



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for December 14, 2022, Board Meeting
Airport Board Room

In attendance:

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

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

- Passenger Activity Report through November totaling 242,298 international passengers
- Welcomed new board member Mr. Mark LaRusso, Vice Mayor & City Council Member
- 30th Annual Melbourne Light Parade
- Unveiling Event of Hold Room on January 25, 2023
- Mr. Potter's Melbourne International Airport History Book 1928 to 2022
- Recognition of Service for MAA Board Member Debbie Thomas
- Recognition of Service for MAA Chairman Jack Ryals

Executive Director's Leadership Spotlight Award

Congratulations to Mr. Mark Busalacchi, Director of Marketing & Business Development on receiving this award.

Action Items

Approval of the October 26, 2022, board meeting minutes. A motion was made by Mayor Alfrey with changes per Mr. Potter's comments on Item A-4, last paragraph for approval of the minutes, seconded by Mr. Thomas. Motion passed unanimously.

Item A-1 Appointment of Chairman and Vice Chairman to the Melbourne Airport Authority to serve the term January 2023 through December 2023.

Mr. Jack Ryals expressed his gratitude for serving on the Melbourne Airport Authority Board and working alongside other board members and Airport staff during his tenure.

A motion was made by Mr. Ryals to nominate Mr. Potter for the Chairman position for 2023, seconded by Mr. Fischer. Motion passed unanimously.

A motion was made by Mr. Potter to nominate Mr. Tim Thomas for Vice Chairman position for 2023, seconded by Mr. Mayor Alfrey. Motion passed unanimously.

Item A-2 Recommendation to Approve Purchase Order with TK Elevator in the Amount of \$47,514.00 for Repairs to the FIS Escalator.

Mr. Donovan explained that TK Elevator is contracted with the Airport for maintenance repairs on all elevators and escalators throughout the terminal. This particular escalator is approximately 30 years old and requires several repairs.

A motion was made by Mr. Thomas to approve a purchase order with TK Elevator in the amount of \$47,514.00 for Repairs to the FIS Escalator, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-3 Recommendation to Approve a Purchase Order with Environmental Science Associates (ESA), under its Continuing Service Contract for Compliance Requirements of the Federal Aviation Administration (FAA) for Support of Dassault Falcon Jet in an Amount Not-To-Exceed \$167,764.00.

Mr. Donovan explained the next three agenda items will entail the startup of activity for the Dassault Falcon Jet. The Federal Aviation Administration (FAA) requires an environmental assessment for a project of this size. Environmental Science Associates (ESA) proposes to update the Airport Layout Plan (ALP) and provide the focused Environmental Assessment with Section 163 as required by the Florida Aviation Administration.

Mr. Mikuen stated the next few items are covered by the Florida Department of Transportation (FDOT) 100 percent reimbursable grant. Is this particular item covered as well. Mr. Donovan stated that this cost was included in the project.

A motion was made by Mayor Alfrey to approve a purchase order with Environmental Science Associates under its Continuing Service Contract for Compliance Requirements of the Federal Aviation Administration (FAA) for Support of Dassault Falcon Jet in an amount Not-To-Exceed \$167,764.00, seconded by Mr. Thomas. Motion passed unanimously.

Item A-4 Recommendation to Approve Purchase Order to AVCON, Inc. under its Continuing Services Contract, for the Professional Engineering and Construction Services for Clearing and Grubbing the Dassault Falcon Jet site in an amount Not-To-Exceed \$615,627.00.

Mr. Donovan explained this project cost is covered 100percent by the Florida Department of Transportation (FDOT) reimbursable grant. This work is for the clearing and grubbing of the site so the Dassault Falcon Jet team can begin its work.

A motion was made by Mr. Potter to approve purchase order to AVCON, Inc. under its Continuing Services Contract, for the Professional Engineering and Construction Services for Clearing and Grubbing the Dassault Falcon Jet site in the amount Not-To-Exceed \$615,627.00, seconded by Mr. Fischer. Motion passed unanimously.

