 10-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the Terminal Upgrades-Restrooms, Bag Belts, Escalator, and Flooring Project in the amount of \$131,579.**

This action item is to approve the Florida Department of Transportation (FDOT) portion of the grant to fund terminal upgrades needed to accommodate the increase in passenger traffic and replace dated infrastructure. This grant covers 50 percent of the non-Federal Aviation Administration funded portion of the project, the funding for the proposed grant is:

	Amount
FAA	\$ 5,000,000
FDOT	\$ 131,579
MAA	\$ 131,579
Total Funding	\$ 5,263,158

The projects included in this grant are partially included in the current budget and partially in the fiscal year 2024 proposed budget.

Staff recommends approval of Resolution 10-23 to accept the Florida Department of Transportation grant to fund the terminal upgrades project and authorization for the Chairman to execute said resolution on behalf of the Authority.

**Item A-9 Recommendation to Award a Purchase Order to W&J Construction, Inc., under its Continuing Services Contract for the Repair of the Covered Loading Dock at 1135 W. NASA Boulevard in an Amount Not-To-Exceed \$99,800.**

The exterior covered loading dock at 1135 W. NASA Boulevard has deteriorated significantly and needs repair. While minor maintenance to the exterior was being conducted, several structural concerns within this space were identified, warranting the need for repairs. The scope of work to be completed includes the following:

Removal of approximately 800 square foot corrugated metal roof, gutters, and sheathing. Sistering existing trusses and re-anchoring as necessary, re-sheathing top of trusses, installation of new metal roof, fascia, gutter and downspout, replacement of ceiling with CDX and synthetic stucco, removal and repair of existing stucco, paint walls and ceiling, installation of new light fixtures, installation of new handrail at ramp.

Staff recommends approval to issue a purchase order to W&J Construction, Inc. under its Continuing Services Contract, for Repair of the Covered Loading Dock at 1135 W. NASA Boulevard in an amount not to exceed \$99,800.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

**Item A-10 Recommendation for Approval of the First Amendment to Lease with ARES Defense Systems, Inc.**

ARES Defense Systems, Inc. (ARES) leases the building at 1100 Woody Burke Road and is a privately held company with a historical emphasis in firearms and firearm accessory manufacturing. The lease term commenced on August 1, 2019, and the building required a significant build out by ARES that included, but was not limited to, creating a machining area including installing 25-inch-thick reinforced isolation pads and epoxy surface finish.

Due to COVID-19 pandemic, ARES construction and expansion plans were delayed. A scheduled rent increase was to take place in 2021. ARES approached Airport staff about delaying this increase while adding two years to the base term of the lease. Airport staff was agreeable but waited to amend the lease to make sure there would not be any additional requested changes.

The original lease included a phased in rent schedule:

- Lease Rate:
  - Construction Period - from August 1, 2019 through December 31, 2019, or when improvements are substantially complete, whichever occurs first - Waived Rent.
  - Year 1 (2020) – Annual base rent of \$4.50 per square foot for 22,000 square feet of the 25,200 square foot facility, which is \$99,000.
  - Year 2 (2021) – Annual base rent of \$4.50 per square foot for the entire 25,200 square foot facility, which is \$113,400.
  - Year 3 (2022) – Annual base rent of \$9.00 per square foot, which is \$226,800.
  - Year 4 (2023) – Annual base rent of \$9.00 per square foot plus the CPI increase.
  - Year 5 (2024) - Annual base rent of previous adjusted rate plus \$1.00 and CPI increase.

What was requested was to push back the Year 3 (2022) increase to Year 5 (2024) while still maintaining the CPI increase in Year 4 (2023). That CPI adjustment has been made and the current rent rate is \$4.77 per square foot per year. In Year 5 (2024), the lease rate will be adjusted to \$10.22 per square foot per year plus a CPI increase.

To make up for pushing back the rent increase, ARES agreed to add an additional two years to its base term of the lease. The base term was set to terminate on July 31, 2024, but now will terminate on July 31, 2026. ARES also has two option periods of five years each.

Staff recommends approval of the First Amendment to Lease with ARES Defense Systems, Inc., and authorization for the Executive Director to execute said amendment on behalf of the Authority.

#### **Item A-11 Recommendation to Approve Modification of Air Service Incentive Program (ASIP)**

Airport staff is recommending an update to the airport's formal Air Service Incentive Program (ASIP), which was last updated in 2016. The ASIP was established for three reasons:

1. Generate interest in new air service to unserved markets.
2. Offset associated startup costs and risks.
3. Mitigate the risks for airlines to enter new, unserved markets.

This version equally provides a structured, performance-based methodology that encourages growth while providing a source for marketing and advertising of new routes. The layered incentives are equally applicable to all air carriers, incumbent or new to MLB, based upon the amount of new service provided. Changes to the program reflect competitive trends required of successful air service development and adhere to Federal Aviation Administration guidance. The revised program is attached in supplemental attachment.

Fiscal impact is related to actual scope and frequency decisions by the airline. Accordingly, each incentive is brought separately to the board for approval. Revisions to ASIP allow up-front guidance for staff and is used with airline communications during the early business development phase.

Staff recommends the approval of the modified Air Service Incentive Program.

**Item A-12 Recommendation to Approve a Purchase Order to Atlantis Electrical Systems for the Remaining Fire Sprinkler Alarm System and Interim Fire Alarm Within the Existing Terminal in an Amount Not-To-Exceed \$85,100.**

The design for the Terminal Renovation and Expansion project included a new fire alarm system within the new construction and in areas being renovated within the existing construction. Fire alarm work was not expected to be performed at this time in areas where renovation work did not occur within the existing terminal.

In a mutual understanding with the City’s Building Department and Fire Department, the airport agreed to complete the remaining fire alarm work in conjunction with the remaining fire sprinkler work previously awarded.

Since the sprinkler work has not started due to the issuance of a grant, the Fire Marshall is requiring an interim fire alarm system in unsprinkled areas that will be incorporated into the final alarm system once the fire sprinklers are complete.

Atlantis Electrical Systems (AES) had the fire alarm contract under the Terminal Renovation and Expansion Project and will continue with their system into the existing terminal. To close out the current fire alarm permit, the Airport must contract directly with AES for the issuance of a new permit.

This work will be funded from the Airport Improvement Project Grant for the Terminal Upgrade-Fire Sprinkler Project with the Federal Aviation Administration.

Staff recommends approval of a Purchase Order to Atlantis Electrical Systems for the remaining fire alarm system and interim fire alarm within the existing terminal in an amount not to exceed \$85,100.00 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

**Item A-13 Recommendation to Increase the Purchase Order with Aba-Con, Inc. for Maintenance and Repairs of the Fuel Farm Facility in an Amount Not-To Exceed \$15,000.**

The Airport owns four 50,000-gallon Jet-A fuel tanks and one 30,000-gallon Avgas tank that require inspections, maintenance, and as needed repairs for safety and compliance with environmental and aviation fueling standards.

Currently Aba-Con has a Purchase Order for service of monthly, quarterly, and annual inspections totaling \$50,300.00 (see PO line detail below). The current expenditure on as needed repairs has been \$32,201.86 to date. Due to increased substantial repairs, it is requested to increase the Purchase Order repair line by \$15,000.

Due to the specialization of the services needed and the lack of aviation specific experience from other responsive past bidders, staff has elected to single-source Aba-Con for Jet-A and Avgas fuel tank inspections, maintenance, and repairs.

Staff recommends approval to increase the Purchase Order with Aba-Con in the amount not to exceed \$15,000.00 to a total of \$65,300.00, and authorization for the Executive Director to execute said purchase order on behalf of Authority.

<b>PO Line Description</b>	<b>Amount</b>
Monthly Inspections	\$ 7,200.00
Quarterly Inspections	\$ 2,600.00
Annual Inspections	\$ 5,500.00
(Current) As needed repairs	\$ 35,000.00
(Increase) As needed Repairs	\$ 15,000.00
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Total	\$ 65,300.00

**Item A-14 Recommendation to Increase the Purchase Order with Johnson Controls for Continued Repairs to the Security System in an Amount Not-To-Exceed \$15,000.**

The Airport has a Purchase Order (PO) with Johnson Controls for service calls and repairs to the security systems. The current PO detail is \$35,000.00 with billed amounts totaling \$33,440.53.

