



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

March 27, 2019 at 8:30 AM

Orlando Melbourne International Airport Board Room

**Pledge of Allegiance**

**Airport Announcements**

**Action Items**

Approval of the minutes of the January 25, 2019 meeting in the Orlando Melbourne International Airport Board Room.

**Item A-1 Recommendation to approve a contract with netDirective Technologies, Inc., d/b/a Artemis for complete Professional Managed Information Technology (IT) Services.**

In February 2018, the Board approved a one-year contract to ensure IT operations continued with little or no disruption following the retirement of the Airport's IT Manager.

Staff developed an IT Management Plan and issued a competitive Request for Proposals seeking a long-term Information Technology support company to provide these services. Staff solicited 22 Managed IT companies and received seven proposals. Proposals were evaluated on a Best-Value basis with the following criteria: Qualifications and Staffing, Relevant Experience, Ability to Meet Authority Needs, Pricing/Rates, References/Past Performance, and Compliance with RFP Requirements. The following chart displays the evaluation scoring results:

Criteria	Artemis	4BB Corp	Creative Network Innovations (CNI)	Indian River Networks	Enterprise Integration (EI)	Atris	WorkMagic	Maximum Score
Qualifications and Staffing	42.8	40.5	38.3	36.0	33.8	31.5	27.0	45
Relevant Experience	20.0	17.0	15.0	15.0	14.0	14.0	12.0	20
Ability to Meet Authority Needs	14.3	14.3	11.3	9.8	10.5	9.0	7.5	15
Pricing/Rates	8.0	8.5	7.0	6.0	4.0	5.5	4.5	10
References/Past Performance	4.5	3.5	3.8	3.8	3.3	3.3	2.5	5
Compliance with RFP Requirements	4.8	4.5	3.5	3.3	2.8	3.3	1.8	5
Total Score	94.3	88.3	78.8	73.8	68.3	66.5	55.3	100

The contract provides complete Professional Managed Information Technology Services. Services include 24-hour support for IT solutions to the airport to include management of all hardware, software, and phone systems. Also included is a full-time onsite IT Field Service Technician. The estimated cost is in line with Staff's projected cost analysis. Staff recommends approval of a contract with Artemis, for complete Professional Managed Information Technology Services for \$620,022 for 5 years with a 3-year Base and 2-year Option Period (contract years 2-5 escalated at 3 percent each year for total cost

estimate). Year 1 pricing is \$9,732 per month. Staff recommends approval of a contract with Artemis and authorization for the Executive Director to execute said contract on behalf of the Authority.

**Item A-2 Approval of an Option to Lease with Fallon Aviation, LLC.**

Fallon Aviation, LLC (Fallon) currently owns a pilot shop located on Apollo Boulevard and is associated with Melbourne Flight School, which currently operates out of the Sheltair facility on the Northside. Both businesses are experiencing tremendous growth that requires bigger accommodations. Fallon plans to construct a shared-use facility.

Due to infrastructure to the current tower, if Fallon were to begin construction today, that infrastructure would have to be relocated. Since that tower will be decommissioned and demolished, both the Airport and Fallon agree it would be more fiscally and operationally prudent to delay entering into a lease until they can reasonably begin construction.

The salient points of the Option are as follows:

Option Parcel Size: ±7.3 acres  
Option Period: Six months with a six-month extension  
Cost of Option: \$3,000 per six-month period  
Broker Fee: No broker fee

Staff recommends approval of the Option to Lease with Fallon Aviation, LLC and authorization for the Executive Director to execute said Option on the behalf of the Authority.

**Item A-3 Approval of an Option to Lease with Health First, Inc.**

First Flight is the emergency helicopter transport service of Health First, Inc. (Health First). Based at Holmes Regional Medical Center, First Flight is Brevard County's only air ambulance and has been serving East Central Florida since 1988. Health First currently leases a facility for the helicopter and flight crew that no longer meets their needs.

Due to Health First's fiscal schedule it would not be able to enter into a lease until later this year, however it wants to preserve a right to lease this parcel.

The salient points of the Option are as follows:

Option Parcel Size: ±1.271  
Option Period: Nine months  
Cost of Option: \$5,799.42 for the nine-month period  
Broker Fee: No broker fee

Staff recommends approval of the Option to Lease with Health First, Inc. and authorization for the Executive Director to execute said Option on the behalf of the Authority.

