

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD MEETING
JUNE 16, 2021**

A special meeting of the Board of the Louisville Regional Airport Authority was held on June 16, 2021. Chairman Dale Boden convened the meeting at 3:15 p.m. both in person and via Zoom video conferencing software.

Board members present in person were: Mr. Dale Boden, Ms. Toni Clem, Mr. Mitchel Denham, Ms. Mary Rose Evans, Mayor Greg Fischer, Mr. Pat MacDonald, and Mr. Jim Welch. Board members present via videoconference were: Ms. Nikki Lanier and Ms. Lesa Seibert. Not in attendance: Mr. Cleo Battle and Mr. John A. Moore. Mr. Tom Halbleib attended as counsel to the Board.

Staff Member present in person: Dan Mann. Staff members present on the video conference were: Ms. Brenda Allen, Ms. Pat Apone, Mr. Josh Ball, Ms. Natalie Chaudoin, Ms. Dodie Caulk, Mr. Dwight Clayton, Mr. Bill DeGraw, Mr. Anthony Gilmer, Ms. Noel Jolly, Mr. Curtis Monroe, Mr. Brian Sinnwell, Ms. Megan Thoben, Mr. Adam Thomas, and Mr. Darrell Watson.

Also present on the video conference were: C.M. Callister, Mr. Spencer Coe, Mr. David Coffman, Mr. Cody Crawford, Ms. Diane Effinger, Ms. Matie England, Mr. Brandon Hardin, Holli, Mr. Dave Mayer, Mr. Eric Menger, Mr. Joseph Mudd, Mr. Zach Neds, PMC, Mr. Robert Rush, Mr. Kevin Sandrella, Mr. Kevin Sigg, Mr. Rick Storm, Mr. Todd Tabor, Ms. Julie Taylor, Mr. Ben Tobin, and Ms. Melissa Vasher.

CONSIDERATION OF MINUTES

The minutes of the special Board meeting held April 21, 2021 were reviewed and, upon motion duly made and seconded, unanimously approved.

CONSENT ITEMS

1. Appointment of Safety and Security Officers — Approval

The Director of Public Safety has reviewed the qualifications of Emily Cruz, Eddie Phillips III and Wesley Singleton and concluded that they satisfy the qualifications set forth in the Board's November 18, 1998 resolution and recommends their appointment as airport Safety and Security Officers.

Mr. Mann recommended the Board appoint the above-named persons as airport Safety and Security Officers, to serve at the pleasure of the Board until such time as the Director of Public Safety shall terminate the appointment; and authorize and direct the Authority's Director of Public Safety to administer the Oath of Office. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

2. Louisville Sports Properties, LLC/Louisville Arena Sports and Entertainment, LLC — Contract Amendment No. 1 — Louisville Muhammad Ali International Airport—

Approval

In July 2019, the Board approved a marketing and advertising agreement with Louisville Sports Properties, LLC/Louisville Arena Sports and Entertainment, LLC. The contract had an initial term of three years with a not-to-exceed amount of \$328,635 and included the advertising and marketing benefits outlined in Exhibits A and B (copy attached). Staff seeks the Board's approval to amend the agreement to extend the term three additional years for a new expiration date of June 30, 2025, and to increase the not-to-exceed limit of the agreement to \$1,203,577. Exhibit A will be amended to include the additional advertising and marketing benefits outlined in the contract amendment agreement (copy attached). The Authority has experienced favorable results from this advertising and marketing agreement and recommends the approval of the extension and the additional benefits.

Mr. Mann recommended the Board approve the three-year contract extension with Louisville Sports Properties, LLC/Louisville Arena Sports and Entertainment, LLC increasing the total contract by \$874,942, for a total not-to-exceed amount of \$1,203,577; 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.

3. Residential Sound Insulation Project No. 2021-1.3-35 — Louisville Muhammad Ali International Airport — Contract Award

This project consists of alterations and modifications to 35 residences within the Group 1 area of the residential sound insulation program. Acoustical treatments will be made to each of these homes to achieve an interior reduction of noise from aircraft. The work includes the replacement of existing windows and doors, as well as mechanical and electrical modifications. The project was advertised in *The Courier-Journal* and the *Louisville Defender*. Additionally, the project was posted with the Tri-State Minority Supplier Development Council and on the Authority's website. Two bids were received and the lowest, most responsive bidder was S&L Specialty Contracting, Inc. of Syracuse, NY in the lump sum bid amount of \$1,183,000.00. The project will be funded by an existing FAA grant.

