

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (MSCAA) July 21, 2022

CALL TO ORDER

The Board Meeting is conducted in person to the Board of Commissioners and Airport Authority Executive Staff and via ZOOM Webcast to the Public.

APPROVAL OF BOARD MEETING MINUTES: ***June 16, 2022***

Resolutions for Approval This Month

Approval to Negotiate and Execute a Contract – Pest Control Services - Nu Era Pest Control

Approval to Negotiate and Execute Amendment No. 4 - Owner Controlled Insurance Program (OCIP) #5 - Willis Towers Watson Southeast, Inc.

Approval of Contract Amendment No. 4 - Allied Universal Security Services

Approval of Employment Agreement with Scott A. Brockman

Division Reports

TREASURER and PROPERTIES REPORTS

Forrest Artz, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Executive Vice President of Operations

INFORMATION ITEMS

NEXT BOARD MEETING – ***August 18, 2022***

Memphis-Shelby County Airport Authority

Treasurer's Report

For the Twelve Months Ended June 30, 2022

SUMMARY	Current Period Actual	Current Period Budget	Variance	% Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance	Annual Budget
Revenues	10,248,275	9,885,215	363,060	3.7%	123,496,644	117,863,700	5,632,944	4.8%	117,863,700
Expenses	12,697,771	13,725,439	(1,027,668)	(7.5%)	113,688,575	117,863,700	(4,175,125)	(3.5%)	117,863,700
Net Revenues	(2,449,496)	(3,840,224)	1,390,729		9,808,070	0	9,808,070		0
SUMMARY BY COST CENTER									
Revenues									
Terminal	1,773,477	1,531,770	241,707	15.8%	20,464,464	17,749,800	2,714,664	15.3%	17,749,800
Ground Transportation	3,463,619	1,718,640	1,744,979	101.5%	33,978,940	18,562,000	15,416,940	83.1%	18,562,000
Airfield	4,007,275	3,878,520	128,755	3.3%	48,289,192	48,116,100	173,092	0.4%	48,116,100
Other Aviation	323,809	305,215	18,594	6.1%	4,116,722	3,718,700	398,022	10.7%	3,718,700
Non-Aviation	135,474	90,930	44,544	49.0%	2,664,890	1,400,500	1,264,390	90.3%	1,400,500
Other Sources	211,222	153,640	57,582	37.5%	1,929,736	1,843,900	85,836	4.7%	1,843,900
Operating Revenues	9,914,875	7,678,715	2,236,160	29.1%	111,443,944	91,391,000	20,052,944	21.9%	91,391,000
Allocated Surplus	333,400	333,400		0.0%	4,000,000	4,000,000		0.0%	4,000,000
CARES Act					8,052,700	8,052,700		0.0%	8,052,700
CRRSSA		1,873,100	(1,873,100)	(100.0%)		14,420,000	(14,420,000)	(100.0%)	14,420,000
Total Revenues	10,248,275	9,885,215	363,060	3.7%	123,496,644	117,863,700	5,632,944	4.8%	117,863,700
Expenses									
Terminal	1,187,979	1,334,807	(146,828)	(11.0%)	13,040,436	12,673,022	367,414	2.9%	12,673,022
Ground Transportation	413,178	396,264	16,914	4.3%	4,352,252	4,745,800	(393,548)	(8.3%)	4,745,800
Airfield	992,760	1,268,995	(276,235)	(21.8%)	11,555,185	12,694,286	(1,139,101)	(9.0%)	12,694,286
Field Shop	195,596	193,180	2,416	1.3%	1,923,914	1,938,524	(14,609)	(0.8%)	1,938,524
General Admin	3,383,536	3,677,170	(293,634)	(8.0%)	18,194,037	20,322,269	(2,128,231)	(10.5%)	20,322,269
Operation & Public Safety	753,896	1,058,363	(304,467)	(28.8%)	9,661,775	10,305,799	(644,025)	(6.2%)	10,305,799
Other & Non Aviation	101,336	127,170	(25,834)	(20.3%)	1,340,675	1,563,700	(223,025)	(14.3%)	1,563,700
Bond Principal Int. & Coverage	3,528,900	3,528,900		0.0%	42,335,800	42,335,800		0.0%	42,335,800
Capital Disbursements	2,140,590	2,140,590		0.0%	11,284,500	11,284,500		0.0%	11,284,500
Total Expenses	12,697,771	13,725,439	(1,027,668)	(7.5%)	113,688,575	117,863,700	(4,175,125)	(3.5%)	117,863,700
Revenues Over/(Under) Expenses	(2,449,496)	(3,840,224)	1,390,728		9,808,070	0	9,808,070		0

**Report is comprised of estimates and is for internal management purposes only.

RESOLUTION

WHEREAS, pursuant to public advertisement, proposals for pest control services for the Memphis-Shelby County Airport Authority (“Airport Authority”) were received as follows:

REQUEST FOR PROPOSALS
PEST CONTROL SERVICES
FOR MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY

Received June 8, 2022

<u>Respondent</u>	<u>Year One Cost</u>	<u>Five-Year Total</u>
Nu Era Pest Control	\$54,960.00	\$274,800.00
The Terminix International Company, L.P.	\$148,800.00	\$744,000.00

and,

WHEREAS, the scope of services consists of providing pest control services to the buildings and premises of Memphis International Airport, General Dewitt Spain Airport, and Charles W. Baker Airport; and,

WHEREAS, the initial term of the contract will be for a period of one year with four one-year renewal options, for a potential total contract term of five years; and,

WHEREAS, the selection committee evaluated both proposals, and subsequently selected the incumbent, Nu Era Pest Control, as the top-ranked proposer; and,

WHEREAS, in the furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 44% for the full term of this contract; and,

WHEREAS, Nu Era Pest Control proposed to meet the DBE goal as a certified DBE; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the

Memphis-Shelby County Airport Authority, that Nu Era Pest Control, be hereby designated the top-ranked proposer, and the President and CEO or his designee be hereby authorized to negotiate and execute a contract for pest control services in accordance with this Resolution, with cost to be paid from the Airport Authority's annual operating funds or any other funds as identified by the CFO.

07-21-22

RESOLUTION

WHEREAS, by Resolution #12-4618, dated December 20, 2012, the Board of Commissioners (“the Board”) of the Memphis-Shelby County Airport Authority (“Airport Authority”) approved award of a contract to Willis of Tennessee, Inc., for Owner Controlled Insurance Program (“OCIP”) administration services, including brokerage services; and,

WHEREAS, the aforementioned Resolution included services relative to OCIP #3 and OCIP #4, with each unique identifier referring to a specific OCIP and a corresponding list of enrolled construction projects; and,

WHEREAS, pursuant to Contract Number 13-0113 (“Contract”), the Memphis-Shelby County Airport Authority entered into contract with Willis of Tennessee, Inc., on February 22, 2013, with an option to allow for negotiation of additional OCIPs; and,

WHEREAS, the Contract was subsequently amended to include OCIP #4, which will expire on February 21, 2023; and,

WHEREAS, Willis of Tennessee, Inc., changed their name to Willis Towers Watson Southeast, Inc. (“Willis”); and,

WHEREAS, the Airport Authority is preparing to proceed with projects that are not included within OCIP #4 and must be therefore enrolled in a new OCIP program (“OCIP #5”); and,

WHEREAS, initiation of the OCIP #5 projects requires immediate activation of the insurance associated with OCIP #5; and,

WHEREAS, Willis is providing brokerage services to identify and recommend the insurance that meets the Airport Authority’s needs for OCIP #5; and,

WHEREAS, Willis has proposed a fee schedule for the OCIP administration

services associated with OCIP #5; and,

WHEREAS, the term of OCIP #5 is five years and has a start date of April 1, 2022; and,

WHEREAS, OCIP #4 has an end date of April 1, 2023, resulting in one year of overlap with OCIP #5; and,

WHEREAS, the Willis Contract has an annual term that ends on February 21 and should be adjusted to coincide with the annual OCIP term; and,

