

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD MEETING
MARCH 16, 2022**

A special meeting of the Board of the Louisville Regional Airport Authority was held on March 16, 2022. Chairman Dale Boden convened the meeting at 3:03 p.m. in person and via Zoom video conferencing software.

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

Staff members present in person: Ms. Brenda Allen, Mr. Anthony Gilmer, Mr. Dan Mann, Mr. Brian Sinnwell, Ms. Megan Atkins Thoben, and Mr. Darrell Watson. Staff members present via video conference: Ms. Pat Apone, Ms. Tairra Bridgewater, Ms. Natalie Ciresi Chaudoin, Mr. Bill DeGraw, Ms. Jorgie Dermody, Ms. Dodie Caulk, Ms. Noel Jolly, Mr. Curtis Monroe, Ms. Kim Pemberton, and Mr. Adam Thomas.

Also in attendance via videoconference: unidentified caller from phone number 502-550-3142, unidentified caller 940225, Mr. Stefan Balez, Ms. Sarah Barker, Ms. Danielle Buehler, Mr. Cody Crawford, Ms. Wendy Harrower, Mr. Dave Mayer, Mr. Tom Nicolas, Mr. Jeff O'Brien, PMC, Mr. Alex Rib, Mr. Robert Rush, Mr. Kevin Sandrella, Mr. Joe Schraffenberger, D Toole, and Ms. Melissa Vasher.

CONSIDERATION OF MINUTES

On motion duly made and seconded, the minutes of the special Board meeting held January 19, 2022 were unanimously approved.

STAFF REPORTS

Mr. Mann presented the 2021 Year in Review to the Board.

Mayor Greg Fischer commended Mr. Mann and the team for their success in showing what a best in class airport is doing and can do.

FINANCE REPORT

Ms. Brenda Allen presented the Finance Report. The Finance Report is for the period ending February 28, 2022. Fiscal-year-to-date operating revenues exceeded the budget by 10.6% or \$4,600,000. Parking and ground transportation are performing above anticipated levels. Passenger driven operating revenues are up 7% over February 2021. Fiscal-year-to-date operating expenses are under budget by 15.2% which is \$4,000,000. This variance is largely due to timing of contracts, air service marketing and budgeted payroll. Enplanements for February

2022 are up 121% from February 2021 and are only 13% lower than February 2020 which was the last month of pre-COVID traffic. 127,000 more passengers flew in January and February 2022 than did in January and February 2021. Landed weight for both cargo and passenger carriers remain strong and were 15 % higher than last year. In fact, they are higher than any year on record.

CONSTRUCTION REPORT

Mr. Brian Sinnwell presented the construction report. At Louisville Muhammad Ali International Airport, construction of the connecting taxilane into the future UPS Hangar development site continues. This taxilane will interface with the UPS apron and includes relocation of major storm water infrastructure. UPS is pleased with the progress of this project and is considering adding additional concrete to their apron to allow for additional aircraft parking during peak.

Work continues to install a geothermal heating and cooling system which will significantly reduce criteria pollutants, such as ozone, carbon monoxide and particulate matter associated with the combustion of natural gas. Reducing natural gas combusted for heating, and electricity for cooling, the geothermal system will reduce the greenhouse gas (GHG) emission associated with the SDF terminal. It is expected that the natural gas combustion will be reduced from approximately 10.7 million cubic feet per year to approximately 1.6 million cubic feet per year. Currently 50 of the approximately 648 wells have been drilled. A concrete apron will be constructed on top of the wellfield to provide additional aircraft parking.

Mr. Sinnwell discussed work in the Louisville Renaissance Zone area. Construction work is underway on a project to reconstruct South Park Road.

Ms. Megan Atkins Thoben provided an update on the SDF Next Terminal renovation project. Back of the house work is underway to upgrade the Terminal mechanical, electrical and plumbing systems in the baggage claim area. The redesign of the baggage claim area will replace the existing baggage handling equipment with modern right-sized equipment that keeps passenger bags in the public area once they have been placed on the bag belt and will create more space in the baggage claim area. The information booth will be relocated to allow passengers better access to the information booth and to provide a better sight line and more storage for our volunteer ambassadors. Baggage claim restroom renovations will include the addition of a mother's room and family restroom. The rental car counters will be redesigned to be more passenger friendly and the ticketing level lobby will also be redesigned.

CONSENT ITEMS

1. Snow Removal Equipment Purchase — Louisville Muhammad Ali International Airport — Approval

The airport currently owns seven M-B Companies multi-task units for snow removal. The units combine plow, broom, and snow blowing on each vehicle. The use of multi-task equipment reduces the number of vehicles needed to perform snow removal on the runways and enough

units will reduce the snow removal time from 40 minutes to 20 minutes per runway. To optimize airfield snow operations, the airport should have nine multi-function units. Staff seeks Board authorization to order two (2) multi-task units at a not-to-exceed value of \$1,811,583.31. The units will be purchased through a cooperative purchase contract with the Minnesota Department of State Procurement Administration and the manufacturer. State law affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts to the same extent as other governmental entities in state and out of state without the need to conduct an additional solicitation.

Mr. Mann recommended the Board approve the purchase of two multi-function snow removal equipment units at a not-to-exceed amount of \$1,811,583.31; and authorize the Executive Director to execute the necessary contracts 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.

2. Air Cargo Facility Lease Agreement — Louisville Muhammad Ali International Airport — Approval

Staff has been in negotiations for a new lease with Matheson Flight Extenders, Inc. ("Matheson"), currently the largest tenant in the Air Cargo Facility, to continue to occupy 14,112 sq. ft. of space. The current lease expires April 30, 2022. Matheson and staff have negotiated a new one-year lease with an expiration of April 30, 2023. Staff and Matheson have negotiated an annual base rent of \$145,071.36 (\$10.28 psf/yr), which equates to a two percent (2%) increase over the current base rent, for the duration of the new term. Additionally, the lease includes a common area maintenance fee, which is adjusted annually on January 1, for all tenants of the Air Cargo Facility. The common area maintenance fee is currently being calculated for calendar year 2022. In calendar year 2021, the common area maintenance fee was \$5.18 psf/yr.

Mr. Mann recommended the Board approve the Air Cargo Facility Lease Agreement with Matheson Flight Extenders, Inc. for 14,112 sq. ft. of space in the Air Cargo Facility at Louisville Muhammad Ali International Airport for a term of one (1) year, effective May 1, 2022, and at the financial terms described above; 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. Schindler Elevator Company Contract Amendment — Airside Freight Elevator Replacement — Louisville Muhammad Ali International Airport — Approval

Originally installed thirty years ago, freight elevators K and S located in the Louisville Muhammad Ali International Airport terminal need replacement/upgrade. These aging units have been regularly maintained by Schindler Elevator under an annual service agreement. These units have become a challenge to economically maintain, which has led to unacceptable down times due to equipment failures or extended lead times for maintenance and repair due to parts becoming obsolete, scarce or unavailable, requiring technical machining and fabrication. Replacement is the sole option for these units. The existing truss supports will be reused in the replacement process.

Schindler Elevator Company is currently listed with Sourcewell (formally NJPA) as holding a cooperative purchase contract under master agreement 080420-SCH. State law, specifically KRS 45A affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts with other public entities under certain circumstances without the need to conduct an additional solicitation. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements. Pricing terms and conditions are based upon the Sourcewell Master Agreement 80420-SCH that runs through August 28, 2024 with available renewal options and the opportunity for the Authority to supplement with provisions required by the Authority and the FAA. This contract covers all labor, equipment and maintenance.