Mr. Mann recommended the Board award the contract for Residential Sound Insulation Program Project No. 2020-1.3-35 to S&L Specialty Contracting, Inc. of Syracuse, NY in the contract amount of \$1,183,000.00; 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. Mann's recommendation.

4. Taxiway "E" Electrical Improvements— Louisville Muhammad Ali International Airport — Contract Award

This project consists of ongoing efforts to maintain the integrity of airfield electrical elements by replacement of existing Taxiway "E" airfield signs, cable, edge lights, and edge light transformers at the Louisville Muhammad Ali International Airport. The project was advertised in *The Courier-Journal*, the *Louisville Defender*, was posted on the Authority's website and was provided to the

Tri-State Minority Supplier Development Council. Four bids were received and the lowest, responsive bidder was Bansal Construction, Inc. of Fairfield, OH with a unit price base bid of \$463,951. Authority staff and our consultant have reviewed the bid documents submitted by Bansal Construction, Inc., have verified the bid to be responsive and recommend the contract award. It is anticipated that 90% of the costs associated with this effort will be funded by an FAA grant.

Mr. Mann recommended the Board award the contract for the Taxiway “E” Electrical Improvements to Bansal Construction, Inc. in accordance with the unit prices set forth in the bid for a total contract amount of \$463,951; 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.

5. HNTB — Task Orders No. 21 and 22 — Louisville Muhammad Ali International Airport — Approval

On January 16, 2019, the Board approved the award of a Supplemental Airfield Consultant Services contract with HNTB for a three-year period with an option for an additional two-year term. The contract requires Board approval for each Task Order.

Task Order 21 authorizes HNTB to provide construction inspection services and project management for the 2021-C Airfield Pavement Rehabilitation project on west and central locations on the airfield at Louisville Muhammad Ali International Airport. Task Order 21 will be a time and material not-to-exceed contract in the amount of \$141,842. This project will be funded through a future FAA grant.

Task Order 22 authorizes HNTB to provide construction inspection services and project management for the 2021-B Airfield Pavement Rehabilitation project on the east side of the airfield at Louisville Muhammad Ali International Airport. Task Order 22 will be a time and material not-to-exceed contract in the amount of \$142,511. This project will be funded through a future FAA grant.

Mr. Mann recommended the Board approve Task Orders No. 21 & 22 to the contract with HNTB in the time and material not-to-exceed amount of \$284,353; 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.

FINANCES, FACILITIES AND OPERATIONS COMMITTEE REVIEWED ACTION ITEMS

6. General Construction and Design/Build Services for General Facilities — Louisville Muhammad Ali International Airport and Bowman Field — Contract Award

The Authority recognizes the need for Design/Build Services to address current and potential building needs that may arise and require immediate attention. The Board previously approved a

Design/Build Team that is currently successfully serving the Authority. Staff have determined that this method of addressing construction needs that arise in a timely manner would be further advanced and equitable if another Design/Build Team was added to the Authority's options. Therefore, a request for qualifications was sought for a second Design/Build Team to address this immediate need and to be on-call for future building construction or renovation needs.

The Authority advertised a Request for Qualifications in *The Courier-Journal* and the *Louisville Defender*, through the American Association of Airport Executives website, the Tri-State Minority Supplier Development Council and posted on the Authority's website. A total of eight qualified teams submitted proposals for the Authority's careful consideration. A working group consisting of Authority staff independently reviewed the qualifications of the teams and unanimously recommends Miranda Construction as the most qualified Design/Build Team to carry out these services. A fee schedule consistent with FAA and engineering standards will be negotiated with Miranda Construction. Individual projects in the form of task orders will be presented to the Board for approval as each project is formulated unless the project was previously budgeted and falls under the Executive Director's spending limit. The Design/Build contract will be in effect for a maximum five-year period and implemented on an on-call basis giving the Authority the means to aggressively respond to the needs of the airport and its stakeholders.

Mr. Mann recommended the Board approve the award of the contract for General Construction and Design/Build Services for General Facilities to Miranda Construction as the most qualified design/build team; 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.

7. Geothermal and East Ramp Expansion, Bid Package 1 — Louisville Muhammad Ali International Airport — Contract Award

This project consists of installation of green technology for the terminal by construction of a new geothermal well field including main piping and appurtenances and expansion of the east aircraft apron over the new geothermal well field. This project also includes new drainage between Taxiways "K" and "G" to support the apron expansion at the Louisville Muhammad Ali International Airport.

