

MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for January 19, 2022, Board Meeting
Airport Board Room

In attendance: Mr. Jack L. Ryals, Chairman
Mr. William C. Potter, Vice Chairman
The Honorable Debbie Thomas, Councilmember
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

Excused: The Honorable Paul Alfrey, Mayor
The Honorable Tim Thomas Councilmember
Mr. Scott Mikuen, Member

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

- Congratulations to Sergeant Beer and Sergeant Cattell on their promotions to Sergeant.
- Finance department promotes Ms. Kayla Krause.
- Ms. Melissa Naughton recognized for her Airport Certified Employee (ACE) in Finance.
- Mr. Cliff Graham named Chair of the Space Coast TPO Technical Advisory Committee.
- Job Fair to be held on January 25th in airport terminal.
- MLB now serving nine nonstop destinations.
- Passenger Traffic update.
- Aircraft Operations update.

Executive Director's Recognition of Excellence Award

Congratulation to Mr. John Warrington as this month's recipient.

Action Items

Approval of the December 1, 2021, board meeting minutes. A motion was made by Mr. Potter for approval of the minutes, seconded by Mr. Fischer. Motion passed unanimously.

Item A-1 Recommendation to Approve Resolution 1-22 Federal Aviation Administration Grant for the Acceptance of the American Rescue Plan Act 2021 Grant 56 to Provide Terminal Concession Rent Relief Funding.

Mr. Donovan explained that this is a federal grant in the amount of \$206,7011. This grant is to provide relief to qualifying in-terminal airport concessionaires and will be distributed among the airport's various concessions. This grant is part of the American Rescue Plan Act (ARPA) and is to be used to provide relief for rent, percentage rent, and minimum annual guarantee (MAG) obligations.

Mr. Potter asked how this is allocated among the concessionaires. Mr. O'Dell explained that this is at the FAA direction for allocation. It is a very complicated formula, but simply put it will be based on the percentage of the concessionaire's overall activity.

Motion was made by Mr. Fischer to approve Resolution 1-22 Federal Aviation Administration Grant for the acceptance of the American Rescue Plan Act 2021 Grant 56 to provide terminal concession rent relief funding, seconded by Ms. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Approve a Master Consulting Agreement with Aeropandion, LLC.

Mr. Donovan stated that Senior Advisor, Mr. Bill Johnson's contact is up for renewal. Mr. Johnson has been an integral part of the airport's executive team by acting as a liaison with the Florida Department of Transportation and other governmental entities. Mr. Johnson will be taking on an expanded role to include federal and state legislative advocacy. This is a one-year contact with two (2) one-year options. The annual cost is \$61,200 and is included in the budget.

Mr. Potter asked with the two (2) one-year options, whose option it is? Mr. Donovan stated it is mutual.

Motion was made by Mr. Potter to approve a Master Consulting Agreement with Aeropandion, LLC., seconded by, seconded by Ms. Thomas. Motion passed unanimously.

Item A-3 Recommendation to Increase the Purchase Order to KMI International, Inc., Under its Continuing Services Contract, to Extend the Resident Project Representative as Required by the Federal Aviation Administration for the Terminal Renovation and Expansion Project: Apron Reconstruction/Expansion in an Amount Not-To-Exceed \$76,670.

Mr. Donovan stated that KMI International, Inc. (KMI) was hired under its Continuing Services Contract to provide Resident Project Representative (RPR) services for the Terminal Project. This is a requirement by the Federal Aviation Administration (FAA). As a result of weather and other delays, additional time is needed to complete the FAA inspections. Ten more weeks are necessary due to the unforeseen delays. The total amount of \$76,670 is being requested and is part of the construction budget.

Mr. Fischer asked whether during the delays was KMI providing full time services? Mr. Perley stated yes, and that Mr. Roy Horton and Mr. Mike Balsamo are the two resident project representatives on site.

Mr. Potter asked if this amount is for two staff members? Mr. Perley stated yes. Mr. Potter asked if the dollar amount of this and the next few agenda items totaling \$210,000 are coming out of contingency budget? Mr. O'Dell explained that these items are out of the unencumbered amount of \$779,000. Mr. Potter asked if the \$779,000 unencumbered will be sufficient. Both Mr. O'Dell and Mr. Donovan stated yes.

Motion was made by Ms. Thomas to increase the purchase order to KMI International, Inc., under its Continuing Services Contract, to extend the Resident Project Representative as required by the Federal Aviation Administration for the Terminal Renovation and Expansion Project: Apron Reconstruction/Expansion in an amount not-to-exceed \$76,670, seconded by Mr. Fischer. Motion passed unanimously.

