

LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
APRIL 19, 2017

The regular meeting of the Board of the Louisville Regional Airport Authority was held on April 19, 2017. Chairman Jim Welch convened the meeting 3:16 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, Mr. Earl Jones, Mr. Jon Meyer, Ms. Cissy Musselman, Ms. Lesa Seibert and Mr. Jim Welch. Not in attendance: Mayor Greg Fischer, Ms. Nikki Jackson, and Mr. Steve Trager. Mr. Tom Halbleib attended as counsel to the Board.

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

Also in attendance: Ms. Caitlin Bowling, Ms. Barbara Michael, Mr. Clair Nichols, Mr. Christopher Schissler, Ms. Karen Scott, Ms. Julie Taylor, Ms. Melissa Vasher, and Ms. Mary Ellen Wiederwohl.

CONSIDERATION OF MINUTES

The minutes of the regular board meeting held March 15, 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 April 30, 2017 shows 72 daily flights, which is an increase of two flights and an increase of 41 daily seats from last month and an increase of four flights and 160 daily seats from the same period last year.

Mr. Tyra announced that airlines have planned a robust schedule to accommodate guests for Derby 143. Departure Sunday will be the third largest schedule in the last 10 years and the fourth largest overall. This year we will see special segments added to Boston, Los Angeles and San Francisco to complement additions in aircraft gauge and frequency to existing markets.

<u>Year</u>	<u>Rank</u>	<u>Departure Seats</u>	<u>Change</u>
2008	7	10,380	-7.80%
2009	5	10,657	2.67%
2010	2	11,566	8.53%
2011	1	11,605	0.34%
2012	8	10,235	-11.81%

2013	6	10,426	1.87%
2014	10	9,287	-10.92%
2015	9	9,504	2.34%
2016	4	10,840	14.06%
2017	3	11,421	5.36%

FINANCIAL REPORT

Ms. Pat Apone presented the financial report for the month ending March 31, 2017. Landed weights related to passenger and cargo activities for the month of March, the fiscal year-to-date and the calendar year-to-date all remain strong.

Operating revenues for the month of March and fiscal year-to-date are exceeding their budgeted levels. The operating revenues for the month are \$5,530,567 which is 8.2% above budget, and operating revenues for the first nine months of FY 17 are \$51,981,180 which is 9.0% above the budgeted amount. Revenues derived from landing fees, FBO rents, parking and car rental concessions, and terminal concessions continue to exceed year-to-date budget expectations.

Operating expenses for March 2017 were \$2,510,209 which is 14.0% below budget and year-to-date operating expenses are \$21,384,317 which is 10.3% below budget. Expenses related to snow removal, payroll, contract and professional services, and consulting services continue to fall below their forecasted levels.

CONSTRUCTION REPORT

Mr. Brian Sinnwell presented the construction report.

At Louisville International Airport, the Terminal Enhancement Project continues. Final punch list items are being completed, construction as-built drawings are being prepared, The Bourbon Academy Tasting Room construction is complete, and elevator glass cladding work is complete. The overall project is approximately 99% complete. For the Crittenden Drive – Woodlawn Overpass Project, the final phase of the Crittenden Drive relocation project to replace the existing Woodlawn Overpass Bridge in its current configuration and alignment, foundation piers are complete and steel is set for the pouring of vertical columns for the new bridge span. The east crash wall is formed and is scheduled to be poured during the second week of April. Estimated project completion is 58%. For the Airfield Pavement Rehabilitation Project, Notice to Proceed was issued to E&B Paving on April 14, 2017 with work to be completed by July 12, 2017. The work consists of the removal and replacement of 60 concrete slabs on Runway 17L-35R and on the north end of Taxiway "B". For the Terminal Apron Reconstruction and Expansion Project, Notice to Proceed was issued to The Harper Company on April 10, 2017 with work to be completed by August 7, 2017. The work consists of the removal and replacement of concrete slabs on the terminal apron, the reconstruction of asphalt tug lanes near the terminal and the expansion of the terminal apron adjacent to the terminal area cargo ramp. The work includes the reconstruction of terminal apron drainage facilities on the south side of the terminal. Overall,

this project is 1% complete. For the Airfield Electrical Upgrade Project to replace airfield cabling and isolation transformers for airfield in-pavement and edge lights at Louisville International Airport, Notice to Proceed was issued to Bansal Construction on March 13, 2017 with work to be completed by June 10, 2017. Overall this project is 1% complete.

