



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for May 25, 2022, Board Meeting
Airport Board Room

In attendance: Mr. Jack L. Ryals, Chairman
The Honorable Debbie Thomas, Councilmember
The Honorable Tim Thomas, Councilmember
Mr. Michael Fischer, Member
Mr. Scott Mikuen, 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

Excused: The Honorable Paul Alfrey, Mayor
Mr. William C. Potter, Vice Chairman
Ms. Renee Purden, Chief of Police/Director of Public Safety

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

- Thank you to MAPD for holding Police Memorial Week Ceremony
- TUI announced Belfast flights to begin in 2023
- International passenger activity reached 20,912 in the month of April
- Federal Aviation Administration Discretionary Grant awarded in the amount of \$964,000 for Aircraft Rescue Fire Fighting Truck

Executive Director's Recognition of Excellence Award

Congratulation to Mr. Teagan Frawley, Airport Electrician, in receiving this award.

Action Items

Approval of the April 27, 2022, board meeting minutes. A motion was made by Mr. Thomas for approval of the minutes, seconded by Mr. Fischer. Motion passed unanimously.

Item A-1 Recommendation to Approve Upgrades to Information Technology Equipment for U.S. Customs and Border Protection.

Mr. Donovan explained that U.S. Customs and Border Protection (CBP) require equipment and communication upgrades every three to five years or as required. The last system upgrade was completed in 2017. CBP is implementing a process called 'Simplified Arrival', which is a new biometric screening process, and the new technology is not compatible with the current information technology equipment. The CBP's estimate for the update is \$263,800 with a recurring annual fee of \$17,310. CBP will receive the equipment and then the Airport will reimburse CPB for the costs associated with the update.

Mr. Mikuen asked if this is part of the current budget. Mr. Donovan stated that it is.

A motion was made by Mr. Fischer to approve upgrades to information technology equipment for U.S. Customs and Border Protection, seconded Mr. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Approve Renewal of Airport Liability Insurance Coverage Policy in the Amount Not-To-Exceed \$64,440.

Mr. Donovan explained that the Airport's annual liability insurance is due to expire on July 14, 2022. The Airport utilizes an aviation insurance broker to assist with obtaining proposals and providing recommendations. There is a 7 percent increase, which is a \$4,000 increase of the current cost. There were three separate quotes obtained, with one quote that offered a premium reduction of \$20,000. This coverage was not as robust or inclusive as what National Union Fire Insurance Company has offered. It was recommended by our broker to proceed with National Union Fire Insurance Company as the coverage offered is the best value for the Airport.

Mr. Mikuen asked if National Union Fire Insurance Company is still A rated by Best and has the Airport made any claims? Mr. O'Dell stated yes, it is still A rated and no, there have been no claims.

Mr. Donovan added that all items being requested for funding on this agenda is part of the budget.

A motion was made by Mr. Thomas to approve renewal of airport liability insurance coverage policy in the amount not-to-exceed \$64,440, seconded by Ms. Thomas. Motion passed unanimously.

Item A-3 Recommendation to Approve Resolution 2-22 to Amend the Florida Department of Transportation Grant to Fund the Terminal Renovation and Expansion Project.

Mr. Donovan explained that the relationship between the Airport and the Florida Department of Transportation (FDOT) is extraordinary. Airport staff has had many interactions with FDOT and most recently Mr. Bill Johnson and Mr. Cliff Graham met with District Five Secretary regarding the need for funding on the terminal. Individually, both Assistant Secretary of FDOT and District Five Secretary will be meeting with staff in the next few weeks. Money invested at this airport using state funds has great returns.

The Airport is in receipt of \$1.6 million of additional funds that will go toward the Terminal Renovation and Expansion Project. This will lessen the amount of funds that the Airport will need to cover. This is very generous and is strong support shown by FDOT.

A motion was made by Ms. Thomas to approve Resolution 2-22 to amend the Florida Department of Transportation grant to fund the Terminal Renovation and Expansion Project, seconded by Mr. Thomas. Motion passed unanimously.

Item A-4 Recommendation to Approve a Purchase Order with Arconas Corporation in the Amount of \$114,467.

Mr. Donovan explained that the increase in both domestic and international flight activity brings a need for additional bench seating in the terminal. An additional 150 seats in the hold-room area of the Airport will be necessary to ensure adequate seating for passengers. The amount of \$114,467 is included in the Terminal Renovation and Expansion project costs.

A motion was made by Ms. Thomas to approve a purchase order with Arconas Corporation in the amount of \$114,467, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-5 Recommendation to Approve Change Orders 8 through 11 to DP Development, LLC for Scope Changes Related to Unforeseen and Regulatory Conditions for the Northside Expansion Project: St. Michael Place Extension Phase 3 in the Amount of \$53,862.17.

Mr. Donovan explained that the Northside Expansion Project is for future aerospace development and staff is currently in negotiations with several companies that would be a good fit in this area. The roadway is being extended from the current St. Michael Place toward the western edge of Airport property. Along with the road extension there are underground utilities, a barrier wall, and retention ponds. During the excavation of the retention ponds, a hard pan surface was discovered that would prevent the ponds from draining. Additional excavation and clearing were required, and more material was needed. There are also continuing issues with the roadway with pavement markings and some regulatory issues. This is a \$53,862.17 request for three change orders. Mr. Donovan reminded the board that this is a part of the 100 percent reimbursable grant.

Mr. Fischer asked if there were boring test done? Mr. Perley stated yes, but the borings were on the edge and just missed the hard pan surface.

A motion was made by Mr. Fischer to approve Change Orders 8 through 11 to DP Development, LLC for scope changes related to unforeseen and regulatory conditions for the Northside Expansion Project: St. Michael Place Extension Phase 3 in the amount of \$53,862.17, seconded by Mr. Thomas. Motion passed unanimously.

Item A-6 Recommendation to Increase the Purchase Order to KMI International, Inc., (KMI) Under its Continuing Services Contract, to Extend the Project Management Services for the Terminal Renovation and Expansion Project: Apron Reconstruction/Expansion in an Amount Not-To-Exceed \$78,375.

Mr. Donovan stated that with the terminal project extension there is a need to extend the Project Managers Services with KMI. This is a month-to-month extension up to October 2022, with a not-to-exceed amount of \$78,375. This amount is within the remaining budget.

Mr. Fischer stated this six-month extension equals about \$13,000 per month. He asked if this amount is going to be enough to complete the project with the close-outs, punch-list, and warranties. Mr. Perley said yes, this amount will be enough since the project manager will be available on an as-needed basis toward the end of the project.

A motion was made by Mr. Thomas to increase the purchase order to KMI International, Inc under its continuing services contract, to extend the project management services for the Terminal Renovation and Expansion Project: Apron Reconstruction/Expansion in an amount not-to-exceed \$78,375, seconded by Ms. Thomas. Motion passed unanimously.

Item A-7 Recommendation to Award a Purchase Order to Ivey's Construction, Inc. Under its Continuing Services Contract for Installation of the 10-inch GSE Pavement on the Apron Project in an Amount Not-To-Exceed \$742,040.

Mr. Donovan explained with the complexity of a large project as this, it has been a challenge dealing with the timing issues. All the pavement for the terminal apron project was in the scope of work with the apron contractor. Portions of the pavement could not be completed until the terminal contractor completed certain sections of the building. Due to the timing of the work, the apron contractor completed its part of the work and then demobilized. When the work for the apron was ready to continue, the apron contractor had already mobilized his crews to another job and to remobilize back to the Airport would not be cost effective.

Ivey's Construction under its continuing services contract agreed to perform the pavement work. Ivey's Construction suggested a Value Engineering alternative for the placement of the concrete. It was determined that the remaining concrete thickness could be reduced to 10 inches as that portion of the apron would not be in the vicinity of where aircraft would travel. With this reduction of concrete, there was also some cost savings. Mr. Donovan stated that this action item request is not increasing the budget and no additional monies are needed for the project. This scope of work is currently in the apron contractor's contract. Staff is working with the apron contractor to establish final quantities for a deductive change order that will offset to keep the overall terminal project budget with the approved amount.

Mr. Mikuen asked if something changed with the design regarding the 17-inch thickness to the 10-inch thickness? Mr. Perley explained that when the design for the apron was performed, we did not have the design yet for the terminal. Mr. Mikuen asked if the deductive is going to be 100 percent off-set? Mr. Donovan stated yes. Mr. Perley explained that the final reconciliation looks like there will be about \$1 million will be coming back to the Airport.

A motion was made by Mr. Fischer to award a purchase order to Ivey's Construction, Inc. under its continuing services contract for installation of the 10-inch GSE Pavement on the Apron Project in the amount not-to-exceed \$742,040, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-8 Recommendation to Approve the Naming of the New Road on the Northside Development Project to Bill Potter Drive that Runs North and South Between St. Michael Place and General Aviation Drive.

