



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

September 27, 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 July 19, 2023, regularly scheduled Board Meeting.

Item A-1 Recommendation to Approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for Professional Engineering and Construction Services for Airfield Pavement Joint Repair Project in an Amount Not-To-Exceed \$52,000.

Pavement joints in various areas throughout the airfield have opened and are beginning to produce loose aggregates, which if not addressed will lead to accelerated deterioration of the asphalt. These areas were identified during the most recent annual Federal Aviation Administration (FAA) Part 139 certification inspection. Since then, airfield maintenance staff have worked to maintain the areas free and clear of Foreign Object Debris (FOD) until a more permanent solution can be achieved. Upon recent evaluation by AVCON engineers, it has been determined that the severe and worsening condition of these areas must be addressed to reduce safety hazards associated with the increased FOD potential and to help prevent further deterioration of these areas.

AVCON was selected to perform this work based on its knowledge and expertise in pavement management and repairs. JJ Cunningham General Contracting will be performing the work. The primary objective of these repairs is to prevent infiltration of water and to cement the crumbling and fracturing edges of asphalt so that they don't release and become FOD. Repairs to approximately 18,000 linear feet of runways, taxiways, and terminal apron areas will consist of:

- Routing and or cleaning the crack by pressure washer, sandblasting or compressed air.
- Installing crack sealant material.

There is sufficient budget available for this maintenance expenditure. Staff recommends approval of a purchase order to AVCON, Inc. under its Continuing Services Contract for the Professional Airside Engineering and Construction Management Services for the Asphalt Joint Repairs throughout the airfield in an amount not-to-exceed \$52,000.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Item A-2 Recommendation to Approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for Professional Airside Engineering and Construction Services for the Mill and Overlay Repairs of Distressed areas on Taxiway “A” and Taxiway “S” in an Amount Not-To-Exceed \$99,441.

Taxiway “A” was last resurfaced in 2009, which involved milling old asphalt to a minimal depth and overlaying with new asphalt. The latest pavement assessment as outlined in the 2022 Florida Department of Transportation Statewide Pavement Evaluation report revealed this essential airfield artery, which serves as the main access to the primary air carrier runway, indicated a Pavement Condition Index (PCI) of 68 for this crucial airfield thoroughfare. Notably, Taxiway “A” serves as the primary access point to the primary air carrier runway. According to the state report, taxiways are recommended to maintain a minimum PCI value of 70.

Though Taxiway “A” is slated to receive Federal Aviation Administration funding for a comprehensive rehabilitation in 2024, certain sections of the asphalt have entered a maintenance phase within their operational life cycle. This phase is characterized by the emergence of accelerated deterioration, necessitating immediate asphalt patching. Furthermore, a minor asphalt repair is also warranted for a segment of Taxiway “S”, which can be conveniently addressed within the scope of this one-day operation. There is sufficient budget available for this maintenance expenditure. V.A. Paving, Inc. will be performing the work.

Staff recommends approval of a purchase order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering and Construction Management Services for the Mill and Overlay Repairs of the distressed pavement sections on Taxiway “A” and Taxiway “S” in an amount not-to-exceed \$99,441.00 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-3 Recommendation to approve a Purchase Order to AVCON, Inc. for Professional Airside Engineering Services for the Design of Taxiway “A” Rehabilitation in an Amount Not-To-Exceed \$1,441,610.

Taxiway “A” was last resurfaced in 2009, which involved milling old asphalt to a minimal depth and overlaying with new asphalt. The latest pavement assessment as outlined in the 2022 Florida Department of Transportation (FDOT) Statewide Pavement Evaluation report, indicated a Pavement Condition Index (PCI) of 66 representing a “fair” condition rating. According to the state report, taxiways are recommended to maintain a minimum PCI value of 70.

Taxiway “A” is slated to receive Federal Aviation Administration (FAA) discretionary funding for a comprehensive rehabilitation in 2024 and 2025 that is estimated to cost \$28,276,100. Taxiway geometry will be updated to the new standards in FAA AC 150/5300-13B. The project will also include taxiway lighting and signage improvements, along with pavement markings. New paved shoulders will be constructed to meet the needs of larger commercial aircraft currently operating at the airport. Drainage and stormwater will also be improved. This scope of work is included in the Taxiway “A” Rehabilitation project that is in the fiscal year 2024 budget. This portion of the project is funded as follows:

FAA	\$ 1,267,370
FDOT	\$ 70,410
MAA	\$ 103,830
TOTAL	\$ 1,441,610

This scope includes the design engineering, survey, geotechnical, and permitting for the project, along with coordination with the FAA and FDOT.

Staff recommends approval of the approval of a purchase order to AVCON, for Professional Airside Engineering Services for design of Taxiway “A” Rehabilitation in an amount not-to-exceed \$1,441,610.00 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-4 Recommendation to Approve a Change Order to AVCON, Inc. Purchase Order under its Continuing Services Contract, for the Installation of Temporary Security Fencing of the Common Use Areas of the Project Vista site in an Amount Not-To-Exceed \$266,024.

As development continues for the leased area for Project Vista, the airport is required to provide certain services for the development of the site. As the clearing and grubbing of the site is nearing completion, temporary security fencing is required to secure the site before construction of the buildings and site commences. This is the next step in this project to be performed by the airport for the Dussault Falcon Jet Project. This work is 100 percent funded by a Florida Department of Transportation grant that was approved by the Board in September 2022.

