



MELBOURNE AIRPORT AUTHORITY BOARD MEETING  
**AGENDA**

October 25, 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 September 27, 2023, regularly scheduled Board Meeting.

**Item A-1 Recommendation to Approve Fourth Amendment to Airport Ground Handling and Passenger Service Operations Management Contract with Menzies Aviation.**

This action item is to approve the fourth amendment to the contract with Menzies Aviation for Airport Ground Handling and Passenger Service Operations Management, to adopt an updated rate schedule for ground handling. The per turn rates are charged based on the type of aircraft, and cover the cost of staffing, equipment, and supplies. Menzies has requested a one-time adjustment to the per turn rates for the regional jet and narrow body aircraft to allow it to continue to provide the level of service that is expected by the Airport and its customers. The current rates charged for the domestic service are insufficient to meet performance targets during the months when TUI is not flying. The updated rate schedule also provides a sliding rate schedule for wide body aircraft based on the number of weekly flights. The Airport can cover these costs within the fiscal year 2024 budget.

Airport requests approval of amendment four to adopt a new rate schedule that includes adjustments to the per turn rates for the domestic ground handling services. The proposed amendment would be effective November 1, 2023, and future adjustments limited to CPI with the next possible scheduled adjustment on November 1, 2024.

**DOMESTIC PER-TURN SERVICES**

	<u>Current Rate</u>	<u>Effective 11/1/23</u>
Regional Jet-PAF	\$476	\$690
Regional Jet-RON	\$576	\$790
Narrow Body-PAF	\$755	\$831
Narrow Body-RON	\$855	\$931

**INTERNATIONAL PER-TURN SERVICES (based on weekly flight activity)**

<u># Flights/Week</u>	<u>Effective 11/1/23</u>
9 to 11	\$3,974
12 to 14	\$3,725
15 to 17	\$3,514
18 to 20	\$3,367
21 to 33	\$3,197

The rate schedule for Wide Body Aircraft is for PAF, RON is an additional \$150.00 per flight. The current per turn rate for PAF is \$3,514 and \$3,664 for RON.

Staff recommends approving Fourth Amendment to Airport Ground Handling and Passenger Service Operations Management Contract with Menzies Aviation and authorization for the Executive Director to execute said amendment on behalf of the Authority.

**Item A-2 Recommendation to Increase Liability Limit of Airport Liability Insurance Coverage Policy and Payment of Additional Premium.**

The Airport’s aviation insurance broker, Arthur J. Gallagher Risk Management Services, Inc. (Gallagher), obtained premium quotes from the Airport’s current insurer, National Union Fire Insurance Company, to increase the liability limit as well as the deductible to provide the Board with options. Below is the matrix provided by the Gallagher for the various liability limits and corresponding deductible:

Liability Limit	Deductible		
	← \$ 5,000	\$ 50,000	→ \$ 100,000
\$ 100,000,000	\$ 72,550	\$ 64,570	\$ 55,865
\$ 200,000,000	\$ 94,885	\$ 84,450	\$ 73,060
\$ 300,000,000	\$ 117,965	\$ 104,990	\$ 90,835
\$ 400,000,000	\$ 140,545	\$ 125,085	\$ 108,220

Based on the information provided by Gallagher at the September Board meeting coupled with the pricing information, Staff recommends increasing the Airport’s General Liability Insurance Coverage with National Union Fire Insurance Company to \$200,000,000 with a \$50,000 deductible for the premium not-to-exceed \$84,450 for a one-year term and authorization for the Executive Director to execute said agreement on behalf of the Authority.

**Item A-3 Recommendation to Approve Purchase a John Deere tractor in the Amount of \$126,425.52.**

The Airport Operations & Maintenance department is seeking to acquire a new closed cab tractor, needed for continued maintenance of the airfield and other outlying properties. Due to the frequency of use and age of the airport’s two existing tractors, incorporating this new piece of equipment into the fleet will aid in limiting maintenance downtime for equipment operators. This will allow for greater reliability, operational efficiency, and enhanced safety throughout the airfield. The need for this piece of equipment is further underscored by the extensive grass management requirements on our airport grounds, as specified in FAA (Advisory Circular 150/5200-33C, Section 2.8.2.2) concerning grass and wildlife hazard management on the airfield.

Currently, the airport owns two closed cab tractors previously acquired in 2007 and 2014. The 2007 model is beginning to show signs of surpassing its intended useful life. In early October, the airport received a quote from Everglades Equipment Group which offers state contract pricing, for a closed cab John Deere tractor, which is equivalent to those currently owned by the airport.

Staff recommends approval of purchase from Everglades Equipment, for the amount of \$126,425.52, which falls within the budgeted amount, and authorization for the Executive Director to execute said purchase on behalf of the Authority.

**Item A-4 Recommendation to Approve a Ground Lease Option and Right of First Refusal Agreement with Project Autobahn**

As a result of signing a non-disclosure agreement, staff will be referring to the company in Item A-4 as Project Autobahn. Project Autobahn is a substantial project that may be developed in multiple phases over the course of several years. However, due to the highly confidential and sensitive nature of this project, specific details cannot be disclosed at this time.

Airport staff has been working with the team from Project Autobahn to negotiate a short-term solution that will support this project. Because of the size, scope, and company background, staff recommends a ground lease option that is consistent with previous option terms with multiple other tenants.

The salient points of the option leases are as follows:

- Three (3) year ground lease option for each parcel
- The option lease rate is 30 percent of the appraised fair market value land lease rent (30 percent of 12 percent).
- Upon conclusion of the ground lease option, tenant will have a two-year right of first refusal (ROFR) for each parcel.
- Project Autobahn has the right to assign this agreement to Space Florida in the event that Space Florida will be the entity entering into the lease of the parcel(s).

