

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD MEETING
SEPTEMBER 15, 2021**

The special September meeting of the Board of the Louisville Regional Airport Authority was held on September 15, 2021. Chairman Dale Boden convened the meeting at 3:19 p.m. both in person and via Zoom videoconferencing software.

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

Staff Members in attendance in person was: Mr. Dan Mann. Staff members present via videoconference were: Ms. Brenda Allen, Ms. Pat Apone, Ms. Dodie Caulk, Ms. Natalie Chaudoin, Mr. Bill DeGraw, Ms. Noel Jolly, Mr. Brian Sinnwell, Ms. Megan Thoben, Mr. Adam Thomas, and Mr. Darrell Watson.

Also in attendance via videoconference: Mr. Joe Allen, Ms. Sarah Barker, Mr. Cody Crawford, David's iPhone, Ellie, Mr. John Fischer, Ms. Rebecca Fleischaker, Ms. Kristy Inmon, Mr. Dave Mayer, Mr. Michael McClimon, Mr. Zach Neds, Mr. Brent Prince, Mr. Jonathan Rozenbergs, Mr. Robert Rush, Mr. Kevin Sandrella, Mr. Kevin Sigg, Mr. Rick Storm and Ms. Melissa Vasher.

CONSIDERATION OF MINUTES

The minutes of the special Board meeting held July 21, 2021 and the special Annual Board meeting held July 21, 2021 held were reviewed and, upon motion duly made and seconded, unanimously approved, with one correction to the minutes of the special Board meeting. Mr. Brian Lavin serves on the President's Council of the University of Louisville.

STAFF REPORTS

FINANCE REPORT

Ms. Pat Apone presented the Finance Report. Year-to-date operating revenues are exceeding the budget by 6.3% or \$747,000. Passenger related revenues account for most of the activity. Year-to-date operating expenses are under budget by 20% which is \$1,200,000. It is too early in the Fiscal Year to identify financial trends, but the Authority is performing very well. Year-to-date operating revenues are \$3,200,000 higher than the same time last year. Landed weight for cargo remains strong and landed weight for passenger traffic is increasing. Enplanement numbers for June and July are strong, totaling 334,000 or an increase of 182% over the same period last year when there were 118,000 enplanements. The Microsoft D365 Enterprise Resource Planning System went live on September 1, 2021.

PLANNING AND FACILITIES REPORT

Mr. Sinnwell presented the planning and facilities report. At Louisville Muhammad Ali International Airport, work is underway on the snow removal equipment building on Park Road adjacent to the Maintenance Facility. Anticipated move in date is December 1, 2021.

Work is underway for the construction of a taxi lane connecting the northwest development area and interfacing with the UPS apron and UPS's planned future development. Notice to Proceed was issued on Monday and the first phase of work will be the relocation of a 60-inch storm line that cuts across the site. Concrete work will most likely begin in the Spring.

Notice to Proceed was issued on Monday for the construction of the geothermal wellfield. Site survey, utility locations and pre-construction tasks are currently underway. A major part of the project will be improving the drainage in this area. Wellfield construction will begin in the next couple of months.

CONSENT ITEMS

1. Grant Approvals Resolution — Approval

The Board must approve all grants offered to the Authority. However, from time-to-time, the Authority receives grant offers that must be accepted and returned in a very short period of time. Staff requests the Board adopt a resolution allowing authorized individuals to accept grants.

Mr. Mann recommended the Board approve the resolution (copy attached). On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

2. KY Deferred Compensation — Approval

The FY22 Budget was adopted by the Board at the June 16, 2021 meeting. In the FY22 Budget, the Board authorized matching 50% of the employee's contribution to the KY Deferred Compensation 401(k) up to the maximum amount allowed by the IRS, including the allowable catch-up amount. KY Deferred Compensation also offers a 457(b) plan, and some Authority employees contribute to the 457 (b). As a point of clarification, the Authority matching participation is allowed for KY Deferred Compensation Plans, which include the 457(b) in addition to the 401(k).