The project was advertised in *The Courier-Journal* and the *Louisville Defender*, was posted on the Authority's website, and provided to the Tri-State Minority Supplier Development Council. Four bids were received. Unfortunately, the lowest bidder failed to meet the required 15% DBE participation goal at the time of bid submission and the evidence of Good Faith Efforts they submitted were deemed insufficient under the federal regulations and associated guidance by the staff DBE Liaison Officer to award the contract. Therefore, the bid is deemed nonresponsive, and staff is recommending the second lowest bidder which did fully meet and exceed the DBE requirement at the time of submission. Therefore, the lowest, responsive bidder was E&B Paving, LLC of Clarksville, IN with a unit price base bid of \$21,732,352.33.

Authority staff and our consultant have reviewed the bid documents submitted by E&B Paving, LLC, have verified the bid to be responsive and are recommending the contract award.

Mr. Mann recommended the Board award the contract for the Geothermal and East Ramp Expansion Bid Package 1 to E&B Paving, LLC in accordance with the unit prices et forth in the bid for a total contract amount of \$21,732,352.33; 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.

8. Adoption of a Financial Management Guide and Investment Policy — Approval

Over the last two years, finance staff have reviewed existing policies to identify opportunities for improvement, to determine if existing policies meet industry standards, and to ensure our policies enable the Authority to conduct business efficiently. While researching industry standards, staff found most financial management guides include investment guidelines or strategies instead of maintaining this information as a separate policy. The proposed Financial Management Guide and Investment Policy (FMG), if adopted, will combine the Authority's existing Financial Management Plan (adopted July 2009) and the Investment Objectives & Policies Manual (adopted June 2012) to create one document for the Board's reference. It also sets a re-defined threshold for Major Maintenance costs for capital items to more accurately reflect the current costs for such items in the budgeting process.

The proposed FMG combines the existing Financial Management Guide and Investment Policy documents to present the financial information in a more concise manner while referencing the documents where the user may obtain more detailed information, if needed. The proposed FMG meets the requirements of KRS 66.480 and provides the key information the board should consider when making financial decisions for the Authority.

Mr. Mann recommended the Board approve and adopt the Financial Management Guide and Investment Policy as proposed (copy attached) and authorize the Executive Director to take the necessary steps to implement the changes. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

9. Proposed Fiscal Year 2022 Budget — Approval and Adoption

Mr. Mann presented the Fiscal Year 2022 Operating and Capital Budgets to the Board for their review and approval. Mr. Mann advised the Board he had met with Secretary/Treasurer Nikki Lanier to review the budget and she had issued a letter (copy attached) supporting the adoption of the budget following that review. The Fiscal Year 2022 Budget includes the new service from Spirit Airlines and Breeze Airways which began in May 2021. Key highlights of the proposed budget include:

- Operating Revenues for FY 22 are \$66.9M, which is an increase of \$7.5M or 12.7% from last year's budget.
- Operating Expenses for FY22 are \$40.2M, which is an increase of \$6.5M from the FY21 budget.
- The estimated cost per enplanement is \$7.31 which is a decrease of \$1.43 or 17% over

FY21.

- Enplanements are forecasted at 1.6M, a 45% increase from the FY21 budget.
- Landing Fee is \$1.135 which is down 4.3 cents from FY21. The projected landed weight a 13.8% increase.
- The FTE has been increased from 141 in FY21 to 145 for the FY22.
- Includes a 4% merit and bonus pool for employees and the 401(a) match has been increased to the maximum amount of an employee's 401(k) contribution allowed by the IRS, including allowable catch-up amount.
- The Capital Plan for FY22-24 identifies capital needs of the airports, cost estimates and anticipated funding sources for the various projects.

This budget meets the needs of the Authority to provide facilities and services to fulfill our mission to serve our region with safe and efficient aeronautical facilities. It is also necessary to revise Chapter 600 of the Authority Regulations to incorporate changes resulting from the adoption of the Fiscal Year 2022 budget.

Mr. Mann recommended the Board adopt the Fiscal Year 2022 Budget (copy attached) as submitted by airport staff, approve and adopt the revised Regulations as proposed (copy attached) and authorize the Executive Director to take the necessary steps to implement the changes. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

There being no additional business the meeting adjourned at 4:12 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary