

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
FEBRUARY 15, 2017**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on February 15, 2017. Vice Chairman Mary Rose Evans convened the meeting 3:06 p.m. in the Boardroom of the Louisville Regional Airport Authority, Louisville, Kentucky.

Those in attendance were: Mr. Dale Boden, Mr. William Byrley, Ms. Mary Rose Evans, Mayor Greg Fischer, Ms. Nikki Jackson, Mr. Earl Jones, Mr. Jon Meyer, Ms. Lesa Seibert and Mr. Steve Trager. Not in attendance: Ms. Cissy Musselman, and Mr. Jim Welch. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members in attendance were: Ms. Brenda Allen, Ms. Pat Apone, Ms. Natalie Chaudoin, Mr. Dwight Clayton, Mr. Mike Ford, Mr. Vince Glasonvic, Ms. Noel Jolly, Ms. Heather McClure, Mr. Tom Middleton, Mr. Skip Miller, Mr. Steve Petty, Mr. Brian Sinnwell, Ms. Stephanie Smith, Mr. Jim Sohan, Mr. Adam Thomas, Mr. Tom Tyra, and Mr. Darrell Watson.

Also in attendance: Mr. Matt Demos, Mr. Greg Ehrhard, Mr. Marty Finley, Mr. Robert Holmes III, Mr. Clair Nichols, Mr. Tony Oberhausen, Mr. Christopher Schissler, Ms. Julie Taylor, and Ms. Melissa Vasher.

CONSIDERATION OF MINUTES

The minutes of the regular board meeting held January 25, 2017 were reviewed and, upon motion duly made and seconded, unanimously approved.

MARKETING REPORT

Mr. Tom Tyra presented the Marketing Report. The Air Service Report for the month ending February 28, 2017 shows 70 daily flights, which is the same number of flights and a decrease of 162 daily seats from last month and an increase of four flights and 680 daily seats from the same period last year.

Mr. Tyra announced United Airlines will add one additional daily flight to Denver, CO beginning April 4, 2017 using 50-seat aircraft operated by Trans States Airlines. American Airlines will add one additional flight to Philadelphia, PA beginning May 5, 2017. The flight will be operated by Republic Airlines using 76-seat aircraft. American will offer three daily flights to Philadelphia. Southwest Airlines will add a fourth daily flight to Baltimore, MD and a fourth flight to Chicago, IL beginning April 25, 2017. In June the airline will add a fifth daily departure to Chicago-Midway.

Mr. Tyra presented the quarterly seat capacity comparison for regional and comparable airports:

Code	Airport	Seats May 2017	Seats May 2016	Change	Seats June 2017	Seats June 2016	Change
<u>Comparable Airports</u>							
MEM	Memphis International	232,623	224,005	3.8%	232,043	227,402	2.0%
OKC	Will Rogers World (Oklahoma City)	212,943	201,389	5.7%	214,964	200,399	7.3%
PVD	Theodore Francis Green State (Providence)	194,756	190,543	2.2%	194,274	190,972	1.7%
RNO	Reno/Tahoe International	212,776	185,371	14.8%	217,798	211,784	2.8%
RIC	Richmond International	189,271	190,078	(0.4%)	188,625	189,366	(0.4%)
SDF	Louisville International	192,279	187,392	2.6%	202,195	183,783	10.0%
TUS	Tucson International	169,040	170,936	(1.1%)	155,859	154,813	0.7%
GEG	Spokane International	162,960	157,218	3.7%	182,808	177,375	3.1%
ORF	Norfolk International	185,367	181,052	2.4%	176,809	183,092	(3.4%)
ELP	El Paso International	162,240	156,105	3.9%	161,317	156,982	2.8%
TUL	Tulsa International	154,582	145,459	6.3%	156,083	153,679	1.6%
BHM	Birmingham International	151,723	148,082	2.5%	153,838	147,538	4.3%
<u>Regional Airports</u>							
BNA	Nashville International	726,763	676,810	7.4%	758,765	712,312	6.5%
IND	Indianapolis International	479,563	480,354	(0.2%)	490,003	481,692	1.7%
CVG	Cincinnati/Northern Kentucky International	405,073	358,934	12.9%	455,113	367,390	23.9%
SDF	Louisville International	192,279	187,392	2.6%	202,195	183,783	10.0%
DAY	Dayton International	115,556	112,405	2.8%	103,976	113,925	(8.7%)
LEX	Blue Grass Airport	81,163	72,663	11.7%	83,590	76,727	8.9%