Item A-5 Recommendation to Approve Purchase Order to Storm L. Richards and Associates, Inc. for the Relocation of Gopher Tortoises for the Dassault Falcon Jet site in an amount Not-To-Exceed \$245,000.00.

Mr. Donovan explained there was a preliminary assessment done on this undeveloped site by the environmental engineer consultant, Storm L. Richards and Associates, who has worked on numerous projects on the Airport. No scrub jays were observed, but gopher tortoises were identified in the area and will be required to be relocated per the state's statutes. This item is covered 100 percent by the Florida Department of Transportation (FDOT) reimbursable grant.

Mr. Mikuen inquired how staff determined the cost was reasonable on a per unit cost of the tortoises. Mr. Donovan stated that in the past, we have gone out for bids with multiple companies that have the same capabilities and Storm Richards price has been lower than other the companies. We took a look into similar environmental actions for other projects throughout the state, and it's consistent with that as well.

Mr. Potter asked if we have our own relocation site. Mr. Busalacchi stated that we don't have our own site. He explained what has change is the cost to relocate the tortoises and where they are relocated to.

A motion was made by Mr. Mikuen to approve a purchase order to Storm L. Richards and Associates, Inc. for the Relocation of Gopher Tortoises for the Dassault Falcon Jet site in the amount Not-To-Exceed \$245,000.00, seconded by Mr. Thomas. Motion passed unanimously.

Item A-6 Recommendation to Approve Change Order 13 to DP Development, LLC for Scope Change to Add Soil Stabilization Along the Shoulder of General Aviation Drive for the Northside Expansion Project: St. Michael Place Extension Phase 3 in the Amount of \$9,000.00.

A motion was made by Mr. Potter to approve Change Order 13 to DP Development, LLC for Scope Change to Add Soil Stabilization Along the Shoulder of General Aviation Drive for the Northside Expansion Project: St. Michael Place Extension Phase 3 in the Amount of \$9,000.00, seconded by Mr. Fischer. Motion passed unanimously.

Item A-7 Recommendation to Approve a Sublease with Operator Solutions.

Mr. Donovan explained that Axiom Space exercised its option to lease Unit 3 in the Aerospace Center for an additional year and has asked for consent to a sublease with Operator Solutions to operate out of Unit 3.

A motion was made by Mr. Potter to approve a Sublease with Operator Solutions, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-8 Recommendation to Approve and Amended and Restated Aeronautical Commercial Ground Lease and Development Agreement with Sheltair Melbourne, LLC.

Mr. Donovan explained how important general aviation is to the Airport and the responsibility to be able to facilitate fixed base operator services and hangars. The Airport has been in negotiations with Sheltair to build a new complex on the southside of the airport to replace the airport-owned T-hangars which are at the end of their useful life. Sheltair's original lease was signed in 1988 and has had thirteen amendments to the lease. The lease has become complicated to track with all of the revisions and both parties agreed it would be best to amend and restate the Lease while adding the additional T-hangar parcel and other development plans with Sheltair Melbourne, LLC.

Mr. Fisher asked if the Airport will be involved with the concept or design of the new T-hangars and will MAPA be involved in any of the T-hangar discussions. Mr. Donovan stated that Sheltair will take the lead on this process and the Airport will be in concurrence with the design. Mr. Donovan encourages that MAPA and all aviation community be a part of this process and provide feedback.

Mr. Fischer stated with no revenue for ten years, what happens if there is a default. Mr. Donovan explained that there are provisions in the lease if there are any defaults. This property has never been developed in its history and we have not had any revenue in the past decades previously. There will be fuel sales involve and activity associated that we would see some revenue, but the land lease itself, we will not see any revenue for ten years.

Mr. Bird explained that as with the lease and development deals, where the lease is conditioned on development in a certain time frame, it's the Airport's reversionary interest that protects the Airport. If there is a default, particularly after the improvements have been constructed, the Airport ends up with the title of those improvements and we can turn around as the Owner and release that space with the improvements and the Airport makes the money on the improvements.

