



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

September 28, 2022, at 8:30 AM

Melbourne Orlando International Airport Board Room

Pledge of Allegiance

Airport Announcements

Executive Director's Recognition of Excellence Award

Action Items

Approval of the minutes for the July 13, 2022, regularly scheduled Board Meeting.

Item A-1 Recommendation to Award a Contract to Southern Fire Protection for Phase 1 of the Fire Sprinkler System within the Existing Terminal in an Amount Not-To-Exceed \$88,450.

The design for the Terminal Renovation and Expansion Project included a new fire sprinkler system within the new construction and in areas being renovated within the existing construction. No fire sprinkler work was expected to have to be performed in areas where no renovation work occurred.

However, the City of Melbourne Building Department then informed the Airport and the contractor, Haskell, that a Certificate of Occupancy (CO) could not be issued for the new Terminal Renovation and Expansion Project without a complete fire sprinkler system throughout the entire terminal.

Plans for the remaining fire sprinkler system were to be coordinated with future renovations and provided under a future grant which could take up to three years to begin. This was unacceptable to the City's building official and would hold up the CO of the current project.

Haskell, under direction from Airport staff, bid the remaining fire sprinkler work in phases with the assumption that this work, not currently under its contract, could begin before receiving a CO once a grant was approved. Staff has submitted several grant applications for the fire sprinkler work but has yet to receive an approval. Once started, any work performed before the grant approval would not be reimbursed, which is the reason staff waited to move forward with the work.

In a mutual understanding with the City's Building Department to receive the CO for the current project, fire sprinkler work will begin in phases in the existing terminal. Once a grant has been received, all remaining fire sprinkler work will be awarded.

Since most of this work will occur after Haskell completes the current project, the fire sprinkler work that was competitively bid to them will be assigned to the Airport to award the contract. Staff has reviewed this with Counsel and a letter from Haskell has been received releasing its subcontractor to the Airport to award the contract.

This scope of work for Phase 1 includes the design and permitting of the remaining fire sprinkler system and the installation of the main piping which will occur in the current existing mechanical mezzanine of the terminal. If this work is completed before the grant is approved, another phase of work will be awarded to Southern Fire. It is

anticipated that the overall fire sprinkler system, along with ceiling repairs, mechanical/electrical modifications, and fire alarm adjustments, will be approximately \$4 million dollars.

Staff recommends approval of the award to Southern Fire for Phase 1 of the Fire Sprinkler System within the existing terminal in an amount not-to-exceed \$88,450 and authorization for the Executive Director to execute said agreement on behalf of Authority.

Item A-2 Recommendation to Approve the Award of the Professional Services at Large for Continuing Service Contracts to the Following Firms in the Respective Categories:

SCOPE	SELECTED FIRMS					
Architectural	BRPH	BEA	C&S	Jacobs	Tsark	
Airside Eng	Avcon	BRPH	CHA	GAI	Jacobs	McFarland Johnson
Civil Eng	Avcon	BRPH	CEG	GAI	Jacobs	
Construction Mgt	Avcon	BRPH	Canaveral Const	Ivey's	MH Williams	W&J Const
Electrical Eng	Avcon	BRPH	Jacobs	Matern		
Environmental Eng	ACT	ECS Florida	Universal	VHB		
Fire Sprinkler Eng	Avcon	C&S	SGM	TLC		
Geo-technical	ECS Florida	PSI	Terracon	Universal		
Interior Design	BEA	BRPH	C&S			
Landscape Design	GAI	VHB				
Low Voltage/Data Comm	BRPH	C&S	Matern	SGM	TLC	
Master Planning	Avcon	BRPH	ESA	VHB		
Mechanical Eng	Avcon	BRPH	CEG	Matern	SGM	
Program/Project Mgt	Avcon	BRPH	KMI	Welbro	ZHA	
Roofing/Waterproofing	BRPH	Jacobs	NOVA	PSI	Universal	
Structural Eng	Avcon	BRPH	McFarland Johnson			
Surveying	Allen Eng	VHB				
Threshold Inspection	PSI	TLC	Universal			
Traffic Eng	Hanson	VHB				

In August 2017, the Board approved for the first time the Professional Services at Large for Continuing Services Contracts to several firms to provide consulting work at the Airport that falls within the Florida Statutes for Continuing Service Contracts. The approval of the awards was for a three-year contract with two, one-year renewables for a total contract duration of five years.

Staff reviewed their needs for specialized consultant work and have modified the list of categories that would most be used by staff for projects that would fall under the Florida Statutes guidelines. These categories include: Architectural Services, Airside Engineering, Civil Engineering, Construction Management, Electrical Engineering, Environmental Engineering, Fire Sprinkler Engineering, Geotechnical, Interior Design, Landscape Design, Low Voltage/Data Communications Engineering, Master Planning and Strategic Analysis, Mechanical Engineering, Program/Project Management, Roofing/Waterproofing and Building Envelope, Structural Engineering, Surveying, Threshold Inspections, and Traffic Engineering.

A Request for Qualifications (RFQ) was issued with one hundred seven (107) firms obtaining packages. Forty (40) firms responded and submitted packages, some on multiple scopes creating one hundred thirty-five (135) actual proposals to be reviewed by the selection committee. The goal was to select a minimum of three (3) firms in each category. Most firms were qualified, and it was difficult for the selection committee to narrow down its selection. Selections were made by predetermined criteria as outlined in the RFQ. Key differentiators determined several selections, and in some cases, the committee recommended selecting more than three firms in some categories where the margin of difference was too close.

These selected firms will be given a three-year contract with two one-year renewables. While many firms were selected, they were given notice in the RFQ that not all firms are guaranteed work and this process only guarantees

them participation in work that falls within the Florida Statutes for the Consultants' Competitive Negotiation Act (CCNA) where they are prequalified for work under the Statutes' threshold. Any authorized work over the Executive Director's signing authority will be brought to the board for approval prior to the work commencing.

Staff recommends approval of the award to the selected firms and authorization for the Executive Director to execute said contracts on behalf of the Authority.

Item A-3 Recommendation to Issue a Purchase Order to Leidos, Inc. for the Relocation of the Existing TSA Security Checkpoint Equipment from its Current Location to the New Security Checkpoint Located Inside the New Terminal Expansion in the Amount of \$90,499.

Part of the new Terminal Renovation and Expansion Project is a new Transportation Security Administration (TSA) security checkpoint that will provide a total of five lanes for passenger screening. The equipment used for screening is provided by the TSA. Based on the Airport's current and projected passenger count, four of the five screening lanes will be operational when the new checkpoint is opened, allowing for future growth with a fifth lane.

TSA is currently transitioning from its current equipment to more advanced screening that will increase throughput of passengers and their carry-ons. The new terminal is designed to handle the new advanced equipment once it becomes available. For now, existing equipment will be used from the current checkpoint and any additional equipment that will come from the TSA warehouse.

Equipment has been delivered and installed by the TSA for the additional screening lanes. Once these lanes are opened, the existing equipment will be relocated. TSA does not cover the cost of the relocation of existing equipment. This is an owner expense that must be paid for using only TSA approved companies for the relocation. TSA bids this work out and submits the proposals to the owner to contract directly with the relocation company.

Leidos, Inc. was the selected bidder for this project. Leidos, Inc. submitted its proposal to the Airport to issue a purchase order for the relocation of the existing screening equipment.

Staff recommends approval of a Purchase Order to Leidos, Inc. for the relocation of the existing TSA security checkpoint equipment from its currently location to the new security checkpoint located inside the new terminal expansion in the amount of \$90,499 and authorization for the Executive Director to execute said agreement on behalf of Authority.

Item A-4 Recommendation to Approve Increase to Rental Car Customer Facility Charge (CFC).

A Customer Facility Charge (CFC) is a commonly used capital funding source available to airports to fund projects for Rental Car Agencies. Nearly 85 percent of US commercial service airports classified as small or larger charge a CFC with amounts ranging from \$1.00 to \$9.00 per transaction, per day. In April 2019, the Melbourne Orlando International Airport implemented a CFC of \$3.00 per transaction day. The revenues generated to date have been used to fund improvements to the rental car lot and ticket counter and office space due to the Terminal Renovation and Expansion Project.

Staff completed a CFC survey of some Florida airports that are relatively close in either proximity or size to MLB. The current CFC rates are as follows:

Tampa International	TPA	\$ 5.95	Orlando International	MCO	\$ 3.50
Sarasota-Bradenton	SRQ	\$ 5.50	Melbourne Orlando	MLB	\$ 3.00
Miami	MIA	\$ 5.10	Daytona Beach	DAB	\$ 2.50
Pensacola	PNS	\$ 4.25	Orlando Sanford	SFB	\$ 2.25
Destin	VPS	\$ 3.75			

Based on funding needs, Airport staff recommends increasing the CFC from \$3.00 per transaction day to \$4.00, which will generate approximately \$415,000 in additional funds per year based current rental car volume. These funds will go towards capital improvement projects that will improve the overall customer experience at the Airport such as: rental car lot modifications, ticket counters and office space modifications, removal of service facilities along NASA Boulevard and replacing them with a new, shared facility along with any improvements made in the terminal area where these companies transact with passengers and customers. CFC projects are subject to the approval of all the Rental Car Agencies and each entity has a weighted vote based on market share.

The resolution that was approved in January 2019 provides the Executive Director with the authority to increase rates as deemed necessary, so no additional resolution action is needed. The current resolution that governs the CFC program requires a minimum of 60 days' notice to provide the Rental Car Agencies adequate time to prepare their systems for the collection and remittance of the CFCs, so we are targeting an effective date of January 1, 2023.

Staff recommends Board Approval to assess a \$4.00 transaction fee per day with an effective date of January 1, 2023.

Item A-5 Recommendation to Approve Resolution 05-22 to Approve Acceptance of Federal Aviation Administration (FAA) Grant Funds to Acquire an Aircraft Rescue and Fire Fighting (ARFF) Vehicle for the Airport.

This item is to accept the Federal Aviation Administration (FAA) discretionary grant funds in the amount of \$670,439 to acquire a new Aircraft Rescue and Fire Fighting (ARFF) truck to augment the existing fleet that is needed to maintain certification of the Airport. This grant provides 90 percent funding of eligible costs, with 10 percent local match. The purchase of this ARFF truck is included in the FY 22-23 approved budget.

Staff recommends approval of Resolution 05-22 Federal Aviation Administration grant to acquire Aircraft Rescue and Fire Fighting vehicle and authorization for the Chairman to execute said resolution on behalf of the Authority.

Item A-6 Recommendation to Approve Purchase of an Aircraft Rescue Fire Fighting (ARFF) Vehicle in the Amount of \$744,933.

As a commercial service airport, the Authority holds a Part-139 operating certificate with the Federal Aviation Administration (FAA). Currently, Fire Station 73 has two (2) ARFF vehicles for primary response use and a third that's utilized as a reserve unit. With increased commercial air service, to include wide body aircraft, the airport needs to increase its ARFF fleet for compliance with Air Carrier agreements and future FAA index compliance requirements.

Airport staff issued an Invitation to Bid (ITB) which resulted in one proposal being received from Oshkosh Airport Products, LLC in the amount of \$744,933. The Airport received a discretionary grant that will fund 90 percent of the acquisition cost of the ARFF truck.

Staff recommends approval to purchase an Aircraft Fire Fighting (ARFF) vehicle in the amount of \$744,933 and for authorization for the Executive Director to execute all necessary documents on behalf of the Authority.

Item A-7 Recommendation for Approval of Resolution 8-22 to Approve the Addition of a New Capital Project and to Establish a Budget of \$4,500,000 for the Terminal Expansion Phase 2 Passenger Boarding Bridge Project Needed to Provide Additional Capacity to Accommodate International Passenger Traffic.

The Airport has experienced significant growth in international passenger traffic due to TUI beginning service from eight destinations in 2022. This growth is expected to continue as TUI has released its 2023 schedule coupled with new service announced by Sunwing, which will begin service from Canada in December 2022. By May 2023, six aircraft will be on the ground on peak days, which will be very difficult to accommodate with current facilities. To

meet expected increase in flight activity, Airport staff recommends adding another passenger boarding bridge, essentially adding another gate for the Airport.

