

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (MSCAA) January 19, 2023

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: ***December 15, 2022***

Resolutions for Approval This Month

Approval to Purchase – Electric Compact Crawler Boom Lift- H&E Equipment Services, Inc.

Approval of the 2022 Disparity Study - Colette Holt and Associates

Approval of Contract - Rental Car Parking Garage – Electrical Study- Allen & Hoshall, Inc.

Approval of Contract – Security Hardware and Software System – Sourcewell Cooperative Purchasing Contract

Approval of Amendment No. 2 - Supplemental Defined Contribution Plan

Approval of Contract Amendment No.1 -Taxiway Alpha West Reconstruction – Design - Allen & Hoshall, Inc.

Division Reports

TREASURER and PROPERTIES REPORTS

Sylvester Lavender, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Executive Vice President of Operations/COO

YEAR END REVIEW

Scott Brockman, President and CEO

INFORMATION ITEMS

NEXT BOARD MEETING – ***February 16, 2023***

Memphis-Shelby County Airport Authority

Treasurer's Report

For the Six Months Ended December 31, 2022

SUMMARY	Current Period Actual	Current Period Budget	Variance	% Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance	Annual Budget
Revenues	11,543,437	11,385,605	157,832	1.4%	69,568,571	65,861,312	3,707,259	5.6%	133,385,000
Expenses	12,041,068	12,601,181	(560,113)	(4.4%)	60,219,913	61,865,611	(1,645,698)	(2.7%)	133,385,000
Net Revenues	(497,631)	(1,215,576)	717,945		9,348,658	3,995,701	5,352,957		0
SUMMARY BY COST CENTER									
Revenues									
Terminal	1,753,057	1,764,585	(11,528)	(0.7%)	10,568,567	10,537,632	30,935	0.3%	20,934,800
Ground Transportation	2,972,106	2,309,470	662,636	28.7%	19,554,635	14,991,720	4,562,915	30.4%	30,902,800
Airfield	4,608,266	5,265,120	(656,854)	(12.5%)	26,468,847	28,055,640	(1,586,793)	(5.7%)	56,772,600
Other Aviation	343,150	323,810	19,340	6.0%	2,095,528	1,929,480	166,048	8.6%	3,830,600
Non-Aviation	116,192	107,980	8,212	7.6%	730,591	659,000	71,591	10.9%	1,537,800
Other Sources	299,067	163,040	136,027	83.4%	1,440,804	978,240	462,564	47.3%	1,986,400
Operating Revenues	10,091,837	9,934,005	157,832	1.6%	60,858,971	57,151,712	3,707,259	6.5%	115,965,000
Allocated Surplus	250,000	250,000		0.0%	1,500,000	1,500,000		0.0%	3,000,000
CRRSSA	1,201,600	1,201,600		0.0%	7,209,600	7,209,600		0.0%	14,420,000
Total Revenues	11,543,437	11,385,605	157,832	1.4%	69,568,571	65,861,312	3,707,259	5.6%	133,385,000
Expenses									
Terminal	1,508,400	1,402,620	105,780	7.5%	7,401,737	7,033,890	367,847	5.2%	14,057,670
Ground Transportation	406,148	442,824	(36,676)	(8.3%)	2,610,782	2,678,981	(68,199)	(2.5%)	5,351,200
Airfield	1,060,429	1,315,771	(255,342)	(19.4%)	7,924,922	8,113,862	(188,940)	(2.3%)	18,226,152
Field Shop	211,612	199,050	12,562	6.3%	1,107,123	1,006,430	100,693	10.0%	2,003,690
General Admin	1,774,644	2,024,825	(250,181)	(12.4%)	9,439,564	10,405,472	(965,908)	(9.3%)	22,564,662
Operation & Public Safety	1,276,492	1,347,895	(71,403)	(5.3%)	5,655,578	6,264,340	(608,762)	(9.7%)	12,505,826
Other & Non Aviation	103,647	168,500	(64,853)	(38.5%)	689,072	971,500	(282,428)	(29.1%)	1,967,700
Bond Principal Int. & Coverage	3,905,650	3,905,650		0.0%	23,433,900	23,433,900		0.0%	46,867,700
Capital Disbursements	1,794,046	1,794,046		0.0%	1,957,236	1,957,236		0.0%	9,840,400
Total Expenses	12,041,068	12,601,181	(560,113)	(4.4%)	60,219,913	61,865,611	(1,645,698)	(2.7%)	133,385,000
Revenues Over/(Under) Expenses	(497,631)	(1,215,576)	717,945		9,348,658	3,995,701	5,352,957		0

