

**FINANCE COMMITTEE
AGENDA**

DATE: WEDNESDAY, JANUARY 17, 2024

TIME: 1:45 P.M.

PLACE: CARL T. LANGFORD BOARD ROOM, ORLANDO INTERNATIONAL AIRPORT, ONE JEFF FUQUA BOULEVARD

For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. Lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. The lobbyist shall file a Notice of Lobbying (Form 4) detailing each instance of lobbying to the Aviation Authority within 7 calendar days of such lobbying. Lobbyists will also provide a notice to the Aviation Authority when meeting with the Mayor of the City of Orlando or the Mayor of Orange County at their offices. The policy, forms, and instructions are available on the Aviation Authority's offices web site. Please contact the Chief Administrative Officer with questions at (407) 825-7105.

- I. CALL TO ORDER

- II. ROLL CALL

- III. CONSIDERATION OF FINANCE COMMITTEE MINUTES FOR DECEMBER 13, 2023

- IV. CONSENT AGENDA
 - A. Recommendation of the Ad Hoc Committee to Negotiate Final Terms of an Aggregate \$550 Million Line of Credit Facility with Bank of America, NA, and Wells Fargo, NA

DRAFT

On **WEDNESDAY, DECEMBER 13, 2023**, the **FINANCE COMMITTEE** of the Greater Orlando Aviation Authority met in the Carl T. Langford Board Room located in the main terminal building at the Orlando International Airport (MCO), One Jeff Fuqua Boulevard, Orlando, Florida. Chairman Good called the meeting to order at 1:45 p.m. The meeting was posted in accordance with Florida Statutes and a quorum was present.

Committee members present, M. Carson Good, Chairman
 Mayor Buddy Dyer
 Tim Weisheyer (arrived at 1:46 p.m.)
 Belinda Kirkegard (alternate)

Also present, Kevin J. Thibault, Chief Executive Officer
 Kathleen Sharman, Chief Financial Officer
 Yovannie Rodriguez, Chief Administrative Officer
 Anthony Davit, Chief Operating Officer
 Kenyatta Lee, Chief of External Affairs
 Dan Gerber, General Counsel
 Aracelis Mercado, Assistant to the Chief Executive Officer
 Anna Farmer, Manager, Board Services and Recording Secretary

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MINUTES

1. Upon motion by Mayor Dyer, second by Mrs. Kirkegard, motion passed to accept the October 13, 2023, Finance Committee minutes, as written.

PRESENTATION OF COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AUDIT PLANNING 2023

2. Ms. Sharman introduced the presenter, Joel Knopp, Partner of MSL, who provided a brief overview of the audit plan and communications letter. A copy of Mr. Knopp's handout is on file with the Manager of Board Services.

Upon motion by Mr. Weisheyer, second by Mayor Dyer, vote carried to approve the agenda as presented.

CONSENT AGENDA

- 3. Consent Agenda Items
 - A. 2023-2024 Annual Audit Plan

INFORMATION ITEMS

4. Ms. Sharman indicated that the following items were for informational purposes only:

- A. Presentation of the Aviation Authority's Fiscal Year 2024 Budget Report (Draft) for the Distinguished Budget Presentation Award by the Government Finance Officers Association
- B. Internal Audit Annual Report for the fiscal year ended September 30, 2023

Mr. Weisheyer commended the Finance department and the work they do.

ADJOURNMENT

5. There being no further business to be considered, Chairman Good adjourned the meeting at 1:49 p.m.

(Digitally signed on , 2024)

Anna Farmer
Manager, Board Services and Recording Secretary

Kevin J. Thibault
Chief Executive Officer



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4392

MEMORANDUM

TO: Members of the Finance Committee

FROM: Kathleen M. Sharman, Chair, Ad Hoc Committee

DATE: January 17, 2024

ITEM DESCRIPTION

Recommendation of the Ad Hoc Committee to Negotiate Final Terms of an Aggregate \$550 Million Line of Credit Facility with Bank of America, NA, and Wells Fargo, NA

BACKGROUND

On October 22, 2023, the Aviation Authority released Request for Proposals 24-108-RFP-PS (RFP) to one or more financial institutions to provide a revolving line of credit in the aggregate amount of up to \$550 million for a period of no less than two (2) and up to five (5) years. On November 20, 2023, the Aviation Authority received responses from the following financial institutions:

Bank of America, N.A. (Bank of America)
Barclays Bank PLC (Barclays)
JP Morgan Chase Bank (JP Morgan)
Wells Fargo Bank, N.A. (Wells Fargo)

ISSUES

On December 19, 2023, an Ad Hoc Committee met to review and evaluate proposals. All Proposers share similar strong ratings from Moody's, S&P Global Ratings, and Fitch. All outlooks are reported as stable, with the exception of a negative outlook report for JP Morgan from Moody's. All respondents demonstrated sufficient capital to support their proposed commitments.

