

**LOUISVILLE REGIONAL AIRPORT AUTHORITY  
BOARD MEETING  
MARCH 20, 2024**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on March 20, 2024. Chairman Dale Boden convened the meeting at 3:01 p.m. in the Boardroom of the Louisville Regional Airport Authority.

Board members present: Mr. Cleo Battle, Mr. Mark Blieden, Mr. Dale Boden, Mr. Mitchel Denham, Mr. Brian Lavin, Mr. Pat MacDonald, and Ms. Lesa Seibert. Not in attendance: Mayor Craig Greenberg, Ms. Maggie Payette Harlow, Mr. John A. Moore, and Mr. John Sistarenik. Mr. Tom Halbleib attended as counsel to the Board.

Staff members present: Ms. Pat Apone, Ms. Megan Atkins Thoben, Ms. Dodie Caulk, Ms. Natalie Ciresi Chaudoin, Ms. Lauren Deel, Ms. Heather Fuqua, Mr. Anthony Gilmer, Ms. Noel Jolly, Mr. Dan Mann, Officer Chris Martin, Ms. Kim Pemberton, Ms. Brenda Perry, Ms. Beverly Santamouris, Ms. Jamieson Siburt, Mr. Brian Sinnwell, Mr. Adam Thomas, Mr. Darrell Watson and Mr. Jason Wheeler.

Also in attendance: Mr. Phil Clark, Ms. Kelly Curry, Mr. Tony Derricks, Ms. Wendy Harrower, Ms. Roxie Ruckriegel, Ms. Holli Reger Smith, and Mr. Todd Tabor.

**CONSIDERATION OF MINUTES**

On motion duly made and seconded, the minutes of the Regular Board meeting held January 17, 2024 were unanimously approved. Mr. Mark Blieden was not present for the approval of the minutes.

**STAFF REPORTS**

**FINANCE REPORT**

Ms. Santamouris presented the finance report. For the eight months ending February 29, 2024, fiscal-year-to-date operating revenue is 57,182,115 which is \$62,069 favorable to the budgeted amount or .1%. Compared to the eight months ending February 28, 2023, there was an increase of \$2,992,109. Fiscal-year-to-date operating expenses are \$26,857,680 which is \$368,147 favorable to the budgeted amount or 1.4%. Compared to the six months ending February 28, 2023, there was an increase of \$1,903,782. Cargo weight is 5.25% lower than February of last year, and total cargo weight is 5.03% lower calendar year to date. February 2024 passenger activity is up 13.87% from February and is up 10.81% calendar-year-to-date.

**AIR SERVICE UPDATE**

Mr. Anthony Gilmer presented an air service update. Since 2018, SDF has added three new carriers to the market: Breeze, Spirit, and Sun Country. SDF has added 10 new nonstop destinations since 2018. Capacity is up 35% since 2018. In comparison, CVG's capacity is flat, PIT is down 1%, IND is up 5% and RDU is up 13%. Capacity growth has been diverse growth,

over 150% of ultra-low-cost carrier growth, but American is up 26%, United is up 43% and Southwest is up as well. Small, 50-seat jets are almost completely gone from SDF's market, there are fewer than three flights per day on these jets. These were 26% of SDF's schedule in 2018 and are less than 3% of the schedule now. SDF was the fastest growing airport in the continental U.S. in 2023 but has also been in the top 10 fastest growing airports since 2018. Four of the top five busiest years at the airport have happened since 2018: 2023, 2019, 2022, and 2018. For 2024, SDF is on pace to have another record year.

## **CONSENT ITEMS**

### **1. Signature Resolutions — Approval**

The Authority needs to add authorized individuals who may conduct business on its behalf. This makes it necessary to update the signature resolutions for the Investment Account — Liberty Bank (FKA Metro Bank FKA Louisville Community Development Bank) and the Bond Trustee and Investment Custodian — U.S. Bank. These resolutions (copies attached) establish the following individuals as authorized to transact business on behalf of the Authority:

Danny E. Mann, AAE	Executive Director
Patricia L. Apone Scanlan, AAE	VP of Finance and Administration
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance and Accounting
Beverly Santamouris, CPA	SVP – Chief Financial Officer

Mr. Mann recommended the Board approve the signature resolutions. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