There is sufficient budget for this change order and the status of the funding for this grant are indicated below:

AVCON	Taxiway Design	\$ 129,976.00
	Clearing & Grubbing	\$ 615,627.00
	Apron and Utility Design	\$ 385,174.00
	Temporary Security Fencing	\$ 226,024.00
	Current AVCON Committed Costs	\$ 1,356,801.00

Staff recommends approval of a change order to AVCON, Inc. Purchase Order under its Continuing Services Contract, for the installation of temporary security fencing of the common use areas of the Project Vista site in an Amount Not-To-Exceed \$266,024.00 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-5 Recommendation to Approve a License Agreement with the Defense Threat Reduction Agency

The Defense Threat Reduction Agency, an agency of the Department of the Defense, operates a U.S. International Monitoring System (IMS) Radionuclide Station on Airport property. The Authority has a lease with General Dynamics for the actual structure the monitoring devices are housed. This monitoring is part of the Comprehensive Test Ban Treaty (CTBT) signed by the United States on September 24, 1996. A component of the CTBT IMS is a network of Radionuclide Stations. The Airport Authority Board last approved this license agreement in August 2015.

This agreement becomes effective upon the signatures of both parties and remains in effect for seven years. The DTRA may request that Authority approves an extension of the term of this agreement by providing a minimum of 180 days advance written notice prior to the expiration of the then current term. Each party has the right to terminate this agreement with 180-day notice to the other party.

Staff recommends approval of the License Agreement with the Defense Threat Reduction Agency and authorization for the Executive Director to execute said agreement on behalf of the Authority.

Item A-6 Recommendation to Approve a Marketing Services Retainer with The Ad Leaf for Marketing Support Services in the Amount of \$128,000.

The Ad Leaf Marketing Firm (Ad Leaf) is a full-service marketing and advertising firm specializing in digital and traditional marketing. Based in Melbourne, Florida, the company provides supplemental marketing support to a wide range of clientele to assist in achieving strategic marketing goals and brand awareness.

The proposed scope of work includes providing the Airport with branding and strategy support, media buying and planning services, social media marketing management, graphic design, and go to market strategy guidance. With the assistance of a dedicated brand strategist, The Ad Leaf will provide up to 55 service hours each month to include

marketing strategy, project management, integrated content calendar development, and client reporting. The monthly fee also includes up to \$5,000 in ad spend. All work products will belong to the Airport for its use.

Engaging Ad Leaf will assist Airport staff with marketing efforts as the Marketing Manager position remains unfilled.

The Marketing Services Retainer's initial 12-month term will begin October 1, 2023 and end September 20, 2024. During this time the agreement cannot be terminated. After the initial 12-month period the agreement will renew but can be terminated with 31 days' written notice. The monthly rate for the services described is \$10,500. There is an additional one-time onboarding fee in the amount of \$2,000.

Staff recommends approval of the Marketing Services Retainer with The Ad Leaf in the amount of \$128,000 and authorization for the Executive Director to execute said agreement on behalf of the Authority.

Item A-7 Recommendation to Approve a First Amendment to General Terms Agreement with TUI Airways Limited

Due to the Terminal Renovation and Expansion Project not being completed TUI's inaugural season, Airport staff was approached by TUI to extend the General Terms Agreement by two years to bring the total contract period to nine years. As part of this extension and acknowledging that TUI operated the first year in challenging conditions, the landing fee waiver period is being extended and the marketing assistance incentive extended for the base term of the agreement.

Staff recommends approval of the First Amendment to the General Terms Agreement with TUI Airways Limited and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Discussion Item

Item D-1 Insurance Limits – Scott Bolger, AJ Gallagher Company

Information Items

Item I-1 Financial Update

Item I-2 Operations Update

Item I-3 Construction Projects Update

Item I-4 Business Development and Marketing Update

Public Speakers

Adjournment

Pursuant to 286.0105, Florida Statutes, the Airport hereby advises the public that if a person decides to appeal any decision made by the Airport Authority with respect to any matter considered at its meeting or hearing, he/she will need a record of the proceedings, and that for such purpose, affected persons may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Airport (321) 723-6227 at least 48 hours prior to the meeting.

MELBOURNE ORLANDO INTERNATIONAL AIRPORT

Income Statement

July 31, 2023

	Year To Date Actual		\$ change	% change
	7/31/2023	7/31/2022		
Operating Revenue				
Airline Landing Fees	482,578	469,222	13,356	3%
Airline Service Fees	2,169,167	1,948,894	220,273	11%
Land & Bldg Lease Rents	8,385,642	7,746,621	639,021	8%
Terminal Rents	234,187	200,395	33,792	17%
Parking Lot Fees	1,748,100	1,426,172	321,928	23%
Car Rental Concessions	1,506,436	1,194,752	311,684	26%
Restaurant Concessions	272,768	159,066	113,702	71%
Mobile Home Park Rent	1,702,282	1,702,985	(703)	0%
T-Hangar Rentals	74,457	75,364	(907)	-1%
Operating Grant Revenue	127,274	52,530	74,744	142%
Other	588,931	293,130	295,801	101%
Total Operating Revenues	17,291,822	15,269,130	2,022,692	13%
Operating Expense:				
Personnel Services	4,681,396	4,406,107	275,288	6%
Contract Services	7,102,778	5,940,559	1,162,219	20%
Police & Fire Services	1,054,868	975,929	78,939	8%
Maintenance and Operations	4,747,920	4,253,646	494,274	12%
Other	307,627	-	307,627	#DIV/0!
Total Operating Expenses	17,894,589	15,576,242	2,318,348	15%
Operating Income (Loss)	(602,768)	(307,112)	(295,656)	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	1,224,489	925,083	299,406	32%
Customer Facility Charges	1,040,645	654,648	385,997	59%
CARES Grant Revenue	3,078,091	7,120,153	(4,042,062)	-57%
Gain on Sale of Assets	29,366	5,029,434	(5,000,068)	-99%
Interest Income (Loss)	786,768	101,759	685,009	673%
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	-	(19,589)	19,589	-100%
Interest Expense	(170,625)	(158,763)	(11,863)	7%
Total Non-Operating Revenue (Expense)	5,980,655	13,646,856	(7,666,200)	
Net Income (Loss) Before Depreciation*	5,377,888	13,339,744		