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") is authorized by the public purchasing provisions of state law to participate in the cooperative purchasing of supplies and/or services and, as an exception to the bidding requirements, such authority is set forth in Policy 801(7)(a) of the Airport Authority's Policy Manual; and,

WHEREAS, H&E Equipment Services, Inc. ("H&E") is a current service provider for BuyBoard, a public purchasing cooperative, and, under BuyBoard cooperative purchasing contract #685-22, H&E provides construction, road and bridge, and other related equipment; and,

WHEREAS, the Airport Authority desires to purchase one boom lift; and,

WHEREAS, H&E has proposed to furnish one JLG – X600AJ electric compact crawler boom lift at a price of \$186,183.00; and,

WHEREAS, the purchase of the boom lift is included in the Capital Outlay section of the approved FY23 Budget; 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 purchase one boom lift from H&E Equipment Services, Inc., as herein described, cost to be paid from the Airport Authority's Operating Funds or a funding source identified by the CFO.

RESOLUTION

WHEREAS, Memphis-Shelby County Airport Authority (“MSCAA”) has a long record of commitment to working to end discrimination and its effects by working to ensure that minority-owned, women-owned, disadvantaged business enterprises are not excluded from its contracting and procurement activities; and,

WHEREAS, MSCAA issued a Request for Qualifications to update MSCAA’s disparity study to examine whether racial and gender disparities continue to exist in the geographic and product marketplaces from which MSCAA procures goods and services. The evaluation committee selected Colette Holt and Associates (“CHA”) to prepare said disparity study; and,

WHEREAS, MSCAA entered into a contract with CHA to update MSCAA’s prior disparity study issued in December 2013. Said contract was approved by the Authority Board as Resolution 18-4866 in December of 2018; and,

WHEREAS, CHA analyzed MSCAA procurement data, evaluated economy-wide conditions and gathered anecdotal information, which was compiled in a report outlining the methodology and results of the subject disparity study (“2022 Study”). The 2022 Study shows continued demonstrated progress but also illustrated the remaining work to be done in eliminating barriers caused by discrimination and creating equal opportunities to compete in the Memphis metropolitan area and the United States of America; and,

WHEREAS, the 2022 Study provides statistical and anecdotal evidence of discrimination and provides the legal basis for the continuation of MSCAA’s Disadvantaged Business Enterprise (DBE) Program, Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) Program, and Business Diversity Development (BDD) Program; and,

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WHEREAS, the 2022 Study recommends continuing MSCAA's race-conscious measures such as continued application of the U.S. DOT DBE program and the MSCAA BDD program as well as continuing to use the 2022 Study to set overall annual DBE goals and ACDBE goals and contract goals; and,

WHEREAS, the 2022 Study also provides best practices for disadvantaged business enterprise programs and issues such as bonding, insurance, prequalification, and other systemic obstacles that could impact the success of minority- and women-owned businesses; and

WHEREAS, the President and CEO, Executive Vice President of Operations/COO, Vice President of Finance/CFO, the Business Diversity Development department, and General Counsel have reviewed the 2022 Study and discussed the findings with CHA; and,

WHEREAS, the Business Diversity Development Committee has met on this matter and received an in-depth briefing on the 2022 Study and its findings as well as received the recommendation of the President and CEO, Executive Vice President of Operations/COO, Vice President of Finance/CFO, the Business Diversity Development department, and General Counsel that the 2022 Study be accepted and approved; and,

WHEREAS, the Business Diversity Development Committee recommended that the 2022 Study be accepted and approved.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, Memphis-Shelby County Airport Authority, that the 2022 Disparity Study be and is hereby accepted and approved as herein described.

BE IT FURTHER RESOLVED, that Memphis-Shelby County Airport Authority shall continue to implement MSCAA's Disadvantaged Business Enterprise Program, Airport Concessionaire Disadvantaged Business Enterprise Program, and Business

Diversity Development Program and utilize the guidance on best practices provided in the 2022 Study as fully as possible.