Airport staff has identified Federal Aviation Administration (FAA) grants, Bipartisan Infrastructure Law entitlements funds, to fund 95 percent of the project with the local match funded from Airport reserves. Note that savings from other projects will provide the budget for the Airport’s share of the project.

Capital Projects Budget-Fund 861							
Total Capital Revenue Budget as of 8/1/22							100,812,713
Pending Budget Amendment-Reso 6-22 (Project Vista Infrastructure Improvements)							6,600,000
FY 23 Capital Revenue Budget							10,580,233
	Account Number	Project Number	Original Budget	Increase	Revised Budget		
FAA Grant Revenue	389500	TBD	\$ -	\$ 4,275,000	\$ 4,275,000		4,275,000
Airport Funds (MAA Share)	387014	TBD	\$ -	\$ 225,000	\$ 225,000		225,000
Airport Funds (MAA Share)	387014	50099	\$ 3,612,363	\$ (225,000)	\$ 3,387,363		(225,000)
							4,275,000
Capital Revenue Budget After Transfer			\$ 3,612,363	\$ 4,275,000	\$ 7,887,363		<u>122,267,946</u>
Total Capital Expenditure Budget as of 8/1/22							100,812,713
Pending Budget Amendment-Reso 6-22 (Project Vista Infrastructure Improvements)							6,600,000
FY 23 Capital Project Budget							10,580,233
		Project Number	Original Budget	Increase	Revised Budget		
Terminal Exp PH 2-Int'l PBB		TBD	\$ -	4,500,000	\$ 4,500,000		4,500,000
Miscellaneous Project		50099	\$ 3,612,363	\$ (225,000)	\$ 3,387,363		(225,000)
FY 23 Capital Expenditure Budget After Transfer							<u>122,267,946</u>

A budget amendment is required to appropriate the grant revenue and to approve the expenditure for the project. Staff recommends approval Resolution 8-22 to approve the addition of a new capital project and establishment of a project, titled “Terminal Expansion Phase 2-Int'l PBB”, with a budget in the amount of \$4,500,000, and authorization for the Chairman to execute said resolution on behalf of the Authority.

Item A-8 Recommendation to Award a Purchase Order to Ivey’s Construction, Inc. Under Its Continuing Services Contract for the Addition of a New Passenger Board Bridge for Gate 9 in an Amount Not-To-Exceed \$4,000,000.

Currently there are four locations for aircraft to park for the international gates. Three of those locations have passenger boarding bridges with the fourth location a hard stand requiring mobile stairs to access the aircraft. Looking ahead to next season with TUI, the preliminary schedule indicates days where four or more flights will be coming in on specific days. To improve efficiency and the customer experience, staff has reviewed the option of adding a passenger boarding bridge (PBB) to the current hard stand location, which will create a new Gate 9.

Staff has reviewed adding a new bridge from the original international Gate 1 location. Having worked with both Ivey’s Construction and Areobridge Works on previous PBB projects, including the old Gate 1, they were selected for their familiarity with the existing conditions of the structure, mechanical, and electrical systems. Time being of the essence to get this work completed by the next TUI season, this work is being completed under the continuing services contract. This will allow Aerobridge Works to begin procuring the long lead items now as supply chain issues for electrical and low voltage systems are still critical.

Staff recommends approval of a Purchase Order to Ivey’s Construction, Inc. under its continuing services contract for the addition of a new passenger board bridge for Gate 9 in an amount not-to-exceed \$4,000,000 and authorization for the Executive Director to execute said contracts on behalf of the Authority.

Item A-9 Recommendation to Approve an Aeronautical Ground Lease for Project Vista.

As part of overall lease negotiations and with respect to the tenant’s planned announcement of this project, Airport staff is bringing this item before the MAA Board under the project name of Vista.

Project Vista’s campus will be located on approximately 46 acres of aeronautical property located just north of Sheltair’s FBO on Apollo Boulevard. The project is expected to bring approximately 500 well-paying jobs to our area over the next three years and a capital investment of \$120 million.

The salient points of the lease are as follows:

- Lease Term: Thirty years plus two, ten-year options
- The initial base rent will be \$635,553.90 per year or \$52,962.83 per month. This is based on an appraisal of the site with a blended rental rate of \$0.32 per square foot per year. All stormwater retention will be onsite.
- Rent Incentives:
 - Thirty (30) months immediately following the Commencement Date (“Initial Abatement Period”): 100 percent rate abatement.
 - Six (6) months immediately following the Initial Abatement Period: 90 percent rent abatement.
 - Six (6) months immediately following the previous period: 75 percent rent abatement.
 - Six (6) months immediately following the previous period: 50 percent rent abatement.
 - Six (6) months immediately following the previous period: 25 percent rent abatement. Thereafter, Vista will be responsible for paying 100 percent of the rent.
 - Following the 4.5-year rent incentive period, a 15.574-acre portion of the property will revert to \$0.11 per square foot per year as this property will be used for a phase 2 expansion. This rate will continue for 10.5 years or until Vista begins construction on the parcel, whichever first occurs, at which time it will adjust to the then current rate.
- Rent Adjustments: CPI adjustments will occur every five (5) years with a minimum of 2 percent and a maximum of 5 percent per year, except after the initial 30-year base term, which will require a fair market value adjustment based on an appraisal
- Taxes and Fees: Project Vista will be responsible for all taxes and fees, if applicable.

The ground lease of this property will generate revenues of approximately \$14,864,000 over the original term of the lease, including incentives, but not including CPI adjustments.

Staff recommends approval of an aeronautical ground lease with Project Vista and authorization for the Executive Director to execute said lease on behalf of the Authority.

Item A-10 Recommendation for Approval of Resolution 7-22 to Accept Florida Department of Transportation (FDOT) Grant to Fund Certain Improvements for the Project Vista Infrastructure Project.

The Florida Department of Transportation (FDOT) has committed to fund \$6,600,000 over two years to cover some of the site development costs. This is a multi-year funding cycle due to funds availability by FDOT; \$2.5 million is available this year and the remaining \$4.1 million is available in FY 2023. FDOT will amend this grant as needed to align the funding.

The resolution is intended to cover the entire grant amount regardless of when funding is available, including the execution of a deferred reimbursement agreement, if necessary. The grant is 100 percent funded by FDOT as it is deemed to be a strategic initiative by the state due to the job creation component of locating the facility in Melbourne. The grant will fund costs such as environmental assessment, land clearing, extend utilities to the site, road improvements, development of apron, and security including cameras, access control, fencing, and gates. The proposed funding is as follows:

FDOT \$ 6,600,000
 MAA \$ 0
 Total \$ 6,600,000

Staff recommends approval of Resolution 7-22 to accept the Florida Department of Transportation Project Vista Infrastructure Project grant and authorization for the Chairman to execute said resolution on behalf of the Authority.

Item A-11 Recommendation for Approval of Resolution 6-22 to Approve the Addition of a New Capital Project and to Establish a Budget of \$6,600,000 for the Project Vista Infrastructure Improvements Needed to Facilitate Development of Vacant Land for a New Tenant.

The Airport obtained grant funding from the Florida Department of Transportation (FDOT) for site development to reduce development costs for a new tenant. This funding was critical as the Airport was competing with other out-of-state airports and site development costs for the Apollo Road parcel were a concern to the tenant, who will be investing \$140 million into infrastructure and improvements. The scope of the project will include but is not limited to completing an environmental assessment, clearing the land, building apron, extending utilities, creating stormwater drainage, completing a median cut on Apollo Boulevard, and installing security equipment to control access to the property.

Airport staff secured an FDOT grant to fund 100 percent of the project as the state deemed this a strategic initiative due to the creation of the 500 new jobs:

Capital Projects Budget-Fund 861						
Total Capital Revenue Budget as of 8/1/22						100,812,713
FY 23 Capital Revenue Budget						10,580,233
	Account Number	Original Budget	Increase	Revised Budget		
FDOT Grant Revenue	389600	\$ -	\$ 6,600,000	\$ 6,600,000	6,600,000	-
						6,600,000
Capital Revenue Budget After Transfer		\$ -	\$ 6,600,000	\$ 6,600,000		<u>117,992,946</u>
Total Capital Expenditure Budget as of 8/1/22						100,812,713
FY 23 Capital Project Budget						10,580,233
	Project Number	Original Budget	Increase	Revised Budget		
Project Vista Infrastructure Improvements	TBD	\$ -	6,600,000	\$ 6,600,000	6,600,000	
FY 23 Capital Expenditure Budget After Transfer						<u>117,992,946</u>

A budget amendment is required to appropriate the grant revenue and to approve the expenditure for the project. Staff recommends approval of the budget amendment and establishment of a project, titled "Project Vista Infrastructure Improvements", with a budget in the amount of \$6,600,000.

Item A-12 Recommendation to Approve a Purchase Order to AVCON, Inc. Under its Continuing Services Contract, for the Design of a New Multi-Tenant Apron Located at Taxiway H and Taxiway S, Project Vista Infrastructure Improvements, in an Amount Not-To-Exceed \$129,976.

As plans begin for development of the leased area in the northeast aviation development area, additional apron space is needed for aircraft. Tenants currently use portions of Taxiway S to park aircraft which will become more active creating a need for additional apron space. This new apron space will need to meet the requirements of

Aircraft Design Group III (ADG III) standards and loading. This will also require adjustments in the stormwater system to meet regulatory requirements.

AVCON was selected to perform this engineering work based on its knowledge of work currently being performed in the area. It will engage the services of geotechnical investigation, surveying, and environmental clearance in preparation of construction documents. Once the documents are complete, the project will go through the bid process or be given to an approved Construction Manager for the construction phase.

Staff recommends approval of a purchase order to AVCON, Inc. under its Continuing Services Contract, for the design of a new multi-tenant apron located at Taxiway H and Taxiway S, Project Vista Infrastructure Improvements, in an amount not-to-exceed \$129,976, and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-13 Recommendation to approve a Purchase Order to AVCON, Inc. Under its Continuing Services Contract, for the Professional Engineering Services for the Realignment and Reconstruction of Taxiway H, Project Vista Infrastructure Improvements, in an Amount Not-To-Exceed \$162,680.

As plans begin for development of the leased area in the northeast aviation development area, the current Taxiway H which connects Taxiway S to Taxiway K, will need to be realigned and reconstructed to allow for larger aircraft meeting Aircraft Design Group III (ADG III) standards and loading. This will also require adjustments in the stormwater system to meet regulatory requirements.

AVCON was selected to perform this engineering work based on its knowledge of work currently being performed in the area. They will engage the services of geotechnical investigation, surveying, and environmental clearance in preparation of construction documents. Once the documents are complete, the project will go through the bid process or be given to an approved Construction Manager for the construction phase.

Staff recommends approval of a purchase order to AVCON, Inc. under its Continuing Services Contract, for the Professional Engineering Services for the Realignment and Reconstruction of Taxiway H, Project Vista Infrastructure Improvements, in an amount not-to-exceed \$162,680 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-14 Recommendation to Approve a Use and Lease Agreement with Sunwing Airlines Inc.

Sunwing Airlines is an award-winning leisure carrier headquartered in Toronto, Canada. It plans to operate nonstop service from Toronto Pearson International Airport (YYZ), Halifax Stanfield International Airport (YHZ), and Winnipeg James Armstrong International Airport (YWG) utilizing Boeing 737-800 aircraft.

The salient points of the Use and Lease Agreement are as follows:

- Term: The initial term of the agreement is 24 months, during which time Sunwing will operate as a non-signatory airline. During this initial term Sunwing can elect to become a signatory carrier that would extend the agreement to be co-terminus with the current 5-year air service cycle.
- Rates, Charges, and Fees: Excluding incentives as outlined in the Airport's Board approved Airline Service Incentive Plan (ASIP), Sunwing shall pay the Airport's Rates and Charges, which vary by aircraft size. The estimated rates and charges per turn are:
 - Signatory: \$522
 - Non-Signatory: \$916
- Sunwing is responsible for collecting all Passenger Facility Charges (PFCs) and for all fueling charges.
- Customer service (passenger services and baggage handling) will be provided by the Airport through Menzies Aviation. The estimated Customer Service charges per turn are:
 - Signatory: \$570

- Non-Signatory: \$786
- Incentives per the ASIP:
 - Airport will waive the Airport Fees including landing fees and terminal fees along with Ground Handling Fees for a period of two years for all new routes.
 - Marketing Assistance:
 - Year 1: Up to \$50,000 in Marketing Assistance Incentives for each qualifying route. Up to \$5,000 for promotional activities in Canada and up to \$5,000 for promotional activities in Florida for each qualifying route.
 - Year 2: Up to \$5,000 for promotional activities in Canada and up to \$5,000 for promotional activities in Florida for each qualifying route.
 - If Sunwing elects to become a signatory:
 - Years 3-5: Up to \$5,000 for promotional activities in Canada and up to \$5,000 for promotional activities in Florida for each qualifying route.