Staff recommends approval to increase the Purchase Order with Johnson Controls in an amount not to exceed \$15,000.00, to a total of \$50,000.00, to cover continuing repairs and updates to equipment, and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

**Item A-15 Recommendation to Approve Resolution 11-23 Funding the Construction of the In-Line Baggage System Other Transaction Agreement with the U.S. Department of Homeland Security, Transportation Security Administration in the Amount of \$22,045,401.70**

This Other Transaction Agreement (OTA) will fund 95% of the allocable portion of the In-Line Baggage System project by the Transportation Security Administration (TSA). The OTA is similar to a grant in that it is paid on a reimbursable basis and is based on a design the TSA has approved. This is the first funding tranche and is a critical portion of the overall funding of the project. TSA needs to have this agreement executed in the current fiscal year to preserve the funding that is currently allocated to the project. The funding for this portion of the project is as follows:

TSA	\$ 22,045,401.70
MAA	<u>\$ 1,160,284.30</u>
TOTAL	\$23,205,686.00

Staff recommends approval of Resolution 11-23 to accept the Other Transaction Agreement with the U.S. Department of Homeland Security, Transportation Security Administration, and authorization for the Chairman to execute said resolution on behalf of the 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 will need a record of the proceedings, and that for such purpose, affected persons may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Airport (723-6227) at least 48 hours prior to the meeting.*

Agenda Item A-11 Backup

Unserviced Route Category	Weekly Frequency Requirement	Minimum Service Term	Marketing Dollars	Total Marketing Dollars	Airport Fee Waiver Term	Above & Below Wing Handling and Cargo Waiver Term (excludes Into-Plane Fueling)	Apron Storage Space
International, from distance of 500nm or less	2X or more	4 months*	\$15K YR1/\$15K YR2	\$30K	24 months	24 months	NA
International, from distance greater than 500nm	1X or more	4 months*	\$100K YR1/\$50K YR2	\$150K	24 months	24 months	NA
Domestic, from a new hub offering single ticket connectivity	7X or more	Year-Round	\$150K YR1/\$75K YR2	\$225K	24 months	24 months	NA
Domestic, from all others	2X or more	4 months*	\$25K YR1/\$25K YR2	\$50K	24 months	24 months	NA
MLB base designation	10X or more	9 months**	NA	NA	NA	1 Based Aircraft: 20% discount off RON rate 2 Based Aircraft: 25% discount off RON rate 3 Based Aircraft: 30% discount off RON rate	Included in rate Included in rate Included in rate

\*4 total months in a 12-month period  
 \*\*9 total months in a 12-month period

MLB Annual Marketing Funds Capped @ \$500,000



**MELBOURNE ORLANDO INTERNATIONAL AIRPORT**

**Income Statement**

**May 31, 2023**

	Year To Date Actual		\$ change	% change
	5/31/2023	5/31/2022		
Operating Revenue				
Airline Landing Fees	383,263	390,635	(7,372)	-2%
Airline Service Fees	1,668,099	1,523,627	144,472	9%
Land & Bldg Lease Rents	6,779,814	6,183,975	595,839	10%
Terminal Rents	188,015	157,220	30,795	20%
Parking Lot Fees	1,373,134	1,157,840	215,294	19%
Car Rental Concessions	1,172,275	788,545	383,729	49%
Restaurant Concessions	191,366	90,774	100,592	111%
Mobile Home Park Rent	1,362,819	1,363,321	(502)	0%
T-Hangar Rentals	59,267	60,571	(1,305)	-2%
Operating Grant Revenue	114,674	30,060	84,614	281%
Other	398,606	235,739	162,867	69%
<b>Total Operating Revenues</b>	<b>13,691,331</b>	<b>11,982,307</b>	<b>1,709,024</b>	<b>14%</b>
Operating Expense:				
Personnel Services	3,689,094	3,428,366	260,728	8%
Contract Services	5,195,879	4,253,873	942,007	22%
Police & Fire Services	842,116	784,102	58,014	7%
Maintenance and Operations	3,691,834	3,177,467	514,367	16%
Other	163,176	-	163,176	#DIV/0!
<b>Total Operating Expenses</b>	<b>13,582,099</b>	<b>11,643,808</b>	<b>1,938,291</b>	<b>17%</b>
<b>Operating Income (Loss)</b>	<b>109,232</b>	<b>338,499</b>	<b>(229,268)</b>	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	923,558	729,057	194,502	27%
Customer Facility Charges	764,309	421,932	342,377	81%
CARES Grant Revenue	3,078,091	4,144,720	(1,066,629)	-26%
Gain on Sale of Assets	28,473	3,238,642	(3,210,170)	-99%
Interest Income (Loss)	508,410	70,362	438,048	623%
Ad Valorem Tax Revenue	900,181	943,786	(43,605)	-5%
Ad Valorem Tax Expense	(908,259)	(949,655)	41,395	-4%
(Loss) on Disposal of Fixed Assets	-	-	0	#DIV/0!
Interest Expense	(170,625)	(158,763)	(11,863)	7%
<b>Total Non-Operating Revenue (Expense)</b>	<b>5,124,137</b>	<b>8,440,081</b>	<b>(3,315,944)</b>	
<b>Net Income (Loss) Before Depreciation*</b>	<b>5,233,369</b>	<b>8,778,580</b>		

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

**MELBOURNE ORLANDO INTERNATIONAL AIRPORT**  
**Statement of Revenues, Expenditures and Changes in Fund Net Assets**  
**May 31, 2023**

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>
<b>Operating Revenues:</b>			
Airline Landing Fees	383,263	516,316	74%
Airline Service Fees	1,668,099	2,582,774	65%
Land & Bldg Lease Rents	6,779,814	9,222,508	74%
Terminal Rents	188,015	241,403	78%
Parking Lot Fees	1,373,134	1,900,000	72%
Car Rental Concessions	1,172,275	1,733,684	68%
Restaurant Concessions	191,366	973,714	20%
Mobile Home Park Rent	1,362,819	2,061,075	66%
T-Hangar Rentals	59,267	46,920	126%
Operating Grant Revenue	114,674	284,000	40%
Other	398,606	1,535,883	26%
<b>Total Operating Revenues</b>	<b>13,691,331</b>	<b>21,098,277</b>	<b>65%</b>
<b>Operating Expense:</b>			
Personnel Services	3,689,094	6,357,932	58%
Contract Services	5,195,879	9,167,696	57%
Police & Fire Services	842,116	1,259,606	67%
Maintenance and Operations	3,691,834	7,859,611	47%
Other	163,176	180,000	91%
<b>Total Operating Expenses</b>	<b>13,582,099</b>	<b>24,824,845</b>	<b>55%</b>
<b>Operating Income (Loss)</b>	<b>109,232</b>	<b>(3,726,568)</b>	
<b><u>Non-Operating Revenue (Expense):</u></b>			
Passenger Facility Charges	923,558	1,502,016	61%
Customer Facility Charges	764,309	1,262,001	61%
CARES Grant Revenue	3,078,091	3,223,936	95%
Gain on Sale of Assets	28,473	-	#DIV/0!
Interest Income (Loss)	508,410	156,539	325%
Ad Valorem Tax Revenue	900,181	2,021,897	45%
Ad Valorem Tax Expense	(908,259)	(2,051,572)	44%
Gain (Loss) on Disposal of Fixed Assets	-	-	#DIV/0!
Interest Expense	(170,625)	(312,500)	55%
<b>Total Non-Operating Revenue (Expense)</b>	<b>5,124,137</b>	<b>5,802,317</b>	
<b>Net Income (Loss) before</b>			
<b>Depreciation, Transfers, and Capital Contributions</b>	<b>5,233,369</b>	<b>2,075,749</b>	
<b>Depreciation Expense</b>	<b>-</b>	<b>-</b>	
Machinery and Equipment	660,740	1,733,969	38%
Intra Transfer to Airport Capital	-	(1,689,507)	0%
<b>Net Income (Loss) After Transfers</b>	<b>5,894,109</b>	<b>2,120,211</b>	