01-19-23

RESOLUTION

WHEREAS, pursuant to public advertisement, Statements of Qualifications for an Electrical Power Study for the new rental car parking garage at Memphis International Airport for project described as:

REQUEST FOR QUALIFICATIONS
Rental Car Parking Garage – Electrical Study
MSCAA PROJECT NO. 22-1461-00
Received October 20, 2022

STATEMENTS OF QUALIFICATIONS RECEIVED FROM:

Allen & Hoshall, Inc.*

**local*

and,

WHEREAS, the scope of services generally consists of verifying current on-campus electrical infrastructure and capacity, determining future on-campus electrical demand taking into account current as well as forecast future development as identified in the Airport Master Plan, and identifying potential needed future electrical infrastructure and options for alternative sources and opportunities for reducing demand; and,

WHEREAS, confirming existing electrical infrastructure will include, but not be limited to studying the current Airways backup generator system, switchgear capacity, and electrical feeders to the terminal; and,

WHEREAS, determining future electrical demand will include, but not be limited to a focus on a new rental car garage with emphases on electrical vehicle charging, and studying all sitewide and landside parking lighting including existing inbound/outbound roadway lighting to confirm sufficiency for safety and security needs; and,

WHEREAS, studying potential future infrastructure, potential options for alternative power sources, and opportunities for reducing demand will include, but are not limited to identifying potential solar power options to offset electrical load, and replacing existing sitewide lighting sources with LED lamps; and,

WHEREAS, a single submittal (Statement of Qualification) was received from Allen & Hoshall, Inc. and evaluated by the Selection Committee according to established criteria, and after review, the submitting firm was deemed qualified; and,

WHEREAS, Allen & Hoshall, Inc. was selected to provide the requested professional engineering services; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Memphis-Shelby County Airport Authority (Airport Authority) established a DBE goal of 0% for the full term of this contract; and,

WHEREAS, the following fees have been negotiated for the professional engineering services:

TOTAL Contract Amount	\$300,000.00
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and,

WHEREAS, Airport Authority's Capital Program Executive Staff, by action taken on January 12, 2023, recommends approval of the negotiated fees for services to be performed by the contractor; and,

WHEREAS, Airport Authority's Capital Program Executive Staff, recommends an Initial Contingency Amount (ICA) in the amount of \$30,000.00 (10%) for the project, which, in accordance with Policy 701, requires approval of the President and CEO and the Board; and,

WHEREAS, 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 a contract with Allen & Hoshall, Inc. as herein described, cost to be paid from Capital and Federal Grant funds or any other funds as identified by the CFO.

01-19-23

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") is authorized by the public purchasing provisions of state law to participate in the cooperative purchasing of supplies and/or services as an exception to the bidding requirements; such authority is set forth in Policy 801(7)(a) of the Airport Authority's Policy Manual; and,

WHEREAS, by Resolution #18-4834, adopted May 17, 2018, the Airport Authority's Board of Commissioners approved a State-enabled exception to the Tennessee Open Records Act, codified as T.C.A. 10-7-504(i)(3), which authorizes the Airport Authority to maintain the confidentiality of its vendors who provide goods and services used to protect certain electronic, communication, and data storage systems; and,

WHEREAS, while not required, the Airport Authority has elected to protect the identity of the vendor due to the sensitive security nature of this purchase; and,

WHEREAS, the Airport Authority has identified an information technology company ("the Supplier") which is a current service provider for Sourcewell, a public purchasing cooperative, and, under a Sourcewell cooperative purchasing contract, the Supplier provides facility security systems; and,

WHEREAS, under the terms of the Sourcewell contract, the Supplier has proposed to furnish and install a security-related hardware and software system for a total fee of \$316,880.17; and,

WHEREAS, while the Sourcewell contract does not include participation goals for Disadvantaged Business Enterprises ("DBEs"), the Supplier has proposed local DBE participation of approximately 5% for the work; and,

WHEREAS, in order to allow for unforeseen conditions, Airport Authority

Management recommends that a contingency of \$31,688.02 (10%) be established for the project, resulting in a total budget of \$348,568.19; and,

WHEREAS, the purchase of the system is included in the Capital Outlay section of the approved FY23 Budget; 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 a contract with the Supplier as herein described, cost to be paid from the Airport Authority's Operating Funds or a funding source identified by the CFO.