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

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

	YTD Actual	Annual Budget	% of Budget
Operating Revenues:			
Airline Landing Fees	482,578	516,316	93%
Airline Service Fees	2,169,167	2,582,774	84%
Land & Bldg Lease Rents	8,385,642	9,222,508	91%
Terminal Rents	234,187	241,403	97%
Parking Lot Fees	1,748,100	1,900,000	92%
Car Rental Concessions	1,506,436	1,733,684	87%
Restaurant Concessions	272,768	973,714	28%
Mobile Home Park Rent	1,702,282	2,061,075	83%
T-Hangar Rentals	74,457	46,920	159%
Operating Grant Revenue	127,274	284,000	45%
Other	588,931	1,535,883	38%
Total Operating Revenues	17,291,822	21,098,277	82%
Operating Expense:			
Personnel Services	4,681,396	6,357,932	74%
Contract Services	7,102,778	9,167,696	77%
Police & Fire Services	1,054,868	1,259,606	84%
Maintenance and Operations	4,747,920	7,859,611	60%
Other	307,627	180,000	171%
Total Operating Expenses	17,894,589	24,824,845	72%
Operating Income (Loss)	(602,768)	(3,726,568)	
<u>Non-Operating Revenue (Expense):</u>			
Passenger Facility Charges	1,224,489	1,502,016	82%
Customer Facility Charges	1,040,645	1,262,001	82%
CARES Grant Revenue	3,078,091	3,223,936	95%
Gain on Sale of Assets	29,366	-	#DIV/0!
Interest Income (Loss)	786,768	156,539	503%
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%
Total Non-Operating Revenue (Expense)	5,980,655	5,802,317	
Net Income (Loss) before			
Depreciation, Transfers, and Capital Contributions	5,377,888	2,075,749	
Depreciation Expense	-	-	
Machinery and Equipment	(688,649)	(1,733,969)	40%
Intra Transfer to Airport Capital	-	(1,689,507)	0%
Net Income (Loss) After Transfers	4,689,239	(1,347,727)	

Melbourne Orlando International Airport
Top 10 Operating Revenues
7/31/2023

Rank	Description	YTD FY 2023	FY 23 % of Total Rev	YTD FY 2022	FY 22 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	4,718,412	27%	4,129,082	27%	589,330	14% A
2	Commercial Business Center Rent	2,735,664	16%	2,712,153	18%	23,511	1%
3	Parking Revenue	1,748,100	10%	1,426,172	9%	321,928	23% B
4	Tropical Haven Revenue	1,702,282	10%	1,702,985	11%	(703)	0%
5	Car Rental Concession	1,506,436	9%	1,194,752	8%	311,684	26% C
6	Ground Handling Revenue	1,454,574	8%	1,244,786	8%	209,788	17% D
7	Terminal Rent-Airline	760,803	4%	741,772	5%	19,031	3%
8	Hangar Rent	698,504	4%	671,095	4%	27,409	4%
9	Landing Fees	482,578	3%	469,222	3%	13,356	3%
10	Terminal Concessions	272,768	2%	159,066	1%	113,702	71% E
Total Top 10 Operating Revenue		16,080,121	93%	14,451,085	95%	1,629,036	
Other Operating Revenue		1,211,701	7%	818,045	5%	393,656	48%
Total Operating Revenue		17,291,822	100%	15,269,130	100%	2,022,692	13%

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
7/31/2023

Rank	Description	YTD FY 2023	FY 23 % Operating Expense	YTD FY 2022	FY 22 % Operating Expense	\$ change	% change
1	Other Contract Services	5,195,485	29%	4,240,846	27%	954,639	23% A
2	Personnel	4,681,396	26%	4,406,107	28%	275,289	6%
3	Fire Services	1,027,179	6%	958,463	6%	68,716	7%
4	Contractual Employee	990,047	6%	672,489	4%	317,558	47% B
5	Electric	729,236	4%	545,825	4%	183,411	34% C
6	Consulting Fees	443,645	2%	519,687	3%	(76,042)	-15% D
7	Risk Management	385,419	2%	376,327	2%	9,092	2%
8	Cable TV Expense	317,533	2%	285,959	2%	31,574	11%
9	R&M-Misc Equipment	277,217	2%	163,710	1%	113,507	69% E
10	Computer Software	251,071	1%	123,358	1%	127,713	104% F
Total Top 10 Operating Expense		14,298,228	80%	12,292,771	79%		
Other Operating Expense		3,596,361	20%	3,283,471	21%	312,890	10%
Total Operating Expense		17,894,589	100%	15,576,242	100%	2,318,347	15%

A Increase is due to costs associated with new international air service that started in March 2022: Customs (up \$485,000), ground handling (up \$281,000), and aircraft fueling (up \$23,000).

B Increase due to higher ambassador costs (up \$29,000) 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 (\$57,000 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 \$245,000).

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 coupled with an unusually hot summer. Average monthly electricity expense has increased from \$55,000 to \$73,000.