**Item A-4 Recommendation for Approval of Final Change Order No. 5 to Preferred Materials, Inc. for the Runway 9R-27L Mill and Overlay project in the deductive amount of \$69,844.00.**

In June of 2017, the Board approved the lowest responsive bid for the Runway 9R-27L Mill and Overlay project to Preferred Materials, Inc. in the amount of \$20,497,329 contingent upon receiving the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) discretionary entitlement funding for the project. In October of 2017, FAA informed the Airport Authority (MLB) that certain line items within the bid no longer qualified for discretionary funding. MLB staff, along with the Engineer of Record, AVCON, met with the contractor to reduce the contract amount which was issued in Change Order No. 1 and approved by the Board in December of 2017 for a revised contract amount of \$18,884,729.

During the course of construction, several change orders were issued for additive and deductive changes, including deductions for Owner Direct Purchases (ODPs) and time extensions due to weather delays. At the completion of the project, the Engineer of Record verified quantities installed and determined that the Airport was entitled to additional savings resulting in an overall savings amount of \$261,736. The revised final contract amount is \$18,622,993.

Even though the Contractor had received additional time for weather delays, they did not complete certain milestones resulting in liquidated damages. MLB, AVCON and Preferred Materials reviewed the contractual dates and agreed to an amount of \$41,200 in liquidated damages. This brings the final contract amount to \$18,581,793.

Staff recommends approval of the final Change Order to Preferred Materials, Inc. and authorization for the Executive Director to execute said Change Order on the behalf of the Authority.

**Item A-5 Recommendation to Approve an Extension of the Professional Services Agreement with Quadrex Aviation, LLC for the Air Traffic Control Tower project coordination with the Federal Aviation Administration (FAA) in an amount not to exceed \$32,760.00.**

In the September 2016 Board meeting, Quadrex Aviation, LLC was approved for a contract to coordinate and liaison with the FAA for the successful transfer and integration of the FAA into the new air traffic control tower. All this work was to be completed within the original time frame of construction, which was a total of 13 months. Delays from the FAA in negotiating the reimbursable agreements have extensively extended the project time. Also, the government shutdown which occurred after the agreement was signed and paid for has added more delays that staff has now been informed that the switch over to the new tower will not take place until October 2019.

Staff recommends approval of the Extension to Quadrex Aviation, LLC in an amount not to exceed \$32,760 and authorization for the Executive Director to execute said Extension on the behalf of the Authority.

**Discussion Items**

**Item D-1 MAA Board Member Self-Evaluation**

**Information Items**

**Item I-1 Financial Update**

**Item I-2 Operations Update**

**Item I-3 Construction Projects Update**

**Item I-4 ATCT Construction Project Update**

**Item I-5 Business Development 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.*

Orlando Melbourne Int'l Airport  
Income Statement  
1/31/2019

	1/31/2019	1/31/2018	\$ change	% change
Operating Revenue				
Airline Landing Fees	188,493	112,353	76,139	68%
Airline Service Fees	679,398	622,658	56,740	9%
Land & Bldg Lease Rents	2,739,957	2,733,049	6,907	0%
Terminal Rents	76,492	67,260	9,232	14%
Parking Lot Fees	630,062	572,492	57,569	10%
Car Rental Concessions	315,811	311,005	4,806	2%
Restaurant Concessions	43,065	34,304	8,761	26%
Mobile Home Park Rent	634,758	608,486	26,273	4%
T-Hangar Rentals	37,333	39,834	(2,501)	-6%
Operating Grant Revenue	20,807	-	20,807	#DIV/0!
Other	83,774	98,844	(15,071)	-15%
Total Operating Revenues	5,449,948	5,200,286	249,663	5%
Operating Expense:				
Personnel Services	1,389,775	1,379,833	9,942	1%
Contract Services	1,658,575	1,426,324	232,251	16%
Police & Fire Services	388,674	384,174	4,500	1%
Maintenance and Operations	1,283,336	2,129,430	(846,094)	-40%
Other	-	85,426	(85,426)	-100%
Total Operating Expenses	4,720,360	5,405,186	(684,826)	-13%
Operating Income (Loss)	729,589	(204,900)	934,489	-456%
Non-Operating Revenue (Expense):				
Passenger Facility Charges	344,709	158,201	186,508	118%
Gain on Sale of Assets	4,248	5,919	(1,671)	-28%
Interest Income (Loss)	104,972	44,050	60,922	138%
Ad Valorem Tax Revenue	1,741,692	1,764,398	(22,705)	-1%
Ad Valorem Tax Expense	(1,753,743)	(1,803,219)	49,476	-3%
(Loss) on Disposal of Fixed Assets	-	-	0	#DIV/0!
Other	-	-	0	#DIV/0!
Total Non-Operating Revenue (Expense)	441,879	169,349	272,530	161%
Net Income (Loss) Before Depreciation*	1,171,468	(35,551)		