### **2. Right of Entry Agreement for High-Speed Cable Amendment 9 — Approval**

The Authority and Insight Kentucky Partners II, L.P. ("Insight") are parties to a Right of Entry Agreement dated March 3, 2010. Insight constructed, installed and maintains underground internet cable to service existing and future tenants at Bowman Field and Louisville Muhammad Ali International Airport. The Board previously approved the First Amendment which provided service to 2720 Gast Boulevard (Louisville Executive Aviation), the Second Amendment which provided service to 2900 Moran Avenue (Hangar 12), the Third Amendment which provided service to 2800 Moran Avenue (Hangar 5) and 1151 Standiford Lane (Atlantic Aviation), the Fourth Amendment which provided service to 3325 Roger E. Schupp Street (Hangar 34), the Fifth Amendment which provided service to 5101 Crittenden Dr. (Trans States Airlines), the Sixth Amendment which provided service to 600 Terminal Drive (Louisville Muhammad Ali International Airport Terminal Building), the Seventh Amendment which provided service to 1180 Standiford Court (Humana Hangar) and the Eighth Amendment which provided service to 2730 Cannons Lane (Louisville Metro). Insight further requests to provide service to 4400 Crittenden Drive (United States Postal Service), which was not included in the Right of Entry Agreement or any of the prior amendments.

Mr. Mann recommended the Board approve the Ninth Amendment to the Right of Entry Agreement between the Louisville Regional Airport Authority and Insight Kentucky Partners II, L.P. which adjusts the right of entry areas specifically at Bowman Field as 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. Residential Sound Insulation Project 2024-1.8-29 — Contract Award**

This project consists of alterations and modifications to 29 residences within the Area 1 boundary of the residential sound insulation program. Acoustical treatments will be made on 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* and was posted with the Tri-State Minority Supplier Development Council and on the Authority's website. Two bids were received. The lowest bidder was Strong Tower Construction of Louisville, KY in the lump sum bid amount of \$1,286,584.42. This project will be funded through FAA Grant 121.

Mr. Mann recommended the Board award the contract for Residential Sound Insulation Program Project No. 2024-1.8-29 to Strong Tower Construction of Louisville, KY in the contract amount of \$1,286,584.42; 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. Linebach Funkhouser, Inc. On-Call Environmental Services Contract Amendment 3 — Louisville Muhammad Ali International Airport — Approval**

On April 15, 2020, the Authority awarded the "On-Call Environmental Services" contract for Louisville Muhammad Ali International Airport and Bowman Field to Linebach Funkhouser, Inc. The scope of work included storm/sanitary water quality studies, deicing related studies, underground water studies, Phase I & II environmental studies, hazardous waste generation/disposal issues, and spill prevention studies as well as consulting services for 24-hour emergency response services and preparation of special environmental studies for FAA grant requirements. The Authority approved an initial contract amount of \$200,000. Amendment No. 1 was approved on June 8, 2022 to add an additional \$200,000. This amendment authorizes the continued use of Linebach Funkhouser, Inc. for On-Call Environmental services in the additional not-to-exceed amount of \$200,000.

Mr. Mann recommended the Board approve Contract Amendment No. 2 for On-Call Environmental Services to Linebach Funkhouser, Inc. in the amount of \$200,000, bringing their total not-to-exceed agreement amount to \$600,000 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.

**ACTION ITEMS**

**5. CMTA Task Order 2B Amendment 2— Louisville Muhammad Ali International Airport  
— Approval**

At the September 15th, 2021 Board meeting, the Board approved a contract with CMTA Energy Solutions (CMTA ES) for Construction and Energy Management Services for the next phases of Terminal Renovation work. Since then, a number of task orders have been brought to the Board for the various phases of design, construction and commissioning. In April 2023, the Board approved Task Order 2B for landside Mechanical Electrical and Plumbing work, the installation of new baggage claim equipment, renovations of rental car counters, relocation of the information desk and various lighting, ceiling and flooring improvements, as well as the purchase of certain equipment, all with a Guaranteed Maximum Price (GMP) for Task Order 2B of \$22,657,520.

As a part of that task order scope of work, the equipment identified and sourced by CMTA as required for the project was to be purchased directly from the equipment vendors by the Authority at a reduced cost due to the Authority's tax-exempt status. The parties anticipated that once those purchase orders were finalized with the various vendors and paid by the Authority, a corresponding amendment to reduce the GMP payable to CMTA for this Task Order would be finalized. Those purchases have been completed with the six vendors at a combined cost of \$968,149, and staff seeks an amendment to reduce the GMP to CMTA by that amount.