**Melbourne Orlando International Airport**  
**Top 10 Operating Revenues**  
**5/31/2023**

<b>Rank</b>	<b>Description</b>	<b>YTD FY 2023</b>	<b>FY 23 % of Total Rev</b>	<b>YTD FY 2022</b>	<b>FY 22 % of Total Rev</b>	<b>\$ Change</b>	<b>% Change</b>
1	Airfield Facilities Rental	3,824,460	28%	3,288,384	27%	536,076	16% A
2	Commercial Business Center Rent	2,211,887	16%	2,178,186	18%	33,701	2%
3	Parking Revenue	1,373,134	10%	1,157,840	10%	215,294	19% B
4	Tropical Haven Revenue	1,362,819	10%	1,363,321	11%	(502)	0%
5	Car Rental Concession	1,172,275	9%	788,545	7%	383,730	49% C
6	Ground Handling Revenue	1,103,886	8%	946,368	8%	157,518	17% D
7	Terminal Rent-Airline	601,521	4%	605,829	5%	(4,308)	-1%
8	Hangar Rent	555,327	4%	536,608	4%	18,719	3%
9	Landing Fees	383,263	3%	390,635	3%	(7,372)	-2%
10	Terminal Concessions	191,366	1%	90,774	1%	100,592	111% E
Total Top 10 Operating Revenue		12,779,938	93%	11,346,490	95%	1,433,448	
Other Operating Revenue		911,393	7%	635,817	5%	275,576	43%
Total Operating Revenue		13,691,331	100%	11,982,307	100%	1,709,024	14%

A Revenue is higher due to new option for 60 acres exercised by Embraer (\$222k) in February 2023, new leases such as Axiom and Dnata leases both commenced in Feb 22); and CPI rate adjustments on multiple properties, which included backbilling on some rents (\$128k)

B Increase is due to continued recovery of domestic passengers that use the parking facilities coupled with the rate adjustment that increase that went into effect on 10/1/22 plus implementation of a single rate for all lots in January 2023 (Long term was \$12/day last year; increased to \$13/day on 10/1/22 and single rate for all lots was implemented 1/1/23-\$14/day).

C Increase is due to new international service (TUI operated October and November 2022) as international passengers generally rent more cars for longer periods than domestic passengers.

D Increase is due to rate increase implemented 10/1/22 plus flight activity from TUI (they operated in Oct 2022 and Nov 2022 but not in same period last fiscal year).

E MLB new concession program opened in October 2022 which provides more concession options including retail gift/new stores. This, coupled with the increase in passengers, has resulted in a significant increase in concession revenues.

**Melbourne Orlando International Airport**  
**Top 10 Operating Expenses**  
**5/31/2023**

Rank	Description	YTD FY 2023	FY 23 % Operating Expense	YTD FY 2022	FY 22 % Operating Expense	\$ change	% change
1	Other Contract Services	3,723,349	27%	2,931,155	25%	792,194	27% A
2	Personnel	3,689,094	27%	3,428,366	29%	260,728	8%
3	Fire Services	821,743	6%	766,771	7%	54,972	7%
4	Contractual Employee	746,120	5%	470,514	4%	275,606	59% B
5	Electric	511,681	4%	392,379	3%	119,302	30% C
6	Consulting Fees	354,299	3%	438,304	4%	(84,005)	-19% D
7	Risk Management	306,241	2%	297,527	3%	8,714	3%
8	R&M-Misc Equipment	255,227	2%	124,558	1%	130,669	105% E
9	Cable TV Expense	252,090	2%	226,242	2%	25,848	11%
10	Computer Software	244,467	2%	117,868	1%	126,599	107% F
Total Top 10 Operating Expense		10,904,311	80%	9,193,684	79%		
Other Operating Expense		2,677,788	20%	2,450,124	21%	227,664	9%
Total Operating Expense		13,582,099	100%	11,643,808	100%	1,938,291	17%

A Increase is due to costs associated with new international air service that started in March 2022: Customs (up \$290,000), ground handling (up \$240,000), and aircraft fueling (up \$26,000).

B Increase due to higher ambassador costs (up \$27,000) to staff for international operations. The Tropical Haven manager and Maintenance worker retired in February and April 2022, respectively, these positions have been filled with temp employees (\$60,000 increase). The airport has more temp custodians and maintenance employees to staff the expanded terminal which has resulted in higher costs for the terminal for custodial and maintenance staff (up \$189,000).

C Increase is a result of FPL rate increase implemented this year plus the impact of the expanded terminal, which has added 86,000 sq feet of space. Average monthly electricity expense has increased from \$49,000 to \$64,000.

D Consulting fees expense decreased primarily due to the completion of the terminal project--MLB paid for a TUI project manager through May 2022 (\$13,500 per month). This was \$108,000 of expense recorded through period 8 last year that we did not incur in fiscal year 2023. This reduction has been partially offset with a new consulting agreement for strategic services that went into effect in February 2023 (\$5,675/month).

E Passenger Boarding Bridge #6 was out of service for during the terminal expansion project and required refurbishment to remove mold and to replace parts before it could be placed in service again. This non-recurring expense (\$122k) was recognized in Feb 2023.

F Software costs include the common use system (\$92k FY 22 and \$80k FY 23) that allows the airport more flexibility in assigning gates/ticket counter locations. This was implemented February 2022 and these costs are incurred annually. The increase in software costs is due to website development expense incurred this year to re-design the website (\$93k).

**Melbourne Orlando Int'l Airport**  
**Cash Flow Projection**  
**6/2/2023**

	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24
Beginning Cash/Investment Balance	\$ 28,846,813	\$ 27,463,514	\$ 25,348,741	\$ 22,737,625	\$ 26,213,733	\$ 25,450,875	\$ 23,193,766	\$ 20,089,186	\$ 19,146,734	\$ 20,256,264	\$ 21,539,795	\$ 23,656,135
Operating Revenue	1,680,337	1,680,337	1,680,337	1,680,337	1,680,337	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929
Plus: CRSSA/ARPA Grant	3,078,091											
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	1,039,083	133,988	133,988	133,988
Operating Expense:												
Liability Insurance				(72,540)								
Personnel	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(538,081)	(538,081)	(538,081)	(538,081)	(538,081)	(538,081)
TUI Marketing Incentive Payment		(300,000)		(300,000)		(300,000)		(300,000)		(300,000)		
Interest Expense	(146,750)						(146,750)					
Maintenance and Operations Expense	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)
Ad Valorem Tax Payment							(2,707,599)					
<b>Net Increase (Decrease) in Cash Flow from Operations</b>	<b>(240,097)</b>	<b>(393,347)</b>	<b>(93,347)</b>	<b>(465,887)</b>	<b>(93,347)</b>	<b>(399,755)</b>	<b>(2,969,776)</b>	<b>(415,427)</b>	<b>789,668</b>	<b>(415,427)</b>	<b>(115,427)</b>	<b>(115,427)</b>
Total Capital Outlay	(1,756,832)	(2,851,411)	(3,077,855)	(1,066,100)	(1,387,583)	(2,894,933)	(2,700,000)	(2,200,000)	(1,700,000)	(1,050,000)	(800,000)	(713,158)
Principal Payment-Outstanding Debt												
Total Capital Grant Revenue	300,000	854,086	275,282	4,735,232	463,361	735,225	2,422,439	1,500,000	1,850,000	2,577,000	2,825,000	617,344
PFC Collections (Reimbursement of Eligible Costs)	170,432	149,929	154,768	148,278	138,415	164,304	77,577	93,998	92,306	93,445	112,361	143,214
CFC Collections	143,198	125,971	130,037	124,584	116,297	138,049	65,180	78,977	77,556	78,513	94,406	120,329
Net Increase (Decrease) in Cash From Capital and Debt	(1,143,202)	(1,721,426)	(2,517,768)	3,941,995	(669,510)	(1,857,355)	(134,804)	(527,025)	319,862	1,698,958	2,231,767	167,728
Beginning Cash/Investments	28,846,813	27,463,514	25,348,741	22,737,625	26,213,733	25,450,875	23,193,766	20,089,186	19,146,734	20,256,264	21,539,795	23,656,135
<b>Ending Cash/Investments</b>	<b>27,463,514</b>	<b>25,348,741</b>	<b>22,737,625</b>	<b>26,213,733</b>	<b>25,450,875</b>	<b>23,193,766</b>	<b>20,089,186</b>	<b>19,146,734</b>	<b>20,256,264</b>	<b>21,539,795</b>	<b>23,656,135</b>	<b>23,708,437</b>