\* Net Income before capital contributions and transfers

**ORLANDO MELBOURNE INTERNATIONAL AIRPORT**  
**Statement of Revenues, Expenditures and Changes in Fund Net Assets**  
**January 31, 2019**

	YTD Actual	Annual Budget	% of Budget
<b>Operating Revenues:</b>			
Airline Landing Fees	188,493	398,933	47%
Airline Service Fees	679,398	2,013,275	34%
Land & Bldg Lease Rents	2,739,957	7,993,940	34%
Terminal Rents	76,492	244,797	31%
Parking Lot Fees	630,062	1,850,040	34%
Car Rental Concessions	315,811	922,531	34%
Restaurant Concessions	43,065	109,998	39%
Mobile Home Park Rent	634,758	2,041,072	31%
T-Hangar Rentals	37,333	115,766	32%
Operating Grant Revenue	20,807	73,200	28%
Other	83,774	459,313	18%
<b>Total Operating Revenues</b>	<b>5,449,948</b>	<b>16,222,865</b>	<b>34%</b>
<b>Operating Expense:</b>			
Personnel Services	1,389,775	5,503,387	25%
Contract Services	1,658,575	5,152,994	32%
Police & Fire Services	388,674	1,132,365	34%
Maintenance and Operations	1,283,336	5,324,939	24%
Other	-	-	#DIV/0!
<b>Total Operating Expenses</b>	<b>4,720,360</b>	<b>17,113,685</b>	<b>28%</b>
<b>Operating Income (Loss)</b>	<b>729,589</b>	<b>(890,820)</b>	<b>-82%</b>
<b>Non-Operating Revenue (Expense):</b>			
Passenger Facility Charges	344,709	1,084,430	32%
Gain on Sale of Assets	4,248	-	#DIV/0!
Interest Income (Loss)	104,972	171,509	61%
Ad Valorem Tax Revenue	1,741,692	1,943,582	90%
Ad Valorem Tax Expense	(1,753,743)	(1,943,582)	90%
(Loss) on Disposal of Fixed Assets	-	-	#DIV/0!
Other*	-	(60,000)	0%
<b>Total Non-Operating Revenue (Expense)</b>	<b>441,879</b>	<b>1,195,939</b>	
<b>Net Income (Loss) before</b>			
Depreciation, Transfers, and Capital Contributions	1,171,468	305,119	
Depreciation Expense	-	-	
Intra Transfer to Airport Capital	-	(2,406,146)	0%
<b>Net Income (Loss) After Transfers</b>	<b>1,171,468</b>	<b>(2,101,027)</b>	

\*Other Consists of Interest Expense

Melbourne International Airport  
 Top 10 Operating Revenues  
 1/31/2019

Rank	Description	FY 2019	FY 19 % of Total Rev	FY 2018	FY 18 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	1,429,914	26%	1,396,647	27%	33,267	2%
2	Commercial Business Center Rent	1,013,549	19%	1,004,901	19%	8,648	1%
3	Parking Revenue	630,062	12%	572,492	11%	57,570	10% A
4	Tropical Haven Revenue	611,624	11%	603,981	12%	7,643	1%
5	Ground Handling Revenue	370,626	7%	339,554	7%	31,072	9% B
6	Car Rental Concession	315,811	6%	311,005	6%	4,806	2%
7	Terminal Rent-Airline	284,901	5%	270,158	5%	14,743	5%
8	Hangar Rent	247,806	5%	237,356	5%	10,450	4%
9	Landing Fees	188,493	3%	112,353	2%	76,140	68% C
10	Terminal Concessions	43,065	1%	34,304	1%	8,761	26% D
	Total Top 10 Operating Revenue	5,135,851	94%	4,882,751	94%	253,100	
	Other Operating Revenue	314,097	6%	317,535	6%	(3,438)	-1%
	Total Operating Revenue	5,449,948	100%	5,200,286	100%	249,662	5%

A Increase is due to increase in passenger activity.