At Bowman Field, Hanson Professional Services, Inc. continues work on the acquisition of avigation 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 avigation easement documents, offers and consultation with property owners regarding the mitigation and replacement of trees. As of March 31, 2017, Bob Ray, Inc. completed tree trimming and tree removals on residential properties where new avigation easements were acquired and property access was granted. Tree trimming and removal work is complete on the Big Spring Country Club property. While a number of trees were trimmed or removed, additional tree work on the Seneca Golf Course is suspended until Fall 2017. Final property restoration, stump grinding and clean-up work continues on all properties. Overall, this work is 20% complete. Bowling Nursery was issued a Notice to Proceed for tree planting, landscaping, and restoration work for the Phase 2 Restoration and Obstruction Mitigation Project. This work is 25% 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, with one structure assigned for abatement during this period.

For the Sound Insulation Program, acoustical testing was conducted on 24 University of Louisville Belknap campus buildings. Two buildings have an overall interior noise level above 45dB and are eligible for treatment of the entire structure. There are six additional buildings that have rooms which exceed the 45 dB criteria on an individual basis but do not qualify for full treatment of the entire structure. Phase II of the project which includes the Environmental Assessment (EA) and design work for noise mitigation measures is underway.

BOARD CONSENT ITEMS

1. Northwest Quadrant Duct Bank Relocations — Louisville International Airport — Contract Award

The Northwest Quadrant Duct Bank Relocation project addresses the relocation of electric and communication duct banks from central locations within the area formally known as Highland Park to perimeter locations of the Louisville International Airport. The project was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted on the Authority's website. Four bids were received and the low bidder was Appalachian Foothills Contracting, Inc. from Lexington, KY with a unit price bid totaling based on estimated units, \$421,305.00. Authority staff and our consultant, Stantec, have reviewed the bid documents submitted by Appalachian Foothills Contracting, Inc., have verified the low bid to be responsive and recommend the award.

Mr. Miller recommended the Board award the contract for Northwest Quadrant Duct Bank Relocation at Louisville International Airport to Appalachian Foothills Contracting, Inc. of Lexington, KY in accordance with the unit prices set forth in the bid with a not-to-exceed cap of of \$421,305.00; 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.

2. 2017 Airfield Pavement Rehabilitation — Louisville — Contract Award

This project consists of ongoing efforts to maintain integrity of the airfield pavements. The scope of this project involves the removal and replacement of runway and taxiway concrete pavement and the associated in-pavement lights on the west side of the airfield. The project was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted on the Authority's website. Three bids were received and the low bidder was The Harper Company of Hebron, KY with a unit price base bid of \$1,945,646.76. The bid included three bid alternatives for additional pavement rehabilitation of concrete pavement at three locations in Taxiway B. The Harper Company bid \$242,057.60 for all three bid alternatives. The combined total of the base bid and all three bid alternatives for The Harper Company is \$2,187,704.36. Authority staff and HNTB have reviewed the bid documents submitted by The Harper Company, have verified the bid to be responsive and recommend the contract award.

Mr. Miller recommended the Board award the contract for the 2017 Airfield Pavement Rehabilitation to The Harper Company of Hebron, KY including Bid Alternates 1, 2, and 3 in accordance with the unit prices set for in the bid for a not-to-exceed total of \$2,187,704.36; 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. Elite Line Services, Inc. — In-Line Baggage Screening System Services Contract Amendment No. 1 — Louisville International — Approval

In June 2014, the Board approved an award for the In-Line Baggage Screening System Services needs of the Authority to Elite Line Services, Inc. Elite Line is responsible for the operation and maintenance of the Authority's baggage handling system. The initial term of the agreement was for three years with two one-year optional extensions. The contract expires July 23, 2017. Staff recommends the exercise of both one-year extensions. Elite has agreed to hold costs for the two one-year extensions flat, maintaining the same annual cost over the five-year period of the contract. The 2018 fiscal year budget contains funds for this service.

Mr. Miller recommended the Board approve Amendment Number One In-Line Baggage Screening System Services to Elite Line Services Inc., of Carrollton, TX with a total five-year not-to-exceed amount of \$4,450,667.50 for the five 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. ADP — Human Resources, Payroll, Timekeeping and Time Clock Software and Hardware Contract Amendment No. 1 — Louisville International and Bowman Field — Approval

The Board in April 2014 approved the purchase, installation and maintenance of a new Human Resources, Payroll, Timekeeping and Time Clock Software and Hardware system through ADP. The initial contract period was three years with two one-year optional extensions. The current three year period expires June 23, 2017. ADP has submitted a two year quote, if accepted by the Authority, with no cost increase for year four and a 2% increase for year five. Staff has reviewed the quote from ADP and recommends extending the contract and exercising both one-year extensions. The total cost for the two year extension is \$130,000. Budgeted funds are available in fiscal year 2017, as well as, placed in the fiscal year 2018 budget to cover this expense.