Staff recommends approval of the General Terms Agreement with Sunwing Airlines Inc., and authorization for the Executive Director to execute said Agreement on behalf of the Authority.

Item A-15 Recommendation to Approve Purchase of 170-Ton Commercial Chiller in the Amount of \$245,093.

The existing chiller for the Federal Inspection Service (FIS) area is 16 years old and has failed, requiring full replacement. The Airport issued a Request for Proposal (RFP) for the chiller and received nine proposals.

Staff reviewed all proposals along with equipment lead times and determined Coastal Mechanical proposed the best value to the Authority. The new FIS chiller was planned for and is included in the current year equipment budget.

Staff recommends approval to purchase the 170-Ton Commercial Chiller from Coastal Mechanical Services, LLC in the amount of \$245,093 and for authorization for the Executive Director to execute all necessary documents on behalf of the Authority.

Item A-16 Recommendation to Approve Repairs to Terminal Lift Station in the Amount of \$38,000.

The pumps on the terminal apron's lift station have failed and require full replacement. This lift station is used daily for servicing all aircraft lavatories and currently requires weekly "pump-outs" due to the failing pumps. The Airport issued a Request for Quote (RFQ) and received the following responses:

- ASAP Onsite Septic & Sewer: No response
- Lift Station Specialist: Declined opportunity
- SOS Septic or Sewer: \$37,723.62

These repairs are included in the Airport budget.

Staff recommends approval to issue purchase order to SOS Sewer or Septic in the amount of \$38,000 and for authorization for the Executive Director to execute all necessary documents on behalf of the Authority.

Item A-17 Recommendation to Approve Awarding Sole-Source Purchase Order to Communication International in the Amount Of \$219,700 for Replacement of Radio System for the Airport Police Department.

The Airport Police Department received notice that the current radio system model will no longer be manufactured and will become obsolete as of March 2023. To avoid possible emergency service interruptions, the system requires full replacement.

Communication International is the sole Public Safety and Professional Communications Channel Partner authorized to provide regional sales and service for L3Harris Corporation equipment. The quoted amount of \$219,679.49 includes 41 radios, mounting accessories, and installation labor. This expenditure was included in the requested equipment for FY 2023 budget.

Staff recommends approval to issue sole-source purchase order to Communications International in the amount of \$219,700 and authorization for the Executive Director to execute all necessary documents.

Item A-18 Recommendation to Approve Landscape, Turf and Irrigation Maintenance Contract with Mow-Tivated Lawn Maintenance.

The Airport’s contract for landscape, turf, and irrigation service has expired. Airport staff issued a Request for Proposal (RFP) to maintain areas including, but not limited to, the Terminal, Airport Operations, Tropical Haven, Northside, and various vacant lots. Four (4) proposals were submitted that were evaluated by the selection panel. The evaluation method was scored by two-step process of Technical (max of 70 points) then by Cost (max of 30 points). A three-member evaluation committee reviewed proposals resulting in the following scores:

Technical Evaluation					
Criterion	Max Points	Aero Ground Tek	Mow-Tivated	Top Notch	US Lawns
Methodology	35	25	31.67	27.67	18.33
Experience	20	20	18.33	16.67	9.33
Form & References	15	12.75	14.5	13.17	12.33
Total Technical Score	70	57.75	64.50	57.50	40.00
Cost Evaluation					
Criterion		Aero Ground Tek	Mow-Tivated	Top Notch	US Lawns
Proposed Cost		\$ 21,690.00	\$ 22,615.00	\$ 24,816.00	\$ 16,709.00
Cost Score		23.11	22.17	20.20	30.00
Grand Total (Technical and Cost)		80.86	86.67	77.70	70

The contract will consist of a three-year base term with two, one (1)-year options to begin November 1, 2022.

Staff recommends approval of Landscape, Turf and Irrigation Maintenance Contract with Mow-Tivated Lawn Maintenance and authorization for the Executive Director to execute all necessary documents.

Information Items

- Item I-1 Financial Update**
- Item I-2 Operations Update**
- Item I-3 Construction Projects Update**
- Item I-4 Business Development and Marketing Update**

Public Speakers

Adjournment

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

MELBOURNE ORLANDO INTERNATIONAL AIRPORT

Income Statement

July 31, 2022

	Year To Date Actual			
	7/31/2022	7/31/2021	\$ change	% change
Operating Revenue				
Airline Landing Fees	469,222	358,090	111,132	31%
Airline Service Fees	1,948,894	1,609,560	339,334	21%
Land & Bldg Lease Rents	7,746,621	7,572,299	174,322	2%
Terminal Rents	200,395	194,962	5,433	3%
Parking Lot Fees	1,426,172	819,300	606,872	74%
Car Rental Concessions	1,194,752	666,927	527,824	79%
Restaurant Concessions	159,066	26,981	132,085	490%
Mobile Home Park Rent	1,702,985	1,651,736	51,249	3%
T-Hangar Rentals	75,364	78,697	(3,333)	-4%
Operating Grant Revenue	52,530	88,364	(35,834)	-41%
Other	293,130	321,231	(28,101)	-9%
Total Operating Revenues	15,269,130	13,388,147	1,880,983	14%
Operating Expense:				
Personnel Services	4,406,107	4,286,465	119,642	3%
Contract Services	5,939,757	3,790,863	2,148,894	57%
Police & Fire Services	975,872	966,505	9,368	1%
Maintenance and Operations	4,350,650	3,019,892	1,330,758	44%
Other	23,184	-	23,184	#DIV/0!
Total Operating Expenses	15,695,570	12,063,725	3,631,845	30%
Operating Income (Loss)	(426,440)	1,324,422	(1,750,863)	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	925,083	419,798	505,285	120%
Customer Facility Charges	654,648	414,942	239,706	58%
CARES Grant Revenue	7,120,153	4,848,740	2,271,413	47%
Gain on Sale of Assets	5,039,285	824,715	4,214,570	511%
Interest Income (Loss)	101,636	135,614	(33,979)	-25%
Ad Valorem Tax Revenue	943,786	907,332	36,454	4%
Ad Valorem Tax Expense	(949,655)	(911,762)	(37,893)	4%
(Loss) on Disposal of Fixed Assets	-	-	0	#DIV/0!
Interest Expense	(158,763)	-	(158,763)	#DIV/0!
Total Non-Operating Revenue (Expense)	13,676,173	6,639,379	7,036,794	
Net Income (Loss) Before Depreciation*	13,249,733	7,963,801		

* Net Income before capital contributions and transfers

MELBOURNE ORLANDO INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
July 31, 2022

	YTD Actual	Annual Budget	% of Budget
Operating Revenues:			
Airline Landing Fees	469,222	426,185	110%
Airline Service Fees	1,948,894	2,219,666	88%
Land & Bldg Lease Rents	7,746,621	8,940,201	87%
Terminal Rents	200,395	237,624	84%
Parking Lot Fees	1,426,172	1,003,295	142%
Car Rental Concessions	1,194,752	1,683,188	71%
Restaurant Concessions	159,066	1,030,687	15%
Mobile Home Park Rent	1,702,985	2,061,075	83%
T-Hangar Rentals	75,364	113,528	66%
Operating Grant Revenue	52,530	72,000	73%
Other	293,130	339,888	86%
Total Operating Revenues	15,269,130	18,127,337	84%
Operating Expense:			
Personnel Services	4,406,107	5,808,015	76%
Contract Services	5,939,757	8,525,376	70%
Police & Fire Services	975,872	1,166,096	84%
Maintenance and Operations	4,350,650	7,938,208	55%
Other	23,184	-	#DIV/0!
Total Operating Expenses	15,695,570	23,437,695	67%
Operating Income (Loss)	(426,440)	(5,310,358)	
<u>Non-Operating Revenue (Expense):</u>			
Passenger Facility Charges	925,083	1,301,510	71%
Customer Facility Charges	654,648	1,112,001	59%
CARES Grant Revenue	7,120,153	7,545,138	94%
Gain on Sale of Assets	5,039,285	-	#DIV/0!
Interest Income (Loss)	101,636	200,847	51%
Ad Valorem Tax Revenue	943,786	1,982,252	48%
Ad Valorem Tax Expense	(949,655)	(1,936,135)	49%
Gain (Loss) on Disposal of Fixed Assets	-	-	#DIV/0!
Interest Expense	(158,763)	(200,000)	79%
Total Non-Operating Revenue (Expense)	13,676,173	10,005,613	
Net Income (Loss) before			
Depreciation, Transfers, and Capital Contributions	13,249,733	4,695,255	
Depreciation Expense	-	-	
Intra Transfer to Airport Capital	-	(100,000)	0%
Net Income (Loss) After Transfers	13,249,733	4,595,255	

Melbourne Orlando International Airport
Top 10 Operating Revenues
7/31/2022

Rank	Description	YTD FY 2022	FY 22 % of Total Rev	YTD FY 2021	FY 21 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	4,129,082	27%	4,033,509	30%	95,573	2%
2	Commercial Business Center Rent	2,712,153	18%	2,720,076	20%	(7,923)	0%
3	Tropical Haven Revenue	1,702,985	11%	1,651,736	12%	51,249	3%
4	Parking Revenue	1,426,172	9%	819,300	6%	606,872	74% A
5	Ground Handling Revenue	1,244,786	8%	975,342	7%	269,444	28% A
6	Car Rental Concession	1,194,752	8%	666,927	5%	527,825	79% C
7	Terminal Rent-Airline	741,772	5%	704,282	5%	37,490	5%
8	Hangar Rent	671,095	4%	634,268	5%	36,827	6%
9	Landing Fees	469,222	3%	358,090	3%	111,132	31% B
10	Terminal Concessions	159,066	1%	26,981	0%	132,085	490% C
Total Top 10 Operating Revenue		14,451,085	95%	12,590,511	94%	1,860,574	
Other Operating Revenue		818,045	5%	797,636	6%	20,409	3%
Total Operating Revenue		15,269,130	100%	13,388,147	100%	1,880,983	14%

A Increase is due to recovery in activity related to increase in passenger traffic as the Airport rebounds from the Covid 19 recession.

B Increase is due to higher more flights, larger planes flown, and a 5% rate increase that went into effect on 10/1/21.

C Increase is due to higher number of passengers related to new air service from TUI. In addition, last year's numbers are low because MLB waived the concession fee for part of the concession relief provided by FAA for qualifying concessionaires.

Melbourne Orlando International Airport
Top 10 Operating Expenses
7/31/2022

Rank	Description	YTD FY 2022	FY 22 % Operating Expense	YTD FY 2021	FY 21 % Operating Expense	\$ change	% change
1	Personnel	4,406,107	28%	4,286,465	36%	119,642	3%
2	Other Contract Services	4,240,202	27%	2,042,087	17%	2,198,115	108% A
3	Fire Services	958,463	6%	945,351	8%	13,112	1%
4	Contractual Employee	672,489	4%	399,621	3%	272,868	68% B
5	Electric	545,825	3%	412,946	3%	132,879	32% C
6	Consulting Fees	519,687	3%	438,085	4%	81,602	19% D
7	Risk Management	376,327	2%	351,548	3%	24,779	7%
8	Special Events Expense	366,916	2%	101,608	1%	265,308	261% E
9	Cable TV Expense	285,791	2%	262,154	2%	23,637	9%
10	Advertising Expense	271,281	2%	95,516	1%	175,765	184% F
Total Top 10 Operating Expense		12,643,088	81%	9,335,381	77%		
Other Operating Expense		3,052,482	19%	2,728,344	23%	324,138	12%
Total Operating Expense		15,695,570	100%	12,063,725	100%	3,631,845	30%

A Increase is due to higher customs expense (up \$1,160,000) and ground handling expense (up \$853,000) due to the increase in International passengers.