In February of this year, it became necessary to amend this task order to change the scope of work for specifications of a room to be utilized by the Rental Car Concessions, changing its intended use from storage to a Data Room with upgraded technical specifications needed to accommodate its heightened use. Accordingly, Amendment 1 for \$107,352.42 was effectuated within the Executive Director's spending authority.

Now, it has become necessary for an additional change order for a scope change for the apron level baggage claim curb front, to include general demolition and reconstruction of the ceilings, and the installation of electrical, lighting, wiring and CCTV cameras. The work for this change order is \$206,042.35 and includes approximately 31% of that total to a DBE subcontractor.

Accordingly, we are seeking Board approval for the Second Amendment to Task Order 2B, in the deductive amount of \$762,106.65 which is comprised of the \$968,149 deduction for Authority procured equipment and the \$206,042.35 addition for the change in scope to the apron level baggage claim curb front.

Mr. Mann recommended the Board approve Amendment 2 to Task Order 2B as outlined above, in the net deductive amount of \$762,106.65, which, taking into consideration Amendment 1 to this task order executed in February, brings the new not to exceed amount of \$22,002,768; 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. Resolution Authorizing Implementation of a Passenger Facility Charge and Application Submissions — Louisville Muhammad Ali International Airport — Approval**

The Federal Aviation Administration (FAA) requires that airport operators submit applications for approval to implement a Passenger Facility Charge (PFC). PFCs are user fees authorized by the FAA, established by the Authority and collected on behalf of the Authority by the airlines with each airline ticket purchased for travel from Louisville Muhammad Ali International Airport. In order to submit a PFC application to pursue funding for projects that qualify, the Authority's Board must pass a resolution authorizing the Executive Director to submit the applications and implement the PFC. The existing PFC is \$4.50 for each enplaned passenger and no change is being sought. However, approval for two new applications is being sought as outlined below.

PFC Application #18: Taxiway L Extension and Airfield Snow Equipment: \$3,977,692 — with recent Board approval, staff is undertaking a multiphase project to rehabilitate and extend Taxiway L, connecting Taxiway D and reconfiguring it with the terminal apron. The project is funded by entitlement and discretionary grants. The Authority's required grant match of \$2,269,360 qualifies for funding from PFC revenues.

The Board has previously approved the purchase of several pieces of snow removal equipment to replace aged, unreliable equipment. The new equipment will enhance the ability to safely remove ice, snow and debris from the airport ramp and airfield. The pieces consist of compact loaders and brooms that can be utilized on apron areas around aircraft and equipment, and two front mount brooms to be utilized on the apron and parking areas. The total cost of the equipment is \$1,708,332, which qualifies for funding by PFC revenues.

PFC Application #19: Security Checkpoint Expansion and Terminal Microgrid Projects, Departure Terminal Bridge Rehabilitation: \$10,100,000 — The Authority has received Bipartisan Infrastructure Law (BIL) entitlement and discretionary grants to fund a substantial portion of the projects to expand the TSA checkpoint and build a generator to furnish power to the terminal. The Authority intends to use PFC funding for eligible costs not covered by the grants and for the required grant match. The PFC funding for these projects, including financing, is approximately \$8,600,000.

The departure level passenger bridge inside the terminal requires rehabilitation for its long-term safety and structural integrity before certain terminal and exterior upgrades can begin. The project cost is approximately \$1,500,000.

Prior to submission of the applications, the Authority must provide notice to the airlines and the public with an opportunity to comment.

Mr. Mann recommended the Board approve the resolution (copy attached) authorizing the implementation of a Passenger Facility Charge; and authorize the Executive Director to file new applications subject to review and approval by counsel as to legality of form and content and review and approval from the FAA. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

## **7. Conveyance of Minors Lane Area Real Property to the Louisville Renaissance Zone Corporation — Approval**

Previously, the Board approved, and the Authority entered into an Agreement of Sale dated February 9, 2007 (the "Agreement"), pursuant to which the Authority agreed to sell, and the Louisville Renaissance Zone Corporation (the "LRZC") agreed to purchase, all real property acquired by the Authority in a certain portion of the Minors Lane area. The Authority subsequently conveyed to the LRZC the entire approximately 424 acres of Minors Lane area property it then owned (the "First Conveyance Property").