The acreage of each parcel and the annual option value is as follows:

- Parcel A = 60.0 acres / Annual ground lease option = \$313,632.00
- Parcel B = 18.4 acres / Annual ground lease option = \$96,180.48
- Parcel C = 10.8 acres / Annual ground lease option = \$56,473.76
- Parcel D = 21.5 acres / Annual ground lease option = \$112,384.80

The total acres that will be optioned for three (3) years is 110.7.

The total annual ground lease option rate for all four parcels is \$571,651.04.

Staff recommends approval of the Ground Lease Option and Right of First Refusal Agreement with Project Autobahn and authorization for the Execution Director to execute said agreement on behalf of the Authority.

**Item A-5 Recommendation to Approve the Third Amendment to Lease with the Florida Institute of Technology**

The Florida Institute of Technology (Florida Tech) as part of its lease for the Emil Buehler Center for Aviation Training and Research on the southside of the airport currently rents a portion of apron for tiedown of aircraft and the storage of fuel trucks. As the southside of the airport is further developed, it was discovered that nearby parcels need to utilize this apron space to access the airfield.

Airport staff approached Florida Tech to request that this portion of the leasehold be returned to the airport to allow for future development and Florida Tech agreed.

The salient points of the amendment are as follows:

- 1.201 acres will be removed from the Florida Tech Leasehold.
- This removal will cause a \$11,000 reduction in annual rent; however, when the adjacent parcels are developed it is estimated that the annual rent will be over \$120,000. Airport staff is currently in negotiations for these parcels.

Staff recommends approval of the third amendment to lease with the Florida Institute of Technology and authorization for the Executive Director to execute said amendment 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/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**

**August 31, 2023**

	Year To Date Actual		\$ change	% change
	8/31/2023	8/31/2022		
Operating Revenue				
Airline Landing Fees	528,139	503,129	25,010	5%
Airline Service Fees	2,429,030	2,158,460	270,569	13%
Land & Bldg Lease Rents	9,174,665	8,582,750	591,915	7%
Terminal Rents	256,573	222,828	33,745	15%
Parking Lot Fees	1,939,458	1,561,566	377,892	24%
Car Rental Concessions	1,703,495	1,432,573	270,922	19%
Restaurant Concessions	319,855	194,405	125,450	65%
Mobile Home Park Rent	1,871,765	1,873,639	(1,874)	0%
T-Hangar Rentals	82,052	82,586	(533)	-1%
Operating Grant Revenue	133,484	83,760	49,724	59%
Other	692,276	352,390	339,886	96%
Total Operating Revenues	19,130,792	17,048,087	2,082,706	12%
Operating Expense:				
Personnel Services	5,084,221	4,995,699	88,522	2%
Contract Services	8,000,363	6,834,368	1,165,995	17%
Police & Fire Services	1,157,586	1,072,944	84,642	8%
Maintenance and Operations	5,424,834	4,714,111	710,723	15%
Other	350,597	-	350,597	#DIV/0!
Total Operating Expenses	20,017,602	17,617,122	2,400,479	14%
Operating Income (Loss)	(886,809)	(569,035)	(317,774)	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	1,381,146	1,131,439	249,707	22%
Customer Facility Charges	1,189,865	781,173	408,692	52%
CARES Grant Revenue	3,078,091	7,120,153	(4,042,062)	-57%
Gain on Sale of Assets	32,726	5,029,434	(4,996,708)	-99%
Interest Income (Loss)	902,794	145,610	757,183	520%
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	(29,001)	(19,589)	(9,412)	48%
Interest Expense	(170,625)	(158,763)	(11,863)	7%
Total Non-Operating Revenue (Expense)	6,376,916	14,023,588	(7,646,672)	
Net Income (Loss) Before Depreciation*	5,490,107	13,454,553		

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

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

	YTD Actual	Annual Budget	% of Budget
<b>Operating Revenues:</b>			
Airline Landing Fees	528,139	516,316	102%
Airline Service Fees	2,429,030	2,582,774	94%
Land & Bldg Lease Rents	9,174,665	9,222,508	99%
Terminal Rents	256,573	241,403	106%
Parking Lot Fees	1,939,458	1,900,000	102%
Car Rental Concessions	1,703,495	1,733,684	98%
Restaurant Concessions	319,855	973,714	33%
Mobile Home Park Rent	1,871,765	2,061,075	91%
T-Hangar Rentals	82,052	46,920	175%
Operating Grant Revenue	133,484	284,000	47%
Other	692,276	1,535,883	45%
<b>Total Operating Revenues</b>	<b>19,130,792</b>	<b>21,098,277</b>	<b>91%</b>
<b>Operating Expense:</b>			
Personnel Services	5,084,221	6,357,932	80%
Contract Services	8,000,363	9,167,696	87%
Police & Fire Services	1,157,586	1,259,606	92%
Maintenance and Operations	5,424,834	7,859,611	69%
Other	350,597	180,000	195%
<b>Total Operating Expenses</b>	<b>20,017,602</b>	<b>24,824,845</b>	<b>81%</b>
<b>Operating Income (Loss)</b>	<b>(886,809)</b>	<b>(3,726,568)</b>	
<b>Non-Operating Revenue (Expense):</b>			
Passenger Facility Charges	1,381,146	1,502,016	92%
Customer Facility Charges	1,189,865	1,262,001	94%
CARES Grant Revenue	3,078,091	3,223,936	95%
Gain on Sale of Assets	32,726	-	#DIV/0!
Interest Income (Loss)	902,794	156,539	577%
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	(29,001)	-	#DIV/0!
Interest Expense	(170,625)	(312,500)	55%
<b>Total Non-Operating Revenue (Expense)</b>	<b>6,376,916</b>	<b>5,802,317</b>	
<b>Net Income (Loss) before</b>			
Depreciation, Transfers, and Capital Contributions	5,490,107	2,075,749	
<b>Depreciation Expense</b>	<b>(11,864)</b>	<b>-</b>	
Machinery and Equipment	(1,463,582)	(1,733,969)	84%
Intra Transfer to Airport Capital	-	(1,689,507)	0%
<b>Net Income (Loss) After Transfers</b>	<b>4,014,661</b>	<b>(1,347,727)</b>	