B Increase due to increase in ambassador costs (up \$133,000) associated with staffing for international operations. The Tropical Haven manager retired in February 2022, the current manager is provided by the staffing agency (up \$40,000); the airport has more temp custodians and maintenance employees, there was a shortage of workers last year, which has resulted in higher costs for the terminal org (up \$71,000).

C Increase is a result of the larger facility which has added 86,000 sq feet of space that has increased consumption of electricity.

D Increase is due to increase in use of VHB (approved by Board in Dec meeting), land appraisals for development, ACDBE Plan preparation, and air service fees to Adept Aviation (per contract, MLB pays \$5,000 per new route) for Allegiant and TUI air service. Expense for the new air service has been recorded for 3 routes on Allegiant and 4 routes on TUI for routes that were started by March 2022.

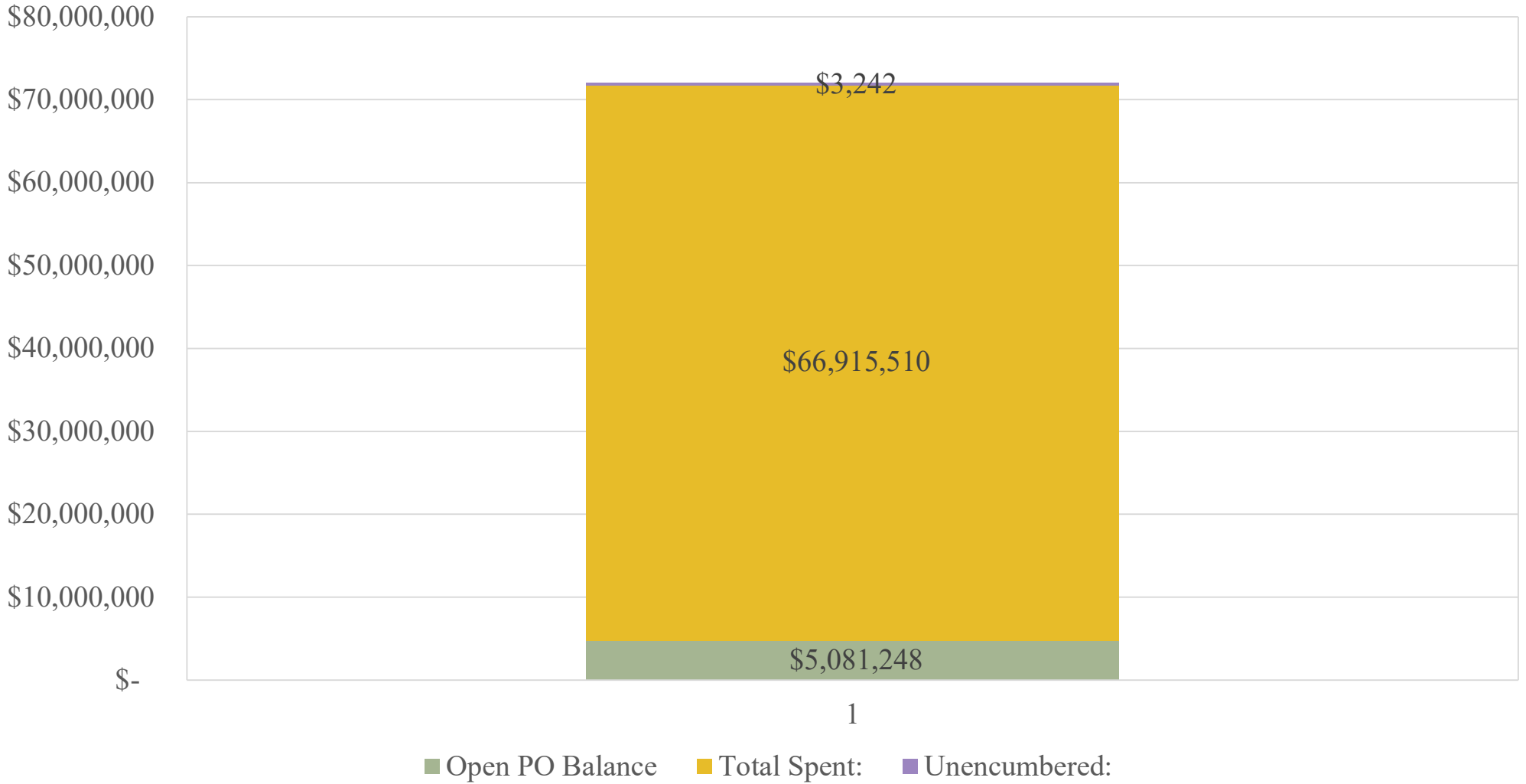
E Increase is due to costs associated with start-up of TUI operations such as the passenger meal program (\$246k), passenger goodie bags (\$16,802), and staff customer service training (\$32,033). In prior year, MLB had the air show and costs associated with putting on the show were coded to special events expense.

F Increase is due to preparation of the inflight video to promote MLB (\$61,500) and the "Why Fly MLB" advertising campaign (\$113,530), both of these are non-recurring FY 22 expenses.

Melbourne Orlando Int'l Airport
Cash Flow Projection
8/31/2022

	August-22	September-22	October-22	November-22	December-22	January-23	February-23	March-23	April-23	May-23	June-23	July-23
Beginning Cash/Investment Balance	\$ 28,216,086	\$ 25,998,507	\$ 24,690,549	\$ 22,436,869	\$ 19,454,665	\$ 21,334,569	\$ 22,164,180	\$ 21,964,976	\$ 23,224,416	\$ 22,200,410	\$ 22,664,795	\$ 23,181,742
Operating Revenue	1,527,349	1,527,349	1,678,337	1,678,337	1,678,337	2,715,059	1,678,337	1,678,337	1,678,337	1,678,337	1,678,337	1,678,337
Plus: CRSSA Grant					1,000,000					1,000,000		
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	133,988	133,988	133,988	133,988
Operating Expense:												
Liability Insurance												(72,540)
Personnel	(475,733)	(475,733)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)
TUI Marketing Incentive Reimbursement			(250,000)		(250,000)		(250,000)		(250,000)			
Interest Expense				(143,325)						(143,325)		
Maintenance and Operations Expense	(1,431,779)	(1,431,779)	(1,357,991)	(4,007,088)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)
Net Increase (Decrease) in Cash Flow from Operations	(273,447)	(273,447)	(345,347)	(2,887,769)	654,653	941,375	(345,347)	(95,347)	(345,347)	761,328	(95,347)	(167,887)
Total Capital Outlay	(2,185,959)	(3,155,693)	(2,166,500)	(2,132,081)	(770,746)	(2,027,706)	-	(349,000)	(1,000,000)	(1,149,000)	(500,000)	(1,144,933)
Total Capital Grant Revenue	-	1,905,895	-	1,856,787	1,836,140	1,784,257	-	1,491,663	-	554,772	850,000	500,000
PFC Collections (Reimbursement of Eligible Costs)	130,408	116,096	140,293	98,282	86,869	71,560	79,417	115,272	174,623	161,550	142,535	147,136
CFC Collections	111,419	99,191	117,875	82,577	72,988	60,125	66,726	96,852	146,719	135,735	119,759	123,624
Debt Draws (from Escrow) 15,000,000	-	-										
Net Increase (Decrease) in Cash From Capital and Debt	(1,944,132)	(1,034,511)	(1,908,332)	(94,435)	1,225,251	(111,764)	146,143	1,354,787	(678,658)	(296,943)	612,293	(374,173)
Beginning Cash/Investments	28,216,086	25,998,507	24,690,549	22,436,869	19,454,665	21,334,569	22,164,180	21,964,976	23,224,416	22,200,410	22,664,795	23,181,742
Ending Cash/Investments	25,998,507	24,690,549	22,436,869	19,454,665	21,334,569	22,164,180	21,964,976	23,224,416	22,200,410	22,664,795	23,181,742	22,639,682

Terminal Expansion Expenditures-Actual/Encumbrances



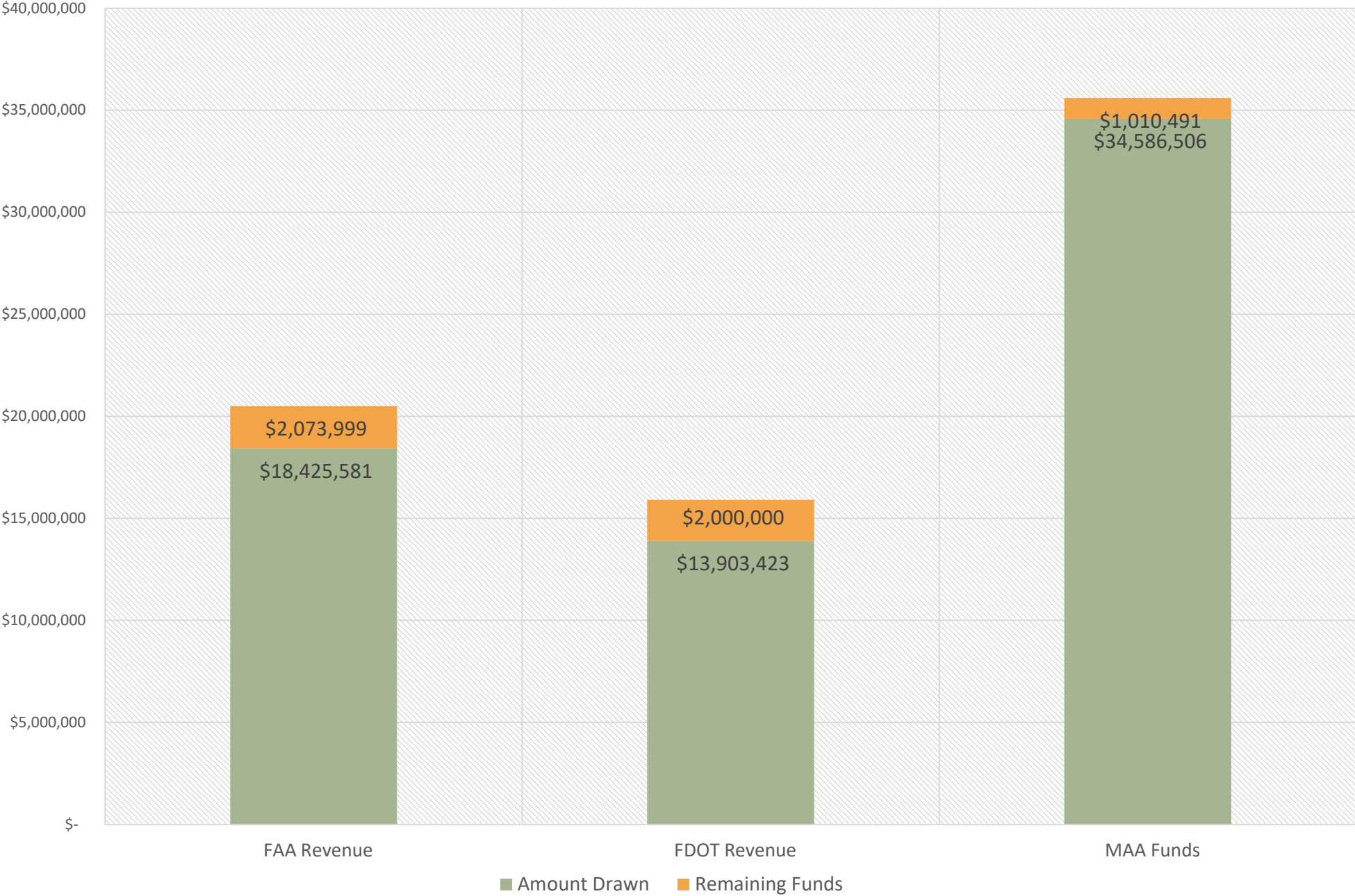
Melbourne Orlando Int'l Airport
Cash Flow Projection - Capital Exp and Grant Revenue
8/31/2022