Subsequent to the conveyance of the First Conveyance Property, the Authority acquired and conveyed to the LRZC approximately 124.72 acres of additional Minors Lane area property in 2011 (the "Second Conveyance Property"), approximately 6.4 acres of additional Minors Lane area property in March 2012 (the "Third Conveyance Property"), approximately 0.23 acres of additional Minors Lane area property (the "Fourth Conveyance Property") in June 2012, approximately 13.16 acres of additional Minors Lane area property (the "Fifth Conveyance Property") in September 2014, approximately 9 acres of additional Minors Lane area property (the "Sixth Conveyance Property") in March 2016, approximately 24.6 acres of additional Minors Lane area property (the "Seventh Conveyance Property") in December 2016 and in March 2019, approximately 6.68 acres of additional Minors Lane area property (the "Eighth Conveyance Property").

Subsequent to the conveyance of the Eighth Conveyance Property, the Authority has further acquired one (1) parcel, approximately 0.3851 acres, of additional Minors Lane area property (the "Ninth Conveyance Property"). As contemplated by the Agreement, the Authority has caused the Ninth Conveyance Property to be appraised, and the appraiser has reported a value of \$70,000.00, which is the price at which the Authority proposes to sell and the LRZC to purchase the Ninth Conveyance Property. Additionally, the Authority has requested the FAA release the Authority from the obligations, terms and conditions of existing grant agreements as they relate to the Ninth Conveyance Property and consent to the sale.

Although the Board previously authorized the Agreement, the Board must adopt Findings, Determinations and Resolutions declaring the Ninth Conveyance Property surplus and no longer needed for the Airport or air navigation facilities before the property may be conveyed to the LRZC.

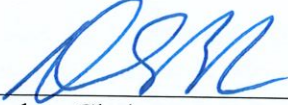
Mr. Mann recommended the Board adopt and approve the Findings, Determinations and Resolutions (copy attached). On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

### **OTHER BUSINESS**

Mr. Cleo Battle advised the Board that Louisville Tourism's Welcome Center in the Terminal is now open and thanked the Authority's public relations staff for their assistance with the project.

Mr. Mann highlighted the go team's recent wins in baggage claim including routinely helping Spirit with one of their flights that is understaffed and repeatedly has baggage delays.

There being no additional business the meeting adjourned at 3:28 p.m.



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Dale Boden, Chairman



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Dan E. Mann, Assistant Secretary

INVESTMENT ACCOUNT

Meeting of the Louisville Regional Airport Authority Board  
March 20, 2024

Upon motion duly made, seconded and passed, the following Resolution was unanimously adopted by the Board of the Louisville Regional Airport Authority at a meeting duly held March 20, 2024 at which at least a quorum was present.

RESOLUTION

"RESOLVED THAT LIBERTY BANK, Louisville, Kentucky be and it is designated as a depository of the funds of this Corporation.

THAT all prior Resolutions granting authority to transact business on behalf of the Authority with respect to the Investment Account with such depository are rescinded.

THAT any one of the Authority officers named below is hereby authorized and empowered, on behalf of the Authority, to establish and maintain one or more Accounts for the purpose of purchasing, investing in or otherwise dealing with all forms of approved securities.

<u>Name</u>	<u>Title</u>
Danny E. Mann, AAE	Executive Director
Beverly Santamouris, CPA	SVP-Chief Financial Officer
Patricia L. Apone Scanlan, AAE	VP of Finance & Administration
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance & Accounting

THAT this Resolution grants authority to the above named including, but not limited to, giving written or oral instructions to Liberty Bank with respect to all transactions; binding and obligating the Authority for all transactions with Liberty Bank and depositing funds with Liberty Bank.

THAT the Executive Director or Chief Financial Officer are further authorized to designate to certain Finance staff the ability to conduct electronic financial transactions as may be needed in the normal course of business.

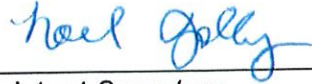
THAT Liberty Bank may deal with all the above named as though they were dealing with the Authority directly.



THAT the authority vested by this Resolution shall continue until written notice shall be given and acknowledged by Liberty Bank, setting forth any change with respect thereto.

THAT the Assistant Secretary of the Authority is authorized and directed to deliver for and on behalf of the Authority a certificate of this Resolution to Liberty Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of this Authority this 20th day of March, 2024.



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Assistant Secretary

SEAL



## BOND & INVESTMENT ACCOUNTS

Meeting of the Louisville Regional Airport Authority Board  
March 20, 2024

Upon motion duly made, seconded and passed, the following Resolution was unanimously adopted by the Board of the Louisville Regional Airport Authority at a meeting duly held March 20, 2024 at which at least a quorum was present.