Mr. Donovan was made aware that the Northside Development Project, St. Michael Place, needed to have a new road name at the T-intersection and the name needs to be established before the completion of the project. During a discussion of names for this road, Mr. Potter's name was suggested. Mr. Potter has had decades of service to the Melbourne Airport Authority with countless volunteer hours of work. Mr. Potter has agreed to this honor and the name of Bill Potter Drive was agreed upon. This new road name will be recorded with the City and the County.

A motion was made in unison with all members of the MAA Board to approve the naming of the new road on the Northside Development Project to Bill Potter Drive that runs north and south between St. Michael Place and General Aviation Drive, seconded in unison with all members of the MAA Board. Motion passed unanimously.

Other Announcement

Mr. Donovan introduced Mr. Peter Kinsley, President of Infrastructure and Transportation Group at Haskell. The Haskell management teams has been doing a fine job working through all of the construction delays with a very complex process and during a very complex time.

Information Items

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

Highlights

- Operating Revenue – Increase of \$1 million
- Operating Expense – Increase of \$300,000
- Operating Income – Increase of \$700,000 for a total \$1.2 million
- Strong growth with Passenger Facility Charge and has doubled from last year

Top Operating Revenues

Parking Revenue – This revenue is part of the operating revenue, with over \$500,000 of the total \$1 million

Top Operating Expenses

Contractual Employees increased to \$82,000 due to the ambassador program for TUI
Tropical Haven manager retired in February and is being filled with a contract employee
Repair and Maintenance budget increased in part due to the name change on the terminal building

Terminal Project

72 percent of the funding has been spent
27 percent is encumbered
Less than 1 percent is unencumbered

Mr. Fischer thanked Mr. O'Dell for the breakdown that was sent to the board with the cost of the food items listed. He asked about the approved \$10 and why it is now \$18.50. Mr. O'Dell explained that it is actually \$15.00 for the month of April and now has been reduced to \$9.54 in the next invoice for May.

Mr. Mikuen asked if the \$1.6 from Florida Department of Transportation and would it be used to pay-down debt or just keep it in the reserves? Mr. O'Dell stated if we pay down the debt, 15 percent could be paid without any penalty. Mr. O'Dell reminded the board that there is a fixed rate of interest of 1.95 percent.

Item I-2 Operations Update by Mr. Graham

FDOT Meeting

Mr. Bill Johnson and Mr. Cliff Graham met with District Five Florida Department of Transportation staff regarding the importance of the Ellis Road project. The right-of-way acquisition has begun and is scheduled to continue over the next four years. The project now has some construction funding set aside, with Brevard County setting aside several million dollars this year towards the construction.

They also met with the newly appointed District Five Secretary, John Taylor. The Airport had worked with Mr. Taylor last year to have the Airport added to the six large overhead destination signs on I-95 at the Ellis Road interchange. Secretary Taylor showed interest in the Airport and agreed to a meeting here in June for a tour. After this meeting, the Airport will host a meeting and invite stakeholders from Brevard County, City of Melbourne, City of West Melbourne, Space Coast Transportation Organization, and others to discuss how the Ellis Road construction could start sooner and finish faster.

Chairman Ryals added the Melbourne Chamber of Commerce is on-board with assisting in expediting that project. The Chamber has contacted several stakeholders in the area to write letters of support. Mr. Graham stated that those letters are very important and will hopefully move things along faster.

Item I-3 Construction Projects Update by Mr. Perley

Apron Renovation/Reconstruction

The project is complete with punch work nearing completion.
As built drawings have been submitted and are currently under review.
Final quantities of in-place materials being calculated based on as-built survey.
Project expected to close out in June.

Terminal Renovation Phase 2

Material delivery continues to impact project schedule.
Delivery dates promised by the suppliers/manufacturers are not being met.
Electrical panels and breakers continue to be the major delay to the project.
Unfortunately, there are no substitutions for this equipment.
Generators continue to be the main source of power for the project.
Permanent roofing has been installed on the upper portion of the baggage claim building at the Federal Inspection Station and at the Welcome Center.
Roofing is currently being installed on the bugle roof over the holdroom.