Item A-4 Recommendation to Approve a Purchase Order to AVCON, Inc. Under its Continuing Services Contract, for the Modifications and Improvements to the Aerospace Center for Parking and Security Fencing in an Amount Not-To-Exceed \$400,000.

Mr. Donovan explained that the Airport will be using the continuing services contract for AVCON to redevelop parking at the Aerospace Center. He continued to explain that there is a need to modify and improve the paved areas and the overflow parking locations. These parking areas need to be resurfaced and striped for safety concerns and ADA compliance. Along with the improvements to the parking area, a new security fence is required for access into the rear of the Aerospace Center building for the catering vendor for TUI to service the aircraft. Mr. Donovan stated the \$400,000 is in the annual budget.

A motion was made by Ms. Thomas to approve the purchase order to AVCON, Inc. under its Continuing Services Contract, for the modifications and improvements to the Aerospace Center for parking and security fencing in an amount not-to-exceed \$400,000, seconded by Mr. Potter. Motion passed unanimously.

Item A-5 Recommendation to Approve a Change Order to AERO Bridgeworks to Modify, Repair and Return to Service the Existing Passenger Boarding Bridge 1 for Reuse as the New Passenger Board Bridge 6 in the Terminal Renovation and Expansion Project in the Amount of \$122,046.09.

Mr. Donovan stated that this change order will be coming from the Maintenance and Operations budget. He explained the existing passenger boarding bridge was removed and stored for over a year. During this time the lifting motors had seized making the bridge inoperable. In addition, the bridge's ductwork needs remediation and repairs. Staff has also requested a five-year service and maintenance agreement for the refurbished PBB similar to the agreements on the two new PBBs.

Mr. Fischer asked if the cost of a new bridge would be about \$1 million, this requested amount is about 10 percent of the total cost? Mr. Donovan stated that is correct. Mr. Fischer asked what will the life of this bridge be now? Mr. Graham stated the average lifespan is about 20 years and he expects to get another 10 years from this bridge. This bridge is currently about 7 years old. Mr. Graham stated that with the coastal environment and corrosion, his staff has done a pretty good job maintaining this bridge.

Motion was made by Mr. Potter to approve a change order to AERO Bridgeworks to modify, repair and return to service the existing Passenger Boarding Bridge 1 for reuse as the new Passenger Board Bridge 6 in the Terminal Renovation and Expansion Project in the amount of \$122,046.09, seconded by Mr. Fischer. Motion passed unanimously.

Item A-6 Recommendation to Approve Change Orders 17 to Carr & Collier, Inc., for Scope Changes with the Terminal Renovation and Expansion: Apron Reconstruction/Expansion Project in the Amount of \$16,695.11.

Mr. Donovan stated this is the seventeenth change order associated with the pavement work. This amount of \$16,695.11 is included in the budget.

Motion was made by Mr. Potter to approve Change Orders 17 to Carr & Collier, Inc., for scope changes with the Terminal Renovation and Expansion: Apron Reconstruction/Expansion Project in the amount of \$16,695.11, seconded by Ms. Thomas. Motion passed unanimously.

Item A-7 Recommendation to Approve a Change Order to Ivey's Construction, Inc. to its VIP Lounge Purchase Order to Replace the Existing Kitchen Grease Trap and Associated Underground Drain Piping in an Amount Not-To-Exceed \$116,323.

Mr. Donovan explained with an aging restaurant one item of maintenance is the grease trap and the piping associated with the trap. It has been determined that the flow into the existing grease trap is restricted from deterioration of the grease trap and supporting underground piping. This cost will be part of the terminal project budget.

Motion was made by Mr. Potter to approve a change order to Ivey's Construction, Inc. to its VIP Lounge purchase order to replace the existing kitchen grease trap and associated underground drain piping in an amount not-to-exceed \$116,323, seconded by Mr. Fischer. Motion passed unanimously.

Item A-8 Recommendation to Approve a Change Orders 2 through 5 to DP Development, LLC for Material Cost Adjustments, Scope Changes, and Unforeseen Conditions Related to the Northside Expansion Project: St. Michael Place Extension Phase 3 in the Amount of \$190,120.97.

Mr. Donovan explained this project is a 100 percent grant provided by the State of Florida. Due to delays by the Department of Economic Opportunity, a Notice to Proceed was not issued for the project until July 2021. This was 92 days past the award and 120 days past the bid. The contractor received information from its supplier that the material bid price was no longer valid as it was past to 60-day hold. Airport staff and the contractor tried to resolve the issue, including seeking bids from other suppliers. Other changes included a variety of modifications, permitting and changes by the city. All of these change orders are covered by the 100 percent state grant and is within the budget.