B Increase is due to rate increase that went into effect 10/1/18.

C Increase is due to rate changes that went into effect 10/1/18 (2.5%) plus increase in size of aircraft serving MLB by American Airlines as well as increase in frequency by scheduled carriers.

D Increase is due to opening of Dunkin Donuts (It opened in mid Spring 2018).



Melbourne International Airport  
 Top 10 Operating Expenses  
 1/31/2019

Description	FY 19 %		FY 18 %		% change
	Operating Expense	FY 2019	Operating Expense	FY 2018	
1 Personnel	29%	1,389,775	26%	1,379,833	1%
2 Other Contract Services	23%	1,108,744	16%	871,477	27% A
3 Fire Services	8%	377,093	7%	373,752	1%
4 Contractual Employee	5%	239,245	4%	201,154	19% B
5 Risk Management	4%	199,145	3%	166,627	20% C
6 Electric	4%	171,915	3%	135,740	27% D
7 Consulting Fees	3%	153,892	3%	172,570	-11%
8 Cable TV Service	2%	88,979	2%	84,034	6%
9 Advertising and Marketing	2%	80,274	3%	135,414	-41% E
10 Outside Counsel Fees	1%	68,144	2%	90,358	-25% F
Total Top 10 Operating Expense	82%	3,877,206	67%	3,610,959	
Other Operating Expense	18%	843,154	33%	1,794,227	-53% G
Total Operating Expense	100%	4,720,360	100%	5,405,186	-13%

A Increase is due to improved cutoff/processing of invoices (4 menzies invoices were processed this year, 3 last year)

B Increase is due to improved cutoff/processing of invoices, there were 23 invoices processed this year compared to 16 last year. There are also more contract employees in the terminal cost center needed to clean space such as the FIS which opened Summer 2018.

C This is an internal charge from Risk and they charge 1/12 of the budgeted premium. The increase corresponds to the increase in budgeted amount that is charged each month; increase is primarily due to new assets coming on line.

D Increase is due to improved cutoff/processing of invoices (last year represents 3 month of expense vs. 4 months in current year)

E Decrease is due to cost saving measures associated with goals of improving cash position that were approved as part of fy 19 budget.

F In FY 19, lobbying costs are being charged to "lobbying expense"; in fy 18, these expenses were charged to outside counsel. This change is designed to provide better classification of expenses.

G This is due to the timing on when the Air Service Incentive is paid out; \$750k was paid out last year compared to \$0 this year as of 1/31/19.



Melbourne Airport  
 Cash Flow Projection  
 3/12/2019  
 Beginning Cash Balance \$ 15,859,892 \$ 15,828,306 \$ 15,283,425 \$ 15,060,058 \$ 15,148,890 \$ 15,157,778 \$ 15,202,903 \$ 15,160,183 \$ 15,180,675

Operating  
 Revenue 1,320,651 1,357,357 1,334,199 1,441,070 1,566,455 1,397,362 1,362,517 1,372,730 1,353,747  
 Less: Prepaid Rent Recorded as Deferred Revenue (7,659) (7,659) (7,659) (7,659) (7,659) (7,659) (7,659) (7,659) (7,659)  
 Less: Deferred Rent (Embraer Leases-10 year deferral) (12,703) (12,703) (12,703) (12,703) (12,703) (12,703) (12,703) (12,703) (12,703)  
 Expenses

Liability Insurance (53,000)  
 Vehicle Lease Payments (410,659) (410,659) (615,988) (410,659) (615,988) (410,659) (410,659) (410,659) (410,659)  
 Personnel (741,483) (741,483) (741,483) (741,483) (741,483) (741,483) (741,483) (741,483) (741,483)  
 Operating (550,000)  
 ASIP Incentive-Porter Advertising Reimbursement (179,733) (179,733) (179,733) (179,733) (179,733) (179,733) (179,733) (179,733) (179,733)  
 City Allocations

Net Increase (Decrease) in Operating Cash (31,586) (544,880) (223,368) 88,833 8,888 45,125 (42,720) 20,493 1,510  
 Ending Balance From Operations \$ 15,828,306 \$ 15,283,425 \$ 15,060,058 \$ 15,148,890 \$ 15,157,778 \$ 15,202,903 \$ 15,160,183 \$ 15,180,675 \$ 15,182,185