**Melbourne Orlando International Airport**  
**Top 10 Operating Revenues**  
**8/31/2023**

Rank	Description	YTD FY 2023	FY 23 % of Total Rev	YTD FY 2022	FY 22 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	5,141,920	27%	4,549,455	27%	592,465	13% A
2	Commercial Business Center Rent	3,001,317	16%	3,038,642	18%	(37,325)	-1%
3	Parking Revenue	1,939,458	10%	1,561,566	9%	377,892	24% B
4	Tropical Haven Revenue	1,871,765	10%	1,873,639	11%	(1,874)	0%
5	Car Rental Concession	1,703,495	9%	1,432,573	8%	270,922	19% C
6	Ground Handling Revenue	1,635,193	9%	1,390,752	8%	244,441	18% D
7	Terminal Rent-Airline	839,615	4%	809,483	5%	30,132	4%
8	Hangar Rent	770,092	4%	738,339	4%	31,753	4%
9	Landing Fees	528,139	3%	503,129	3%	25,010	5%
10	Terminal Concessions	319,855	2%	194,405	1%	125,450	65% E
Total Top 10 Operating Revenue		17,750,849	93%	16,091,983	94%	1,658,866	
Other Operating Revenue		1,379,943	7%	956,104	6%	423,839	44%
Total Operating Revenue		19,130,792	100%	17,048,087	100%	2,082,705	12%

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) Embraer Entryway Lease-\$178k/yr, all billed in Sept in FY 22 and billed monthly in FY 23.

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**  
**8/31/2023**

Rank	Description	YTD FY 2023	FY 23 % Operating Expense	YTD FY 2022	FY 22 % Operating Expense	\$ change	% change
1	Other Contract Services	5,843,951	29%	4,927,118	28%	916,833	19% A
2	Personnel	5,084,221	25%	4,995,699	28%	88,522	2%
3	Fire Services	1,129,897	6%	1,054,310	6%	75,587	7%
4	Contractual Employee	1,121,315	6%	790,159	4%	331,156	42% B
5	Electric	846,765	4%	630,664	4%	216,101	34% C
6	Consulting Fees	500,677	3%	566,763	3%	(66,086)	-12% D
7	Risk Management	425,009	2%	415,727	2%	9,282	2%
8	R&M-Building	357,910	2%	230,261	1%	127,649	55% E
9	R&M-Misc Equipment	351,734	2%	187,284	1%	164,450	88% F
10	Cable TV Expense	349,742	2%	315,565	2%	34,177	11%
Total Top 10 Operating Expense		16,011,221	80%	14,113,550	80%		
Other Operating Expense		4,006,381	20%	3,503,572	20%	502,809	14%
Total Operating Expense		20,017,602	100%	17,617,122	100%	2,400,480	14%

A Increase is due to costs associated with new international air service that started in March 2022: Customs (up \$443,000), ground handling (up \$303,000), and aircraft fueling (up \$22,000).

B Increase due to higher ambassador costs (up \$26,000) to provide staff to support int'l flight activity. The Tropical Haven manager and Maintenance worker retired in February and April 2022, respectively, these positions have been filled with temp employees (\$55,000 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 \$263,000).

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) plus costs related to the parking study that was approved by the Board.

E Increase is due to an increase in non-recurring expenses to maintain the older portions of the terminal building. In FY 23, the Airport spent \$63,800 on elevator/escalator repairs and \$73,000 for the glass wall drywall infill by the checkpoint.

F 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.



**Melbourne Orlando Int'l Airport**  
**Cash Flow Projection**  
**10/2/2023**

	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24
Beginning Cash/Investment Balance	\$ 30,601,708	\$ 30,043,790	\$ 30,669,827	\$ 26,351,510	\$ 23,864,750	\$ 26,041,625	\$ 23,114,543	\$ 20,183,314	\$ 20,556,535	\$ 17,935,827	\$ 18,515,164	\$ 20,611,245
Operating Revenue	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	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											(122,540)	
Personnel	(522,409)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)
TUI Marketing Incentive Payment (368,827)	(185,910)		(484,654)		(229,104)		(200,000)			(156,505)		
Debt Payment (Interest)			(146,750)						(146,750)			
Maintenance and Operations Expense	(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)	(1,406,991)	(1,406,991)
Ad Valorem Tax Payment			(2,707,599)									
<b>Net Increase (Decrease) in Cash Flow from Operations</b>	<b>(279,257)</b>	<b>(132,444)</b>	<b>(3,471,447)</b>	<b>(132,444)</b>	<b>1,743,548</b>	<b>(132,444)</b>	<b>(332,444)</b>	<b>930,422</b>	<b>625,902</b>	<b>(288,949)</b>	<b>(254,984)</b>	<b>(132,444)</b>
Total Capital Outlay	(1,428,220)	(1,363,207)	(1,001,930)	(3,530,458)	(1,600,000)	(2,951,000)	(4,250,000)	(4,043,000)	(2,850,000)	(2,650,000)	(2,070,962)	(1,377,694)
Principal Payment-Outstanding Debt									(1,800,000)			
Total Capital Grant Revenue	866,050	1,859,849	-	1,021,056	1,878,871	-	1,450,000	3,171,700	1,100,000	3,231,250	4,121,700	4,780,775
PFC Collections (Reimbursement of Eligible Costs)	154,064	142,288	84,262	84,277	83,934	84,970	109,344	170,687	164,868	155,980	163,203	160,210
CFC Collections	129,445	119,551	70,797	70,810	70,522	71,392	91,871	143,412	138,523	131,055	137,124	134,610
Net Increase (Decrease) in Cash From Capital and Debt	(278,661)	758,481	(846,871)	(2,354,316)	433,327	(2,794,638)	(2,598,785)	(557,201)	(3,246,609)	868,286	2,351,064	3,697,901
Beginning Cash/Investments	30,601,708	30,043,790	30,669,827	26,351,510	23,864,750	26,041,625	23,114,543	20,183,314	20,556,535	17,935,827	18,515,164	20,611,245
<b>Ending Cash/Investments</b>	<b>30,043,790</b>	<b>30,669,827</b>	<b>26,351,510</b>	<b>23,864,750</b>	<b>26,041,625</b>	<b>23,114,543</b>	<b>20,183,314</b>	<b>20,556,535</b>	<b>17,935,827</b>	<b>18,515,164</b>	<b>20,611,245</b>	<b>24,176,702</b>