**Melbourne Orlando Int'l Airport**  
**Cash Flow Projection - Capital Exp and Grant Revenue**  
**6/2/2024**

Capital Project Expenditures	Proj #	Total Cost	Indi	Prior Expenditures	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24
Terminal Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	D	(50,000)			(38,480)	(250,000)	(500,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(500,000)	(400,000)	(363,158)
Terminal Exp PH2-Int'l PBB (Gate 9)	50423	4,500,000	E	(1,464,558)	(1,702,168)	(1,164,199)										
Ticket Counter Improvements	50523	214,476	C	(138,698)	(28,686)	(47,092)										
Terminal Exp-Public Space (Haskell)	50519	50,704,967	E	(48,536,371)			(2,168,596)									
Terminal Exp-Public Space (Others)	50519	1,391,107	E	(1,337,349)	-	(53,758)										
Terminal Exp-PBBs (2)	54119	3,024,428	D	(3,024,428)	-	-				-	-					
Terminal Exp-Apron	54219	13,354,669	D	(13,354,669)	-											
Terminal Exp-VIP Lounge (Iveys)	54319	1,091,812	C	(812,597)		(279,215)										
Terminal Exp-Welcome Center (Iveys)	54519	1,613,667	C	(1,606,053)		(7,614)										
Terminal Exp-Common Use Tech Equip	54619	252,204	C	(232,234)	-	(19,970)										
Terminal Exp-FF&E	55319	737,492	C	(712,492)		(25,000)										
In Line Baggage System-Design	50121	1,024,944	D	(563,176)	-	(461,742)										
Airplane Deposit Facility	50619	70,000	C				(70,000)									
Taxiway S Improvements-Phase 1	50120	3,400,000	D													
PBB 5 Replacement	50320	1,669,094	D													
Aerospace Dr. Lift Station Replace	50520	85,000	C					(85,000)								
Northside Expansion	54120	7,024,798	D													
Northside Exp-St. Michael Pl Ext	54220	6,100,000	D	(2,612,015)		(248,954)										
Northside Exp-T/W M Ext	54320	3,930,000	D	-		(20,000)	(30,000)	(22,100)								
Northside Exp-Infrastructure Dev	54420	3,102,444	D	(1,447,977)		(50,867)	(55,944)									
Northside Exp-Taxiway C Rehab	50623	3,060,405	D			(150,000)	(200,000)	(250,000)	(350,000)	(350,000)	(400,000)	(400,000)	(250,000)	(250,000)	(100,000)	(50,000)
Project Vista Site Improvements	50323	6,600,000	D	(249,304)	(25,978)	(300,000)	(350,000)	(350,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Equipment Purchases		1,733,969	C	(554,618)		(23,000)	(164,835)	(109,000)	(137,583)	(744,933)						
T-Hangars Phase 1	TBD	3,000,000	D						(100,000)	(1,000,000)	(1,000,000)	(500,000)	(400,000)			
<b>Total Capital Outlay</b>					(1,756,832)	(2,851,411)	(3,077,855)	(1,066,100)	(1,387,583)	(2,894,933)	(2,700,000)	(2,200,000)	(1,700,000)	(1,050,000)	(800,000)	(713,158)
<b>Grant Revenue</b>																
<b>TERMINAL EXPANSION GRANTS</b>																
FDOT-Terminal Rehab FY 20/FY 21 (438452-1-94-03--\$10,000,504)				9,462,686		537,942					-					
FAA Ent Grnt 48 Term Rehab FY 20-FY 22 (\$7,410,486)				7,410,486												
FAA Supplemental Grnt 51 Term Rehab - FY 20 (\$4,444,444)				4,444,444												
FAA Discretionary Ramp - FY 20 (\$6,000,000)				6,000,000	-		-									
FDOT DRA-Ramp Reimb (\$5,900,000)				600,000	300,000			300,000			1,077,000			1,077,000		
FAA Discretionary-ARFF Truck (\$670,439)											670,439					
FAA Discretionary-Fire Sprinklers (\$5,000,000 TO BE ISSUED JUNE 23)											675,000		1,350,000		1,575,000	
TSA OTA-In Line Baggage Sys Design (\$711,496)				337,809				288,446		85,225						
FAA BIL Grant-Entitlement (FY22/23)	50423	4,050,000						3,897,833			-					
<b>NORTHSIDE EXPANSION GRANTS</b>																
FDOT (St. Michael Pl Ext)	54220	4,783,000		2,376,184		229,281		248,954	6,550		-					
FDEO (Inf Dev & T/W C)	54420/50623	3,922,132		1,361,114	-	86,863			456,811		950,000				1,050,000	17,344
FDOT-Project Vista Grant	50323	6,600,000					275,282			650,000				1,250,000		600,000
FDOT FY 23 T Hangar Grant	TBD	1,500,000										550,000	500,000	250,000	200,000	
<b>Total Grant Revenue</b>					300,000	854,086	275,282	4,735,232	463,361	735,225	2,422,439	1,500,000	1,850,000	2,577,000	2,825,000	617,344

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

	2023	2022	MO CHANGE (%)	2023 YTD	2022 YTD	YTD CHANGE (%)
<b>PASSENGERS</b>						
Revenue PAX - Domestic						
Enplaned	19,882	16,688	19.1%	130,047	120,113	8.3%
Deplaned	20,516	16,423	24.9%	127,296	118,177	7.7%
<b>Total Revenue PAX - Domestic</b>	<b>40,398</b>	<b>33,111</b>	<b>22.0%</b>	<b>257,343</b>	<b>238,290</b>	<b>8.0%</b>
Revenue PAX - Int'l						
Enplaned	16,798	16,385	2.5%	37,118	40,171	-7.6%
Deplaned	16,191	15,701	3.1%	43,796	44,951	-2.6%
<b>Total Revenue PAX - Int'l</b>	<b>32,989</b>	<b>32,086</b>	<b>2.8%</b>	<b>80,914</b>	<b>85,122</b>	<b>-4.9%</b>
Non-Revenue PAX						
Enplaned	614	670	-8.4%	4,675	4,483	4.3%
Deplaned	691	637	8.5%	4,731	4,277	10.6%
<b>Total Non-Revenue PAX</b>	<b>1,305</b>	<b>1,307</b>	<b>-0.2%</b>	<b>9,406</b>	<b>8,760</b>	<b>7.4%</b>
<b>Total PASSENGERS</b>	<b>74,692</b>	<b>66,504</b>	<b>12.3%</b>	<b>347,663</b>	<b>332,172</b>	<b>4.7%</b>
<b>AIRCRAFT OPERATIONS</b>						
Air Carrier	539	522	3.3%	3,203	3,090	3.7%
Air Taxi	166	144	15.3%	973	1,143	-14.9%
General Aviation - Itinerant	9,173	7,232	26.8%	55,656	42,204	31.9%
General Aviation - Local	3,872	4,508	-14.1%	28,841	25,188	14.5%
Military	40	43	-7.0%	387	531	-27.1%
<b>Total OPERATIONS</b>	<b>13,790</b>	<b>12,449</b>	<b>10.8%</b>	<b>89,060</b>	<b>72,156</b>	<b>23.4%</b>



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**RESOLUTION NO. 3-23**

**A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, MAKING APPROPRIATIONS FOR THE PAYMENT OF OPERATING EXPENSES, AND CAPITAL OUTLAY OF THE AIRPORT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024**

WHEREAS, under the provision of City of Melbourne Code of Ordinances, Section 6-101, the Airport Authority is required annually to prepare and adopt by Resolution a detailed Budget of the estimated income and expenditures for operation and maintenance of the Airport facilities and infrastructure during the succeeding fiscal year, and

WHEREAS, on July 19, 2023, at a Regular Meeting of the Airport Authority, the Executive Director presented his recommended Budget for review and consideration of the Authority.

BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY, MELBOURNE, BREVARD COUNTY, FLORIDA:

SECTION 1: The combined operating and capital projects budget for the fiscal year 2023-2024 is \$63,838,886.

SECTION 2: This resolution shall become effective immediately upon its adoption in accordance with the Charter of the City of Melbourne.

SECTION 3: This resolution was duly adopted at a regular meeting of the Melbourne Airport Authority on the 19th Day of July 2023.

**Operating Fund Budget**

Revenues

Operating Revenues	\$ 25,820,134
Interest Income	796,201
Passenger Facility Charges	1,577,117
Customer Facility Charges	1,325,101
Appropriation From Prior Year Surplus	<u>1,208,033</u>
<b>Total Revenues</b>	<b><u>\$ 30,726,586</u></b>

Expenses

Personnel Expense	\$ 6,268,910
Operating Expenses	19,351,295
City Allocations	2,198,016
Machinery and Equipment	754,000
Intra to Airport Capital Reserve	-
Intra to Airport CIP	<u>2,154,365</u>
<b>Total Expenses</b>	<b><u>\$ 30,726,586</u></b>



**Capital Projects Fund Budget**

**Revenues**

FAA Grants	\$ 29,511,070
State Grants	1,446,865
Airport Funds (Intra-in from Fund 860)	<u>2,154,365</u>
Sub total	33,112,300

Capitalized Maintenance -

**Total Capital Projects Revenue \$ 33,112,300**

**Expenditures**

Improvements Other than Buildings \$ 33,112,300

**Total Capital Projects Expenditures \$ 33,112,300**

SECTION 4: This Resolution, together with the Melbourne International Airport Budget is in such form and contains such content that it substantially meets the requirements of the City Charter and is hereby submitted to the Melbourne Airport Authority for approval.

SECTION 5: The various revenues and expenditures are appropriated in accordance with the above schedule and subject to the approval of City Council in its final form.

SECTION 6: This Resolution was duly passed at a Regular Meeting of the City of Melbourne Airport Authority on the 19th day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director



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## RESOLUTION NO. 6-23

A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO AN "AIRPORT IMPROVEMENT PROGRAM" GRANT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) PROVIDING FOR THE FINANCIAL PARTICIPATION BY THE FAA IN REIMBURSEMENT FOR THE PASSENGER LOADING BRIDGE (GATE 9) PROJECT AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT.

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the Federal Aviation Administration in adding a new passenger loading bridge (gate 9) to accommodate increased passenger traffic, and

WHEREAS, the Federal Aviation Administration has approved the application request for financial assistance (FY 22 and FY 23 BIL-AIG funds) and agrees to a maximum participation in the amount not to exceed \$4,050,000.00 upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into an "Airport Improvement Program Grant" with the Federal Aviation Administration providing for assistance by the FAA in the form of a Grant in the amount not to exceed \$4,050,000.00 upon the terms and conditions stated in said agreement

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the Federal Aviation Administration for the above grant and pledges its continued support and cooperation in the improvement and

development of the Melbourne Orlando International Airport as a vital link in the Nation's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director

## RESOLUTION NO. 4-23

A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO AN "AIRPORT IMPROVEMENT PROGRAM" GRANT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) PROVIDING FOR THE FINANCIAL PARTICIPATION BY THE FAA IN REIMBURSEMENT FOR THE REHABILITATION OF TAXIWAY A (DESIGN ONLY) AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT.

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the Federal Aviation Administration in rehabilitating Taxiway A, and

WHEREAS, the Federal Aviation Administration has approved the application request for financial assistance (entitlement funds) and agrees to a maximum participation in the amount not to exceed \$1,267,370.00 upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into an "Airport Improvement Program Grant" with the Federal Aviation Administration providing for assistance by the FAA in the form of a Grant in the amount not to exceed \$1,267,370.00 upon the terms and conditions stated in said agreement

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the Federal Aviation Administration for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the Nation's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director

## RESOLUTION NO. 8-23

**A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO A "PUBLIC TRANSPORTATION GRANT AGREEMENT" FOR THE REHABILITATION OF TAXIWAY A (DESIGN ONLY) PROJECT WITH THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) PROVIDING FOR THE FINANCIAL PARTICIPATION BY FDOT IN CERTAIN AIRPORT IMPROVEMENT PROJECTS AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT**

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the State of Florida Department of Transportation in certain Airport improvement projects, and

WHEREAS, the State Department of Transportation has approved a grant in the amount of \$70,410 to fund certain improvements upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into a "Public Transportation Grant Agreement" with the State of Florida Department of Transportation providing for assistance by the State in the form of a Grant in the amount of \$70,410.00 upon the terms and conditions stated in said agreement.

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the State Department of Transportation for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the State's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director



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## RESOLUTION NO. 5-23

A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO AN "AIRPORT IMPROVEMENT PROGRAM" GRANT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) PROVIDING FOR THE FINANCIAL PARTICIPATION BY THE FAA IN REIMBURSEMENT FOR THE TERMINAL UPGRADE-FIRE SPRINKLER PROJECT AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT.

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the Federal Aviation Administration in upgrading the fire sprinklers and associated infrastructure in the older section of the terminal, and

WHEREAS, the Federal Aviation Administration has approved the application request for financial assistance (discretionary funds) and agrees to a maximum participation in the amount not to exceed \$5,363,470.00 upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into an "Airport Improvement Program Grant" with the Federal Aviation Administration providing for assistance by the FAA in the form of a Grant in the amount not to exceed \$5,363,470.00 upon the terms and conditions stated in said agreement

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the Federal Aviation Administration for the above grant and pledges its continued support and cooperation in the improvement and



development of the Melbourne Orlando International Airport as a vital link in the Nation's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director

## RESOLUTION NO. 9-23

**A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO A "PUBLIC TRANSPORTATION GRANT AGREEMENT" FOR THE REHABILITATION OF TERMINAL UPGRADE-FIRE SPRINKLER PROJECT WITH THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) PROVIDING FOR THE FINANCIAL PARTICIPATION BY FDOT IN CERTAIN AIRPORT IMPROVEMENT PROJECTS AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT**

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the State of Florida Department of Transportation in certain Airport improvement projects, and

WHEREAS, the State Department of Transportation has approved a grant in the amount of \$297,971 to fund certain improvements upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into a "Public Transportation Grant Agreement" with the State of Florida Department of Transportation providing for assistance by the State in the form of a Grant in the amount of \$297,971.00 upon the terms and conditions stated in said agreement.

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the State Department of Transportation for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the State's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director



One Air Terminal Parkway  
Suite 220  
Melbourne, FL 32901 USA  
**MLBair.com**

## RESOLUTION NO. 7-23

A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO AN "AIRPORT IMPROVEMENT PROGRAM" GRANT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) PROVIDING FOR THE FINANCIAL PARTICIPATION BY THE FAA IN REIMBURSEMENT FOR THE TERMINAL UPGRADES- RESTROOM, BAG BELT, ESCALATOR, FLOORING PROJECT AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT.

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the Federal Aviation Administration in terminal upgrades such as restroom remodel, bag belt improvements, installation of a new escalator, and installation of new flooring to replace dated infrastructure and to accommodate increased passenger traffic, and

WHEREAS, the Federal Aviation Administration has approved the application request for financial assistance (FY 23 BIL-ATP funds) and agrees to a maximum participation in the amount not to exceed \$5,000,000.00 upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into an "Airport Improvement Program Grant" with the Federal Aviation Administration providing for assistance by the FAA in the form of a Grant in the amount not to exceed \$5,000,000.00 upon the terms and conditions stated in said agreement.

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the Federal Aviation Administration for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the Nation's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director

## RESOLUTION NO. 10-23

**A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO A "PUBLIC TRANSPORTATION GRANT AGREEMENT" FOR THE REHABILITATION OF TERMINAL UPGRADES-RESTROOM, BAG BELT, ESCALATOR, FLOORING PROJECT WITH THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) PROVIDING FOR THE FINANCIAL PARTICIPATION BY FDOT IN CERTAIN AIRPORT IMPROVEMENT PROJECTS AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT**

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the State of Florida Department of Transportation in certain Airport improvement projects, and

WHEREAS, the State Department of Transportation has approved a grant in the amount of \$131,579 to fund certain improvements upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into a "Public Transportation Grant Agreement" with the State of Florida Department of Transportation providing for assistance by the State in the form of a Grant in the amount of \$131,579.00 upon the terms and conditions stated in said agreement.

SECTION 2. That William C. Potter, Chairman, is hereby to execute on behalf of the City of Melbourne Airport Authority, and Gregory Donovan, Executive Director, is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the State Department of Transportation for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the State's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 19<sup>th</sup> Day of July 2023.

BY: \_\_\_\_\_  
William C. Potter, Chairman  
Melbourne Airport Authority

ATTEST:

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director



MELBOURNE AIRPORT AUTHORITY BOARD  
Minutes May 24, 2023, Board Meeting  
Airport Board Room

In attendance: Mr. William C. Potter, Chairman  
The Honorable Paul Alfrey, Mayor  
The Honorable Mark LaRusso, Vice Mayor  
Mr. Scott Mikuen, Member  
Mr. Brent Peoples, 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. Clifford Graham, Director of Operations and Maintenance  
Ms. Melissa Naughton, C.M., Assistant Director of Business Development  
Mr. Mike O'Dell, C.P.A., Director of Finance and Administration  
Mr. David Perley, A.I.C., Director of Capital Improvements  
Ms. Renee Purden, Chief of Police/Director of Public Safety

Absent: The Honorable Tim Thomas, Vice Chairman, Councilmember  
Mr. Adam Bird, Airport Attorney

**Pledge of Allegiance**

**Airport Announcements by Executive Director Greg Donovan**

Passenger Activity Report through April 2023 total passengers 60,303, which is 13.6 percent lower than last April and 2023 year to date total passengers 194,413, which is 0.8 percent more than last year at this time.

May 7<sup>th</sup> operations at MLB aka "TUI-Palooza", the single busiest day in Airport history totaling 4,774 passengers.

Melbourne Airport Authority welcomes Connor Rice, Marketing Intern and Zachary Miller, Operations Intern.

The Melbourne Airport Police Department participated in the Police Memorial Day Hometown Heroes event held at Melbourne Square Mall.

National Police Week was May 15<sup>th</sup> through May 21<sup>st</sup> and was recognize with a memorial wreath in the atrium.

Allegiant service to Nashville, TN will resume in November 2023

**Executive Director's Recognition of Excellence Award**

Congratulations to Jesus Delgado, Equipment Operator II on receiving this month's award.

**Action Items**

Approval of the April 26, 2023, board meeting minutes. A motion was made by Mayor Alfrey for approval of the minutes, seconded by Mr. Peoples. Motion passed unanimously.



**Item A-1 Recommendation to Approve Renewal of Airport Liability Insurance Coverage Policy in an Amount Not-To-Exceed \$72,550.00**

Mr. Donovan explained the Airport's annual insurance coverage with National Union Fire Insurance Company is set to expire on July 14, 2023. Last year, the Airport obtained three separate quotes from insurers. AJ Gallagher, the Airport's insurance broker, is responsible for advising the Airport on appropriate coverage and securing the best option to obtain competitive pricing for general liability insurance. AJ Gallagher recommended negotiating with the existing carrier, National Union Fire Insurance Company, to obtain the best price with the required coverage this year. Due to the Airport's significant increase in enplanements of the past year, there is a 13 percent increase in cost.

Mayor Alfrey stated in this current market the cost is very fair.

Mr. Mikuen inquired what is the current deductible and limits. Mr. O'Dell stated the deductible is under \$50 thousand and the limits are \$100 million. Mr. Mikuen inquired if there have been any claims made on this policy. Mr. O'Dell stated no claims.

Mr. Potter asked Mr. O'Dell whether the limits are sufficient with Airport traffic increasing and having more activity with the international flights. Mr. O'Dell stated AJ Gallagher specializes in Aviation insurance and advised the Airport the current limits are appropriate levels of insurance.

A motion was made by Mayor Alfrey to approve renewal of the Airport Liability Insurance Coverage Policy in an Amount Not-To-Exceed \$72,550, seconded by Mr. Fischer. Motion passed unanimously.

**Item A-2 Recommendation to Approve Resolution 2-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the T-Hangar Infrastructure Development Project**

Mr. Donovan explained the Florida Department of Transportation (FDOT) has committed \$1.3 million to develop the infrastructure needed for the T-Hangar project. The project scope includes demolition of the existing T-Hangars and construction of the apron around the T-Hangar area. This grant is a 50/50 match and is included in the current approved capital budget.

Mr. Potter asked if this is consistent with the Airport's agreement with Sheltair. Mr. Donovan stated yes.

Mr. Peoples inquired how many hangars are going to be built. Mr. Busalacchi stated the agreement with Sheltair is to accommodate the existing T-Hangar tenants and Sheltair has the ability to add additional hangars.

Mr. Fischer inquired in addition to the T-Hangars, that there would be larger hangers in that area. Mr. Busalacchi stated yes, and it would depend on what direction Sheltair would want to take. Mr. Donovan stated the new location of the south T-Hangars complex would be north and west of FIT hangars on the curve.

A motion was made by Mr. Fischer to approve Resolution 2-23 to Accept Florida Department of Transportation (FDOT) Public Transportation Agreement to Fund Certain Improvements for the T-Hangar Infrastructure Development Project, seconded by Mayor Alfrey. Motion passed unanimously.

**Item A-3 Recommendation to Approve a Change Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Emergency Placement of Concrete Apron Support for Gate 9 in an Amount Not-To-Exceed \$214,652.00**

Mr. Donovan explained as part of the terminal renovation and expansion project, a hard stand location was included in the design of the apron portion of the project that would allow four international aircraft to be on the ground at the same time. It was determined that the original design for the hard stand did not allow sufficient concrete apron support for ground handling vehicles to operate safely around a parked aircraft. An emergency order was given to Ivey's Construction to add sufficient concrete around the safety zone of the aircraft to allow baggage loading equipment, fuel trucks, and catering trucks to operate safely around the aircraft. This project is funded by a 90 percent Federal Aviation Administration Bipartisan Infrastructure Law Entitlement grant and 10 percent Airport funds.

Mr. Fischer inquired if there was engineering or permitting done for this work. Mr. Donovan stated there was initial engineering that was done and permitting for the gate. There were a lot of inspectors here and the work was completed and approved.

Mr. Mikuen inquired on the lack of omission in the original design and asked if this fell into a category of malpractice. Mr. Donovan stated that there is still a lot of issues that need to be resolved for the closeout of the terminal expansion project on their performance.

Mr. Potter asked if anyone offered a rough estimate of how much more we would have paid if this would have been included in the original contract and is the Airport paying twice as much. Mr. Perley stated no to paying higher. There would have been some savings if the work was performed originally, but the cost of the concrete has increased since the work would originally have been done.

Mr. Peoples asked if the Airport is comfortable with the work that has been performed with the Apron and do we expect any challenges or issues. Mr. Donovan stated that the Airport has spent time reviewing a conceptual design all the way to the actual use of the Apron. If these improvements were not completed, the Airport would not be able to use this gate.

A motion was made by Mr. Peoples to approve a Change Order to Ivey's Construction, Inc., under its Continuing Services Contract for the Emergency Placement of Concrete Apron Support for Gate 9 in an Amount Not-To-Exceed \$214,652.00, seconded by Mayor Alfrey. Motion passed unanimously.

**Item A-4 Recommendation to Award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Refresh in the VIP Lounge in an Amount Not-To-Exceed \$199,927.00**

Mr. Donovan explained under a separate contract for the terminal expansion and renovation project, Ivey's Construction was approved to renovate and convert the old restaurant into the VIP lounge in two phases. The first phase was completed for use by TUI during its inaugural season from the non-sterile side of the Airport. Once the Transportation Security Administration had been relocated to the new security checkpoint, Ivey's Construction began work on phase two to convert the old checkpoint into the new VIP entrance from the sterile side of the Airport terminal. Having used the lounge only in non-sterile surroundings last year, security concerns were discovered that required additional access controls and features. This space will provide the Airport flexibility in the off season to be used for public events.

Mr. Donovan stated once this project is completed, he and Mr. O'Dell are going to review costs to see what is eligible for reimbursement under an Passenger Facility Charge amendment.