Mr. Potter asked what role the state has in approving these change orders or can it been done if they stay within the amount that has been allocated. Mr. O'Dell answered as long as we stay within the grant amount and follow procedures. Mr. Donovan stated that the grant will be audited, but approval process rests within this board.

Motion was made by Ms. Thomas to approve Change Orders 2 through 5 to DP Development, LLC for material cost adjustments, scope changes, and unforeseen conditions related to the Northside Expansion Project: St. Michael Place Extension Phase 3 in the amount of \$190,120.97, seconded by Mr. Potter. Motion passed unanimously.

Item A-9 Recommendation to Approve Purchase of Extrication Equipment in the Amount of \$66,857.

Mr. Donovan explained that the Aircraft Rescue Fire Fighting (ARFF) equipment and these team members plays a vital role in assisting emergency rescue here at the airport. Currently, this equipment is at the end of its serviceable life. These new tools will provide emergency responders self-contained power without the need for external power generation equipment. The amount of \$66,857 is part of the Maintenance and Operations budget.

Motion was made by Ms. Thomas to approve purchase of extrication equipment in the amount of \$66,857, seconded by Mr. Potter. Motion passed unanimously.

Discussion Items

Item D-1 Acceptance of City Grant

Mr. Donovan explained that the \$500,000 grant request from the city to the airport has been approved. This grant will cover \$417,000 of permit and impact fees that have been associated with the Terminal Renovation

and Expansion Project. He thanked Ms. Thomas for being part of the discussion and for her vote and thanked the other council members on their support of this grant.

Ms. Thomas stated that as a city it is extremely important to remember what is in our city and what is coming to our city and how this affects the revenue base. Being able to partner with the Airport on this is extremely important. Chairman Ryals added that the city council members on the board were highly effective in getting this done. Ms. Thomas added that the majority of the entire city council supported this grant. Mr. Potter added that he has been doing research on the airport and he recently found an article from the Miami Herald from 1951 where the mayor stated the biggest asset of the City of Melbourne was the Airport. Mr. Potter continued stating that it is gratifying that the current city council understands that as well.

Information Items

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

Operating Revenue

Parking increased by 113 percent
Ground Handling increased by 38 percent
Terminal Rent-Airline increased by 26 percent
Car Rental Concession increased by 27 percent
Landing Fees increased by 85 percent

The above increases are due to recovery in activity related to increase in passenger traffic as the Airport rebounds from the COVID 19 recession.

Operating Expenses

Other Contract Service down by 23 percent (A)
Contractual Employee increased by 45 percent (B)
Repair and Maintenance-Building increased by 606 percent (C)
Advertising Expense increased by 163 percent (D)

- (A) Decrease is due to savings realized from new contracts that went into effect mid-year in FY 21 and other steps management has taken to reduce expenses.
- (B) Last year the staffing agency had issues providing the temporary employees needed to perform janitorial and terminal services work. This year, the staffing provided by the temp agency was at the level to meet the airport's need, so this is reflected in the higher cost.
- (C) Increase in non-recurring M&O on facilities including floor replacement in fire station (\$10,000), repairs to the FIS elevator (\$31,100), modifications to ticket counter/gate to accommodate Allegiant (\$7,800), repairs to sliding glass terminal doors, (\$2,033), and modification to lighting at tenant building (1135 W NASA) for security (\$12,063).
- (D) Increase is due to increase promotion of new air service coupled with a campaign to increase public awareness of the benefits of using MLB.

Terminal Project Update

\$35 million spent
\$36 million encumbered
\$780,000 unencumbered

Cash Flow

\$24 million cash/investment

Mr. Potter asked if the Airport decommissioned some of the T-hangars? Mr. Busalacchi explained that the Airport is intentionally not leasing several of the T-hangars.

Item I-2 Operations Update by Mr. Graham

Annual Part 139

The Airport's Annual Part 139 Inspection is scheduled for January 26-28, 2022. This is a very detailed inspection of the airfield. The 139 inspection is the Operations Department report card and is part of the Airport's certification process.

Mass Casualty Incident

In February there will be the tri-annual full scale emergency exercise which is part of the Airport's certification process. This is a simulated mass casualty incident. The FAA has some new guideline changes and new protocols due to the pandemic issues. It is good to have all the mutual aid partners on the airport grounds for this exercise. It is very beneficial to work out any details prior to having a real-life incident occur.