**Melbourne Orlando Int'l Airport**  
**Cash Flow Projection - Capital Exp and Grant Revenue**  
**10/2/2023**

Capital Project Expenditures	Proj #	Total Cost	indi	Prior Expend	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24
Term Upgrade-Restrooms Gate Belt etc	Various	5,263,158	D	-				(250,000)	(250,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(750,000)	(500,000)	(263,158)
Term Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	D	(50,000)	(38,450)	(250,000)	(250,000)	(250,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(500,000)	(400,000)	(970,962)	
Terminal Exp PH2-Int'l PBB (Gate 9)	50423	4,500,000	E	(3,918,642)	(33,086)	(379,198)										
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	(971,727)	(1,083)	(119,001)										
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	(1,024,918)	-	-										
Airplane Deposit Facility	50619	70,000	C				(70,000)									
Aerospace Dr. Lift Station Replace	50520	85,000	C					(85,000)								
<b>Northside Expansion</b>	<b>54120</b>	7,024,798	D													
Northside Exp-St. Michael PI Ext	54220	6,100,000	D	(2,667,650)	(120,579)	(5,355)										
Northside Exp-T/W M Ext	54320	3,930,000	D	(49,385)	(13,725)	(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	(1,456,570)	(33,890)	(50,867)										
Northside Exp-Taxiway C Rehab	50623	3,060,405	D	(10,810)	(25,059)	(150,000)	(200,000)	(250,000)	(350,000)	(350,000)	(400,000)	(400,000)	(250,000)	(250,000)	(100,000)	(324,536)
Project Vista Site Improvements	50323	6,600,000	D	(370,527)	(387,415)	(300,000)	(350,000)	(350,000)	(300,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Equipment Purchases		754,000	C	(688,649)	(774,933)	(30,000)	(90,000)			(301,000)		(43,000)				(290,000)
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>					(1,428,220)	(1,363,207)	(1,001,930)	(3,530,458)	(1,600,000)	(2,951,000)	(4,250,000)	(4,043,000)	(2,850,000)	(2,650,000)	(2,070,962)	(1,377,694)
<b>Grant Revenue</b>																
FDOT DRA-Ramp Reimb (\$5,900,000)				1,200,000		1,071,700			1,071,700			1,071,700			1,071,700	
FAA Discretionary-ARFF Truck (\$670,439)				-	630,000											
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	236,050			371,056			-		-			
TSA OTA-In Line Baggage Sys Design (\$711,496)				337,809		288,472	-		85,225							
<b>NORTHSIDE EXPANSION GRANTS</b>																
FDOT (St. Michael PI Ext)	54220	2,777,266		2,605,465		176,214					-		-			
FDOT (T/W M Realignment/Ext)	54320	6,819,815		-					285,210				1,100,000			700,000
FDEO (Inf Dev & T/W C)	54420/50623	3,922,132		1,361,114	-	129,346			436,736			950,000			1,050,000	30,775
FDOT-Project Vista Grant	50323	6,600,000		311,461		194,117		650,000				1,150,000			1,500,000	
FDOT FY 23 T Hangar Grant	TBD	1,500,000												550,000	500,000	250,000
<b>Total Grant Revenue</b>					866,050	1,859,849	-	1,021,056	1,878,871	-	1,450,000	3,171,700	1,100,000	3,231,250	4,121,700	4,780,775

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

	2023	2022	MO CHANGE (%)	2023 YTD	2022 YTD	YTD CHANGE (%)
<b>PASSENGERS</b>						
Revenue PAX - Domestic						
Enplaned	17,978	14,119	27.3%	190,284	167,202	13.8%
Deplaned	18,392	13,425	37.0%	188,150	164,385	14.5%
<b>Total Revenue PAX - Domestic</b>	<b>36,370</b>	<b>27,544</b>	<b>32.0%</b>	<b>378,434</b>	<b>331,587</b>	<b>14.1%</b>
Revenue PAX - Int'l						
Enplaned	17,832	17,792	0.2%	92,057	98,452	-6.5%
Deplaned	17,097	16,969	0.8%	99,029	103,268	-4.1%
<b>Total Revenue PAX - Int'l</b>	<b>34,929</b>	<b>34,761</b>	<b>0.5%</b>	<b>191,086</b>	<b>201,720</b>	<b>-5.3%</b>
Non-Revenue PAX						
Enplaned	502	726	-30.9%	6,608	6,631	-0.3%
Deplaned	590	687	-14.1%	6,745	6,274	7.5%
<b>Total Non-Revenue PAX</b>	<b>1,092</b>	<b>1,413</b>	<b>-22.7%</b>	<b>13,353</b>	<b>12,905</b>	<b>3.5%</b>
<b>Total PASSENGERS</b>	<b>72,391</b>	<b>63,718</b>	<b>13.6%</b>	<b>582,873</b>	<b>546,212</b>	<b>6.7%</b>
<b>AIRCRAFT OPERATIONS</b>						
Air Carrier	556	481	15.6%	4,907	4,618	6.3%
Air Taxi	124	140	-11.4%	1,341	1,543	-13.1%
General Aviation - Itinerant	8,470	7,050	20.1%	80,954	63,782	26.9%
General Aviation - Local	4,778	3,631	31.6%	41,938	38,914	7.8%
Military	32	25	28.0%	504	680	-25.9%
<b>Total OPERATIONS</b>	<b>13,960</b>	<b>11,327</b>	<b>23.2%</b>	<b>129,644</b>	<b>109,537</b>	<b>18.4%</b>