Mr. Mann recommended the Board authorize the Authority matching 50% of the employee's contribution up to the maximum amount allowed by the IRS, including the allowable catch-up amount, to qualified KY Deferred Compensation Plans which include the 401(k) and 457(b) plans. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

3. Landside Snow Removal, Terminal and Parking Areas — Louisville Muhammad Ali International Airport — Contract Award

In preparation for snow-removal season, the Authority solicits bids from contractors to supplement our resources to plow and remove snow on Louisville Muhammad Ali International Airport's landside and parking areas. The current agreement will expire October 14, 2021. An Invitation to Submit Bids was advertised in *The Courier-Journal* and in *The Louisville Defender*. Additionally, the solicitation was posted on the Authority's and Tri-State Minority Supplier Development Council's websites. A non-mandatory pre-bid meeting was held, with two companies in attendance. Two bids were received, and lowest, responsive bidder was APHIX, Inc. of Frankfort, KY. The term of the contract will be three years with two one-year optional extensions.

Mr. Mann recommended the Board award a three-year contract with two one-year renewal options for Landside Snow Removal for Terminal and Parking areas to APHIX, Inc. of Frankfort, KY with an initial three year 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.

4. Aero Bridgeworks Task Order No. 2, Passenger Boarding Bridge Design Build Services — Louisville Muhammad Ali International Airport — Approval

At the March 17, 2021 Board Meeting, AERO Bridgeworks was approved to proceed with Task Order No. 1 for the final Design, Fabrication and Installation of seven Passenger Boarding Bridges with a Guaranteed Maximum Price (GMP) of \$10,454,845. Based upon successful performance of initial design build services to date under Task Order 1, staff seeks approval of Task Order No. 2 for an additional twelve Passenger Boarding Bridges. This Task Order 2 will include final means, methods, design, engineering, fabrication, and installation of the Passenger Boarding Bridges with a GMP of \$13,338,486. All work shall be performed under the original terms and conditions of the established Master Agreement between AERO Bridgeworks and the Authority. In accordance with the respective GMP proposals, the total not-to-exceed value of Task Order No. 1 and Task Order No. 2, is \$23,793,331. All savings below each GMP shall be returned to the Authority.

Mr. Mann recommended that the Board approve Task Order No. 2 for twelve Passenger Boarding Bridges Design Build Services to the contract with AERO Bridgeworks of Marietta GA for \$13,338,496 and a new not-to-exceed GMP of \$23,793,331; 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

5. Sale of Surplus Airport Property Jefferson Court — Approval

In March 2021, the Board adopted the Findings, Determinations and Resolutions declaring all the parcels in the Jefferson Court Area (the "Property") surplus and no longer necessary, useful, profitable or needed for the present and future needs of the Authority and authorized its disposition. The Authority then had the Property appraised by Integra Realty Resources, which indicated an

appraised value in the amount of \$450,000.00. In April 2021, the Authority submitted a request to the Federal Aviation Administration (the “FAA”) to (i) release the Property from grant assurance obligations and (ii) concur in the future disposition of the Property through a future conveyance.

Recently, the staff of the Authority and Bachelor Holdings LLC (“Bachelor Holdings”) have agreed to terms of an Agreement of Purchase and Sale, where Bachelor Holdings has signed, and whereby Bachelor Holdings will purchase approximately 4.61 acres of the Authority’s real property in the Jefferson Court Area. The Jefferson Court Area is located northeast of Louisville Muhammad Ali International Airport, west of Preston Highway and south of Locust Lane as shown on Exhibit A (copy attached). Staff and Bachelor Holdings have negotiated a purchase price in the amount of \$850,000.00.

Mr. Mann recommended the Board contingent upon the FAA’s concurrence, approve the sale and conveyance of approximately 4.61 acres in the amount of \$850,000.00 to Bachelor Holdings LLC; and authorize the Executive Director to execute an Agreement of Purchase and Sale between the Louisville Regional Airport Authority and Bachelor Holdings LLC, and the documentation necessary to consummate the sale in accordance with such agreement, 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.