Capital Project Expenditures	Proj #	Total Cost	Indi	Prior Expenditures	August-22	September-22	October-22	November-22	December-22	January-23	February-23	March-23	April-23	May-23	June-23
Airfield Utilities-GA Dr. & SO Lift	51119	1,400,000	E												
Security System-phase 1	50419	461,959	D												
Terminal Exp-Public Space (Haskell)	50519	50,709,491	E	(45,074,576)	(803,056)	(1,028,430)	(800,000)	(800,000)	(437,723)	(1,765,706)					
Terminal Exp-Public Space (Others)	50519	1,326,322	E	(1,260,702)	(16,500)	(16,500)	(16,500)	(16,120)							
Terminal Exp-PBBs (2)	54119	3,024,428	D	(3,024,428)	-	-									
Terminal Exp-Apron	54219	13,434,738	D	(12,345,690)	(887,550)	(121,430)									
Terminal Exp-VIP Lounge (Iveys)	54319	891,885	C	(599,417)	(40,009)	(100,000)	(100,000)	(52,459)							
Terminal Exp-Welcome Center (Iveys)	54519	1,613,553	C	(1,432,989)	(425)	(180,139)									
Terminal Exp-Common Use Tech Equip	54619	252,204	C	(232,234)	-	(19,970)									
Terminal Exp-Int'l Waste Facility	54719	32,665		(32,665)											
Terminal Exp-FF&E	55319	711,467	C	(633,235)		(78,232)									
In Line Baggage System-Design	50121	1,024,944	D	(463,630)	(85,000)	(150,000)	(150,000)	(100,000)	(76,314)						
Airplane Deposit Facility	50619	70,000	C						(70,000)						
Taxiway S Improvements-Phase 1	50120	3,400,000	D												
Perimeter Road Rehab	50220	125,000	C												
PBB 5 Replacement	50320	1,669,094	D												
Aerospace Dr. Lift Station Replace	50520	85,000	C						(85,000)						
Aerospace Parking/Security	50022	400,000	C	(336,884)	(12,375)										
Rental Car Parking Improvements	50222	300,000	C	(239,008)		(60,992)									
Tropical Haven Facility Improvements	50620	298,491	C	(234,576)		-									
Northside Expansion	54120	9,392,132	D												
Northside Exp-St. Michael PI Ext	54220	6,100,000	D	(1,738,235)	(341,044)	(500,000)	(500,000)	(453,063)							
Northside Exp-T/W M Ext	54320	3,930,000	D	-											
Northside Exp-Infrastructure Dev	54420	3,102,444	D	(1,382,329)	-	(600,000)	(600,000)	(620,439)	(101,709)						
Equipment Purchases		2,613,969	C	(143,298)		(300,000)		(90,000)		(262,000)		(249,000)		(149,000)	
T-Hangars Phase 1	TBD	3,000,000	D									(100,000)	(1,000,000)	(1,000,000)	(500,000)
Total Capital Outlay					(2,185,959)	(3,155,693)	(2,166,500)	(2,132,081)	(770,746)	(2,027,706)	-	(349,000)	(1,000,000)	(1,149,000)	(500,000)
Grant Revenue															
TERMINAL EXPANSION GRANTS															
City Grant (\$500,000)				500,000	-										
FDOT-Terminal Rehab FY 20/FY 21 (438452-1-94-03--\$10,000,504)				8,000,504	-	400,000		915,743		684,257	-				
FAA Discretionary PBBs (2) Grnt 50- FY 20 (\$2,644,650)				2,380,185	-	264,465						-	-	-	
FAA Ent Grnt 48 Term Rehab FY 20-FY 22 (\$7,410,486)				6,669,435					741,049				-	-	-
FAA Supplemental Grnt 51 Term Rehab - FY 20 (\$4,444,444)				4,000,000			-		444,444				-	-	-
FAA Discretionary Ramp - FY 20 (\$6,000,000)				5,375,961		624,039	-								
FDOT DRA-Ramp Reimb (\$5,000,000)						300,000			300,000			300,000			300,000
FAA Discretionary-ARFF Truck (\$670,439)															
TSA OTA-In Line Baggage Sys Design (\$711,496)						289,625			350,647			71,224		-	
NORTHSIDE EXPANSION GRANTS															
FDOT (St. Michael PI Ext)	54220	4,783,000		1,731,684	-	6,551		341,044		500,000		500,000		453,063	
FDEO (Inf Dev)	54420	3,922,132		1,361,114	-	21,215		600,000		600,000		620,439		101,709	
FDOT FY 23 T Hangar Grant	TBD	1,500,000													550,000
Total Grant Revenue					-	1,905,895	-	1,856,787	1,836,140	1,784,257	-	1,491,663	-	554,772	850,000

8/31/2022

MAA Funds	Initial Amount		Remaining Funds		CARES Grant Amount	Total Drawn	Balance
	Grant/Debt/Cash	Amount Drawn	Allocated To Project				
FAA Grant 49-CARES	\$ 13,626,031	\$ 13,626,031	\$ -		\$ 19,823,709	\$ 16,848,276	\$ 2,975,433
Land Sales-Nasa Property	\$ 815,000	\$ 815,000	\$ -				
Land Sales-Police Property	\$ 3,229,962	\$ 3,229,962	\$ -				
Land Sales-USPS Property	\$ 1,781,732	\$ 1,781,732	\$ -				
Debt	\$ 15,000,000	\$ 15,000,000	\$ -				
Reserves	\$ 1,144,272	\$ 133,781	\$ 1,010,491				
MAA Funds Drawn	\$ 35,596,997	\$ 34,586,506	\$ 1,010,491				
MAA Funds Used		\$ 34,586,506					
Increase Cash/Investments		\$ 0					

Terminal Expansion/Renovation Funding Progress



**MELBOURNE ORLANDO INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
JULY 2022**

	2022	2021	MO CHANGE (%)	2022 YTD	2021 YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	17,209	17,622	-2.3%	137,322	93,782	46.4%
Deplaned	17,187	17,256	-0.4%	135,364	91,422	48.1%
Total Revenue PAX - Domestic	34,396	34,878	-1.4%	272,686	185,204	47.2%
Revenue PAX - Int'l						
Enplaned	18,631	36	51652.8%	58,802	305	19179.3%
Deplaned	20,593	165	12380.6%	65,544	911	7094.7%
Total Revenue PAX - Int'l	39,224	201	19414.4%	124,346	1,216	10125.8%
Non-Revenue PAX						
Enplaned	777	834	-6.8%	5,260	5,336	-1.4%
Deplaned	713	774	-7.9%	4,990	5,057	-1.3%
Total Non-Revenue PAX	1,490	1,608	-7.3%	10,250	10,393	-1.4%
Total PASSENGERS	75,110	36,687	104.7%	407,282	196,813	106.9%
AIRCRAFT OPERATIONS						
Air Carrier	531	494	7.5%	3,621	3,186	13.7%
Air Taxi	113	235	-51.9%	1,256	2,045	-38.6%
General Aviation - Itinerant	7,197	6,942	3.7%	49,401	47,630	3.7%
General Aviation - Local	4,879	4,856	0.5%	30,067	28,289	6.3%
Military	71	82	-13.4%	602	515	16.9%
Total OPERATIONS	12,791	12,609	1.4%	84,947	81,665	4.0%

**MELBOURNE ORLANDO INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
AUGUST 2022**

	2022	2021	MO CHANGE (%)	2022 YTD	2021 YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	15,761	14,620	7.8%	153,083	108,402	41.2%
Deplaned	15,596	14,038	11.1%	150,960	105,460	43.1%
Total Revenue PAX - Domestic	31,357	28,658	9.4%	304,043	213,862	42.2%
Revenue PAX - Int'l						
Enplaned	21,858	40	54545.0%	80,660	345	23279.7%
Deplaned	20,755	100	20655.0%	86,299	1,011	8436.0%
Total Revenue PAX - Int'l	42,613	140	30337.9%	166,959	1,356	12212.6%
Non-Revenue PAX						
Enplaned	645	728	-11.4%	5,905	6,064	-2.6%
Deplaned	597	797	-25.1%	5,587	5,854	-4.6%
Total Non-Revenue PAX	1,242	1,525	-18.6%	11,492	11,918	-3.6%
Total PASSENGERS	75,212	30,323	148.0%	482,494	227,136	112.4%
AIRCRAFT OPERATIONS						
Air Carrier	516	441	17.0%	4,137	3,627	14.1%
Air Taxi	147	215	-31.6%	1,403	2,260	-37.9%
General Aviation - Itinerant	7,331	6,473	13.3%	56,732	54,103	4.9%
General Aviation - Local	5,216	4,624	12.8%	35,283	32,913	7.2%
Military	53	108	-50.9%	655	623	5.1%
Total OPERATIONS	13,263	11,861	11.8%	98,210	93,526	5.0%

Internal Control Documents

Exhibit A – Revenue and Accounts Receivable

Exhibit B – Expense and Accounts Payable

Exhibit C – Passenger Facility Charge Internal Controls
(Narrative 1-8)

Exhibit D – Annual Audit Engagement Letter

**Exhibit A – Revenue and Accounts
Receivable**

Melbourne Airport Authority

Revenue and Accounts Receivable

Process Level Workflow

September 30, 2022

A. Process Overview

This narrative is intended to document the internal control processes and procedures as they relate to the accounts receivable and sales cycle of the Melbourne Orlando International Airport (the "Airport"). The Airport's revenues and receivables comprise of fees charged to customers for airfield and hangar fees, terminal and area building fees, commercial business center fees, tropical haven rent, and grants as described further below and addressed herein.

Structure

The Airport processes its receivables (billing, cash receipts, and collections) at the Airport and uses Munis to prepare financial statements. Entries are prepared by Airport Staff and are posted by City staff after review of the appropriate backup.

Location	Site Name	Revenue Streams
1 Air Terminal Parkway Melbourne, FL 32901	Melbourne Orlando International Airport	Airfield and hangar fees, terminal and area building fees, commercial business center fees, tropical haven fees, Federal grants, State grants, Passenger Facility Charges and Customer Facility Charges

B. Computer Information Systems

MUNIS Financial Management: The Airport uses MUNIS Financial Management Software from Tyler Technologies for the GL and all sub-ledgers. The database for MUNIS is SQL server 2014 which runs on a Windows 2012 R2 server which is virtualized through VMWare v-Sphere with a SAN. MUNIS users access the application through single sign on. Information to prepare the financial statements is held within MUNIS.

C. Process Level Workflow

Current Accounting Team:

Director-Finance/Administration-Mike O'Dell
Airport Accountant-Kayla Krause
Accounts Receivable Specialist-Idalmis Vega
Accounts Payable Specialist-Hannah Schroeter
Assistant City Finance Director-Keely Carroll
Republic Parking Manager-Don Ager

1. Revenues and Accounts Receivable

The Revenue and Accounts Receivable process consists of the following sub-processes and controls:

1.1. IA - System Access

Access by the City's employees to computer systems is controlled by password authorization (9003.5). IT Access is appropriately limited (9003.10).

1.1. IA - Customer Set-up

The Accounts Receivable Specialist enters new Tropical haven residents into MUNIS new via email request from the Tropical Haven Manager.

The Assistant Business Development Director notifies the Accounts Receivable Specialist of new tenants that need to be entered into MUNIS. *New tenant contracts are approved by the Board (REV_IA_CS_1).*

1.2. RPC - Processing and Invoicing

The revenue that is received at the airport is from airfield and hangar fees, terminal and area building fees, commercial business center fees, tropical haven fees, passenger and customer facility charges, and federal and state grants.

The Accounts Receivable Specialist enters rates into MUNIS. On a monthly basis, the Accounts Receivable Specialist performs a reconciliation from the billings spreadsheet to the batch recorded in MUNIS. *The Director of Finance and Administration reviews the reconciliation and the original source documents for new tenants or billing changes to ensure customers are billed correctly and rates were entered in accordance with their agreements (REV_RPC_PRO_1).* The Accounts Receivable Specialist prepares invoices for airfield and hangar fees, terminal and area building fees, and tropical haven fees on a monthly basis. Invoices are generated automatically through MUNIS. Invoices are sent via email or mail depending on customer preference.