Mr. Mann recommended the Board approve the replacement/upgrade of two airside freight elevators through an amendment to the contract with Schindler Elevator Company at an amendment not-to-exceed amount of \$616,952.19; (\$523,953 non-PFC funded) with a new total not-to-exceed amount of \$8,975,732.94 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. ERMC Aviation, LLC Contract Amendment No. 3 — In-Line Baggage Screening System Services — Louisville Muhammad Ali International Airport — Approval

The Authority currently has a contract with ERMC Aviation, LLC for operations and maintenance of its In-Line Baggage Screening System (ILBSS). The contract was approved by the Board in May 2019 for an initial term of three years with two, one-year renewal options. The contract had an original not-to-exceed amount of \$2,118,707.27. Staff seeks Board approval to exercise the next one-year extension option and add funds for the continued maintenance. The Authority has experienced quality service with ERMC and recommends the first one-year renewal option be exercised through July 22, 2023.

Mr. Mann recommended the Board exercise the first one-year renewal option of the contract through July 22, 2023; increase the total contract by \$779,970.71 to cover the one-year renewal option and associated costs with a new total not-to-exceed of \$3,600,616.08; 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. Patrick D. Murphy Company Contract Amendment No. 1 — Roof Consulting and Management Services — Louisville Muhammad Ali International Airport and Bowman Field — Approval

On December 12, 2018, the Authority awarded a Roof Consulting & Management Services contract for Louisville Muhammad Ali International Airport and Bowman Field to Patrick D. Murphy Co., Inc. The original scope of work included observations and reporting, preventative maintenance, and standby emergency services, all of which have been necessary to maintain and

extend the useful life of roofs at both airports. Staff recommends a contract amendment, in the amount of \$350,000, to continue employing Patrick D. Murphy Co., Inc. for services required to maintain and renovate existing facilities and amend scope to include construction administration for future, larger re-roof projects and skylight replacement.

Mr. Mann recommended the Board approve Contract Amendment No. 1 for Roof Consulting & Management Services to Patrick D. Murphy Co., Inc. in the amount of \$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. Mann's recommendation.

6. HDR Engineering, Inc. Contract Amendment No. 1 — General Surveying Services — Louisville Muhammad Ali International Airport and Bowman Field— Approval

On January 22, 2019, the Authority awarded a General Surveying Services contract for Louisville Muhammad Ali International Airport and Bowman Field to HDR Engineering, Inc. These services are required by FAA Grant Assurances and are typically used on all construction projects at both airports. Scope of work has and will continue to include general surveying, deed/easement research, topographic and utility surveys, and implementation of a new GIS program. The Authority approved an initial contract amount of \$300,000 that has been nearly exhausted for services applied to multiple projects serviced by HDR Engineering, Inc. Therefore, staff recommends a contract amendment in the amount of \$400,000 for an extended term of two years, to continue employing HDR Engineering, Inc. for services required for new and ongoing projects.

Mr. Mann recommended that the Board approve Contract Amendment No. 1 for General Surveying Services to HDR Engineering, Inc. in the amount of \$400,000 and an extended term of two years; 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. Le Relais Restaurant Inc. Lease Agreement Amendment No. 1 — Bowman Field — Approval

The Authority and Le Relais Restaurant, Inc. are parties to a Restaurant Facility Lease Agreement, dated May 13, 2015 (the “Agreement”). The Agreement consists of an initial term of five (5) years with two (2) additional one-year renewal terms. The Agreement expires June 30, 2022. Le Relais Restaurant, Inc. has proposed to make additional improvements to the premises and the cost of such improvements is estimated at \$30,000.00. The parties have reached certain understandings regarding these additional improvements including extending the term of the Agreement for five (5) years with one (1) two-year renewal term, upon mutual agreement of the Authority and Le Relais Restaurant, Inc., under the same terms, conditions and payment provisions (a percentage fee of 5% of monthly gross receipts or a minimum monthly guarantee of \$3,000.00, whichever is greater) that are currently in effect.

Mr. Mann recommended the Board approve the First Amendment to the Restaurant Facility Lease Agreement with Le Relais Restaurant, Inc.; 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.