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 9 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 115k 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
8/7/2023

	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24	May-24	June-24
Beginning Cash/Investment Balance	\$ 27,555,416	\$ 27,617,672	\$ 29,328,667	\$ 25,421,555	\$ 26,869,564	\$ 22,951,594	\$ 20,881,722	\$ 22,041,285	\$ 20,846,750	\$ 19,230,329	\$ 19,690,010	\$ 20,267,689
Operating Revenue	1,680,337	1,680,337	1,680,337	1,722,929	1,722,929	1,722,929	2,628,024	1,722,929	1,722,929	1,722,929	1,722,929	1,722,929
Plus: ARPA Grant							1,200,000			1,062,865		
Less: Prepaid Rent Recorded as Deferred Revenue	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)
Plus: Monthly Collections Ad Valorem Tax	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	1,039,083	133,988	133,988	133,988
Operating Expense:												
Liability Insurance	(72,540)											
Personnel	(522,409)	(522,409)	(522,409)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)
TUI Marketing Incentive Payment (49,895)	(236,347)		(484,654)		(229,104)				(300,000)		(100,000)	(100,000)
Debt Payment (P&I)					(146,750)						(146,750)	
Maintenance and Operations Expense	(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)	(1,406,991)	(1,406,991)
Ad Valorem Tax Payment					(2,707,599)							
Net Increase (Decrease) in Cash Flow from Operations	(402,234)	(93,347)	(578,001)	(132,444)	(3,215,897)	(132,444)	1,972,652	(132,444)	472,652	930,422	(379,194)	(232,444)
Total Capital Outlay	(229,630)	(2,084,014)	(3,852,321)	(1,085,000)	(1,630,000)	(2,100,000)	(2,650,000)	(4,101,000)	(3,400,000)	(2,550,000)	(2,692,412)	(850,000)
Principal Payment-Outstanding Debt											(1,800,000)	
Total Capital Grant Revenue	422,646	3,636,649	288,446	2,377,252	757,255	-	1,675,000	2,875,000	1,100,000	1,750,000	5,131,250	4,780,775
PFC Collections (Reimbursement of Eligible Costs)	147,524	136,783	127,575	156,613	92,746	88,344	87,986	89,071	114,621	178,926	172,826	163,509
CFC Collections	123,950	114,925	107,189	131,587	77,925	74,227	73,926	74,838	96,305	150,334	145,209	137,381
Net Increase (Decrease) in Cash From Capital and Debt	464,490	1,804,343	(3,329,111)	1,580,453	(702,074)	(1,937,428)	(813,089)	(1,062,091)	(2,089,073)	(470,740)	956,872	4,231,665
Beginning Cash/Investments	27,555,416	27,617,672	29,328,667	25,421,555	26,869,564	22,951,594	20,881,722	22,041,285	20,846,750	19,230,329	19,690,010	20,267,689
Ending Cash/Investments	27,617,672	29,328,667	25,421,555	26,869,564	22,951,594	20,881,722	22,041,285	20,846,750	19,230,329	19,690,010	20,267,689	24,266,910

Melbourne Orlando Int'l Airport
Cash Flow Projection - Capital Exp and Grant Revenue
8/7/2023

Capital Project Expenditures	Proj #	Total Cost	indi	Prior Expend	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24	May-24	June-24
Term Upgrade-Restrooms Gate Belt etc	Various	5,263,158	D	-					(250,000)	(250,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(750,000)	(500,000)
Term Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	D	(50,000)		(250,000)	(250,000)	(250,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(500,000)	(400,000)	(1,009,412)	
Terminal Exp PH2-Int'l PBB (Gate 9)	50423	4,500,000	E	(3,689,450)	(216,453)	(425,023)										
Ticket Counter Improvements	50523	214,476	C	(193,443)		(21,032)										
Terminal Exp-Public Space (Haskell)	50519	50,709,557	E	(48,540,978)			(2,168,579)									
Terminal Exp-Public Space (Others)	50519	1,386,601	E	(1,359,723)	-		(26,879)									
Terminal Exp-VIP Lounge (Iveys)	54319	1,091,812	C	(965,037)	(4,757)	(122,018)										
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)										
In Line Baggage System-Design	50121	1,024,944	D	(563,176)	-	(461,742)										
Airplane Deposit Facility	50619	70,000	C				(70,000)									
Aerospace Dr. Lift Station Replace	50520	85,000	C					(85,000)								
Northside Expansion	54120	7,024,798	D													
Northside Exp-St. Michael PI Ext	54220	6,100,000	D	(2,622,519)		(171,065)										
Northside Exp-T/W M Ext	54320	3,930,000	D	-		(30,170)	(41,930)	(150,000)	(200,000)	(200,000)	(350,000)	(350,000)	(350,000)	(350,000)		
Northside Exp-Infrastructure Dev	54420	3,102,444	D	(1,447,977)		(93,380)										
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	(311,282)	(8,420)	(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	(678,900)		(32,000)	(744,933)		(30,000)			(301,000)				(133,000)
T-Hangars Phase 1	TBD	3,000,000	D								(100,000)	(1,000,000)	(1,000,000)	(500,000)	(400,000)	
Total Capital Outlay					(229,630)	(2,084,014)	(3,852,321)	(1,085,000)	(1,630,000)	(2,100,000)	(2,650,000)	(4,101,000)	(3,400,000)	(2,550,000)	(2,692,412)	(850,000)
Grant Revenue																
FDOT DRA-Ramp Reimb (\$5,900,000)				900,000	300,000			300,000			1,200,000			1,200,000		
FAA Discretionary-ARFF Truck (\$670,439)								670,439								
FAA Grant 59 Restrooms/Gate/Belt/etc	Multi	5,000,000										950,000			2,612,500	
FDOT Restrooms/Gate/Belt/Flooring/etc	Multi	131,000										25,000			68,750	
FAA-Fire Sprinklers-Grnt 60	50023	5,363,470						-			450,000					3,600,000
FDOT Fire Sprinklers	50023	297,971						-			25,000					200,000
FAA BIL AIG Gate 9-Grnt 62	50423	4,050,000				3,320,505		577,328			-		-			
TSA OTA-In Line Baggage Sys Design (\$711,496)				337,809			288,446		85,225							
NORTHSIDE EXPANSION GRANTS																
FDOT (St. Michael PI Ext)	54220	2,777,266		2,376,184		229,281		171,065	6,550		-			-		
FDOT (T/W M Realignment/Ext)	54320	6,819,815		-					222,100				1,100,000			700,000
FDEO (Inf Dev & T/W C)	54420/50623	3,922,132		1,361,114	-	86,863			443,380			950,000			1,050,000	30,775
FDOT-Project Vista Grant	50323	6,600,000		188,816	122,646			658,420				950,000			900,000	
FDOT FY 23 T Hangar Grant	TBD	1,500,000												550,000	500,000	250,000
Total Grant Revenue					422,646	3,636,649	288,446	2,377,252	757,255	-	1,675,000	2,875,000	1,100,000	1,750,000	5,131,250	4,780,775