6. Miranda Construction Task Order No. 2, Garage Towers and Atria Renovation — Louisville Muhammad Ali International Airport — Approval

In June of 2021, design for the Garage Towers and Atria Renovation Project was completed by Alliance and their design team as a part of the SDF Next Terminal Renovation effort. The scope of this project includes removing the top of the barrel vaults on the elevator shafts of the garage, modernizing the front façade look of the towers, and creating a proper passenger journey through the second floor of the garage with new wayfinding and architectural elements throughout both atriums. Wehr Constructors and Miranda Construction have been approved by the Authority for General Construction and Design/Build Services for General Facilities. Bids for construction of this work were received from both Wehr and Miranda. Miranda Construction was the low bidder at \$3,789,418.

Mr. Mann recommended that the Board approve Task Order 2 of the contract for Design/Build Services for General Facilities with Miranda Construction for the completion of the Garage Towers and Atria Renovation Project Construction for a cost of \$3,789,418; 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.

7. Miranda Construction Task Order No. 3, QTA Lot Reconfiguration — Louisville Muhammad Ali International Airport — Approval

On June 16, 2021, the Board approved the award of a General Construction and Design/Build Services for General Facilities contract to Miranda Construction for a five-year period. The

contract requires Board approval for each Task Order that does not fall under the Executive Director's spending limit. Task Order 3 authorizes Miranda Construction to provide construction services for the reconfiguration of the QTA Lot at Louisville Muhammad Ali International Airport. In accordance with the fee schedule negotiated with Miranda Construction, Task Order 3 will be a contract in the amount of \$1,100,000.00.

Mr. Mann recommended the Board approve Task Order No. 3 to the contract with Miranda Construction for the reconfiguration of the QTA lot in the amount of \$1,100,000.00; 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.

Ms. Mary Rose Evans stressed the need to include additional charging stations for electric cars either in the QTA Lot or the parking garage to meet the growing need for charging stations as electric cars become more prevalent.

8. Construction and Energy Management Firm — Louisville Muhammad Ali International Airport and Bowman Field — Contract Award

As part of our major terminal renovation project, the Authority recognizes the need for specialized construction and energy management services to manage current and future needs in a broad range of major Mechanical, Electrical and Plumbing (MEP) projects. This firm will be responsible for the design, acquisition, installation, and overall execution of various MEP projects including modest architectural upgrades, post construction reporting services, energy management and energy conservation measures.

The Authority advertised a Request for Qualifications in *The Courier-Journal*, through the American Association of Airport Executives website, with the Tri-State Minority Supplier Development Council and posted on the Authority's website. A total of two qualified teams submitted proposals for the Authority's careful consideration. A working group consisting of Authority staff was assembled for review of the Construction and Energy and Management team qualifications. The selection working group independently reviewed the qualifications and unanimously recommends CMTA Energy Solutions of Louisville, KY as the most qualified team to carry out these services. A fee schedule consistent with typical construction management and engineering standards will be negotiated with CMTA Energy Solutions. This fee schedule will be utilized for individual projects and 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. This construction and energy management contract will be in effect for a five-year period and implemented on an on-call basis.

Mr. Mann recommended the Board approve the award of the contract for Construction and Energy Management Services to CMTA Energy Solutions as the most qualified team; 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.

9. PFC Backed Financing — Approval

The Authority has developed a comprehensive capital improvement program to replace and upgrade aging terminal infrastructure. The program construction schedule is considerably shorter than the PFC collection period causing the PFC account to run a negative balance. To maintain the Authority's aggressive airport improvement program (SDF Next), Mr. Mann solicited terms for a 10-year fixed rate loan up to \$30 million with one of the four lenders who submitted proposals: Stockyards Bank & Trust, Old National Bank, Independence Bank or Republic Bank. The negotiations are still ongoing, so Mr. Mann was not ready to make a recommendation for approval.

Chairman Dale Boden recommended the Board delegate authority to approve the negotiated terms, as long as they are as good as or better than the proposed terms (copy attached), and to authorize the execution, delivery and performance of conforming loan documents to the Finances, Facilities and Operations Committee at a special meeting to be scheduled once the terms are finalized. On motion duly made and seconded, the Board approved Mr. Boden's recommendation.

There being no additional business the meeting adjourned at 3:55 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary