

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
JULY 18, 2018**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on July 18, 2018. Chairman Jim Welch convened the meeting at 3:07 p.m. in the Boardroom of the Louisville Regional Airport Authority, Louisville, Kentucky.

Those in attendance were: Mr. Dale Boden, Mr. Bill Byrley, Ms. Mary Rose Evans, Mayor Greg Fischer, Mr. Earl Jones, Mr. Pat MacDonald, Mr. John Moore, Ms. Lesa Seibert, and Mr. Jim Welch. Not in attendance: Ms. Nikki Jackson. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members in attendance were: Ms. Brenda Allen, Ms. Pat Apone, Mr. Josh Ball, Ms. Sara Brown, Ms. Dodie Caulk, Ms. Natalie Chaudoin, Mr. Dwight Clayton, Mr. Vince Glasnovic, Ms. Noel Jolly, Mr. Dan Mann, Mr. Kenneth McCardwell, Mr. Curtis Monroe, Mr. Steve Petty, Ms. Antissa Riley, Mr. Brian Sinnwell, Mr. Adam Thomas, and Mr. Darrell Watson.

Also in attendance: Mr. Bobby Campbell, Mr. Conner Derouen, Mr. Marcus Green, Mr. Steve McDevitt, Ms. Barbara Michael, Mr. Clair Nichols, Mr. Patrick Osbourne, Mr. Vinay Polepalli, Ms. Stacie Rockaway, Ms. Karen Scott, Mr. Luke Schmidt, Mr. Rick Storm, Ms. Julie Taylor, Mr. Jonathan West, and Ms. Mary Ellen Wiederwohl.

CONSIDERATION OF MINUTES

The minutes of the board meeting held June 20, 2018 were reviewed and, upon motion duly made and seconded, unanimously approved. Chairman Jim Welch abstained from the vote.

MARKETING REPORT

Mr. Darrell Watson updated the Board on the SDF Cares program, noting that on July 26, 2018 Authority staff will be volunteering at Norton Children's Hospital.

Mr. Watson presented the Air Service Report for the month ending July 31, 2018. The report shows 82 daily flights, which is a decrease of one daily flight but an increase of 18 daily seats from last month and an increase of four daily flights and 389 daily seats from the same period last year. Additionally, Louisville International has 28 non-stop flights which is one less than last month and an increase of one non-stop flight from the same period last year.

On June 29, 2018, Southwest Airlines announced new daily non-stop service to Dallas Love Field, which will begin January 7, 2019. On July 11, 2018, OneJet halted operations to Louisville and 10 other cities.

As discussed in June, Mr. Watson presented the Board a list of benchmark cities for use in a monthly comparison of our air service and other key indicators of the market to both comparable size airports and aspirational markets located in cities not necessarily the same size as Louisville. Mr. Watson requested the Board provide him feedback on the cities selected for the comparison.

FINANCIAL REPORT

Ms. Pat Apone presented the financial report for the month ending June 30, 2018. Operating revenues for the month of June 2018 and fiscal year-to-date exceeded their budgeted levels. The operating revenues for the month were \$6,076,980 which is 5.9% above budget, and year-to-date operating revenues for FY 18 were \$69,199,317 which is 4.0% above the budgeted amount. Revenues derived from landing fees, terminal rents and ground transportation continue to exceed year-to-date budget expectations.

Operating expenses for June 2018 were \$3,054,461 which was 11.8% below budget, and fiscal year-to-date operating expenses were \$33,740,647 which was 14.1% below budget. Expenses related to consulting and professional fees, salary allocations to capital projects and contract services all fell below their budgeted levels.

CONSTRUCTION REPORT

Mr. Brian Sinnwell presented the construction report.