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

	2023	2022	MO CHANGE (%)	2023 YTD	2022 YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	20,316	15,761	28.9%	172,306	153,083	12.6%
Deplaned	20,068	15,596	28.7%	169,758	150,960	12.5%
Total Revenue PAX - Domestic	40,384	31,357	28.8%	342,064	304,043	12.5%
Revenue PAX - Int'l						
Enplaned	20,126	21,858	-7.9%	74,225	80,660	-8.0%
Deplaned	19,003	20,755	-8.4%	81,932	86,299	-5.1%
Total Revenue PAX - Int'l	39,129	42,613	-8.2%	156,157	166,959	-6.5%
Non-Revenue PAX						
Enplaned	765	645	18.6%	6,106	5,905	3.4%
Deplaned	749	597	25.5%	6,155	5,587	10.2%
Total Non-Revenue PAX	1,514	1,242	21.9%	12,261	11,492	6.7%
Total PASSENGERS	81,027	75,212	7.7%	510,482	482,494	5.8%
AIRCRAFT OPERATIONS						
Air Carrier	583	516	13.0%	4,351	4,137	5.2%
Air Taxi	157	147	6.8%	1,217	1,403	-13.3%
General Aviation - Itinerant	8,331	7,331	13.6%	72,484	56,732	27.8%
General Aviation - Local	3,802	5,216	-27.1%	37,160	35,283	5.3%
Military	75	53	41.5%	472	655	-27.9%
Total OPERATIONS	12,948	13,263	-2.4%	115,684	98,210	17.8%



MELBOURNE AIRPORT AUTHORITY BOARD

Minutes July 19, 2023, Board Meeting

Airport Board Room

In attendance: Mr. William C. Potter, Chairman
The Honorable Tim Thomas, Vice Chairman, Councilmember
The Honorable Paul Alfrey, Mayor
The Honorable Mark LaRusso, Vice Mayor, Councilmember
Mr. Brent Peoples, Member
Mr. Michael Fischer, Member
Mr. Adam Bird, Airport Attorney
Mr. Greg Donovan, A.A.E., Executive Director
Mr. Mark Busalacchi, Director of Business Development
Mr. Cliff Graham, C.M., Director of Operations and Maintenance
Ms. Melissa Naughton, C.M., Assistant Director of Business Development
Mr. Mike O'Dell, C.P.A., Director of Finance and Administration
Mr. David Perley, A.I.C., Director of Capital Improvements
Ms. Renee Purden, Chief of Police/Director of Public Safety

Absent: Mr. Scott Mikuen, Member

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

Passenger Activity Report. Total passengers year-to-date is 347,663 which is a 4.7 percent increase, June total passengers was 74,692 which is a 12.3 percent increase and June 2022 to June 2023 increase of 22 percent in Domestic passengers.

Allegiant's new route to Allentown, PA will commence on November 17, 2023. Nashville route will commence on November 16, 2023.

Avelo inaugural flight on June 21st was successful and continues to perform well.

Site visits last month from Corporate Properties Directors from American Airlines and Delta Air Lines. Site visit from Senator Rubio's aide on July 18, 2023. Congressman Posey will be at MLB on August 4, 2023.

Welcome to Patricia Jorge, Accounts Payable Specialist, and Summer Wyllie-Vitt, Procurement Manager.

MLB Economic Impact totaling \$3.1 Billion – Jobs 17,886 employed, Payroll \$978 million and value added \$1.7 Billion.

MLB named Florida's #1 Airport in a ranking conducted by FloridaRentals.com. Mr. Potter commended Mr. Donovan, MLB staff, Menzies and TSA for their hard work and dedication to the MLB Airport.

MLB TV Commercial honoring the Airport's history and spotlighting growth.

Executive Director's Recognition of Excellence Award

Congratulations to Keely Leggett, Public Information Officer, on receiving this month's award.

Action Items

Approval of the May 24, 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 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.

Mr. Donovan commended Mr. O'Dell and his staff for putting together this year's budget. Staff distributed the proposed budget book including the Executive Director's memorandum to the MAA board members in June. The process moving forward with the budget will be to have the Budget Resolution approved at this meeting and forwarded to the City Council for adoption at the public hearings in September.

Mr. O'Dell presented the board with the FY 2024 Budget and highlighted the following items: Budget Heavy, Spend Light; Tropical Haven Assumption; Rate Adjustments; ARPA/CARES Funding; Interest Rates; Overall and Payroll-6%; Utilities-10%; Contingency Included for Operating; Capital-Significant Discretionary Grants.

Mr. Potter inquired about Tropical Haven pending sale and budget adjustment. Mr. O'Dell stated he did not know when the Airport will close on the sale of Tropical Haven. Some analyses were performed and if this transaction can close by the end of May, it will be covered by investment earnings on the net proceeds of the sale, but also under budgeted interest income, there is some savings in our indirect cost, and it will be covered.

Mr. Thomas stated several years ago, there was a growing concern with the cost allocation plan with costs being inflated in different categories and it took some time before the numbers changed. Mr. Thomas inquired if the cost allocation plan is being reviewed yearly. Mr. O'Dell stated cost allocation are evaluated annually, based on the budget and then we do a true up the following year to make sure the budget to actuals. It has to be equitable to both the City of Melbourne and the Airport. Mr. Thomas inquired about the CARES Act Grant. Mr. O'Dell stated that FY24 will be the final year of CARES/CRSSA/ARPA Funding.