Total Cost

Capital  
 Project Expenditures  
 Rehab Terminal-phase 1,3-deferred 1,464,958  
 Rehab Terminal-phase 1,4-1,5-deferred 3,039,600  
 ATCT Tower Equipment Relo 1,023,130  
 ATCT Tower Demo 388,000  
 Rehab Utilities-Airfield Facilities (151,000)  
 Ground Run Up Enclosure Facility (200,000)  
 Security System-phase 1 (237,000)  
 Terminal Transformation (200,000)  
 ATCT Construction (FDOT) (200,000)  
 MRO Hangar (572,000)  
 R/W 9R/27L Rehab (572,000)  
 FIS Phase II (572,000)  
 Complete (568,000)  
 Capital Maintenance/Major R&M (540,000)  
 Total Capital Outlay (1,800,000) (65,000) (35,000) (1,312,000) (772,000) (772,000) (772,000) (768,000) -  
 Grant Revenue (1,800,000) (436,000) (492,000) (1,312,000) (772,000) (772,000) (772,000) (768,000) -

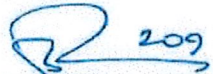
FAA Grant 46 Tower Demo 213,300  
 FDOT Grant-ATCT Demo 19,400  
 FDOT Grant-ATCT Equip Relo 511,500  
 FDOT Grant ATCT Construction 270,000  
 FAA Grant 44- R/W 9R/27L Construction 19,444  
 FDOT Grant-Tower Demo/Equip 1,620,000  
 FDEO-Rehab Utilities 600,000

State Grant-Ground Run up 572,000  
 Total Grant Revenue 572,000 572,000 572,000 572,000 572,000 572,000 572,000 572,000 568,000  
 PFC Collections (Reimbursement of Eligible Costs) 110,430 102,000 97,000 85,000 85,000 85,000 85,000 85,000 85,000  
 Net Increase (Decrease) in Cash From Capital (1,689,570) 1,286,000 (290,000) (463,356) 485,000 155,000 (115,000) (111,000) 1,453,000  
 Beginning Cash/Investments \$ 15,859,892 \$ 14,138,736 \$ 14,879,855 \$ 14,396,488 \$ 14,021,964 \$ 14,515,852 \$ 14,715,977 \$ 14,558,257 \$ 14,467,749  
 Ending Cash/Investments \$ 14,138,736 \$ 14,879,855 \$ 14,396,488 \$ 14,021,964 \$ 14,515,852 \$ 14,715,977 \$ 14,558,257 \$ 14,467,749 \$ 15,922,259

**Orlando Melbourne International Airport  
Police Department  
Monthly Activity Report  
January 2019**

<b>Police Activity</b>	<b>Jan 2019</b>
TSA Required Checks	
Response to Door & Gate Alarms	183
TSA Assists	6
Perimeter	114
Door inspections	4
SIDA & Secure Area Inspections	225
Gate Inspections	3
Customs Assists / Weapons Check	0
Security Violations	1
Assist to Other Agencies	13
Aircraft Alerts	6
*Other Incident Reports	302
<b>Total</b>	<b>857</b>
<b>Traffic / Parking Citations</b>	<b>8</b>
<b>Administrative Action</b>	
Security Badges Issued	133
Parking Permits Issued	139
<b>Total</b>	<b>272</b>



  
 Renee Purden  
 Chief of Police

Security Violations: 01/22/19 Case #19-020 –An employee bypassed TSA checkpoint and went into the sterile area via the ramp.



**Orlando Melbourne International  
Airport Police Department  
Monthly Activity Report  
February 2019**

<b>Police Activity</b>	
TSA Required Checks:	
Response to Door & Gate Alarms	242
TSA Assists	3
Perimeter	110
Door inspections	7
SIDA & Secure Area Inspections	210
Gate Inspections	3
Customs Assists / Weapons Check	1
Assist Other Agencies	12
Aircraft Alert	0
*Other Incident Reports	283
Security Violations	2
<b>Total</b>	<b>873</b>
<b>Traffic / Parking Citations</b>	<b>2</b>
<b>Administrative Action</b>	
Security Badges Issued	112
Parking Permits Issued	26
<b>Total</b>	<b>138</b>



*R* 259

**Renee Purden, Chief of Police**

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

**Security Violations:**

02/14/19 Case #19-035 – AAR employee failed to properly escort someone to the N377V gate to exit the AOA.  
02/28/19 Case #19-043- NWS employee failed to make sure that the S122V gate was secured before driving away from the area.