01-19-23

RESOLUTION

WHEREAS, Memphis-Shelby County Airport Authority (“Airport Authority”) originally adopted the Memphis-Shelby County Airport Authority Supplemental Defined Contribution Plan (hereinafter “Plan”) originally effective July 1, 1999, and since amended and restated effective January 1, 2016; and,

WHEREAS, Article XII, Section 12.1 of the Plan gives the Airport Authority the authority to amend the Plan by ordinance or other permissible action; and,

WHEREAS, the Airport Authority wishes to now adopt amendments (“Amendments”) to the Plan to reflect and to comply with certain provisions of the revised Automatic Rollover Individual Retirement Account Service Agreement (the “Amended Matrix Agreement”) by and between the Airport Authority and Matrix Trust Company, effective as of January 1, 2023; and,

WHEREAS, the Amendments shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of the Amendments; and,

WHEREAS, Management, General Counsel, and special outside counsel all recommend passage of this Resolution;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, of the Memphis-Shelby County Airport Authority, that the subject Amendments be hereby adopted and the Airport Authority be authorized to execute the Amendments to reflect certain provisions of and to comply with the Amended Matrix Agreement, which shall be effective January 1, 2023, and take any and all actions that are deemed necessary and proper in order to effectuate this amendment.

01-19-23

RESOLUTION

WHEREAS, by Resolution No. 19-4872, adopted January 24, 2019, approval was granted by the Memphis-Shelby County Airport Authority ("Airport Authority") Board of Commissioners to award a contract for professional engineering design and creation of complete construction documents for Taxiway Alpha (West) for the project described as:

TAXIWAY ALPHA WEST RECONSTRUCTION - DESIGN MSCAA PROJECT NO. 18-1413-00

WHEREAS, the Airport Authority's Capital Program Executive Staff, by action taken on January 15, 2019, approved the award of Contract No. 18-1413-00 with Allen & Hoshall, Inc., which was executed and dated February 19, 2019 ("Contract") in the amount of \$965,000; and,

WHEREAS, additional Design Services and Construction Support Services are needed for reconfiguration/correction to the Taxiway Alpha West Reconstruction project due to overlapping work areas and urgency to correct what is referred to by management as "Hot Spot 1"; and,

WHEREAS, Hot Spot 1 is located near Taxiways Bravo and Sierra, and is currently noted by The FAA as a "Hot Spot" because of its nonstandard geometry and confusing signage/markings; and,

WHEREAS, the FAA designates hot spots as locations on an airport movement area with a history of potential risk of collision, runway incursions, etc.; and,

WHEREAS, this project will correct and remove the Hot Spot designation and will include confirming all design is compliant with the current design advisory circulars; and,

WHEREAS, it is now Airport Authority Management's desire to implement Contract Amendment No. 1 for additional Design Service, as well as, for additional

Construction Support Services ; and,

WHEREAS, Airport Authority Staff has negotiated Contract Amendment No. 1 in the amount of Sixty Thousand and 00/100 Dollars (\$60,000) for additional Construction Support Services and Three Hundred Thirty-One Thousand One Hundred and 00/100 Dollars (\$331,100) for additional Design Services for a total of Three Hundred Ninety-One Thousand One Hundred and 00/100 Dollars (\$391,100.00); and,

WHEREAS, Airport Authority Management proposes to amend the Contract as follows:

Original Contract Amount	\$ 965,000.00
Amendment No. 1	\$ 391,100.00
TOTAL AMENDED CONTRACT AMOUNT	\$ 1,356,000.00

WHEREAS, the Airport Management's Capital Program Executive Staff (CPES), by action taken on January 12, 2023, recommends approval of Contract Amendment No. 1; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 29% for the full term of this contract; and,

WHEREAS, Management recommends approval of Contract Amendment No. 1;

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 Amendment No. 1 to Contract No. 18-1413-00 with Allen & Hoshall, Inc., as herein described, cost to be paid from federal grants, state grants, airport capital, and other funds as designated by the Chief Financial Officer.