WHEREAS, the table below shows the fees for services for the current year, the Willis term adjustment, and proposed years;

Current Year	Term Adjustment	Proposed Years (OCIP #5)			
2/22 – 2/23	2/23 – 4/23	4/23 – 4/24	4/24 – 4/25	4/25 – 4/26	4/26 – 4/27
\$409,290	\$43,732	\$429,755	\$440,074	\$448,027	\$458,817

and,

WHEREAS, Airport Authority Management recommends that the Willis Contract be amended to include administration services for OCIP #5 as referenced above;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to negotiate and execute an amendment with Willis Towers Watson Southeast, Inc., in accordance with this Resolution, with cost to be paid from the Airport Authority's Capital funds, Federal and State Grant funds, Customer Facility Charges, and any other funds as identified by the CFO.

RESOLUTION

WHEREAS, by Resolution #15-4728, dated October 15, 2015, the Board of Commissioners (“the Board”) of the Memphis-Shelby County Airport Authority (“Airport Authority”) approved award of a contract to AlliedBarton Security Services LLC (“AlliedBarton”) for Security Guard Services; and,

WHEREAS, pursuant to Contract Number 16-0105 (“the Contract”), the Airport Authority entered into a one-year contract with AlliedBarton on November 10, 2015, with the option to renew for four additional one-year periods, and having a contract end date of November 30, 2020; and,

WHEREAS, AlliedBarton changed their name to Allied Universal Security Services (“Allied”) during the contract period, and the parties agreed to reflect the change of the business name; and,

WHEREAS, by Resolution #20-4954, dated September 17, 2020, the Board of the Airport Authority approved an amendment to the Contract to extend the Contract for two additional one-year periods, resulting in a Contract end date of November 30, 2022; and,

WHEREAS, due to changes in the labor market and Airport Authority Management’s desire to ensure that Allied can attract and retain the personnel necessary to perform the services, Allied has proposed to increase their Regular Time billing rate for officers and supervisors from \$24.90 per hour to \$29.88 per hour; and,

WHEREAS, Allied has confirmed that this billing rate increase is for wages only and will not result in an increase in profit margin; and,

WHEREAS, Allied’s monthly billings are variable due to fluctuations in monthly services, but Allied has estimated that billings will increase by approximately \$35,500.00 per month if this billing rate increase is accepted; and,

WHEREAS, Airport Authority Management evaluated the increase in monthly billing and determined that it was reasonable; and,

WHEREAS, in accordance with the Contract, Airport Authority Management proposes to extend the Contract on a month-to-month basis, after the current extension ends on November 30, 2022; and,

WHEREAS, in the furtherance of its Disadvantage Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 44% for the full term of this contract, and Allied is currently committed to a 49% DBE attainment; and,

WHEREAS, Airport Authority Management recommends approval,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute an amendment with Allied Universal Security Services in accordance with this Resolution, with cost to be paid from the Airport Authority's annual operating funds or any other funds as identified by the CFO.

07-21-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Authority”) entered into an Employment Agreement with Scott A. Brockman (“Employee”) on October 9, 2013; and,

WHEREAS, the Employment Agreement was for a four-year term with automatic extensions without any further action by the Authority or the Employee; and,

WHEREAS, the Employee has notified the Airport Authority Board’s Finance, Administration, and Audit Committee Board of his desire to retire on December 31, 2023; and,

WHEREAS, the Employee has provided sufficient notice to allow the Board to enact a succession planning process and to strategically position the Authority for the future; and,

WHEREAS, the Employee has presented the Airport Authority Board Finance, Administration and Audit Committee with a proposed Employment Agreement for Employee’s transition period; and,

WHEREAS, the Airport Authority Board Finance, Administration and Audit Committee has conducted an open meeting regarding the proposed Employment Agreement referenced herein and recommends approval.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the Chairman is hereby directed and authorized to negotiate and execute an Employment Agreement and a Succession Planning Retention Incentive Agreement with Scott A. Brockman as herein described.

07/21/22