FINANCIAL REPORT

Ms. Pat Apone presented the financial report for the month ending January 31, 2017. Landed weights related to passenger and cargo activities for the month of January, the fiscal year-to-date and the calendar year-to-date are all exceeding last year's activity.

Operating revenues for the month of January and fiscal year-to-date are exceeding their budgeted levels. The operating revenues for the first seven months of FY 17 are \$41,002,397 which is 9.3% above the budgeted amount. Revenues derived from landing fees, FBO rents, parking and car rental activities are exceeding the year-to-date budget expectations. Concession revenues are reported in two different accounts which are the landside and airside terminal areas, and they are also exceeding their budgeted levels.

Operating expenses for January 2017 and fiscal-year-to-date are below their budgeted levels. Year-to-date operating expenses are \$16,832,685 which is 8.4% below budget. Expenses related to payroll, contract and professional services, and consulting services are currently under their forecasted levels. Capital expenditures and the related grant revenues still remain low; however, both accounts were up approximately \$1,000,000 over last month.

The reports related to the Authority's DBE and ACDBE programs have been modified to include their goals and participation percentages.

CONSTRUCTION REPORT

Mr. Brian Sinnwell presented the construction report.

At Louisville International Airport, the Terminal Enhancement Project continues. Punch list items are being addressed, installation of terrazzo flooring throughout the building is approximately 99% complete, installation of carpet is 98% complete, elevator glass cladding work begins February 13 and stairway renovation in airside rotunda begins February 9. Construction oversight of the concession spaces continues with work on The Bourbon Academy Tasting Room (Notice to Proceed on February 10), Brooks Brothers (open by March 1) and Coals Artisan Pizza (opened February 10). The overall project is approximately 96% complete. For the Crittenden Drive – Woodlawn Overpass Project, the final phase of the Crittenden Drive relocation project, which consists of replacing the existing Woodlawn Overpass Bridge in its current configuration and alignment, traffic has moved to the new span of the bridge allowing the contractor to begin demolition on the second half of the project. Estimated project completion is 51%.

At Bowman Field, Hanson Professional Services, Inc. continues work on the acquisition of aviation easements for the purpose of obstruction removal as part of the Airport Area Safety Program. Work includes additional survey verification, title search, easement appraisals, development of aviation easement documents and exhibits, consultation with property owners regarding the aviation easement process and the trimming and removal of trees. Consultation with the Division of Community Forestry, Metro Parks, and Big Spring Country Club also continues. Bob Ray, Inc. is completing tree trimming and tree removals off the approach ends of all runways at Bowman Field. This work continues on residential, commercial and public properties that have aviation easements. This work is 15% complete.

Mr. Sinnwell reported on the Relocation Program. Under the environmental sampling and asbestos clearing and demolition contracts, three properties were surveyed for asbestos containing materials during this period, no structures were assigned for abatement during this period, and no structures were demolished.

For the Sound Insulation Program, a project kick-off meeting for the Noise Mitigation Program at the University of Louisville Belknap Campus was held with the University on December 4, 2015 to begin discussions regarding noise mitigation of certain eligible buildings on the Belknap Campus. Follow-up coordination meetings were held, and the initial acoustical testing was conducted on 13 buildings on campus March 12-20, 2016. Testing was completed on six additional buildings April 29-May 4, 2016. The final round of testing for five additional buildings was completed August 13, 2016. A total of 24 buildings have been tested, and acoustical testing results have been reviewed by the FAA-Memphis ADO. A summary of test results and a copy of the report were presented to the University of Louisville on November 2, 2016. A survey of existing conditions was conducted January 4-6, 2017. The project report

including probable construction costs and preliminary construction durations is due in mid-February. The project is 90% complete.