With regards to proposed facility amounts, Bank of America, JP Morgan, and Wells Fargo all proposed facilities in comparable ranges from \$275 million to \$350 million, while Barclays proposed \$100 million. Bank of America is willing to enter into an agreement for up to 5 years, Barclays for 3 years, and JP Morgan and Wells Fargo for 2-3 years.

Bank of America and Wells Fargo confirmed their willingness to allow the Aviation Authority, at its sole discretion, to reduce the commitment amount or to terminate the line of credit at any time without payment of any termination fees, expenses or any other fees associated with reducing or terminating the line of credit prior to its stated expiration date. Barclays would allow such action without penalty only after the one-year anniversary date. JP Morgan would allow a termination or reduction with a penalty fee.

All Proposer's proposed using some form of the Secured Overnight Federal Rate (SOFR) index for both tax-exempt and taxable draws. Bank of America, JP Morgan, and Wells Fargo proposed 79%-80% of the index for tax-exempt draws while Barclays did not indicate if there was a percentage of SOFR for tax exempt-draws. For taxable draws, all proposals were at 100% of the SOFR index.

Depending on the term length of the facility, interest on tax-exempt draws proposed by Bank of America range from 46-65 total basis points, followed by Wells Fargo with a range of 50-80 basis. JP Morgan

listed a range from 105-107.5 basis points while Barclays listed 185 basis. With regards to interest on taxable draws, Bank of America provided a range from 59-82 total basis points, followed by Wells Fargo with a range of 77-115 basis. JP Morgan listed a range from 105-107.5 basis points while Barclays listed 185 basis. Barclays did not offer any favorable index discounts or spreads with regards to tax-exempt draws.

Unutilized fees were proposed from 20-37.50 basis points, with Bank of America and Wells Fargo ranging from 20-27 and with Barclays and JP Morgan ranging from 35-37.50.

With regard to legal expenses for the transaction, Bank of America, JP Morgan, and Wells Fargo proposed comparable fees ranging from \$15,000-\$35,000, while Barclay estimated their legal counsel fees between \$50,000 to \$60,000.

Bank of America and Wells Fargo agreed with the Aviation Authority's terms and conditions set forth in the RFP, while JP Morgan and Barclays noted exceptions and disclaimers to the Aviation Authority's proposed terms.

After careful consideration and deliberation, the Ad Hoc Committee deemed that based primarily on rates proposed, the willingness to accept the Aviation Authority's terms and conditions, and because the proposed aggregate principal amount will result in the \$550M total facility needed by the Aviation Authority, Bank of America and Wells Fargo presented the proposals that are most advantageous to the Aviation Authority.

The Ad Hoc Committee voted to recommend to the Finance Committee that the Chief Financial Officer, with the assistance of Aviation Authority staff and legal counsel, be authorized to negotiate final terms of the facilities with both Bank of America and Wells Fargo, including, but not limited to, the amount, length of agreement, and final pricing of each facility, and present the results of those negotiations to the Finance Committee and Aviation Authority Board at a future meeting for final approval.

SMALL BUSINESS

Due to the nature of services Small Business participation was not required for this solicitation.

ALTERNATIVES

None at this time.

FISCAL IMPACT

None at this time.

RECOMMENDED ACTION

It is respectfully requested that the Finance Committee accept the recommendation of the Ad Hoc Committee to: (1) deem the proposals received by Bank of America, N.A. and Wells Fargo, N.A. as being most advantageous to the Aviation Authority; (2) as a result of the aggregate amount of the proposals exceeding the maximum facility amount sought by the Aviation Authority, and the proposals differing in duration and price, authorize the Chief Financial Officer, with the assistance of staff and legal counsel, to negotiate final terms of the facilities with each of Bank of America, NA and Wells Fargo, NA, including, but not limited to, the amount, length of agreement, and final pricing of each facility; and (3) present the results of those negotiations to the Finance Committee and Aviation Authority Board at a future meeting for final approval.