Tapered insulation continues to be a challenge and delivery dates have not been confirmed. The temporary roof remains in place at this time for all other areas. Doors and hardware deliveries are starting to come in with only a small portion to be delivered. Temporary AC remains in operation as air handling equipment cannot start until the electrical is complete. Baggage Claim area on the second floor is currently in use for all international flights. First floor construction continues with drywall finishing, painting, and ceilings. Baggage handling equipment is installed and waiting on power. Terrazzo flooring has begun. Welcome Center rough-ins are complete. Exterior panel installation is nearing completion with trim pieces remaining. Air handling equipment has been set. Interior framing is almost complete, and drywall started. Ticketing area is operational with minor punch work remaining. Kalwall skylight system in Atrium complete. Security Checkpoint/Holdroom Area continues drywall finishing and painting. Ceiling grid installed with MEP drops complete in the check point. Cloud ceilings in the holdroom have started. Tile installation in the restrooms is nearing completion. Toilet fixture and accessories have begun. Escalator and elevator installed and waiting on permanent power. On site meetings continue with the City, US Customs and Border Protection (CBP) and Transportation Security Administration (TSA).

VIP Lounge

Phase 1 is complete, and the VIP lounge is in use. Phase 2 work started and is being coordinated with TSA to not disrupt on-going operations. This should reduce the overall time to complete once the new security checkpoint is operational and the existing equipment is moved over.

Welcome Center Civil

Welcome Center civil work is complete and in use. Tent structure in use as a temporary Welcome Center. Once Welcome Center building exterior is complete, the remaining landscaping and irrigation will be completed around the building.

New Passenger Boarding Bridges

Permanent power has been energized to the new boarding bridges. Aero Bridgeworks has been notified and a crew will come to recertify them with the permanent power. Existing PPB #1 (now PBB#6) is operational permanent power and being used as required.

In-Line Baggage System

The 30-percent design phase is complete and has been submitted to TSA for review. Comments are expected back soon.

Northside Expansion

Storm water system along with the retention ponds are nearing completion. Subgrade compaction for the roadway continues. Base material for road being installed. Precast wall installation is complete. Contractor dealing with delays in concrete deliveries for curbs and sidewalks. String line review continues in preparation of asphalt which is expected to begin next month. Property boundary easements remain to be resolved. Anticipated substantial completion will be June 2022.

Aerospace Center Parking Renovations

All 3 phases of the project are complete. Punch list work is nearing completion. The new security gate on the air side is complete and ready for operation.

Mr. Fischer thanked Mr. Perley for the base-line schedule of the original project and would like to have a baseline of the current schedule.

Mr. Mikuen asked Mr. Perley what his current estimate would be for the punch list items to be completed? Mr. Perley stated as a phased completion, the Welcome Center would be first in mid-June, followed by the FIS baggage claim area and then the hold room area. The last area completed would be the security check point in the first or second week of July. The only thing remaining after that would be the completion of the roof and the generator.

Mr. Fischer asked since this is phased and running behind, will the warranties be phased-in or from date of substantial completion? Mr. Perley stated they would be phased-in based upon when those areas go into service.

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

Advertising Campaign Update

This campaign has now moved from the Awareness Phase to the Consideration and Purchase Phase. This allows the Airport to target specific demographics from data collected since the beginning of the campaign, which started in August. The goal is to send consumers to the Book Now button on the MLB landing page. Currently over 3.3 million digital ads being view to over 40 different zip codes. This engagement rate is quadruple of the national average at .923 percent. This shows that the target audience is interested in what MLB has to offer. Overall, this campaign is bringing brand awareness and pushing airline bookings.

Rental Car Lot

The Alamo/Enterprise/National rental car lot is nearing completion. Enterprise needs to move its office trailer into the lot, which should be completed this week. This will help move the customers from the Welcome Center over to the parking lot, which will help with the crowding issues in the Welcome Center.

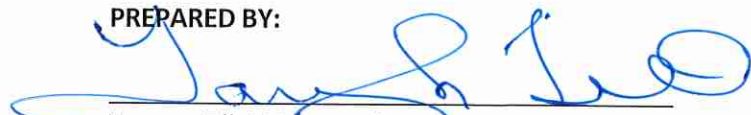
TUI In-Flight Video

The draft TUI in-flight video was presented.

Adjournment

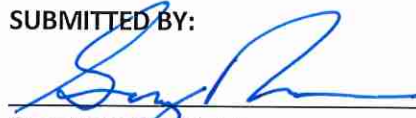
The meeting was adjourned by Chairman Ryals at 9:30 a.m.

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