**Melbourne Orlando International Airport  
Police Department  
Monthly Activity Report  
September 2023**



Police Activity/ TSA Required Checks	September 2021	September 2022	September 2023
Response to Door & Gate Alarms	225	391	184
TSA Assists	1	4	1
Door Inspections	9	9	8
Secure Area Inspections- Perimeter Patrols	372	306	305
Gate Inspections	7	6	5
Custom Assists	0	3	0
Security Violations	2	3	2
Assist to Other Agencies	14	35	17
Aircraft Alerts	2	0	1
Arrests	0	0	2
Other Incidents/Patrols	546	364	419
Traffic Details/ Parking Citations/Warnings	35	17	18
K-9 Training and Patrols	2	0	0
TSA-Required Passenger Boarding Standby	**	**	258
TSA Required Baggage Claim Standby	**	**	258
<b>Total</b>	<b>1215</b>	<b>1138</b>	<b>1478</b>
<b>Administrative Action</b>			
Security Badges Issued	164	136	145
Parking Permits Issued	8	11	6
<b>Total</b>	<b>172</b>	<b>147</b>	<b>151</b>

*Renee Purden* 2023

**Renee Purden, ACE  
Chief of Police/ Director of Public Safety**

\*Other incident reports may include: Citizen Assists, Officer Stand By, Suspicious Incidents, Vehicle Crash Reports, and Disturbances

<b>Assists (Medical &amp; Other):</b>	14 (fourteen)
<b>Confiscated or Prohibited Items at Checkpoint:</b>	1 (one)
<b>Parking Citations:</b>	2 (two)
<b>RAPID ID Requests:</b>	1 (one)
<b>Trespass</b>	3 (three)

### Security Violations

- 23-505-STs employee attempted to make entry to the SIDA area with an expired badge.
- 23-512- STs employee attempted to make entry to the SIDA area with an expired badge.

### Arrests

- 23-489-Drunk and Disorderly/Resisting Without Violence-TUI passenger removed by flight crew due to intoxication. The passenger continued to be disorderly in the airport and was arrested by MAPD.
- 23-503-Warrant-Airport Police Officers were made aware of an individual in the airport who had a warrant for their arrest. MAPD Officers made contact and arrested the subject.

### Misc/Other

- 23-480-Stolen Vehicle/Failure to Return-AVIS
- 23-485-Tresspass-Subject Trespassed from 1105 MLK/wooded area next to Suburban Lodge
- 23-497-Tresspass-Employee termination.
- 23-508-Tresspass- Subject Trespassed from 1105 MLK/wooded area next to Suburban Lodge
- 23-510-Officer Standby-2 (two) unwanted subjects asked to leave the room of a guest at the Hyatt Hotel.



*MELBOURNE AIRPORT AUTHORITY BOARD*  
Minutes September 27, 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. Scott Mikuen, Member
- Mr. Michael Fischer, Member
- Mr. Adam Bird, Airport Attorney
- Mr. Greg Donovan, A.A.E., Executive Director
- Mr. Mark Busalacchi, Director of Business Development
- Mr. Cliff Graham, C.M., Director of Operations and Maintenance
- Ms. Melissa Naughton, C.M., 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

**Pledge of Allegiance**

**Airport Announcements by Executive Director Greg Donovan**

Passenger Activity Report. Total passengers year-to-date is 510,482, which is 5.8 percent increase. August total passengers were 81,027 which is 7.7 percent increase and August 2022 to August 2023 increase of 28.8 percent in Domestic passengers.

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

Welcome to Eric Garcia, Badge Specialist and Shushana Williams, Temporary Badge Specialists.

Congratulations to Sandra Acevedo on her promotion to Executive Assistant.

Recognition to the Ninety-Nines International Organization of Women Pilots touring the Melbourne Airport facilities on September 9, 2023.

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

Congratulations to Idalmis Vega, Revenue Clerk, on receiving this month's award.

**Action Items**

Approval of the July 19, 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 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 \$65,450.**

Mr. Donovan explained the next few agenda items will be focusing on work for our parallel taxiways. The temporary repairs referenced in these agenda items for the taxiways are within our budget. AVCON, Inc., was selected to perform this work based on its knowledge and experience in pavement management and repairs. They were the company selected for the work performed on runway 9R-27L.

Mr. Potter asked if Mr. Donovan can explain the process on continuing services contract. Mr. Donovan explained the Airport went through the process of soliciting a Request for Proposal (RFP) for firms to be selected for continuing services and awarded a contract. In reference to cost, there is a state rule of a Consultant's Competitive Negotiation Act (CCNA) requirement that companies are selected based on their capabilities and not their cost. Once you negotiate a final contract, you can set parameters of cost. AVCON will provide the engineering and construction management services for this work and have selected contractors to perform the repairs.

Mr. Perley explained for these types of projects, the airport asks the consultants to obtain a minimum of three bids from contractors who will be performing the work. The consultant prepares a bid package for this work and provides the airport with a bid form of the companies that bid on the project and recommendation of the selected firm with the lowest bid.

Mr. Donovan explained this agenda item relates to various locations on the airfield that require repairs to approximately 18,000 linear feet of runways, taxiways that will consist of routing and or cleaning the cracks and installing crack sealants material to the edges of the asphalt so that it does not release and become a foreign object damage (FOD) to the aircraft engines.

Mr. Thomas asked what the shelf life on the taxi runways and our regular runways are. Mr. Donovan stated it depends on the maintenance of the runways and the atmospheric conditions. Runways typically last 25 to 30 years. Surfaces such as taxiways may last 15 to 18 years. Mr. Thomas asked if this is just patching work and not a complete resurface. Mr. Donovan replied yes, just patch work.