For the Noise Exposure Map (NEM) Update Project, the draft maps and report were presented to the Community Noise Forum on October 26, 2016 for review. The draft report has been finalized and a 30 day public comment period began on November 4, 2016. A public workshop was held on November 29 between 5:00 pm and 7:00 pm at the Fourth Presbyterian Church. The 2016 and 2021 NEMs were submitted to the FAA on December 23, 2016. The project is 95% complete.

BOARD CONSENT ITEMS

1. East Perimeter Road Reconstruction — Louisville International Airport — Contract Award

The east perimeter road reconstruction project consists of construction of approximately 860 linear feet of Portland Cement Concrete (PCC) roadway pavement to replace critical areas of existing asphalt roadway. The project also includes 6,700 linear feet of asphalt roadway resurfacing and replacement of 1,300 linear feet of Air Operations Area (AOA) security fence. The fence replacement will include removal of the existing non-standard wood fence east of the cell phone lot and replacing it with standard AOA chain link security fencing. Additionally, a PCC slab with an electronic detector loop will be replaced.

The project was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted on the Authority's website. Six bids were received, and the low bidder was E&B Paving, Inc. from Clarksville, IN with a unit price bid of \$762,400. Authority staff and our consultant have reviewed the bid documents submitted by E&B Paving, Inc., have verified the low bid to be responsive and recommend the award. This is a PFC funded project.

Mr. Miller recommended the Board award the contract for East Perimeter Road Reconstruction at Louisville International Airport to E&B Paving, Inc. of Clarksville, IN in accordance with the unit prices set forth in the bid for a not-to-exceed cap of \$762,400; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

2. Hall Contracting of Kentucky, Inc. — Crittenden Drive Connector Allmond Avenue and Woodlawn Overpass Project Change Order No. 3 — Louisville International — Approval

This project consists of the demolition and replacement of the existing Woodlawn Overpass and the reconstruction of approximately 920 feet of Woodlawn Avenue. The new bridge will span 164 feet across Strawberry Lane and the CSX Railway. The project includes approximately 3,735 linear feet of asphalt roadway resurfacing along Woodlawn and Allmond Avenues. This project represents the final phase of a three (3) phase project for the relocation of Crittenden Drive that was required to construct the now completed Group VI Aircraft Taxiway "A".

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This change order request includes the demolition of an existing foundation encountered during construction and the removal on an existing bridge structure pile underground. This work is required to make room for the new bridge foundations. Also included is the installation of a required Guard Rail End Treatment as required by Kentucky Transportation Cabinet. Authority staff and the engineering consultant, HNTB, have reviewed the change order documents submitted by Hall Contracting of Kentucky, Inc. and approve of the costs proposed.

Mr. Miller recommended the Board approve Change Order No. 3 to the contract for the Crittenden Drive Connector – Allmond Avenue & Woodlawn Overpass project with Hall Contracting of Kentucky, Inc. of Louisville, KY in the amount of \$24,951.00 resulting in a revised total contract price of \$4,181,391.00, and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

3. Management Registry, Inc. and Crown Services — Temporary Labor Services Contract Amendment No. 1 — Louisville International — Approval

In February 2014, the Board approved two awards, a primary and a secondary, for the Temporary Labor needs of the Authority. The primary company selected was Management Registry, Inc. with a secondary contract awarded to Crown Services, Inc. The terms of the agreements are three years with two one-year optional extensions. The initial term of both contracts expires March 29, 2017. Staff recommends the exercise of the first one-year extension. Management fees and terms and conditions remain the same as the initial three year period. Funding levels previously approved by the Board for the initial three year period are sufficient for both contracts to include the services for the additional optional year. The 2017 fiscal budget includes funds for this service.