Mr. Miller recommended the Board approve exercising two one-year extensions for the Human Resources, Payroll, Timekeeping and Time Clock Software and Hardware Maintenance, to ADP bringing the not-to-exceed amount of the contract to \$350,000; 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.

5. Office Supply Contract — Louisville International and Bowman Field — Award

The Board at its November 2016 meeting approved a the award of a contract to Office Depot, Inc. for one year with four one-year renewals based on a competitive bid process handled by the Louisville Metro Government. Three other local agencies were included in this co-operative purchasing agreement. Metro Louisville had to withdraw its award due to a protest filed by one of the bidders. Metro decided it would be in the best interest of all parties to re-bid this procurement. Louisville Metro Government re-advertised the bid according to state statutory requirements in March as the lead agency in obtaining and making the award. Five bids were received and Louisville Metro Government has awarded a contract to Office Depot, Inc., (our current supplier) for one year with four one-year options at the co-operative's choosing. The Authority's FY2017 budget for office supplies is \$58,800.

Mr. Miller recommended that the Board approve a one-year contract with four one-year renewal options for office supplies to Office Depot, Inc. with a not-to-exceed amount of \$250,000 to cover the full five-year period; 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

6. Public Relations Services Contract — Louisville International and Bowman Field — Approval

Public Relations services for the Louisville Regional Airport Authority are currently provided by Guthrie/Mayes Public Relations under an agreement ending June 30, 2017. Costs for this work

averaged \$93,000 annually for the past three fiscal years. As part of the proposed FY2018 budget, \$100,000 will be budgeted for these services. The Authority solicited proposals from public relations agencies to assist Authority staff in developing a comprehensive public relations program for a term of one-year with two optional one-year extensions commencing July 1, 2017. The Invitation to Submit Proposals was advertised in *The Courier-Journal* and the *Louisville Defender*, was posted on the Authority's website and was sent to the Tri-State Minority Supplier Development Council. Invitations were also mailed directly to eight agencies. Proposals were received from the following agencies:

Guthrie/Mayes Public Relations, Louisville, KY
Tandem Public Relations & Marketing, Louisville, KY

A selection committee comprised of the Authority's Public Relations Director, Natalie Chaudoin, William Byrley of the Authority's Board, Chris Poynter of the Metro Louisville Mayor's Office of Communications and Jim Mayer of UPS Airlines Public Relations reviewed proposals based on a variety of criteria including overall experience, strategic communications planning and ability to achieve public relations goals. The evaluation process included presentations to the committee by both companies. The Committee unanimously recommends award of the contract to Guthrie/Mayes Public Relations of Louisville, KY.

Mr. Miller recommended the Board approve entering into a one-year Agreement with two one-year optional extensions for the period July 1, 2017 through June 30, 2018 with Guthrie/Mayes Public Relations of Louisville, KY for public relations services with a not-to-exceed amount of \$100,000 each year; and authorize the Executive Director to execute the necessary documents subject to review and approval by counsel as to the legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

EXECUTIVE DIRECTOR'S REPORT

Mr. Miller reminded the Board he would be putting together a tour of current Authority construction sites and Bowman Field restoration efforts for the Board sometime in May.

Mr. Welch updated the Board on the search process for Skip's successor. The Authority has entered into a contract with ADK Consulting to conduct the search process. Board members Dale Boden, Mary Rose Evans, Nikki Jackson, and Lesa Seibert volunteered to be part of the search committee. Mary Rose Evans has offered to chair the committee. Mr. Welch is also in discussions with our stakeholder UPS to provide a representative to serve on the committee.

As part of the process, ADK Consulting has offered to meet with key external stakeholders in the community to learn what these organizations feel are important in this position and what qualities the Authority should be looking for in the next executive director. ADK will summarize their findings for the search committee.

Mr. Welch advised current staff they are welcome to apply and be considered for the position.

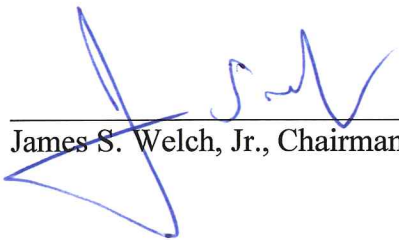
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Mr. Welch advised the Board he has met with Mr. Skip Miller and Ms. Karen Scott to discuss logistics of the transition, and operating procedures during this transition period. Ms. Scott should be on staff beginning May 1, 2017.

Mr. Welch advised Authority staff to please reach out to him if they wish to meet to discuss the transition process.

Ms. Lesa Seibert advised the Board that Ms. Cissy Musselman was recognized by the Ohio River Valley Women's Business Council with the Trail Blazer Award at their 2017 Conference.

There being no further business, the meeting adjourned at 3:43 p.m.



James S. Welch, Jr., Chairman



C. T. "Skip" Miller, Assistant Secretary