A motion was made by Mayor Alfrey to award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Refresh in the VIP Lounge in an Amount Not-To-Exceed \$199,927.00, seconded by Mr. LaRusso. Motion passed unanimously.

**Item A-5 Recommendation to Approve a Purchase Order with White Sign Company for Additional Terminal Wayfinding Signage in the Amount of \$54,758**

Mr. Donovan explained now that TUI has commenced its operation this year, Airport staff has reviewed and better understands the traffic flow of passengers and additional terminal wayfinding signage is needed in various areas to match current signage in the Airport.

Mr. Fischer commented that there were a lot of additional items added on this agenda that should have been included in the terminal project. Mr. Fischer suggested presenting one item with a lump sum amount with a description of items that were not anticipated or included in the scope of work for the project.

A motion was made by Mr. Peoples to Approve a Purchase Order with White Sign Company for Additional Terminal Signage in the Amount of \$54,758, seconded by Mayor Alfrey. Motion passed unanimously.

**Item A-6 Recommendation to Award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Drywall Infill at the Glass Storefront in the Atrium and TSA Domestic Exit Corridor in an Amount Not-To-Exceed \$97,184.00**

Mr. Donovan explained the glass storefront in the atrium and Transportation Security Administration domestic exit was left in place with the intention to use a wrap to hide the backside of the walls within the new security checkpoint. A suggestion by the terminal contractor for graphics to be used on the glass storefront in lieu of a plain wrap that would help hide the storefront framing. The graphics were installed but the appearance did not reflect the desired look. To correct the problem and create a wall that can generate revenue from advertising, a price quote was requested from Ivey's Construction to add drywall and paint the existing storefront so that advertising and other items can be displayed. Mr. Donovan commended Rocky Johnson and his team from Ivey's Construction for their exceptional work and assistance on the various projects in the terminal building. Mr. Donovan stated that he will review these additional costs for eligibility for reimbursement through a future Passenger Facility Charge amendment.

A motion was made by Mr. Fischer to award a Purchase Order to Ivey's Construction, Inc. under its Continuing Services Contract for the Drywall Infill at the Glass Storefront in the Atrium and TSA Domestic Exit Corridor in an Amount Not-To-Exceed \$97,184.00, seconded by Mr. LaRusso. Motion passed unanimously.

**Item A-7 Recommendation to Approve Engineering Amendment No. 49 with Airport Engineering Company (AEC) for design, permitting and bidding services for the Taxiway M Offset Project in an Amount Not-To-Exceed \$93,130.00**

Mr. Donovan explained that progress has been made with the Northside Expansion of St. Michael Place and the extension of Taxiway M into the property north of General Aviation Drive can start. Airport staff submitted an interim Airport Layout Plan of the preliminary design of the taxiway to the Federal Aviation Administration (FAA) for comment. FAA's preliminary review will require that Taxiway M be offset per the Advisory Circular 150/5300-13B recommendation and standards from Runway 9L-27R and Taxiway K before the remaining Taxiway M can be extended. Airport Engineering will provide a design, permitting and bidding services. This project is 100 percent funded by a Florida Department of Transportation (FDOT) grant.

A motion was made by Mayor Alfrey to approve Engineering Amendment No. 49 with Airport Engineering Company for design, permitting and bidding services for the Taxiway M Offset Project in an Amount Not-To-Exceed \$93,130.00, seconded by Mr. Peoples. Motion passed unanimously.

**Item A-8 Recommendation to Approve a Lounge Agreement with Priority Pass, Inc.**

Mr. Donovan explained Priority Pass is a service that provides 1,300 operating VIP lounges throughout the world and we are the smallest Airport in their entire portfolio. Airport staff wanted the lounge to be available to other passengers when space is available. Annual plans are available to be purchased through Priority pass itself and many credit cards companies include this access including American Express and Chase Sapphire. The agreement is for 24 months and will be renewed on a six-month basis unless the parties agree otherwise, enter into a new agreement, or either party gives 60 days' notice of terminating agreement after the initial 24-month period. The Airport will be paid \$21.28 per user after sales tax.

Mr. LaRusso commented that he is a member of Priority Pass and is very happy to approve this item for the Airport.

Mr. Potter inquired if the food would be provided by Metz. Mr. Donovan stated Metz provides all the food and drinks for the lounge.

Mr. Peoples commented that he has been in other lounges across the nation, and they too hold a high standard. I think this will be a nice perk for the local business travelers that fly in and out of MLB.

A motion was made by Mr. Peoples to approve a Lounge Agreement with Priority Pass, Inc., seconded by Mr. LaRusso. Motion passed unanimously.

**Item A-9 Recommendation to Approve a Use and Lease Agreement with Avelo Airlines, Inc.**

Mr. Donovan explained Avelo operations will begin operating nonstop services between Tweed-New Haven (HVN) starting on June 21, 2023, Raleigh-Durham International Airport (RDU) starting on June 23, 2023, and Wilmington Airport (ILG) starting on June 28, 2023. The Use and Lease Agreement is a standard agreement the Airport has with all carriers.

Mr. LaRusso commented that he will be flying out on Avelo Airlines on Saturday, June 24, 2023, to New Haven, CT.

A motion was made by Mr. LaRusso to Approve a Use and Lease Agreement with Avelo Airlines, Inc., seconded by Mayor Alfrey. Motion passed unanimously.

**Item A-10 Recommendation to Approve a Purchase Order with Romju Advertising & Company in the Amount of \$75,000**

Mr. Donovan explained Romju Advertising & Company will manage advertising buys for Avelo Airlines air carrier incentive program to promote the three new Avelo flights. The campaign will begin in May 2023 and will end on December 31, 2023. This service will help with marketing and promotion of this new service and routes for Avelo and will also promote the Melbourne Orlando International Airport, in accordance with Federal Aviation Administration guidelines and incentives. This is a minor investment amount compared to the efforts of the Brevard County Tourism Council (TDC). TDC advertisements are in the markets flying to Florida.

A motion was made by Mayor Alfrey to Approve a Purchase Order with Romju Advertising & Company in the Amount of \$75,000, seconded by Mr. Peoples. Motion passed unanimously.

## Information Items

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

Mr. O'Dell presented the financial report through period 6 (March 31, 2023).

Mr. Potter inquired about Elite Airways' balance being paid off. Mr. O'Dell stated they have not paid, and their balance due is approximately \$30,000. Mr. O'Dell stated that the Airport is still attempting to collect through legal avenue, but it's a slow process. Mr. Busalacchi commented that there were three tenants in the building where Elite was leasing. The two remaining tenants are likely going to take that space that Elite previously had. The Airport will bring an item to the board for C2C and Kegman to take over the space and hopefully make up the deficit. Mr. Potter inquired if Elite Airways operating in Vero Beach. Mr. Busalacchi stated they are not.

Mr. Potter asked Mr. O'Dell if he was surprised about the terminal concessions increase. Mr. O'Dell stated no, due to the fact that the concession space opened in October 2022, in addition, we have more passengers this year due to TUI still in operation through November 2022. Mr. Potter asked if Metz Culinary is pleased with their trajectory. Mr. Busalacchi stated that Metz is now pleased with their trajectory, but they are in the negative from being open when TUI was not flying. Metz should be in a better place in the next few months. Mr. Potter inquired if they are able to flex with their employees that much. Mr. Busalacchi stated that they try the best they can, because of the off season with TUI, there was not enough activity to really justify having everything open.

Mr. Potter commented that the Airport needs to look for opportunities to help Metz get additional business in this community. Mr. Donovan stated that we have gone through some processes where employees who do not have access to the sterile areas go through the process of being badged and given access while still meeting all of Transportation Security Administration requirements. The biggest importance right now is to find a complementing international activity in the months between December and March. Mr. Potter stated if the Airport can assist Metz with other companies in the community providing catering services, it can help stabilize their business here. Mr. Fischer suggested maybe having some kind of marketing event to show off the facility and using the restaurants.