Mr. Miller recommended the Board approve Amendment Number One Temporary Labor Services (primary) to Management Registry, Inc. of Louisville, KY with a total four-year not-to-exceed amount of \$2,280,000.00 for the first four years of the agreement and approve Amendment Number One Temporary Labor Services (secondary) to Crown Services, Inc. of Louisville, KY with a total four-year not-to-exceed amount of \$175,000.00 for the first four years of the agreement; and authorize the Executive Director to execute the necessary contract documents, subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

4. Northwest Quadrant Site Clearing — Louisville International — Contract Award

The Northwest Quadrant Site Clearing project consists of a base bid for site clearing and a bid alternate for telephone/electric pole removal within the Airport Operations Area (AOA) for Louisville International Airport. More specifically, the area of site clearing is located on 55 acres in the northwest side of the airport in what was previously known as Highland Park.

The project was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted on the Authority's website. Eight bids were received and the low bidder was MTM Enterprises, LLC from Morehead, KY with a unit price base bid of \$57,310 and a unit price bid alternate of \$8,250 for a total combined bid of \$65,560. Authority staff and our consultant have reviewed the bid documents submitted by MTM Enterprises, LLC, have verified the low bid to be responsive and recommend the award.

Mr. Miller recommended the Board award the contract for Northwest Quadrant Site Clearing at Louisville International Airport to MTM Enterprises, LLC of Morehead, KY including the base bid and the bid alternate in accordance with the unit prices in the bid with a not-to-exceed cap of \$65,560; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

BOARD ACTION ITEMS

5. LG&E Underground Electric Facilities Relocation — Northwest Quadrant Utility Relocation Project — Louisville International — Agreement Approval

The proposed utility relocation improvements in the Northwest Quadrant of Louisville International Airport include the installation of a new 6-way 6" duct bank, the installation of underground primary cable and the removal of old cable in abandoned manholes in accordance with an agreement with LG&E. This agreement includes engineering, materials and construction performed by LG&E, according to design plans at a total cost of \$127,410.00

Mr. Miller recommended the Board approve the cost for the material and services provided in the Agreement with LG&E in the not-to-exceed amount of \$127,410.00; and authorize the Executive Director to execute the Agreement, subject to review and approval by legal counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

6. LG&E Underground Gas Facilities Relocation — Northwest Quadrant Utility Relocation Project — Louisville International — Agreement Approval

The proposed utility relocation improvements in the Northwest Quadrant of Louisville International Airport include the replacement of a 12" high pressure steel gas main along a closed section of Crittenden Drive, the installation of an 8" high pressure steel gas line and the retirement of existing underground facilities. This work shall be in accordance with an agreement with LG&E and includes engineering, materials and construction performed by LG&E, according to design plans at a total cost of \$836,000.00

Mr. Miller recommended the Board approve the cost for the engineering, material and construction provided in the Agreement with LG&E in the not-to-exceed amount of \$836,000.00; and authorize the Executive Director to execute the Agreement, subject to review and approval by legal counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

7. HNTB Corporation — Task Order No. 20 — East Perimeter Road Reconstruction Construction Inspection Services — Louisville International — Approval

In July 2014, the Board approved the award of a master contract with HNTB Corporation as the Authority's Airport Improvement Program (AIP) consultant for a three year period. The contract requires Board approval for each Task Order. Task Order No. 20 authorizes HNTB to provide construction inspection services for the East Perimeter Road Reconstruction project at Louisville International Airport. The work includes construction administration, field inspection, and other activities as required to construct the project. The not-to-exceed amount of Task Order No. 20 is \$83,740 in accordance with the hourly rates negotiated with HNTB Corporation.

Mr. Miller recommended the Board approve Task Order No. 20 to the contract with HNTB Corporation in the amount of \$83,740 bringing their total contract amount to \$5,057,240; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

8. Right of Entry Agreement for High Speed Internet Cable — Amendment No. 2 — Bowman Field — Approval

The Authority and Insight Kentucky Partners II, L.P. ("Insight") are parties to a Right of Entry Agreement dated March 3, 2010. Insight constructed, installed and maintains underground internet cable to service existing and future tenants of the Administration Building and the Bowman Business Center at Bowman Field. The Board previously approved the First Amendment which provided service to 2720 Gast Blvd. (Louisville Executive Aviation).

Insight requests to provide service to 2900 Moran Avenue (Hangar 12) which was not included in the Right of Entry Agreement or First Amendment. The Authority's staff and Insight have discussed further amending the Right of Entry Agreement to adjust the right of entry areas to permit Insight to construct and install certain facilities to provide services at Hangar 12.