Grant agreements greater than \$35,000 are approved by the MAA board of directors. Grant agreements less than \$35,000 may be approved by the Director of Finance and the Executive Director (REV_RPC_PRO_2). Requests for reimbursement from FAA and State Agencies (FDOT and FDEO) are requested on a periodic basis when grant requirements are met and there is substantial receivable. *Grant draw requests are prepared by one of the three staff members Airport Accountant, Accounts Receivable Specialist, or Director of Finance and Administration. The Director of Finance and Administration reviews all of the backup (for grant draws prepared by the Director of Finance/Admin, one of the other team members reviews the backup for completeness). After review, FDOT and FDEO grant draw requests are approved by Executive Director and FAA grant draw requests are approved by the Capital Projects Director prior to submission (REV_RPC_PRO_3).*

Exhibit B – Expense and Accounts Payable

Melbourne Airport Authority

Expense and AP Process Level Workflow

(Accounts Payable, Capital Assets)

September 30, 2022

F. Process Level Workflow

Current Accounting Team:

Director-Finance/Administration-Mike O'Dell
Airport Accountant-Kayla Krause
Accounts Receivable Specialist-Idalmis Vega
Accounts Payable Specialist-Hannah Schroeter
Assistant City Finance Director-Keely Carroll
City Accountant – Cheryl Reynolds

1. Accounts Payable

The Airport uses the MUNIS Accounts Payable (AP) module to process AP. The Expenditures and Accounts Payable process consists of the following sub-processes and controls:

1.1. IA -System Access

Access by the Airport's employees to computer systems is controlled by password authorization (9003.5). IT Access is appropriately limited (9003.10).

1.2. IA - Vendor Set-up

All vendors wishing to conduct business with the airport must complete vendor registration (reference Appendix A). Once a vendor has been verified to conduct business, staff from City Procurement enters the information into the Munis database and assigns a vendor number. *The airport also utilizes SAM.gov registry for verifying vendors that are awarded contracts. The vendors are run against databases known as System of Award Management (SAM) (EXP_AP_VS_1).*

1.3. RPC - Purchasing and AP Processing

Airport purchases and grant related expenses are coordinated by the Airport Procurement Coordinator, the Director of Capital Projects, or the Airport designee in the various divisions. The Airport Procurement Coordinator ensures purchasing guidelines and threshold for approval are adhered to (reference Appendix B). *The Director of -Finance/Admin provides the final review and approval for all requisitions electronically in Munis. Purchasing approves and threshold amounts are as follows: Department Directors may approve purchases less than \$15,000, the Executive Director may approve purchases in the amount of 15,001 to \$35,000, and all purchases over \$35,000 are approved by the MAA Board of Directors (EXP_AP_PRO_1).*

Each Department Director or their designee initiates a purchase request that is submitted to the Airport Procurement Coordinator who creates a requisition in Munis which is routed through the electronic approval process in Munis then converted into a Purchase Order. The items are physically received by the department that initiated the purchase request.

PCARDs are allocated to select employees and, depending on the position, have a pre-established credit limit (limits are approved by the Director-Finance/Admin). Reference Appendix C for PCARD credit limits for each designated position. The employees with PCARDs and their limits are included in the attachment.

All PCARD purchases are imported from the Truist banking portal into Munis by the City Account Clerk. Once transactions are imported into Munis each cardholder or one of the admins code each transaction to the appropriate GL Account. Once the cardholder or Admin releases the statement in Munis, the transactions are then approved by the card holder's Director/supervisor or by the Airport Accountant.

(EXP_AP_PRO_2). If required, the Director-Finance/Admin serves as a backup for approving PCARD transactions.

All cardholders must ensure that their receipt and invoice are added as an attachment in Munis before submitting for approval. (EXP_AP_PRO_3).

One of the admins complete travel requests forms upon the request from the employee. The employee requesting the travel signs it and it must be approved by Department Manager and Executive Director prior to traveling. Upon completion of the travel, the admin will complete the Expense Voucher form, have the traveler review it and sign it, and then submit to Airport Accounting for review. Either the A/P Specialist the Airport Accountant perform a detailed review to ensure compliance with travel policy (EXP_AP_PRO_4). After the review is complete, it is entered into Munis and processed for payment.

When ordered items are received, it's inspected for condition and counted by the department or designee who initiated the purchase request. Once received, the receiving report (packing slip) is sent to the A/P Specialist who verifies the receiving report to the invoice. Once it matches, the invoice is entered into Munis for payment processing (EXP_AP_PRO_5). The individuals responsible for physically receiving the goods have no responsibility with accounts payable.

1.4. RPC - Cash Disbursements

Refer to WP 2201.1 and 2202.1, as cash disbursements are only done at City Hall.

1.5. RPC - Reviews of A/P and Accruals

Vendors may submit invoices via mail or electronically. Vendors who chose to submit electronically will send to Accountspayable@Mlbair.com, recipients of this inbox are the A/P Specialist, Airport Accountant, and the Receptionist. All invoices received via mail are opened and logged into a spreadsheet by the Receptionist. Once payments have posted, the A/P Specialist will reconcile payments with the invoice log to verify the ones that have been paid and research any outstanding invoices. The payables are recorded in the accounts payable ledger by the A/P Specialist. The listing of purchase orders are periodically reviewed by the Procurement Coordinator to ensure any unmatched purchase orders are followed up on (EXP_AP_ACC_1).. Purchase orders are controlled by the Procurement Coordinator so that liabilities can be properly recorded for goods or services that have been received but not yet invoiced.

At the end of the year, the Procurement Coordinator runs the open PO report and reviews to determine those that need to be closed or carried forward to the next year.

For those goods or services for which invoices are not received, accruals are recorded in the accounting system by the Accounts Payable Specialist and reviewed by Director-Finance/Admin. Once reviewed they are entered into Munis and posted after approval by Director-Finance/Admin and Assistant City Finance Director (EXP_AP_ACC_3).

Period 13 is kept open for a month to correctly record the invoice in the proper period. Note the grants are not closed out at year end as they are set up for multi-year.

1.6. TRR - Journalization/Reconciliation

The accounts payable aging is live and automatically interfaces from the general ledger. The person who performs the order enters it into the MUNIS system then the A/P Specialist will log on and verify it is in accordance with the approved budget and accurately coded to the GL.

Bank reconciliations are only performed at City Hall, refer to WP 2201.5 and 2202.5.

2. Fixed Assets

Capitalization policy, recording on MUNIS, and reconciliation is performed by the City Accountant, Airport Procurement Coordinator and Airport Accountant.

2.1. IA - System Access

Access by the Airport's employees to computer systems is controlled by password authorization (9003.5). IT Access is appropriately limited (9003.10).

2.2. IA – Authorization

The Airport Accountant will notify City Capital Asset Accountant of capital asset purchases to ensure in compliance with the City's capitalization policy (Greater than the amounts below and more than 1 year useful life).

Capitalization threshold is established for each capital asset category as follows:

Capital Asset Category	Capitalization Threshold
Land/Land Improvements	Capitalize All
Intangible Land Rights, Unamortized	\$ 25,000
Buildings and Building Improvements	\$ 25,000
Infrastructure/Infr Improvements	\$ 25,000
Improvements Other Than Buildings	\$ 25,000
Leasehold Improvements	\$ 25,000
Machinery and Equipment	\$ 5,000

For asset "transfers" (i.e., to transfer an asset from CIP to the appropriate asset category and to begin depreciating the asset once it is placed in service), The Airport Accountant fills out a closing project checklist and obtains the approval from the Director-Finance/Admin. Once approved, the form is sent to City Accountant I so it may be entered into MUNIS (EXP_FA_PRO_1).

For purchases, the A/P Specialist and/or the Procurement Coordinator ensure purchases are in line with budget, and then obtains the approval from either Director- Finance/Administration or the appropriate Director for purchases below \$35K, and the board for purchases above \$35K. Once approved the form is sent to the City Accountant so it may be entered into MUNIS. Once entered, the City Accountant sends a fixed asset tag to the Airport, and it is placed on asset by the Airport Accountant (EXP_FA_PRO_2).

2.3. RPC - Asset Detail

MUNIS generates the numbers sequentially. Additionally, a fixed asset tag is produced by the City and sent to the Airport and it is placed on the assets.

A fixed asset physical inventory is performed annually by the Airport and every three years by City Hall (EXP_FA_AD_1). Annually, an asset listing is sent to department supervisors who perform the physical inventory. The results are sent to the Airport Accountant for review and update, then sent to the City's Fixed Asset Accountant who updates information in MUNIS.

Additionally, each month the Airport Director-Finance/Admin reviews a Munis budget to actual report for the Airport; budget increases to individual projects or to the M&O that increase the overall airport budget are approved by the board of directors (EXP_FA_AD_2).

2.4. RPC - Depreciation

Once a new asset is purchased, the asset capitalization form is completed by the Airport Accountant and then sent to the City Accountant. The capitalization form defines the class (type of asset) and subclass the asset falls under, each class and subclass are pre-defined in Munis, subclass determines the useful life of the asset. (FA_DEP_JE_1).

MUNIS automatically calculates the depreciation, and a journal entry is created from that (FA_DEP_JE_2). The specific journal entry is not reviewed, but it is reviewed as a batch of journal entries that must balance.

2.5. RPC - Disposals and Impairment Review

Disposals are either salvaged for parts or sold on govdeals.com (an internet auction site). For asset disposals, the airport fills out a disposition form, which has a location to identify if it was an asset purchased with grant funding. The Airport Accountant will research MUNIS to determine if the asset was purchased with grant money. They will fill out the information on the disposal form. The disposal is then approved by the Executive Director, Director-Finance/Admin, and Department Manager. (EXP_FA_DIS_1).

2.6. TRR - Journalization/Reconciliation

Reconciliations are performed by the City Accountant and approved by the Assistant Finance Director (FA_EXP_REC_1).

The Director of Finance and Administration ensures that there is proper compliance with the billing of reimbursable grants expenses. *For expenses, the Director of Operations or engineer initials the draw request for approval. Then the draw request is sent to the Director of Capital Projects to ensure that the expenses comply with the grant agreement (REV_RPC_PRO_4).* All grants awarded to the airport are reimbursement grants so draw requests are processed after the qualifying expenditures are made and the grant reconciliation is completed.

1.3. RPC – Cash Receipts

Cash/checks are primarily received from parking and tropical haven rent payments. A daily deposit is made with the deposit intact and cash/checks received are kept in the safe until the bank deposit is taken to the bank. Note that the Airport does not receive a significant amount of cash as most payments made are via check, wire, or ach. Checks and electronic payments are received for airfield and hangar fees, terminal and area building fees, tropical haven rent payments, and state grants. The Accounts Payable specialist opens the mail, stamps the checks for deposit only, and makes a listing of the checks received. The list of checks is sent to the Director of Finance/Admin and the Accounts Receivable Specialist. The Accounts Payable Specialist prepares the deposit slip (a copy is given to the Accounts Receivable Specialist) and then the deposit is placed in the safe where it remains until either the Administrative Assistant or the Receptionist takes the deposit to the bank (completed daily). All cash and checks are deposited in the same bank account, which is reconciled by the City Accountant.

The parking facilities are managed by Republic Parking (Reef Parking Network) under a management agreement whereby the Airport reimburses operating expenses plus a management fee and all revenue generated in the parking facility belongs to the Airport. Payment for parking is done primarily via credit card and a small amount of cash (cash payments range from \$150 to \$500 per day). Cash payments are made at the exit facility by a cashier (employed by Republic Parking) that are tracked using an electronic computerized parking revenue control system. *The Republic Parking Manager prepares the deposit slip and takes cash to the safe where it is deposited with Airport's other deposits on a daily basis (admin staff takes deposit to bank). An Airport staff member verifies the deposits were documented and placed in the safe before signing the drop log. The Parking Manager prepares the daily reconciliation for review by Director-Finance/Admin (REV_RPC_CR_1).*

Credit Cards are processed daily and collected by Republic Parking and remitted to the Airport on a monthly basis. *The Accounts Receivable Specialist verifies receipt of cash as well as the credit cards remitted by Republic Parking. Republic also provides daily sales reports that are verified by Idalmis (REV_RPC_CR_2).* Any adjustments are brought to the attention of the Parking Manager for follow-up/explanation. *Journal entries are entered by the Accounts Receivable Specialist and approved by the Director-Finance/Admin and the Assistant City Finance Director (REV_RPC_CR_3).*

Daily cash/check activity log agrees to bank deposit slip and bank receipt and entry is prepared by the A/R Specialist and approved by the Director-Finance/Admin. *The review of the day's cash receipts is compared to postings to the bank statement by the Director-Finance/Admin (REV_RPC_CR_4). Any adjustments to cash accounts are brought to the attention of the Parking Manager for resolution and if need be journal entries are booked by the Airport Accountant or the A/R Specialist and approved by the Director-Finance/Admin and the Assistant City Finance Director (REV_RPC_CR_5).*

Tropical Haven receipts are received by Tropical Haven Manager who prepares the deposit slip and the Airport Admin staff picks up the deposit daily from Tropical Haven and then takes it to the bank for deposit. *The A/R Specialist applies the deposit to the proper accounts and the Director-Finance/Admin posts all cash receipts to the subledger (REV_RPC_CR_6).*

1.4. RPC - Estimating the Allowance for Doubtful Accounts

Any write offs to customer accounts are prepared by the A/R Specialist and approved by the Director-Finance/Admin (AR_RPC_EST_1).