At Louisville International Airport, for the Terminal Enhancement Project, coordination continues regarding the design and fabrication of the terminal airside rotunda art piece. New charging stations are in fabrication and expected to be installed in July. New golf cart screening is currently in fabrication for an anticipated August installation in the airside area near the TSA checkpoint. A mother's room in Concourse "A" is going out to bid this month. Alliance has completed scoping of Phase 2 of the terminal enhancement. The Airfield Electrical Upgrade Phase 10 Project to remove and replace pavement embedded taxiway centerline light fixtures, transformers and airfield guidance signs is substantially complete with remaining punch-list items being addressed. For the Airfield Pavement Rehabilitation Phases A and B project to remove and replace deteriorating concrete slabs located on Runway 17R-35L and Taxiway B, all pavement slabs have been completed, and the remaining work consists of pavement markings and saw-cut grooving of the Runway slabs. The project is approximately 97% complete. The East Terminal Rehabilitation Project consists of removal and replacement of existing pavement for aircraft use. Currently, excavation is complete, stone backfill is in place, and asphalt base is in place. The project is approximately 45% complete. The Parking Structure Level 4 Rehabilitation Project consisting of joint repairs, concrete spall and crack repairs, seal coating and striping of the eastern part of the 4th floor parking garage is approximately 75% complete. The AT&T Duct Bank Relocation Project to install new AT&T duct banks and manholes in the Northwest Quadrant is approximately 85% complete. The Martha Moloney and Air Freight Drive Asphalt Rehabilitation Project to mill, overlay and replace pavement markings on Martha Moloney and Air Freight Drive is 100% complete.

At Bowman Field, for the Airport Area Safety Program work continues to evaluate and identify current or near-term obstructions to runway approach surfaces. Tree removals and trimming is complete and work on the project is substantially complete. For the Airport Area Safety Program (Landscape and Plantings) Project, Bowling Nursery continues to install trees and landscaping as part of the Phase 2 restoration and obstruction mitigation project. For the Bowman Field Administration Building Parking Lot and Gast Boulevard Pavement Project to mill and overlay

the existing asphalt and connector road to Pee Wee Reese and Gast Boulevard from Dutchmans Lane to Roger Schupp, work is 100% complete. The 2018 Airfield Asphalt Rehabilitation Project to mill and overlay existing asphalt at multiple sites along Taxiway "H" and Taxiway "J" to correct pavement heading; to remove, re-grade and replace asphalt paving in the west "T" Hangar area to mitigate water intrusion into existing hangars; and to remove and replace fencing in the west "T" Hangar area is approximately 95% complete.

Mr. Sinnwell reported on the Relocation Program. Under the environmental survey, asbestos sampling and demolition contracts no new structures were addressed.

The Residential Sound Insulation Program, for the sound insulation of residences within the DNL 65 contour on the 2021 Noise Exposure Map, work is underway to update the program policies and procedures, to define the program boundaries and to develop the acoustical test plan. An initial review of cultural resources in areas northeast of Louisville International Airport is also underway. For the University of Louisville Noise Mitigation Project, 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 an Environmental Assessment (EA) and design work for noise mitigation measures is underway. The draft EA was completed and sent to FAA for review, and currently the FAA is completing their review of the EA.

BOARD CONSENT ITEMS

1. On-Call Airfield Paint Markings Removal and/or Replacement — Axtell's Pavement Solutions, LLC Contract Amendment No. 3 — Louisville International — Approval

In May of 2017, the Board approved an On-Call Airfield Paint Markings Removal and/or Replacement contract with Axtell's Pavement Solutions, LLC of Scott Township, PA (a Certified DBE) for an initial term of one year with two one-year renewal options. A first amendment in June of 2017 added funds for fiscal year 2018 and a second amendment in June of this year, exercised the first one-year renewal option and added \$175,000 for fiscal year 2019. Staff has determined that additional efforts to remove and replace pavement markings would be appropriate.

Mr. Mann recommended the Board approve an amendment to the contract in the amount of \$325,000, for a total not-to-exceed amount of \$750,000; 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. Mann's recommendation.