ACTION ITEMS

8. CMTA Task Orders No. 3A, 4A, 5A, 6A, 7A and 8A— Louisville Muhammad Ali International Airport — Approval

At the September 15th, 2021 board meeting, the Authority approved a contract with CMTA Energy Solutions (CMTA ES) for Construction and Energy Management Services for the next phases of Terminal Renovation work. At the January 19th, 2022 board meeting, Task Orders 1 and 2A were approved for construction and construction administration services for the start of major terminal mechanical and electrical infrastructure upgrades and tie-in to the new Geothermal System and Wellfield and design for baggage claim improvements.

CMTA ES (in conjunction with the Alliiance team) will continue design efforts for the airside terminal building mechanical and electrical upgrades to include upgrading the remaining restrooms, along with associated concourse and gate space improvements (ceilings, finishes, podiums, skylights, furniture, recharge, etc.). They seek to complete the Security Checkpoint Expansion design by progressing from the current schematic design level to full construction document completion. A new terminal generator plant and upgraded jet bridge power distribution design are desired, along with a design for remaining landside customer service component upgrades such as multi-use digital displays, FIDs, valet booth, and curbside check-in. Lastly, CMTA ES will complete the design for the Administration Building retrofit for US Customs and Border Protection and a corresponding mechanical design for the remaining Authority portion. The scope items as described above have been separated into task orders (3A through 8A) with design as a single component for current consideration and future construction and construction administration/commissioning costs to be requested later.

The following is a list of design task orders for consideration:

- Task Order 3A: Design Checkpoint Expansion - \$2,050,000
- Task Order 4A: Design Airside Renovations - \$730,000
- Task Order 5A: Design Terminal Power Generation - \$1,110,000
- Task Order 6A: Design Terminal Upgrades - \$3,400,000
- Task Order 7A: Design CBP Admin Building Renovation - \$191,500
- Task Order 8A: Design LRAA Admin Building Renovation - \$56,500

Mr. Mann recommended the Board approve the task order design components at a total sum of \$7,538,000 for a new total contract not to exceed amount of \$39,928,587; 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. Janitorial Services — Louisville Muhammad Ali International Airport and Authority Offices — Contract Award

This service consists of providing regular daily janitorial services inclusive of all consumable supplies for Louisville Muhammad Ali International Airport, and the Authority Administrative Offices. Currently, janitorial services are managed under a single contract which will be terminated April 30, 2022 for failure to perform. This solicitation encompassed complete janitorial services with consumables for all Authority buildings for a period of three years, effective May 1, 2022, with two one-year renewal options. An Invitation to Bid was advertised in *The Courier-Journal* and was posted to the Authority's and Tri-State Minority Supplier Development Council websites. A total of eight bids were received.

Authority Terminal Operations and Procurement staff assessed the submissions based upon a number of award criteria, including but not limited to: qualifications, experience, proposed maintenance program, price, supplier history, references, and previous experience with the Authority. Staff recommends an award to Flagship Facility Services, Inc. of Southlake, Texas. Budgeted funds are available to fund this service.

Mr. Mann recommended the Board approve a three year Janitorial Services Contract to Flagship Facility Services, Inc. in the not-to-exceed amount of \$8,627,301.65 with two additional one-year optional extensions; 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.

OTHER BUSINESS

Mr. Sinnwell presented the Sustainability Report that was provided to the Board members in advance of the meeting. This report is the Authority's first effort to summarize and highlight the various sustainability efforts at SDF and LOU.

Ms. Lesa Seibert advised the Board that the 2022 ACI-NA Airport Board and Commissioners Conference will be held in Louisville April 24 through 26 at the Hotel Distil. She provided an overview of the conference agenda and encouraged Board members to attend.

Chairman Boden reminded Board members to complete the annual evaluation survey form for Mr. Mann and advised the Board he had put together a committee consisting of himself, Ms. Nikki Lanier, Mr. Brian Lavin, and Mr. John A. Moore to perform a compensation review for the Authority's Executive Leadership Team.

There being no additional business the meeting adjourned at 3:57 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary

Approved