Accounts are evaluated monthly for collection efforts. Annually, the Director-Finance/Admin evaluates the allowance for doubtful accounts and makes the appropriate adjustments. Once an account is deemed uncollectible and the Airport has exhausted its collection efforts, the balance will be written off and charged to the allowance account or directly to the bad debt expense (depending on whether it was included in the allowance reserve) when they meet the following criteria: > year past due or additional information indicates they are uncollectible.

There are established credit policies. *Credit memos (Revenue adjustments) are processed within MUNIS and are approved by the Director-Finance/Admin and the Assistant City Finance Director (AR_RPC_EST_2).* The individual(s) charged with recording and approving credit memos do not have responsibility for cash receipts, the recording of accounts receivable or for the shipping of goods.

1.5. TRR - Journalization/Reconciliation

The cash, credit cards, and ACH reconciliations are done daily. The reconciliation is reviewed by the Director-Finance/Admin. If there are any unreconciled shortages it is noted in the reconciliation (AR_TRR_JE_1).

The A/R Specialist records the deposit slip and any electronic funds into MUNIS. If the receipt is for recurring receivables, billed through MUNIS the receipt is reviewed and posted by the Director-Finance/Admin. *If the receipt is for revenue recorded by journal entry, the receipt is recorded as a journal entry, approved by the Director-Finance/Admin and posted by City Finance Department (AR_TRR_JE_2).* Copies of the daily bank transactions are attached as proof of deposit.

The accounts receivable aging listing is reviewed annually by the Director-Finance/Admin (AR_TRR_JE_3). The accounts receivable aging is maintained separately from the general ledger. The aging is reconciled by the Airport Accountant and the A/R Specialist. The actual revenue records are compared to budgeted revenue expectations monthly by the Director-Finance/Admin, and any significant deviations from expectations are investigated and explained (AR_TRR_JE_4).

At year end, the Airport accountant will record a receivable, retainage payable due on the contributions spreadsheet and project recap spreadsheet to true up receivables and will make the journal entry on MUNIS if needed.

Bank reconciliations are performed by City Hall, refer to WP 2201.4 and 2201.5.

G. Appendices

Appendix A – Purchasing Thresholds

Purchase Request Authorizations Hierarchy:

≤ \$5,000	Individual department making the expenditure
>\$5000 and ≤ \$15,000	Three quotes. Approval by Department Director
> \$15,000 and ≤ \$35,000	Procurement solicited quotes. Approval by Executive Director
> \$35,000	Procurement solicited formal proposals. MAA Board

Appendix B – Vendor Registration Requirements

VENDOR REGISTRATION REQUIREMENTS

NOTE: ALL FORMS ARE TO BE MANUALLY SIGNED – DIGITAL SIGNATURES WILL NOT BE ACCEPTED

1. A completed **Vendor Registration Form**
2. An IRS Form **W-9** is required for all new registrations.
3. Sunbiz Registration — The Melbourne Airport Authority requires all vendors doing business to be registered with the State of Florida’s Division of Corporations. For more information call 850-245-6052. Businesses located outside of the State of Florida are also required to be registered as a Foreign Corporation or LLC (whichever applies). For more information about registering as a foreign entity call 850-245-6051.
4. Proof of Insurance — Service Contractors are required to maintain specific types and levels of insurance coverage depending on the services being provided and to submit proof of that insurance coverage in the form of a current Certificate of Insurance or a copy of their policy(s) declarations page. The certificate is required for all vendors prior to providing services.
5. Preferred Payment Method — The Melbourne Airport Authority offers three (3) methods for receiving payments. Please indicate your preferred payment method on the Vendor Registration form and include appropriate form with your submission. *(forms attached)*
 1. ACH (Electronic Deposit to your bank account) ***requires a copy of a voided check***;
 2. ACI (payment to a VISA card);
 3. Traditional paper check, keep in mind that if you choose paper check and the check gets lost, it could take 30 days or more to re-issue a check.

Appendix C- PCARD Limits

<i>Employee Name</i>	<i>Credit Limit</i>	<i>Per transaction Limit</i>
Alyssa Lanier	\$ 10,000.00	\$ 2,000.00
John Dobson	\$ 15,000.00	\$ 2,500.00
John Warrington	\$ 5,000.00	\$ 1,000.00
Joseph Gomez	\$ 5,000.00	\$ 1,000.00
Mark Busalacchi	\$ 15,000.00	\$ 5,000.00
Mary Anderson	\$ 30,000.00	\$ 7,500.00
Melissa Naughton	\$ 15,000.00	\$ 2,000.00
Renee Purden	\$ 15,000.00	\$ 5,000.00
A Broomfield	\$ 5,000.00	\$ 2,500.00
Amanda Moyer	\$ 5,000.00	\$ 1,000.00
Clifford Graham	\$ 10,000.00	\$ 2,000.00
Esther Seymour	\$ 5,000.00	\$ 1,000.00
Greg Donovan	\$ 30,000.00	\$ 15,000.00
Jacqueline Thomas	\$ 15,000.00	\$ 2,500.00
Sandra Acevedo	\$ 10,000.00	\$ 2,000.00
Tammy Till	\$ 12,000.00	\$ 5,000.00
Don Capaldo	\$ 5,000.00	\$ 1,000.00

**Exhibit C – Passenger Facility Charge
Internal Controls (Narrative 1-8)**

Melbourne Orlando International Airport Passenger Facility Charge – PFC Narrative #1 Internal Control Procedure

In accordance with legislation adopted by the U.S. Congress, individual airports in the United States may impose a Passenger Facility Charge (PFC) of as much as \$4.50 on enplaning passengers. MLB applied for and received an increase from \$3.00 to the maximum current PFC rate of \$4.50 in July 2009.

PFC fees are to be used by the airports to fund FAA approved airport improvement projects. The code of Federal Regulations Title 14 (14 CRF 158.13) governs the use of PFC revenue. The Airport could be subject to financial penalties for non-compliance. The legislation requires the air carriers and their agents to collect such fees and comply with certain regulations concerning these fees. The airlines distribute the collected PFCs to the appropriate airports by check or ACH payment on a monthly basis. The airlines must send a quarterly history of PFC activity to the airports.

The PFC revenue is being used against expenditures related to projects. The Melbourne Airport Authority submitted application 18-08-C-00-MLB, where MAA was approved to allocate PFC revenue to 15 different projects.

All receipts are posted to PFC revenue account number: 860 (Fund); 9803893 (Org); 389400 (Object) – Non-Departmental PFC Revenue.

Accounts Payable Specialist:

- Maintains a log of all mail receipts.
- Gives the receipts and the log to the Accounts Receivable Specialist; log is also sent to the Director-Finance/Administration.

Accounts Receivable Specialist:

- Verifies that the checks reconcile to the log received from the A/P Specialist.
- Prepares the deposit and inputs/posts the deposit (check amount) into MUNIS.
- Keeps the remittance portion of the check and/or a copy of the PFC check in the files.
- Receives City of Melbourne notices of any PFC wire transfers to the Airport bank account.
- Inputs the wire transfer deposit into MUNIS.
- Gives the Administrative Assistant copies of all airline notifications of new airlines or address changes to update MLB's master airline mailing list maintained on the Airport server.

Administrative Assistant

- Maintains the PFC mailing list used for notifying airlines of any amendments or changes and for the quarterly status reports.

Director - Finance and Administration

- Most domestic airlines directly remit payments to the Airport Clearing House. The ACH then sends the quarterly reports to the Director of Finance and Administration.

- Prepares the FAA reports in SOAR, on a quarterly basis, using PFC receipts recorded in MUNIS.
- Reconciles PFC receipts airline' quarterly reports to MUNIS.
- Enters the total quarterly receipts on the FAA Soars Web site.

**Melbourne Orlando International Airport
Passenger Facility Charge – PFC Narrative #2
Cost Allowability**

The code of Federal Regulations Title 14 (14 CRF 158.13) governs the use of Passenger Facility Charge (PFC) Revenue. PFC revenue, including any interest earned after such revenue has been remitted to a public agency, may be used only to finance allowable costs of approved projects at any airport the public agency controls.

PFC revenue may be used: (a) to pay all or part of the allowable costs of an approved project; (b) to pay debt service and financing costs incurred on that portion of a bond issued to carry out approved projects; (c) in combination with federal grant funds to accomplish an approved project; and (d) to meet the non-Federal share of the cost of the projects funded under the airport grant program. PFC revenue and interest earned on that revenue shall not be used except on an approved project.

PFC revenue is being used against expenditures related to projects. The Melbourne Airport Authority submitted application 18-08-C-00-MLB where MAA was approved to allocate PFC revenue to 15 different projects.

Melbourne International Airport
Passenger Facility Charges – PFC Narrative # 4
Allocation of PFC Collections and Interest

The code of Federal Regulations Title 14 (14 CRF 158.13) governs the use of Passenger Facility Charge (PFC) Revenue. PFC revenue, including any interest earned after such revenue has been remitted to a public agency, may be used only to finance allowable costs of approved projects at any airport the public agency controls.

PFC revenue may be used: (a) to pay all or part of the allowable costs of an approved project; (b) to pay debt service and financing costs incurred on that portion of a bond issued to carry out approved projects; (c) in combination with federal grant funds to accomplish an approved project; and (d) to meet the non-Federal share of the cost of the projects funded under the airport grant program. PFC revenue and interest earned on that revenue shall may only be applied to an approved project.

PFC revenue is being used against expenditures related to projects. The Melbourne Airport Authority submitted application 18-08-C-000-MLB where MAA was approved to allocate PFC revenue to 15 different projects.

**Melbourne International Airport
Passenger Facility Charge – PFC Narrative #2
Cost Allowability**

The code of Federal Regulations Title 14 (14 CRF 158.13) governs the use of Passenger Facility Charge (PFC) Revenue. PFC revenue, including any interest earned after such revenue has been remitted to a public agency, may be used only to finance allowable costs of approved projects at any airport the public agency controls.

PFC revenue may be used: (a) to pay all or part of the allowable costs of an approved project; (b) to pay debt service and financing costs incurred on that portion of a bond issued to carry out approved projects; (c) in combination with federal grant funds to accomplish an approved project; and (d) to meet the non-Federal share of the cost of the projects funded under the airport grant program. PFC revenue and interest earned on that revenue shall not be used except on an approved project.

PFC revenue is being used against expenditures related to projects. The Melbourne Airport Authority submitted application 18-08-C-00-MLB where MAA was approved to allocate PFC revenue to 15 different projects.

**Melbourne International Airport
Passenger Facility Charge – PFC Narrative #3
Interest**

Interest calculations are required when the PFC collection exceeds the PFC expenditures. If there were excess PFC revenue, any reported interest earned would be agreed to the interest calculated on the cash flow reports for the quarter. Any reported expenditure amounts would be equal to the amount of the actual expenditures as recorded for approved projects on the project control lists.

The Director-Finance/Administration prepares multiple spreadsheets to track annual PFC revenues and maintains a PFC cash flow report. The cash flow report tracks whether the PFC receipts over/under funds the remaining balance of the expenditures not reimbursed.

**Melbourne Orlando International Airport
Passenger Facility Charges – PFC Narrative #7
Assurances**

The Airport is responsible for compliance with Passenger Facility Charge (PFC) assurances. These assurances are required to be submitted as part of the application for approval of authority to impose a PFC under the provisions of 49 U.S.C. 40117. The Airport's initial PFC rate was \$3.00. In July 2009, the Federal Aviation Administration (FAA) approved the increase from \$3.00 to \$4.50 effective December 1, 2009.

As part of the application for a PFC increase, the Airport certified that it had legal authority to impose a PFC and to finance and carry out approved proposed projects. The Airport also certified that the Airport would comply with all of the PFC program assurances in accordance with the code of Federal Regulations Title 14 (14 CRF 158.13).