Mr. LaRusso inquired about the equipment purchasing budget for a new mower and how did we acquire that dollar amount. Mr. O'Dell stated that this was just a budgetary number, and the Airport will have to go through the proper procurement process and make sure we are following all the procurement requirements. Mr. Donovan stated that the Airport will dovetail in the state contracts and be able to see what others do to procure common items.

Mayor Alfrey commended the Airport staff for a job well done on the budget.

Mr. Peoples inquired if this is the largest budget ever for the Airport. Mr. Donovan stated the budget will fluctuate based on the capital improvements. Mr. Peoples asked what the thought process of the contingency budget is that's mentioned in the report. Mr. O'Dell stated that in the past, the contingency budget was low, and it was increased to have adequate budget appropriation in case there is a need. Mr. Peoples inquired about the in-line baggage system and what impact will that have on the operating cost. Mr. Donovan stated this will be a significant project and will have a significant operating cost. Mr. Peoples commended Mr. O'Dell on a great job on the proposed budget.

Mr. Fischer stated that there are several capital improvement projects that are non-revenue generating and asked does the Airport maintain reserves or does the Airport budget out of revenues each year for items that are ongoing maintenance items. Mr. O'Dell stated that it is budgeted and funded revenues from current year revenues and/or reserves. The Airport tries to fund these projects through grants from the state. Mr. Fischer

inquired on the return of investment on rental properties that may need a repair and asked if funds for repairs are budgeted or does it come out of our contingency and is the Airport managing our return of investments. Mr. O'Dell stated the Airport generates a large amount of revenue from the properties and overall, there is a good return generated. Mr. Donovan stated some properties are charged a CAM that helps with any future repairs if needed. Mr. O'Dell stated that the CAM funds go into the Airports unrestricted reserves. Mr. Fischer commended Mr. O'Dell for an outstanding presentation of the proposed budget.

Mr. Thomas commended Mr. Donovan for obtaining grant fundings in the past several years for ongoing projects and asked if Mr. Donovan foresees obtaining other grants in the future. Mr. Donovan stated yes and is very appreciative of the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT) for those grants.

A motion was made by Mayor Alfrey 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, seconded by Mr. Thomas. Motion passed unanimously.

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.

Mr. Donovan explained this grant is funded with Bipartisan Infrastructure Law (BIL) – Infrastructure grant that covers 90 percent of cost for the addition of a new passenger boarding bridge at Gate 9 and is included in the current approved budget.

A motion was made by Mayor Alfrey 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, seconded by Mr. Thomas. Motion passed unanimously.

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.

Mr. Donovan explained Item A-3 and Item A-4 are combined grant approvals for the rehabilitation of Taxiway A (Design Only) from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). The FAA entitlement grant covers 90 percent of the eligible project costs and is part of the fiscal year 2024 proposed budget.

A motion was made by Mr. Thomas 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, seconded by Mr. Peoples. Motion passed unanimously.

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.

Mr. Donovan explained Item A-3 and Item A-4 are combined grant approvals for the rehabilitation of Taxiway A (Design Only) from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). The FDOT grant covers 50 percent of the non-FAA funded portion of the project and is part of the fiscal year 2024 proposed budget.

A motion was made by Mr. Thomas to Approve Resolution 8-23 for the Airport Improvement Project Grant for the Taxiway A Rehabilitation Project with the Florida Department of Transportation in the amount of \$70,410, seconded by Mr. Peoples. Motion passed unanimously.

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.

Mr. Donovan explained Item A-5 and Item A-6 are combined grant approvals from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT) to upgrade of the Fire Sprinklers and associated infrastructure to bring the old portion of the terminal up to current code. The FAA discretionary grant covers 90 percent of the eligible project costs and is included in the current approved budget.

A motion was made by Mayor Alfrey 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, seconded by Mr. Fischer. Motion passed unanimously.

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.

Mr. Donovan explained Item A-5 and Item A-6 are combined grant approvals from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT) to upgrade of the Fire Sprinklers and associated infrastructure to bring the old portion of the terminal up to current code. The FDOT grant covers 50 percent of the non- FAA funded portion of the project and is included in the current approved budget.

A motion was made by Mayor Alfrey to approve Resolution 9-23 for the Airport Improvement Project Grant for the Terminal Upgrade-Fire Sprinkler Project with the Florida Department of Transportation in the amount of \$297,971, seconded by Mr. Fischer. Motion passed unanimously.

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.

Mr. Donovan explained Item A-7 and Item A-8 are combined grant approvals from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT) to fund terminal upgrades needed to accommodate the increase in passenger traffic and replace dated infrastructure. The FAA Bipartisan Infrastructure Law (BIL) - Infrastructure grant covers 95 percent of the eligible project costs and is partially included in the current budget and partially in the fiscal year 2024 proposed budget.

A motion was made by Mr. Thomas 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, seconded by Mr. LaRusso. Motion passed unanimously.

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.

Mr. Donovan explained Item A-7 and Item A-8 are combined grant approvals from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT) to fund terminal upgrades needed to accommodate the increase in passenger traffic and replace dated infrastructure. The FDOT grant covers 50 percent of the non-Federal Aviation Administration (FAA) funded portion of the project and is partially included in the current budget and partially in the fiscal year 2024 proposed budget.

A motion was made by Mr. Thomas to approve Resolution 10-23 for the Airport Improvement Project Grant for Terminal Upgrades-Restrooms, Bag Belts, Escalator and Flooring Project with the Florida Department of Transportation in the amount of \$131,579, seconded by Mr. LaRusso. Motion passed unanimously.