Mr. Mikuen asked if the option parcel will be dedicated to T-Hangar use. Mr. Donovan stated it is dedicated for general aviation use. Mr. Mikuen asked is there a date in place within the lease, if you have not started and completed the work, there is a default. Mr. Donovan stated that it is included in the lease. Mr. Mikuen asked what the gap potential would be of the demolition of the old T-hangars and the construction of the new T-Hangars. Mr. Donovan stated that we will be able to control when we will transition from the site and there will not be a gap.

A motion was made by Mr. Fischer to Approve and Amend and Restate Aeronautical Commercial Ground Lease and Development Agreement with Sheltair Melbourne, LLC, seconded by Mr. Thomas. Motion passed unanimously.

Item A-9 Recommendation to Approve a Use and Lease Agreement with Canada Jetlines Operations LTD.

Mr. Donovan explained that he and Greg Dull have been working with this Airline for some time. Canada Jetlines is an ultra-low cost carrier, based in Mississauga, Ontario, and plans to operate nonstop service two times a week between Toronto and the Melbourne Orlando International Airport. Adam Wilcox from Canada Jetlines presented the board members with a short presentation of Canada Jetlines Operations.

A motion was made by Mr. Potter to approve a Use and Lease Agreement with Canada Jetlines Operations LTD, seconded by Mayor Alfrey. Motion passed unanimously.

Item A-10 Results of Executive Director's Evaluation.

Mr. Ryals explained that the evaluation results for Mr. Donovan were very positive. The most significant item was the last criteria on the overall evaluation of performance rating and Mr. Donovan received a perfect score of five from all the board members. Mr. Ryals asked Bill Johnson, our senior consultant, to do a survey on Airport Director's salaries to make sure the Authority is being fair and competitive with Mr. Donovan's salary and that survey has been included in the board member packets for review. The City of Melbourne this year gave all employees a seven percent cost of living increase and that will be included in Mr. Donovan's salary. Mr. Ryals stated that this year has been very successful with three carriers Allegiant, TUI, and Canada Jetlines that started service. Mr. Ryals expressed to recognize Mr. Donovan's one year performance in terms of a bonus rather than to increase his base salary.

Each of our board members expressed their thoughts and appreciation to Mr. Donovan for a tremendous performance and a job well done in succeeding all expectations this year.

A motion was made by Mr. Potter for Mr. Donovan's salary be adjusted in accordance with the City's seven percent increase and addition to that he be paid a one-time annual bonus of \$50,000, seconded by Jack Ryals.

Mr. Donovan expressed his sincere gratitude to all the board members for their comments and recognizing his efforts.

Item A-11 Naming the Welcome Center to the Jack L. Ryals Welcome Center.

Mr. Donovan explained to the board to consider this agenda item in recognition of Jack Ryals contributions to the Melbourne Orlando International Airport over the previous 19 years, including his leadership as Chairman for two separate periods, the Airport would like to name the recently constructed Welcome Center to the Jack L. Ryals Center. This honor is appropriate considering his invaluable contributions and will reflect his friendly, warm, and welcoming persona to all Airport visitors.

A motion was made by Mr. Potter approving naming the Welcome Center to the Jack L. Ryals Welcome Center, seconded by Mayor Paul Alfrey. Motion passed unanimously.

Discussion Item

Item D-1 Proposed 2023 Board Meeting Dates

Proposed dates were presented with no further discussion.

Information Items

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

Mr. O'Dell presented the preliminary financial report as of September 30, 2022. Mr. O'Dell stated the most significant change between preliminary financial statements and the final financial statements will be the impacts on GASB 87 which is required to be implemented to comply with GAAP.

Mr. Potter inquired about recording the present value of these payments as an account receivable as some lease terms are over 40 years. Mr. O'Dell explained that GASB 87 requires the assumption that leases will be paid in accordance with contract as well as including options if it is reasonable to assume they will be exercised.

Mr. Fischer asked how you factor CPI. Mr. O'Dell explained you have to make some assumptions and we just assumed essentially two percent per year.