PFC revenue is being used against expenditures related to projects. The Melbourne Airport Authority submitted application 18-08-C-00-MLB, where MAA was approved to allocate PFC revenue to 15 different projects.

The airport has spent more than it has collected to date. PFC information is provided to the carriers on the quarterly report that is submitted in the FAA's System Of Airport Reporting (SOAR).

**Melbourne Orlando International Airport
Passenger Facility Charges – PFC Narrative #8
Record Retention**

The Airport keeps project and Passenger Facility Charge (PFC) records in perpetuity.

Current PFC records are kept in file cabinets in the Airport Administration Office. Each year, the oldest records are filed in storage boxes (labeled and numbered) and sent to a secure, off-site location. The storage box numbers and contents are kept in a file on the Airport's server. This file is maintained by the Airport's Administrative Assistant.

**Exhibit D – Annual Audit Engagement
Letter**



Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

321.255.0088
321.259.8648 (fax)
CRIcpa.com

July 1, 2022

Mr. Greg Donovan, Executive Director, and the Melbourne Orlando Airport Authority
Melbourne Orlando International airport
1 Air Terminal Pkwy, #220
Melbourne, FL 32901

We are pleased to confirm our understanding of the services we are to provide for Melbourne Orlando International Airport, a discretely presented component unit of the City of Melbourne, Florida for the year ending September 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the financial statements, of Melbourne Orlando International Airport as of and for the year ending September 30, 2022 and the separately issued Schedule of Expenditures of Passenger Facility Charges. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Melbourne Orlando International Airport's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Melbourne Orlando International Airport's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) RSI Pension and OPEB Schedules

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Introductory Section

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report

that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to the passenger facility charge program and an opinion (or disclaimer of opinion) on compliance with regulations, and the terms and conditions of program that could have a direct and material effect on the passenger facility charge program in accordance with the passenger facility charge program guide for public agencies ("PFC Guide") issued by the Federal Aviation Administration.

Auditors' Responsibilities for the Audit of the Financial Statements and Passenger Facility Charge Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the PFC Guide, and will include tests of accounting records in accordance with PFC Guide, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also

Mr. Greg Donovan, Executive Director
Melbourne Orlando International Airport
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inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for the passenger facility charge audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement. We have identified the following significant risk of material misstatement as part of our audit planning:

- Improper revenue recognition in accounts receivable and revenue due to fraud risk

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the PFC Guide, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting

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material noncompliance with compliance requirements applicable to the passenger facility charge program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the PFC Guide.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the PFC Guide.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Melbourne Orlando International Airport's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The PFC Guide requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of passenger facility charge program. Our procedures will consist of tests of transactions and other applicable procedures described in the PFC Guide for the types of compliance requirements that could have a direct and material effect on Melbourne Orlando International Airport's passenger facility charge programs. The purpose of these procedures will be to express an opinion on Melbourne Orlando International Airport's compliance with requirements applicable to the passenger facility charge programs in our report on compliance issued pursuant to the PFC Guide.

Other Services

We will also assist in preparing the Schedule of Expenditures for the Passenger Facility Charges based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are not limited to the preparation services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the Schedule of Expenditures for the Passenger Facility Charges and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the Schedule of Expenditures for the Passenger Facility Charges and that you have reviewed and approved the Schedule of Expenditures for the Passenger Facility Charges and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Passenger Facility Charge Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over passenger facility charges, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of passenger facility charges, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the PFC Guide; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of passenger facility charges; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the PFC Guide, it is management's responsibility to evaluate

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and monitor noncompliance with federal statutes, regulations, and the terms and conditions of the passenger facility charges; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all passenger facility charges received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of passenger facility charges (including notes) in conformity with the PFC Guide. You agree to include our report on the schedule of expenditures of passenger facility charges in any document that contains, and indicates that we have reported on, the schedule of expenditures of passenger facility charges. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of passenger facility charges no later than the date the schedule of expenditures of passenger facility charges is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of passenger facility charges in accordance with the PFC Guide; (2) you believe the schedule of expenditures of passenger facility charges, including its form and content, is stated fairly in accordance with the PFC Guide; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of passenger facility charges.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Melbourne Orlando International Airport; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Carr, Riggs & Ingram, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and

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appropriate individuals will be made available upon request and in a timely manner to Federal aviation Administration or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Carr, Riggs & Ingram, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Federal Aviation Administration. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

To ensure that Carr, Riggs & Ingram, LLC's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Christine E. Noll-Rhan is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for the work related to the Airport's stand-alone financial statements will be \$5,000 and the services related to the Schedule of Expenditures of Passenger Facility Charges will be \$6,000, including out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 15 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. Should it appear we would be required to perform any services your personnel have been assigned, to allow for an efficient and timely engagement, or if we see areas where the task undertaken is not as anticipated, we will consult with you to determine if our firm or your staff will take the action necessary to complete the assignment. We will provide a Supplemental Service Agreement for your signature and authorization.

By mutual agreement of both parties, this contract can be extended beyond this initial contract period.

Reporting

We will issue written reports upon completion of our Audits. Our reports will be addressed to Airport Authority of Melbourne Orlando International Airport. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance.

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If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The passenger facility charge program report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the PFC Guide. Both reports will state that the report is not suitable for any other purpose.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

Governing Law; Venue

This agreement and performance hereunder shall be governed by the laws of the State of Florida, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Brevard County, Florida, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

Statute of Limitations

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

Disclosure

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account including service providers located outside of the United States. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies,

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procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your financial information, if applicable, or other information to our service providers located abroad. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your company, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

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We appreciate the opportunity to be of service to Melbourne Orlando International Airport and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

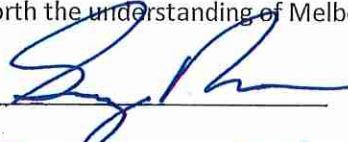
Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Melbourne, Florida

RESPONSE:

This letter correctly sets forth the understanding of Melbourne Orlando International Airport.

Management signature: _____



Title: _____

EXECUTIVE DIRECTOR

Date: _____

7/27/22

Melbourne Orlando International Airport Police Department

Activity Report

August

Police Activity/ TSA Required Checks	August 2020	August 2021	August 2022
Response to Door & Gate Alarms	95	229	266
TSA Assists	3	1	4
Perimeter	153	144	107
Door inspections	8	7	9
SIDA & Secure Area Inspections	358	279	194
Gate Inspections	4	7	5
Customs Assists / Weapons Check	1	1	4
Security Violations	2	4	5
Assist to Other Agencies	22	25	25
Aircraft Alerts	2	3	0
Arrests	2	1	0
*Other Incident Reports/Patrols	574	520	*373
Traffic Details/ Parking Citations/Warnings	2	19	23
K9 training & patrols	0	3	0
Total	1,226	1,243	1,015
Administrative Action			
Security Badges Issued	116	148	169
Parking Permits Issued	5	11	10
Total	121	159	179



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 Reports, and Disturbances

*Call reduction on exterior perimeter patrols due to increased flights and responsibilities in the terminal and immediate surrounding areas compared to 2020 and 2021.

Security Violations

3- written violations issued for failure to challenge unbadged employee AOA near Jetway #7.

2-written violation issued 104 Aerospace Dr (STS hangar) allowed expired badge person to enter hangar.

MISC./ OTHER

(7) Medical assists in the month of August

(4) Incidents of prohibited items at checkpoint, items confiscated for destruction.

08/3/2022- MLK/ Nasa -Agency assist and traffic control to MPD in reference to a vehicle accident.

08/04/2022- 612 Plum Grove- Agency assist to MPD in reference to a possible burglary in progress.

08/10/22-1 Air terminal Pkwy/Nasa Blvd. MAPD responded to this location in reference to a suspicious person in the area. The subject was located and left the area without any issue.

08/10/22- 1 Air Terminal Pkwy -case follow-up and interview in reference to a possible theft at a car rental company.

08/11/22- 1 Air Terminal Pkwy/ Ted Huff. A subject was found sleeping in the roadway. The subject left the area without any issue.

08/11/22-1416 General Aviation- Agency assist to MFD in reference to a fuel spill.

08/14/22- 1350 Hickory St- Agency assist to MPD in reference to a rapid ID request.

08/15/22- 880 MLK Blvd (COC) Agency assist to MPD in reference to a voluntary commitment of a subject to Circles of Care.

08/18/22- 1 Air Terminal Pkwy. A verbal disturbance between multiple subjects occurred near the employee parking area which resulted in a written trespass warning.

08/20/22-1401 General Aviation- (Atlantic Jet Center) report of vehicle crash. Crash report completed.

08/20/22- 1 Air Terminal Pkwy (Atrium) Indian River Dog Training Club toured/trained in the terminal.

08/21/22- 1401 General Aviation- (Atlantic Jet Center) Civil matter reported to MAPD in reference to a tenant and individual.

08/23/22-1 Air Terminal Pkwy- Agency assist to MPD in reference to a vehicle and License Plate Reader request.

08/25/22-1 Air Terminal Pkwy (Gate 7) Agency assist to CBP in reference to a disruptive inbound passenger. After secondary screening and an interview, CBP allowed the subject to leave.

08/27/22- Apollo/ General Aviation –hit and run vehicle crash was reported. The incident was documented for the complainant.

08/27/22- 1 Air Terminal Pkwy (curbside)- Non traveling transient subject found sleeping outside of the terminal on a bench. The subject left the area without any issues.

08/27/22- 1 Air Terminal Pkwy –(FIS) Agency assist to CBP in reference to a special detail and VIP entering the area. Detail repeated the next day when the VIP left the area.

08/30/22- 1 Air Terminal Pkwy (checkpoint) Agency assist to TSA & CBP in reference to identity verification and visa status.

08/31/22- 2000 W Nasa- (Grumman) Agency assist to MPD in reference to a vehicle crash involving the Grumman fence. There was no breach to the airport property.

08/31/22-1 Air Terminal Pkwy (Rental car lot)- criminal mischief reported. Incident report completed.



Melbourne Orlando International Airport Police Department
Monthly Activity Report
July

Police Activity/ TSA Required Checks	July 2020	July 2021	July 2022
Response to Door & Gate Alarms	220	174	273
TSA Assists	1	4	4
Perimeter	170	126	123
Door inspections	7	4	9
SIDA & Secure Area Inspections	394	229	224
Gate Inspections	6	6	7
Customs Assists / Weapons Check	0	1	0
Security Violations	4	2	3
Assist to Other Agencies	20	21	28
Aircraft Alerts	5	2	3
Arrests	0	1	0
*Other Incident Reports	604	404	*191
Traffic Details/ Parking Citations/Warnings	0	35	25
K9 training & patrols	1	0	0
Total	1,432	1,009	1,042
Administrative Action			
Security Badges Issued	110	212	126
Parking Permits Issued	4	24	20
Total	114	236	146



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

JULY 2022

*Call reduction on exterior perimeter patrols due to increased flights and responsibilities in the terminal and immediate surrounding areas compared to 2020 and 2021.

Security Violations

2- written violations issued for failure to maintain escort and unescorted unbadged employee at 180p door.

1-written violation issued 104 Aerospace Dr. hangar door left open and unmanned.

MISC./ OTHER

7/2/2022- Employee lot #3- reference Trespass and medical transport to COC for evaluation.

07/05/2022-Embrear 1205 General Aviation reference security finding drug paraphernalia on property. The item was taken into custody by MAPD, and a report was written. No suspect in this case.

07/06/2022- Ed Foster Rd reference vehicle crash involving two vehicles. Both removed from the area by owners, no injuries reported. Crash report written.

07/06/2022- 632 Paul Bryce- vehicle crash involving a single vehicle, no injuries reported. Crash report written.

07/07/2022- Prohibited Item at checkpoint-magazine with 6 bullets taken into MAPD custody for destruction.

07/08/2022- Found property in ticketing area in reference to 9 brass casing found in the trash can by custodians. The items taken into custody for destruction.

07/10/2022-656 Bond St- Agency assist MPD reference exparte order being issued on a non-resident of the property.

07/12/2022- 1139 Harry Sutton- Agency assist MPD reference unattended children in the area. DCF was contacted for further investigation.

07/12/2022- 1212 Sleepy Hollow- Follow up of a prior investigation