Mr. Miller recommended the Board approve the Second Amendment to the Right of Entry Agreement between the Authority and Insight Kentucky Partners II, L.P. which adjusts the right of entry areas at Bowman Field at the terms and conditions described above; and authorize the Executive Director to execute the necessary contract documents subject to review by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

9. Obstruction Mitigation Restoration Project Contract No. 2 — Bowman Field — Award

At the November 2016 Board meeting, the Board approved the award of a contract for trimming and removal of trees that penetrate critical approach surfaces to Runways 6, 15, 24, and 33 at Bowman Field as part of the Airport Area Safety Program. The trees in that phase are currently being trimmed and removed; therefore, the project being awarded with this action consists of the next phase of effort which includes planting trees, shrubs and landscaping work on residential, public and commercial properties that have aviation easements.

This project was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted on the Authority's website. A pre-bid meeting was conducted and one bid was received on from Bowling Nursery of Louisville, Kentucky for \$398,454. Authority staff and the consultant have reviewed the bid documents submitted and have verified the bid by Bowling Nursery to be responsive and acceptable and recommend the contract award.

Mr. Miller recommended the Board award the contract for the Obstruction Mitigation Restoration Project - Contract 2 to Bowling Nursery, of Louisville, Kentucky, for a contract award of \$398,454; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

EXECUTIVE DIRECTOR'S REPORT

Mr. Miller announced the Authority had received the Silver Fleur-de-Lis Award from Greater Louisville, Inc., in recognition of new nonstop air service at Louisville International and the Terminal Enhancement Project. Greater Louisville Inc. created the award to "recognize outstanding commitments and achievements throughout the year that makes Louisville a better place to work and live." The award was presented to Skip Miller and Jim Welch by Steve Hanson, Greater Louisville Inc. Board Chair and CEO of Baptist Health at the Greater Louisville Inc. Annual Meeting.

Mr. Miller informed the Board that Board member Nikki Jackson had been named the "Woman of Influence" by *Louisville Business First* as part of the 2017 Business Women First Program. She was honored for "making a difference in business and the community." In addition to serving on the Authority Board, Ms. Jackson is Regional Executive and Senior Vice President of the Louisville Branch of the Federal Reserve Bank of St. Louis, and she serves on the Boards of One West, Louisville Public Media and Family Scholar House.

Mr. Miller introduced the Authority's new Public Relations Manager, Stephanie Smith. Ms. Smith's first day was February 7, 2017. Prior to joining the Authority, Ms. Smith served as the Corporate Communications Manager for American Commercial Barge Line for nearly two years. She also previously worked at Hosparus for 17 years in a variety of roles including Director of Communications and with Hosparus volunteers. In addition to overall public relations responsibilities, she will oversee the approximately 75 volunteers who make up the Airport Ambassador Program.

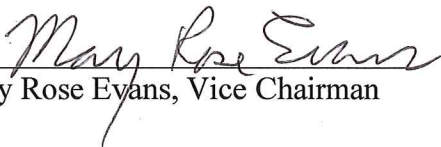
Following the Executive Director's report, upon recommendation by counsel Tom Halbleib, the following motion was duly made, seconded and approved by the Board:

I hereby move that the Board enter closed session for the purpose of conducting discussions concerning both proposed and pending litigation on behalf and against the Authority. The reason for entering closed session

with respect to the proposed or pending litigation is that the Board requires the opportunity to discuss in confidence the Authority's litigation strategy, tactics, and other matters directly pertaining to the potential and pending litigation. No final action is to be taken in this closed session. This action is authorized by KRS 61.810(1)(c).

I further move that the foregoing motion constitutes notice and public announcement of the general nature of the business to be discussed in closed session, the reason for the closed session, and the specific provision of the Kentucky Open Meetings Act authorizing the closed session, as required by KRS 61.815. The Board anticipates taking no action following the closed session.

There being no further business, the meeting adjourned at 4:37 p.m.


Mary Rose Evans, Vice Chairman


C. T. "Skip" Miller, Assistant Secretary