Mr. O'Dell stated he normally does not review concessionary gross revenue, but through period 6 of this year, Metz sales were up \$40,000 more than last year with half the number of international passengers and this really speaks to the new concession space driving the sales. Mr. Potter stated that the Airport has had many problems in the past with concessioners and now there is a good one and we need to do everything we can to keep them here. Mr. Donovan stated the Airport hosted a leadership of Delta Airlines, just under the VP level and they were impressed with what we have done here at MLB. Mr. Donovan stated that the founder of Metz, Mr. John Metz passed away last week, and his son will be taking over.

Mr. Peoples stated it looks like an economic slowdown coming and inquired if Mr. O'Dell models out for the following 12 months if Airport has a 10 percent slowdown in revenue and what that might look like for the Airport, and how it may impact the Airport and if you have any suggestions on how you do that. Mr. O'Dell stated that he does not do that. Compared to most Airports, we are pretty immune to that because of our significant non-aeronautical revenues, so even if there were a significant slowdown on the passenger side, the Airport is well positioned financially.

## **Item I-2 Operations Update by Mr. Graham**

### **Ellis Road Update:**

Mr. Graham explained the Airport will be hosting the 2<sup>nd</sup> Ellis Road Stakeholders Meeting on Monday, June 12, 2023, at 10:00 a.m. The goal for this meeting is to secure construction funds to move the project along. The Airport hosted the previous meeting last year and it was very successful. The stakeholders were able to create a construction group with Brevard County and Florida Department of Transportation (FDOT) and they have been meeting monthly and coming up with ways to move things along quickly such as utilities, clearing and grubbing. Mr. Graham stated that he has been attending the construction meetings and everything is going well.

At this next meeting, FDOT will be updating everyone on the 80 parcels of land acquisitions along the two-mile Ellis Road corridor which started on October 2022, a two year effort with eighteen months to go. Brevard County officials along with Space Coast Transportation Planning Organization (SCTPO), City of Melbourne, City of West Melbourne, Melbourne Chambers of Commerce officials and the local business will be attending this meeting. The SCTPO hired a consultant and are getting ready to apply for an INFRA Grant for the funding of this project.

### **Aircraft Incident:**

On Sunday, May 14<sup>th</sup> we had a single engine Mooney aircraft with gear up landing on the main runway. The pilot forgot to put their gear down prior to landing and as a result, the aircraft became disabled and was stuck on the runway 9R which had to be closed. Airport operations, Airport PD, Aircraft Rescue and Fire Fighting, air traffic controls and the airlines all worked together in various roles during this incident. Airport operations work alongside Jack's Towing company to safely move the aircraft off runway 9R safely and reopen the runway. This incident took less than two hours and during this time of the incident, the airport and airfield remained open, and we were able to move all of our commercial activities to the north runway 9L/27R. American Airlines had one arrival and one departure and Allegiant had one departure. Most impressively, TUI had two flights that departed on the north runway. Airport staff has worked with TUI's chief pilot prior to their start-up of the season to discuss such incidents, scenarios, and plan accordingly. This example highlights our capabilities as an Airport to react and overcome challenges safely all while the Airport and airfield remained open.

## **Item I-3 Construction Projects Update by Mr. Perley**

### **Terminal Renovation & Expansion:**

No further work has been done to the skylight system. The contractor has been in discussion with the City Building Department on the repairs or replacement of the skylight system but has not shared the information with us. Temporary repairs have been made and no further leaks have appeared in the atrium. The staff stands firm that any costs for the atrium skylight are the responsibility of the contractor. Testing of the new fire alarm system is nearing completion. The final fire sprinkler sign off by the Building Department has been for the expansion area of the terminal. Testing of the CCTV system is complete. Roof leaks issues continue in three areas which are being addressed.

### **Gate 9 Passenger Boarding Bridge:**

The passenger board bridge is complete and operational. A punch list walk-through of the project has generated a few minor corrections and additions. During the striping of the apron, it was determined that insufficient space surrounded the aircraft for support equipment to properly service the aircraft. With less than a week before the first use of Gate 9, an emergency order was given to the contractor to add concrete support aprons for equipment to safely service the aircraft.

#### Northside Expansion: St. Michael Place Extension Phase 3:

Final striping of the roadway has been completed. Delays due to weather have hampered the installation of the thermoplastic striping. Waiting for final inspections by the City and FDOT before project closeout. The Engineer and contractor are reviewing final in-place quantities now for final quantity adjustment for the final change order. Property boundary easements remain to be resolved. Project closeout is expected by the end of June.

#### Dassault Falcon Jet Site Clearing:

Coordination meetings continue between the Airport's site team and the tenant's contractor. Site drawings for clearing have been submitted to the city for a Clearing Permit which is expected any day now. A permit is also required by the County and is currently being obtained. Gopher tortoise relocation has been completed. Temporary fence for security have been prepared and are under review. Site contractor should be mobilized by the end of the month.

Mr. Potter inquired if the project is on schedule. Mr. Perley stated yes.

#### In Line Baggage System:

70 percent of design drawings and construction estimates have been submitted to TSA for review. Discussion of eligible and non-eligible costs continue with TSA. The design team is continuing with the completion of the drawings. A stakeholder meeting to review the design with regulatory and the airlines is scheduled for 5/23/23. A Request for Proposal for CM at Risk will be issued in August for a selection in September. Construction funding will not be available until the end of October 2023 when Notice to Proceed will be issued. Construction is estimated to take 16 to 18 months.

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

##### Avelo Airlines Update:

Mr. Busalacchi explained that Business Development has implemented a marketing campaign for Avelo Airlines advertising on social media, coasters throughout the Melbourne Area and water bill inserts.

Mayor Alfrey commended the Airport staff and Mark for the brilliant idea of inserting the Avelo ad on the city water bill for Melbourne residents. Mayor Alfrey stated a local business received their bill and wants to advertise downtown Melbourne and downtown Eau Gallie. There are about 58,000 accounts that are sent out. Great marketing idea for the Airport staff. Mr. Busalacchi thank Mayor Alfrey and stated that the City of Melbourne approved the sale of Tropical Haven at the City Council Meeting held on Tuesday, May 23, 2023.

##### Arts of MLB Program:

Mr. Busalacchi welcomed Jennifer Bonset, a local artist who has been displaying her artwork, jewelry in the terminal and is doing well. As an Airport, we are fulfilling our obligation to have arts in the terminal.

##### Antonov Visit:

Mr. Busalacchi stated the Antonov came for a visit to MLB. The Airport promoted the event on social media and received positive feedback. There were people lined up all around the Airport to see the aircraft land.

##### MLB & TUI Event:

Mr. Busalacchi thanked everyone who attended the event. Feedback from TUI so far has been excellent, and the British Media had a great time, especially with the Space Coast rocket launch.

##### Hyatt Place Hotel:

The ribbon cutting for the Hotel is June 6, 2023, and open for business on June 7, 2023.

Melbourne Airport Express:

Melbourne Express was sold and purchased by BTM Motorcoach.

Mr. Potter inquired about Avelo advertising media source. Mr. Busalacchi stated that the Airport is using all forms of media such as digital campaigns, TV, radio, and coasters. The Airport is also doing an organic grass root campaigning locally with bars in downtown Melbourne with the coasters that have been created and there is a family and friends discount code on the coaster to get the discount on the Avelo inaugural flights. Avelo is also huge on email campaigns, so the Airport has provided them with the tenant's email information for their use. Mr. Donovan stated that the help of the Chambers has been greatly appreciated.

Mr. LaRusso asked if the coasters being supplied to the bars have a cost to the bar. Mr. Busalacchi stated that there is no cost, and the Airport provides them for free.

Mayor Alfrey commended Mr. Donovan and the staff for a first class TUI Event. It was an amazing event.

Mr. LaRusso stated that it is imperative that both the city and the Airport share common goals and work together. Last night, during the city Council Meeting, Ms. Jenny Lamb was hired as the new City Manager who is a big supporter of the Airport.

**Adjournment**

This meeting was adjourned by Chairman William Potter at 9:55 a.m.

**PREPARED BY:**

\_\_\_\_\_  
Sandra Acevedo, Administrative Assistant II

**SUBMITTED BY:**

\_\_\_\_\_  
Greg Donovan, A.A.E.  
Executive Director

**APPROVED BY ACTION OF AIRPORT AUTHORITY:**

\_\_\_\_\_  
William C. Potter, Chairman