Item I-3 Construction Projects Update by Mr. Perley

Apron Renovation/Reconstruction

The apron project is nearing completion. All work to be substantially complete by 1/28/22.

Last two lanes of 1-inch-thick concrete is currently being poured.

Asphalt between the taxiways has started and is the last of the asphalt to be completed.

High mast light poles are completed and tested. Adjustments are being made for the photometrics.

Underground storm piping is complete.

Work around the new retention pond is complete.

Electrical work for the taxiway lights is nearing completion.

Electrical work for the ESOS is nearing completion.

Punchlist review to start the week of 1/24/22.

Terminal Renovation Phase 2

COVID continues to impact the project schedule in both manpower and material delivery.

Where possible, substitutions are being made to maintain schedule.

Delivery and installation of elevators and escalators will not ready when the first international flight arrives.

Concrete delays from supplier have hampered pouring of the slab on grade with 20 drivers out with COVID.

Security Checkpoint/Holdroom Area – Structural steel erection complete, exterior metal panels installation started, elevated slab pour complete, slab on grade started, overhead MEP started.

Welcome Center – Underground electrical complete, structural steel erection nearing completion, canopy foundations completed, insulated metal panels delivered.

Baggage Claim – Foundations complete, structural steel nearing completion, underground MEP nearing completion, preparing for elevated slab pour. Connector bridge steel from hold room to FIS installed.

Ticketing – Demolition complete, new exterior walls complete, framing started, ticket counters nearing completion, MEP started.

VIP Lounge – Demolition is complete. Security wall installation started. Millwork is in fabrication. MEP work continues.

City Permits – the city has released the majority of permits for the project so as to not hold up progress. The design/build team still preparing document to satisfy the permitting agency on fire sprinklers, separation wall at EFSC, high mast light engineering, and definition of fixed boarding bridge/terminal construction.

New Passenger Boarding Bridges

Fabrication of the passenger boarding bridges is nearing completion.
Delivery is expected the beginning of February with completion by the end of the month.

Northside Expansion

COVID continues to impact the project.
Contractor had 70 percent of staff out for COVID.
Entire survey company shut down for COVID delaying layout and as-builts.
Underground watermain installation continues.
Underground force main installation continues.
Clearing and root raking complete.
Drainage structures delivered.
Subgrade compaction continues.
Base material for road being delivered and installed.
Precast wall currently in fabrication.
Property boundary easements at Croton Road remains to be resolve which stem from a survey back in 1972 but is not currently holding up the project.
Anticipated substantial completion will be June 2022.

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

Parking Lots

Parking changes for employee parking and rental vehicle parking update was given. A map was shown with details of the relocation and changes. Many adjustments are being made and more updates will follow.

Additional Discussion

Mr. Potter asked with the unknowns of the current pandemic issue, does staff think TUI will still be on its projected time schedule and will the Airport be ready. Mr. Donovan explained that staff is in daily communication with TUI and all indicators are a go for March 22, 2022, for the first aircraft arrival. Mr. Donovan continued to answer Mr. Potter's question regarding if the Airport will be ready. He said everything will not be completed by March 22. Some items such as elevators and escalators are an issue as well as the roof. Lack of materials and delays due to COVID have been an ongoing issue. The staff is working on alternatives and contingency plans.

Mr. Donovan advised board members that February 9th is the date that TUI's Commercial and Business Development Director, Mr. Richard Sofer, will be here at the Airport. Mr. Donovan is asking to have a special meeting of the board in order for Mr. Sofer to address the board and airport staff.

Ms. Thomas would agree to have the February 9 meeting.

Chairman Ryals added that TUI senior management has expressed gratitude for the staff anticipating possible problems and providing the solutions. He congratulated the staff on the continued hard work.

Mr. Fischer also would like to thank the staff as he fully understands the construction delays.

Mr. Donovan stated there are many events coming soon. This includes the February 9th meeting, the first TUI flight in March, and a visit to the UK on one of TUI's return flights. Later in March and April MLB will host TUI's commercial and retail partners. In May 20 of the top UK media representative will be arriving at MLB, along with the CEO of TUI. MLB will host these and several other events.

Chairman Ryals closed with sharing how grateful the Authority is for the efforts of the employees who were recognized today for their continued accomplishments.

Adjournment


The meeting was adjourned by Chairman Ryals at 9:47 a.m.

PREPARED BY:



Tammy Till, MAA Board Secretary

SUBMITTED BY:



Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:



Jack L. Ryals, Chairman