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.

Mr. Donovan explained an existing structure located at 1135 W. NASA Boulevard loading dock area has completely deteriorated and needs replacement due to identified structural concerns. Work to be completed includes complete gutting and installation of a new roof, fascia gutter and downspouts, ceiling replacement, stucco, painting, light fixtures, and new handrail at ramp.

Mr. Potter inquired if there are multiple tenants in this facility. Mr. Busalacchi stated there are two tenants in this facility.

Mr. Fischer asked if the work that needs to be done can be done without displacing the tenants. Mr. Donovan stated work can be done without displacing the tenants.

A motion was made by Mr. Fischer 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, seconded by Mayor Alfrey. Motion passed unanimously.

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

Mr. Donovan explained due to COVID 19 pandemic, ARES Defense construction and expansion plans were delayed. A rent increase was scheduled to take place in 2021. Airport staff was approached by ARES and requested to delay the rent increase and add two years to the base term of the lease that will terminate on July 31, 2026. ARES also has two option periods of five years each.

A motion was made by Mr. Thomas for approval of the first amendment to lease with ARES Defense Systems, seconded by Mayor Alfrey. Motion passed unanimously.

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

Mr. Donovan explained Air Service Incentive Program (ASIP) was last updated in 2016. The Airport has made great progress since that time and has the opportunity to make some changes and provide a structured, performance-based methodology that encourages growth while providing a source for marketing and advertising of new routes. Changes to the program reflect competitive trends required of successful air service and adhere to Federal Aviation Administration guidance. Each incentive will be brought separately to the board for approval.

Mr. LaRusso inquired is the Airport aggressive enough compared to other airports of our size. Mr. Donovan stated it all depends on what type of success the Airport is having at the time. Back in 2016, we were not

having the level of success as the Airport is having today. The Airport is in line with our peers, but we're not with our closest competitors as the airport does not have the resources they do. Mr. LaRusso stated that it is not just the incentives, but a quality-of-life issue that's here and educating the populace to use that airline and go somewhere. Mr. Donovan stated the airline can put a plane anywhere in the country and make a certain amount of money. The airline has to be able to make a profit here on their own. Any airline that seeks only incentives is a losing proposition from the beginning. The airport is offering an incentive to the airlines to start here at MLB. Mr. LaRusso stated we are in the ballpark in terms of incentives. Mr. Donovan stated yes.

Mr. Potter inquired why do we pay more for someone from Canada as opposed to the Caribbean. Mr. Donovan stated its part of the ability for the frequency to be higher amounts. If we were to have international as a line item in our ASIP and have the Bahamas as a destination or open up multiple locations in the Bahamas, this will affect us tremendously financially. If we have a longer stage length, you're not going to see the frequency take place. The Airport had a previous airline that would make announcements to fly to a city, start it for a few weeks and then stop. Under our old ASIP, the airline would be able to get some consideration or funds. Our revised ASIP is an effort to try to control those scenarios.

A motion was made by Mr. LaRusso to approve modification of Air Service Incentive Program (ASIP), seconded by Mr. Peoples. Motion passed unanimously.

Item A-12 Recommendation to Award 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.

Mr. Donovan stated Atlantis Electrical Systems had the fire alarm contract under the terminal renovation and expansion project and will continue with their system into the existing terminal. The Airport agreed to complete the remaining fire alarm work in conjunction with the remaining fire sprinkler work previously awarded and to make sure the City's Building Department and Fire Department guidelines are followed.

Mr. Fischer asked if this work includes all the permitting fees and drawings required to do this work. Mr. Perley stated drawings fees are included and the permitting fees are separate. Mr. Fischer inquired when the job is completed, will the airport have a complete set is as-builts of the new fire sprinkler and alarm system. Mr. Perley stated yes.

A motion was made by Mayor Alfrey to award 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, seconded by Mr. Fischer. Motion passed unanimously.

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

Mr. Donovan explained the current expenditures for maintenance repairs of the fuel farm are \$32,201.86. Due to the increase in additional repairs, Airport staff is requesting additional money not to exceed \$15,000 for a total of \$65,300.

A motion was made by Mr. Thomas to increase the purchase order with Aba-Con, Inc., for maintenance and repairs of the fuel farm in an amount not-to-exceed \$15,000, seconded by Mr. Peoples. Motion passed unanimously.

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.

Mr. Donovan explained Johnson Controls does ongoing repairs to the security systems throughout the terminal and the Airport staff is requesting additional money to cover continuing repairs and updates to equipment as needed.

A motion was made by Mr. Peoples to increase the Purchase Order with Johnson Controls for continued repairs to the security system in an amount not-to-exceed \$15,000, seconded by Mayor Alfrey. Motion passed unanimously.

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

Mr. Donovan explained the Airport has been operating under a fully safe, compliant system but it's old in terms of technology and very labor intensive. After many years of dialogue with the Transportation Security Administration (TSA), the Airport was able to get a placeholder within the TSA budget for funding for a new in-line baggage system. This Other Transaction Agreement will allow the Airport to preserve the funding that is currently allocated to this project.

Mr. Potter inquired, by accepting the grant, how long do we reserve the grant. Mr. O'Dell stated the grant is good for five years and the Airport would have enough time to get the funding lined up. Funds will be available by the first of October 2023. Mr. Donovan stated the staff has done a fantastic job of trying to save money on this project.

Mr. Peoples stated it was mentioned that this grant is reimbursable and asked if the grant is reimbursable as we go or reimbursable at the end. Mr. Donovan stated it's reimbursable as we go.

A motion was made by Mayor Alfrey 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, seconded by Mr. LaRusso. Motion passed unanimously.

Information Items

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

Mr. O'Dell presented the financial report as of May 31, 2023, and discussed the insurance limits as requested by the Chairman.