Mr. Fischer asked if there are any subservice investigations done that can determine any sub-base failures. Mr. Graham stated it is not required for these particular repairs, but definitely on the next agenda item where the work requires re-paving of asphalt, and the surface underneath was investigated.

A motion was made by Mr. Thomas to approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for Professional Engineering and Construction Services for Airfield Pavement Joint Repair in an amount not-to-exceed \$65,450, seconded by Mr. Fischer. Motion passed unanimously.

**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.**

Mr. Donovan explained JJ Cunningham General contracting will be performing the work for the previous agenda item as a subcontractor. V.A. Paving, Inc. will be performing the work on various specific areas of Taxiway Alpha and Taxiway Siera as a subcontractor. The latest pavement assessment report outlined by the state shows a Pavement Condition Index (PCI) of 68 in these affected areas and the recommended number for taxiways maintain a minimum PCI value of 70. These repairs will help the airport get through the necessary timeframe before the taxiway is fully replaced.

A motion was made by Mayor Alfrey to approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for Professional Airside Engineering and Construction Services for mill and overlay repairs

of distressed areas on Taxiway "A" and Taxiway "S" in an amount not-to-exceed \$99,441, seconded by Mr. Thomas. Motion passed unanimously.

**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.**

Mr. Donovan explained Taxiway "A" is scheduled to be rehabilitated in FY2024-2025 and is estimated to cost \$28 million. The project will include lighting and signage improvements along with pavement markings. New paved shoulders will be constructed along with any sub-surface investigations as mentioned by Mr. Fischer. This agenda item is to award the design phase of Taxiway "A". The project will be funded by grants provided by the Federal Aviation Administration (FAA), the Florida Department of Transportation (FDOT) and a portion from the Airport.

Mr. Mikuen asked how confident the airport is in obtaining funds for the rehabilitation of Taxiway "A". Mr. Donovan stated that a few weeks ago, airport staff attended a Joint Automated Capital Improvement Program (JACIP) meeting with the FAA and FDOT to discuss the funding for this project along with other projects in the next 5 years. The FAA has shared with staff they are in support of this project, and the airport will be able to use discretionary grant funds. The airport had discussed with AVCON and others in the industry to give us their best engineering estimate. The airport is reasonably comfortable with the estimated cost based upon the conditions of the taxiway today.

Mr. Mikuen stated the last resurfacing of Taxiway "A" was in 2009, and asked if there are any millings that can be re-used. Mr. Donovan stated that the airport still has several piles of milling throughout the airfield and those millings can be used for this project.

Mr. Potter inquired about the cost for the main runway. Mr. Donovan stated it was roughly over 22 million dollars.

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

**Item A-4 Recommendation to Approve a Change Order to AVCON, Inc. 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.**

Mr. Donovan explained the clearing and grubbing of the project site is nearing completion and temporary fencing is required to secure the site before construction of buildings on site commences. This work is 100 percent funded by the Florida Department of Transportation (FDOT) grant that was approved by the Board in September 2022.

A motion was made by Mayor Alfrey to approve a Change Order to AVCON, Inc. under its Continuing Services Contract for the installation of temporary security fencing within the Project Vista site in an amount not-to-exceed \$266,024, seconded by Mr. Thomas. Motion passed unanimously.

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

Mr. Donovan explained we currently have a lease with General Dynamics for a monitoring system that is part of the Department of Defense that operates a U.S. International monitoring system (IMS) radionuclide station on Airport property. The license agreement was last approved by the Airport Authority in August



2015. This agreement is renewable every seven years and becomes effective upon the signatures of both parties.

Mr. Potter inquired what is the Airport licensing. Mr. Donovan stated this is a process allowing the Department of Defense to operate with General Dynamics for the actual structure the monitoring devices are housed in.

A motion was made by Mayor Alfrey to approve a License Agreement with the Defense Threat Reduction Agency, seconded by Mr. LaRusso. Motion passed unanimously.

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

Mr. Donovan explained the Ad Leaf Marketing firm is a local full-service marketing and advertising firm that specializes in digital and traditional marketing that can provide supplemental marketing support and assist clients in achieving strategic marketing goals and brand awareness.

Currently, the Marketing Manager position remains unfilled. The Ad Leaf group will be able to provide up to 55 service hours to include marketing strategies and project management each month with a monthly fee that also includes up to \$5000 in ad spend. The initial 12-month agreement, if approved, will begin October 1, 2023, and end September 20, 2024. The monthly rate for services described is \$10,500 and a one-time start-up fee in the amount of \$2,000.

Mr. Fischer inquired if there is a cancellation clause in case the agreement does not work for both parties. Mr. Donovan stated the agreement is for a one-year commitment.

Mr. Potter inquired as to what it was about the firm that you liked. Mr. Busalacchi stated airport staff had established a list of priorities for items that required the most help. Airport staff interviewed several firms and some of these firms tried to steer the airport in the direction of what they specialized in. The Ad Leaf group listened to our concerns, asked us questions, and the response given back to what the airport needs were, was the deciding factor.

A motion was made by Mr. Peoples to approve a marketing services retainer with The Ad Leaf for Marketing Support Services in the amount of \$128,000, seconded by Mr. Thomas. Motion passed unanimously.

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

Mr. Donovan explained the airport has facilitated TUI Airways for the past two years, with the second season ending in the first of December. TUI Airways operated the first year in difficult circumstances due to the terminal renovation and expansion project not being completed for their first inaugural season and has asked the airport staff to extend the General Terms Agreement by two years for a total contract period to nine years and extend the landing fee waiver and marketing assistance incentive for the base term of the agreement.

Mr. Potter asked Mr. O'Dell to provide the board members with an actual comparison to the proforma report that was previously done for TUI.