BOARD ACTION ITEMS

2. Annual Purchase of Airport Authority Insurance Policies — Approval

Most of the Authority's various insurance policies expire July 31, 2018. Board-approved brokers represent the Authority in obtaining price quotes from insurance carriers for the expiring lines of

insurance. Key lines of coverage represented by Aon Risk Services are workers compensation and public officials'/employment practices liability. Key lines of coverage represented by Willis Towers Watson are airport/general liability, property, and commercial auto. Both brokers are in the final year of their current agreements with the Authority. The brokers obtained quotes and provided proposals tailored to our specific needs and requirements. Staff has reviewed each of the quotes by line of coverage, and recommendations are included in the attached summary. The annual insurance premium cost for the Authority's full insurance program, as proposed, is \$566,146 with all-inclusive costs including premiums, broker fees, taxes, assessments and surcharges totaling approximately \$628,799. This represents a 5.7% decrease over last year's costs for comparable coverages. Funds are included in the Fiscal 2019 operating budget for these lines of coverage in the amount of \$717,000.

Mr. Mann recommended the Board approve the purchase of the insurance coverages from the companies indicated on the attached list at the costs stated; 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. Mann's recommendation.

3. Alliance — Terminal Enhancement and Remodeling Program Contract Amendment No. 3 — Louisville International — Approval

At the January 20, 2015 board meeting, Alliance was awarded the contract to lead the design of the Terminal Enhancement and Remodeling Program. This contract amendment will provide consulting services required for Phase 2 design of the terminal enhancement and remodeling program. The Terminal Enhancement and Remodeling Program - Phase 2 is a continuation of comprehensive upgrades to public spaces of the terminal, including interior renovations, technology updates and add a range of exterior & landside enhancements. In accordance with the previously approved Unit Rates with Alliance, the not to exceed value of this Amendment No. 3 is \$1,046,519.76.

Mr. Mann recommended that the Board approve Amendment No. 3 to the contract for "Terminal Enhancement and Remodeling Program Consultant" to include Phase 2 Design Services with Alliance of Minneapolis, MN for a new total not-to-exceed amount of \$1,046,519.76; 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. Mann's recommendation. Mayor Fischer and Vice Chairman Evans requested the Authority consider incorporating the use of solar panels and other energy efficient and sustainable construction materials and practices in the project when possible.

4. Airport Master Plan Consultant — Louisville International — Contract Award

This effort consists of the qualifications-based selection of a consultant for airport planning services to develop an Airport Master Plan update for Louisville International Airport in accordance with FAA guidelines. The Authority advertised a Request for Qualifications in *The Courier-Journal* and the *Louisville Defender*, through the American Association of Airport Executives and the Authority's website, and with the Tri-State Minority Supplier Development

Council. A total of five qualified firms submitted statements of qualifications for the Authority's consideration.

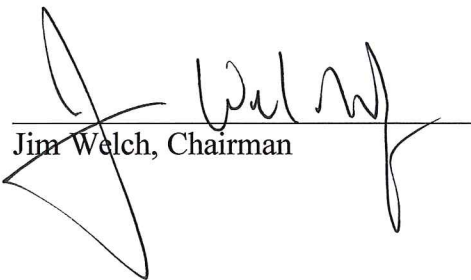
A consultant selection working group independently reviewed, ranked and discussed the statements received. After careful consideration, the working group unanimously recommends Kimley-Horn and Associates, Inc. as the most qualified firm to carry out these professional services. Preparation and negotiation of a planning services contract will commence upon approval of this selection. The contract scope of work and fee will be presented to the Board for approval at future meeting.

Mr. Mann recommended the Board approve the selection of Kimley-Horn and Associates, Inc. for the LRAA's Airport Master Planning Consultant as the most qualified consultant; and, authorize the Executive Director to execute the necessary contract documents subject to approval and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

OTHER BUSINESS

Chairman Welch informed the Board that he would be holding a half-day strategic planning retreat for the Board to review the Board's core mission and purpose, to determine the key things the Authority wants to do over the next five to seven years, how the Authority will measure its progress, and how the Board will oversee and govern the Authority. In addition to the retreat, the facilitator will be conducting one-on-one interviews with each of the Board members prior to the retreat. Noel Jolly will contact each of the Board members to schedule the retreat date and the one-on-one meetings.

There being no further business, the meeting adjourned at 3:52 p.m.



Jim Welch, Chairman



Dan Mann, Assistant Secretary