Mr. O'Dell stated he asked the Airport insurance broker, who specializes in Aviation insurance, how much insurance other airports are carrying. MLB carries one hundred million in liability coverage. The report provided with 35 other airports are 55 percent carry \$100M or less and 45 percent carry over \$100M. Mr. Potter had asked in the last board meeting if the Airport insurance coverage was sufficient or should the limits be increased.

Mr. Potter inquired if the airport could purchase another \$100 M for \$20,000. Mr. O'Dell stated yes, that is what the broker estimated. Currently, the airport pays \$72,500. Mr. Potter stated the insurance limits have been stable for years and with the increase of passengers and a much larger facility, the topic of insurance limits needed to be discussed.

Mr. Fischer stated a few years ago the insurance broker did a presentation to the Airport with limits and exposure. Mr. Potter stated if there is a major disaster, one hundred million dollars may not adequately cover the Airport's exposure.

Mr. LaRusso suggested putting this on the next agenda for discussion and potential approval. Mr. Potter asked Mr. O'Dell to get some rate quotes. Mr. O'Dell stated he wanted to make sure they are asking him to get a quote for an additional one hundred million dollars.

Mayor Alfrey asked if the \$100M aggregate and per occurrence. Mr. O'Dell stated yes.

Mayor Alfrey suggested to Mr. O'Dell that the rate quotes be for one hundred and two hundred aggregate and per occurrence so it can be discussed in the next board meeting.

Mr. Peoples inquired if the insurance broker recommends the Airport make a change on coverage, and does the broker write other airports' insurance policies and how does our airport coverage compare to other airports. Mr. O'Dell stated that our agent A.J. Gallagher specializes in aviation insurance and does write policies for other airports. Our broker did not recommend the airport to increase our limits, but because of the Airports growth, the question was asked if the airport would like to increase the limits. Mr. Donovan suggested inviting the agent to present the options available and for the board to discuss what's best for the Airport and make this an action item in next month's board meeting.

Item I-2 Operations Update by Mr. Graham

Mr. Graham gave an update on the Ellis Road project explaining that the County has collected \$30M, which includes FDOT and TPO matches for this project and the proposed cost is \$80M. The City of Melbourne has also committed \$1.1M towards the project. The INFRA grant is the best option to help fund the Ellis Road project and the TPO has hired a contractor (HDR) to assist with the grant documents and submitting the documents by the August 21st deadline. The TPO has been soliciting letters of support and developing a Fact Sheet for the project that describes all the benefits. There is an advocacy plan being developed on the congressional level to push the grant once submitted, through the proper channels for approval. Next week, the airport will be hosting a meeting for the Ellis Road project with all parties involved including some of our Lobbyists and FDOT Secretary John Tyler to discuss plans on how to gain congressional support once the grant has been submitted.

Mr. Donovan commended Stephanie Betts for her efforts in completing her first step of accreditation with the American Association Airport Executives.

Item I-3 Construction Projects Update by Mr. Perley

Terminal Renovation and Expansion

Testing of the new fire alarm system is complete. The remaining fire alarm work will be completed independently of the terminal project under a separate permit by the same fire alarm subcontractor. Closeout documents are being submitted and reviewed. It appears there is still one roof leak in the concession area that needs to be addressed. The Terminal Contractor is assessing the skylight in the atrium with a new consulting engineer. Under separate contract, the infill in the atrium is underway and framing is nearing completion and ready for inspection.

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 which are being addressed at this time. An additional

security door is being added per TSA requirements. Buy-out savings from the project are being used to fund the added door and to add some additional apron striping requested for Gates 6, 7, and 8.

In Line Baggage System

The design team continues to complete the drawings beyond 70 percent. TSA funding has been received for TSA portion of the project construction. Currently reviewing alternate belt system for savings to get the project within budget. 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.

Northside Expansion: St. Michael Place Extension Phase 3

The St. Michael Place Extension is complete and open to traffic. The contractor has completed all remaining punchlist items by the city and the Airport. All final in-place quantities have been reviewed and agreed to resulting in a deduct to the contract amount of over \$70,000. A final change order is in process to close out the project.

Taxiway A Rehabilitation

AVCON has been selected for the design of the rehabilitation of Taxiway A. FAA grant approval for design expected in July and a notice to proceed for design service to begin in FY 24. Construction costs are to be requested next fiscal year under the discretionary funds from FAA.

Taxiway C Rehabilitation

AVCON was selected to perform this work based on their knowledge of previous evaluation of the taxiway and work on other surface projects in the same area. This work was originally to be dovetailed into the design of the Taxiway A Mill and Overlay Rehabilitation Project. Due to the Federal Aviation Administration pushing this project out a year for the design, an alternative funding source became available, but the funds must be used by June of 2024. Funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO).

Taxiway M Realignment

Initial survey and Geotech have been performed on the project site. The design is 30 percent complete and has been reviewed by airport staff. Plans to be completed and out to bid by November 2023.

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

Mr. Busalacchi explained the Hyatt Place Hotel is now open and have been very successful with 92 percent occupancy since opening. Airport staff has a meeting this afternoon with the developer to discuss future projects.

TUI media reports have been extremely positive concerning TUI British media visiting Melbourne and the TUI operations here at MLB and all that Brevard County has to offer for a holiday vacation.

Mr. Donovan presented to the board for their consideration if the December board meeting could be rescheduled from Wednesday, December 6th to Monday, December 4th due to a conflict with the year-end visit to TUI headquarters to meet with leadership and review their performance for the year at MLB.

A motion was made by Mayor Alfrey to approve the new date for the December board meeting to Monday, December 4th, seconded by Mr. Thomas. Motion passed unanimously.

Adjournment

This meeting was adjourned by Chairman William Potter at 10:33 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