### RESOLUTION

"RESOLVED THAT U.S. BANK, Louisville, Kentucky be and it is designated as Fiduciary and Trustee of the 2014 Revenue Bonds and Depository for Custodial Funds and Accounts of this Corporation.

THAT all prior Resolutions granting authority to transact business on behalf of the Authority with respect to the Bond Accounts and Custodial Funds and Accounts with such depository are rescinded.

THAT any one of the Authority officers named below is hereby authorized and empowered, on behalf of the Authority, to establish and maintain one or more Accounts for the purpose of purchasing, investing in or otherwise dealing with all forms of approved securities.

<u>Name</u>	<u>Title</u>
Danny E. Mann, AAE	Executive Director
Beverly Santamouris, CPA	SVP-Chief Financial Officer
Patricia L. Apone Scanlan, AAE	VP of Finance & Administration
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance & Accounting

THAT this Resolution grants authority to the above named including, but not limited to, giving written or oral instructions to U.S. Bank with respect to all transactions; binding and obligating the Authority for all transactions with U.S. Bank and depositing funds with U.S. Bank.

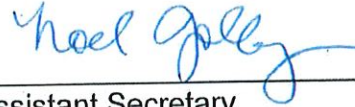
THAT the Executive Director or Chief Financial Officer are further authorized to designate to certain Finance staff the ability to conduct electronic financial transactions as may be needed in the normal course of business.

THAT U.S. Bank may deal with all the above named as though they were dealing with the Authority directly.

THAT the authority vested by this Resolution shall continue until written notice shall be given and acknowledged by U.S. Bank, setting forth any change with respect thereto.

THAT the Assistant Secretary of the Authority is authorized and directed to deliver for and on behalf of the Authority a certificate of this Resolution to U.S. Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of this Authority this 20th day of March, 2024.



Assistant Secretary

SEAL

RESOLUTION OF THE LOUISVILLE REGIONAL AIRPORT AUTHORITY APPROVING IMPLEMENTATION OF A PASSENGER FACILITY CHARGE AT THE LOUISVILLE MUHAMMAD ALI INTERNATIONAL AIRPORT

WHEREAS, the Louisville Regional Airport Authority (“the Authority”), has investigated the feasibility of implementing and collecting a Passenger Facility Charge (“PFC”) on eligible enplaned passengers at the Louisville Muhammad Ali International Airport in accordance with the Aviation Safety and Capacity Expansion Act of 1990 as approved by the Federal Aviation Administration (FAA) and desires to impose and collect a PFC upon eligible enplaned passengers at the Louisville International Airport under terms and conditions that are consistent with said Act as approved by the FAA and to expend such funds on FAA approved eligible projects; and

WHEREAS, the Authority operates, maintains and develops the Louisville International Airport with federal and state grants, user fees, and other local funds; and

WHEREAS, a PFC is not to be considered a tax, but is a user fee authorized by Federal Law and imposed only on eligible enplaned passengers using commercial service airports; and

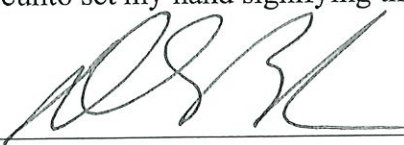
WHEREAS, the Authority after thorough investigation has determined that the funds generated by adopting and collecting a PFC are needed to accomplish projects designed to preserve and enhance the capacity, safety and development of the Airport and more specifically the replacement and acquisition of snow removal equipment, Taxiway L rehabilitation and extension, terminal security checkpoint expansion, terminal microgrid project, and terminal passenger bridge rehabilitation, as well as financing costs associated with the projects; and

WHEREAS, the Authority will provide written notice regarding the proposed PFC to air carriers and foreign air carriers having a significant business interest at the Louisville International Airport and will provide written notice and an opportunity for public comment thereon, all as required by 14 CFR Part 158, Subpart B.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE REGIONAL AIRPORT AUTHORITY, LOCATED IN JEFFERSON COUNTY, KENTUCKY:

That the Executive Director of the Louisville Regional Airport Authority is authorized to file application(s) with the Federal Aviation Administration, seeking authorization to impose a Passenger Facility Charge, and the expenditures of revenues from the PFC, in accordance with the Airport’s Capital Improvement Program, and the assurances and understandings contained in the application.

IN WITNESS WHEREOF, after vote of the majority of the Board of Directors of the Louisville Regional Airport Authority, I have hereunto set my hand signifying the official action taken by the Board this 20<sup>th</sup> day of March 2024.

  
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Dale Boden, Chair