Item I-2 Operations Update by Mr. Busalacchi

TUI Visit and First Season Performance Scores

Mr. Busalacchi explained that during a recent visit to the TUI offices in London, TUI provided them with the results of the Quality Assurance Statistics. It's based on three things, check in, boarding and overall airport experience. The Airport was not operating to its fullest potential this season due to construction. The operations and ground handling staff lead by Mr. Graham along with Menzies, Metz and the ambassadors led by Ms. Samantha Jackson were able to accommodate a large volume of international passengers through our Domestic terminal this season with success.

The first statistic is the check in process and the Airport scored above average throughout TUI's entire system. We were in first place for long haul Airport's in terms of the check in process. The TUI passengers were checked in and processed in most cases in about twenty-five minutes.

The second statistic speaks on the boarding process. During this time, we were boarding our international passengers through our Domestic terminal at the same time we were operating our Domestic flights for Delta, American, Allegiant and Sun Country. We were able to accommodate all of our TUI passengers with extra seating, tables, and game areas for the children. While waiting to board their aircraft, we were able to provide food and beverages for our international passengers getting them ready for their long flight.

The third statistic speaks on the overall experience. We finished below average, but above eighty-five percent of the airports in their system, we finished better in terms of an overall experience. Overall, we did extremely well in all three categories.

Mr. Busalacchi also explained about the process that was not reflected in the TUI presentation and it's about the process to get the passengers through the Customs process. In most cases, the Airport was able to process the international passengers through Customs in approximately an hour.

Item I-3 Construction Projects Update by Mr. Perley

Terminal Renovation Phase 2

All new terminal construction areas are open and operational including the new hold room.

The new concession area is now open and operational.

TSA security check point is open and operational.

The old TSA checkpoint has been cleared and the remaining VIP lounge construction for Phase 2 has started.

TSA still waiting for remaining equipment to make all four lanes operational.

All roofing membrane material has been installed.

Metal roofing trim and coping caps are nearing completion.

Installation of the new fire alarm in the renovation spaces continues.

Testing of the CCTV system is underway.

Test and balance of the new air handling equipment continues.

Punch lists have been created for all areas and are currently being addressed.

Ticket counter renovations for the new airlines continues.

In-Line Baggage System

Modifications to the 30% design continue. Encroachment into the apron area for Gate 1 is still being addressed.

Staff is meeting regularly with the design team to coordinate phased construction at the ticket counters to minimize the impact of on-going operations.

Gate 9 Passenger Boarding Bridge

Design documents for the new Gate 9 are complete and have been submitted to the Building Department for permit.

A demolition permit was issued previously and most of the demolition work is complete.

The boarding bridge is in fabrication and a factory inspection is scheduled for the middle of January.

Delivery of the bridge is expected in mid-April with completion by May 5.

Northside Expansion

First layer of asphalt has been placed.

Second and final layer of asphalt expected to start this week.

Retention ponds are complete, and all overflow outfall structures are formed and poured.

Sod and landscaping installation is nearing completion.

Barrier wall is complete but still dealing with graffiti issues.

Final striping of the roadway will take place 30 days after asphalt is complete.

Mr. Fischer asked if there was an update in reference to Hurricane damage. Mr. Perley responded that they are working on the sky lights area in the atrium. The Airport has hired BRPH to review the sky lights and they were the Engineers who did the original design for the sky lights back in 1988.

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

Mr. Busalacchi wanted to thank the City Council for approving the Lakoona Beach Crystal Lagoon project. The Airport is moving along with the sale of the property, and we are very excited on what this project will bring to our community.

Mayor Alfrey asked that the next step will be with the Federal Aviation Administration (FAA) approval. How long will that take. Mr. Busalacchi explained that all the paperwork has been submitted and under review, and it should take about three months for their final review and approval.

Public Speakers

Ellen Pate a resident from Tropical Haven addressed the board about concerns at Tropical Haven.

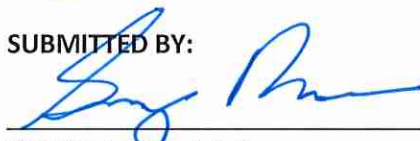
Adjournment

The meeting was adjourned by Chairman Ryals at 10:13 a.m.

PREPARED BY:


Sandra Acevedo – Administrative Assistant II

SUBMITTED BY:


Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:


William C. Potter, Chairman