Mr. Mikuen stated he agreed with Mr. Potter to have Mr. O'Dell prepare an actual comparison report. Mr. Mikuen also stated for the staff to review the risks involved in the terms with TUI and see how the airport can reduce some of those risks on the agreement.

Mr. Peoples inquired if TUI Airways is committed to a number of flights to fly into MLB. Mr. Donovan replied they are not. The airport has parameters of a typical year, but TUI's management has discretion by the number of activities that will take place.

A motion was made by Mr. Thomas to approve a First Amendment to the General Terms Agreement with TUI Airways Limited, seconded by Mr. LaRusso. Motion passed unanimously.

### **Discussion Item**

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

Mr. Bolger presented a report on airport liability limits and risks.

Mayor Alfrey thanked Mr. Bolger for the information presented. Mayor Alfrey stated that with the increase of passengers this year at MLB, he is not comfortable with the airport's current limit of \$100 million liability coverage. Mayor Alfrey would like the board to discuss this option in increasing coverage in further detail.

Mr. Mikuen agreed with Mayor Alfrey in increasing liability coverage and suggested reviewing the terms and conditions, exclusions, and deductibles provided in new policy coverage. Mr. Mikuen inquired if the Airport is named as additional insured on the certificate of insurance required as part of the contract agreement with the tenants and airlines. Mr. Donovan stated that the Business Development team reviews each lease and each insurance certificate to have the proper coverages.

Mayor Alfrey stated being listed as an additional insured is required by the contract and asked how much coverage the tenants carry. If the tenant only has a certain amount of coverage, and an accident occurs and there is a lawsuit, the airport will be named in this lawsuit.

Mr. LaRusso inquired if the airport has increased its liability insurance in the past two years. Mr. Donovan replied we have not. Mr. LaRusso stated with the increase in passengers this year, it is imperative that the board moves forward in deciding to increase the liability coverage.

Mr. Donovan stated the number of total passengers the airport has historically seen was between four to five hundred thousand range. Last year, the airport had a little over 701,000 thousand passengers and our estimated number for this year is around 760,000 passengers to break the record, which is about a 50 percent increase in total activity.

Mr. Peoples agreed with the other board members on increasing the liability insurance and reviewing what options and costs are available for the increase.

Mr. Fischer inquired how does the City of Melbourne play into this situation. If there were a catastrophic event with the fire services that are provided, is the City of Melbourne protected. Mr. Donovan stated that the airport's charter states that it can be sued or sue independent from the City of Melbourne if it's a contract provider such as ARFF which is a city fire department. Mr. Bird explained for premises liability claims, the City of Melbourne is the owner of all the airport property on paper. Mr. Fischer stated the airport should increase their coverage to protect others as well.

Mr. Potter stated if there is a consensus among the board that we ask the airport administration to come back with a recommendation that may include one or more options to increase the insurance liability limit. Mr. Donovan stated airport staff will work with Mr. Bolger to gather the information requested and add this request on the next board meeting as an agenda item.

## **Information Items**

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

Mr. O'Dell presented the financial report with financial data through period 10 (July 31, 2023).

Mr. Potter inquired if the FY-24 budget for utilities is based upon the actuals presented in the operating expenses. Mr. O'Dell stated yes. It's based on FY-22 actuals and increased 10 percent for rate adjustment. Mr. Potter inquired if the other contractual services is this primarily the increase for CBP. Mr. O'Dell stated it's primarily US Customs and Border Protection. Half million dollars of the increase is for CBP, and the remaining costs is for ground handling for Menzies. The airport is charged on a per turn basis for each aircraft, so the more activity we have, the more we are going to spend.

Mr. Peoples inquired whether the cash flow projections of April 2024 are this the last dollar figure from the American rescue plan that you expect. Mr. O'Dell stated yes and will draw as soon as there are sufficient eligible expenditures.

Mr. Potter inquired about the concession revenues issue. Mr. Donovan stated this is the first year that the airport can track concession revenues. TUI's start of the season was on time this year and staff and I feel the concession revenue is tracking better than we expected. This issue is going to be the seasonality of it and the complexity of upscaling their operations, personnel, and materials. The concern for the airport is to make sure we have activity that is consistent. Overall, the concessions are performing better than we anticipated. Mr. O'Dell stated the budget to actual on revenue concession was a little heavy on last year's budget and has been scaled back for FY-24 budget.

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

Mr. Graham gave an update on the Ellis Road project and INFRA grant application which has been submitted. The INFRA grant stands for Infrastructure for Rebuilding America and is administered by the United States Department of Transportation. The Nationally Significant Multimodal Freight & Highway projects program awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas. The Space Coast Transportation Planning Organization (SCTPO) lead the grant application process on behalf of Brevard County. A contractor, HDR, Inc., was hired to assist them with the application. The FDOT, the cities of Melbourne, West Melbourne and Melbourne Chamber of Commerce all supported the grant writing effort. Melbourne Airport Authority was an active participant and helped demonstrate the importance of this project.

The total estimated cost for the Ellis Road project is \$81.11 million dollars. Brevard County currently has matching funds totaling \$34.15 million. SCTPO, FDOT, City of Melbourne, and West Melbourne has also contributed to these funds. The INFRA grant amount requested by the County totals \$46.9 million. The application was completed and submitted in a timely manner. The application garnished some legislative support to include a letter from Senator Marco Rubio's office. The INFRA grant awards will be announced sometime around March 2024. Many time projects are not awarded an INFRA grant on the first attempt, but the County is prepared and ready to re-apply in 2024 if necessary. There is alternate funding being explored such as a DEO or other economic type grants. Last week, Marc Bernath of Brevard County and Georganna Gillette of SCTPO went to Tallahassee and met with FDOT Secretary Purdue and District Five Secretary Tyler and Senator Mayfield to discuss the Ellis Road project. It was noted that Secretary Purdue was impressed with the local cooperation and funding partners to have a 42 percent match for the federal grant. The Right of Way acquisitions phase is progressing on schedule and will be completed in November

2024. There is a push to complete some clearing and grubbing in the right of way properties and relocating utilities prior to construction. Any efficiencies now will allow construction to be completed faster once started.

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

#### **Terminal Renovation and Expansion**

The fire alarm work in the existing terminal is currently being installed. This will also coordinate with the installation of the fire sprinkler system within the existing terminal. The fire sprinkler contractor is mobilizing with material and concentrating on the main lines in the mezzanine. A consistent roof leak in the new terminal area over the concession area gift shop has been addressed. We are now waiting for another driving rainstorm to see if this has been resolved. We have had no response from the Terminal Contractor regarding the skylight issue in the Atrium. We understand that they have consulted with a new engineer for the fix.

#### **In-Line Baggage System**

The Request for Proposal (RFP) for construction management services has been issued. A mandatory pre-proposal meeting will occur on Thursday, October 5, 2023, at 10:00am in the board room. Step 1 qualifications are due October 24, 2023. A selection committee will short-list three firms for Step 2 pricing and schedule. The selection of the top ranked firm from Step 2 will be brought to the Board at the combined November/December meeting for selection approval. The design team continues to complete the drawings, based on the selection of a cross-belt system, to 100 percent. TSA grant has been received for their portion of the project construction. Additional requests for grant funding continue. Construction is estimated to take 16 to 18 months.

#### **Project Vista – Dassault Falcon Jet Site Work**

Coordination meetings continue between the Airport's site team and the tenant's contractor. Clearing of the site is nearing completion. Fencing plans have been reviewed and approved by TSA and installation will begin shortly. Utility plans for the project have been completed and submitted to the agencies for review. Once the plans are approved, bidding will begin, and award of the underground utilities should be brought to the Board in December for approval. DFJ's contractor should be mobilized starting in October. They have submitted plans for permitting and are awaiting comments.

#### **Taxiway A Rehabilitation**

At the FAA/FDOT teaming meeting in August, the FAA requested that the design for the Taxiway A mill and overlay include the updated geometry from FAA Circular AC 150/5300-13B. Staff requested AVCON to revise their proposal to include the updated geometry. Due to the costs for the taxiway rehab, FAA has requested that the work be done in two phases to capture discretionary funding over two years. Once the design is completed, the project will be bid prior to next June to apply for the first phase of FAA funding in the fall of 2024.

#### **Taxiway C Rehabilitation**

Design work by AVCON is nearing completion. Project is expected to start bidding in late October. Recommendation to award will be brought to the Board in December. 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 2024. Funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO).

### **Taxiway M Realignment**

Survey and Geotech have been performed for this project. The design is nearing 90 percent complete and will be issued to airport staff for final review. Plans to be completed and out to bid by early November 2023. Recommendation to award will be brought to the Board in December.

Mr. Potter inquired about the inline baggage system being the first in the country, is this a good thing or a bad thing. Mr. Perley stated it is a good thing. It is very popular in Europe and TSA was looking forward to getting a test site here in the U.S. because the advantages of the cross belt system is they will be able to track each individual bag closely than if it is on a conveyor belt system. Mr. Potter asked will this new system be eligible for funding. Mr. Perly stated yes.

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

Mr. Busalacchi explained the 2022 annual reports were printed and will be distributed today to each board member. Mr. Busalacchi commended Melissa Naughton and Keely Leggett for working on this project.

Airport staff discovered that domestic passengers arriving here at MLB were walking over to the hotel and were walking on the Air Terminal Parkway Road and then crossing over onto the grass area and sidewalks near the hotel. For the safety of our passengers, the Airport has added new sidewalks that connect to the Hyatt Place Hotel so that passengers arriving here to MLB and staying at the hotel can walk safely over to the hotel for their stay. Mr. Busalacchi commends Mr. Perley for his efforts with contractors to complete this work. The hotel continues to be very successful with 94 percent occupancy.

Mr. Busalacchi gave an update on the T-hangars on the south side. Sheltair will be constructing the new T-hangars and all permits have been submitted. Sheltair is working with the FAA to make sure there are no line-of-site concerns with the tower. There is a long lead time for the metal buildings. Sheltair is ready to start moving dirt within the next month.

The Airport has signed an operating agreement with TURO. TURO is a rental car ride share program where you can rent your personal vehicle for other people to use.

The airport received localized media coverage for the story of the Army National Guard flying out of MLB to assist in rescue efforts in the wake of Hurricane Idalia.

### **Public Speakers**

Ray Lyles inquired about the lead time for the metal buildings T-hangars. Mr. Busalacchi stated about six months.

Mr. LaRusso inquired about the possibility of a government shutdown and if the airport has some type of contingency plan to take care of personnel here and how would it affect the airport if the shutdown occurs. Mr. Donovan stated on the operational level such as TSA, CBP, central services will not be paid, and they are not furlough, so they will continue to provide services that they are dedicated to do. The air traffic control personnel are part of a contract to the FAA and the FAA will continue to pay them. The airport will see some impact from the FAA on the processing of the Laguna Bay Project and the Tropical Haven release of land requisition. The grants that are being processed are in track and will work their way through the system. Other items that are being decided from a discretionary standpoint or anything included in their re-authorization process comes to a stop. Our professional associations such as ACI or AAAE are doing everything they can to get stop gap measures in place, so that some of the re-authorizations on a short-term basis can be executed. We are hopeful that this possible government shutdown does not go on for a long time. The airport will not see any disruptions on our operations.

Mayor Alfrey commended Mr. Donovan for attending the city council meeting last night and was thankful that the budget agenda item was approved.

**Adjournment**

This meeting was adjourned by Chairman William Potter at 10:15 a.m.

**PREPARED BY:**

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Sandra Acevedo, Executive Assistant

**SUBMITTED BY:**

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Greg Donovan, A.A.E.  
Executive Director

**APPROVED BY ACTION OF AIRPORT AUTHORITY:**

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William C. Potter, Chairman