

**FINANCE COMMITTEE
AGENDA**

DATE: July 15, 2020

DAY: Wednesday

TIME: 11:00 A.M.

CISCOWEBEX: <https://goaa.webex.com/goaa/onstage/g.php?MTID=e2dd16a300f5e7db9c6b2d049056018aa>

DIAL IN: 1-408-418-9388 / ACCESS CODE: 129-158-8611

Due to the COVID-19, the Greater Orlando Aviation Authority is adhering to a business distancing operational plan. Please note that all Finance Committee meetings will be held virtually until further notice. If you would like to speak at the meeting on an agenda item being considered, please contact the Recording Secretary, Dayci Burnette-Snyder, at 407-825-2032 or via email dsnyder@goaa.org 24 hours in advance of the meeting. Otherwise, the Finance Committee will be available via [CISCOWEBEX](#) using the following information:

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I. CALL TO ORDER

II. ROLL CALL

III. CONSIDERATION OF FINANCE COMMITTEE MINUTES FOR FEBRUARY 19, 2020

IV. CONSENT AGENDA

- A. Recommendation to Release a Request for Proposal for a \$100 million Line of Credit Facility

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. As of January 16, 2013, 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. As adopted by the Board on September 19, 2012, lobbyists are now required to sign-in at the Aviation Authority offices prior to any meetings with Staff or Board members. In the event a lobbyist meets with or otherwise communicates with Staff or a Board member at a location other than the Aviation Authority offices, 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. As of January 16, 2013, 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 in the Aviation Authority's offices and the web site. Please contact the Director of Board Services with questions at (407) 825-2032.

On **WEDNESDAY, FEBRUARY 19, 2020**, the **FINANCE COMMITTEE** of the Greater Orlando Aviation Authority met in Conference Room Lindbergh of the Aviation Authority offices in the main terminal building at the Orlando International Airport (MCO), One Jeff Fuqua Boulevard, Orlando, Florida. Chairman Domingo Sanchez called the meeting to order at 1:30 p.m. The meeting was posted in accordance with Florida Statutes and a quorum was present.

Committee members present, Domingo Sanchez, Chairman
 Mayor Buddy Dyer, Board Member
 Rafael E. Martinez, Board Member (arrived at 1:31 p.m.)

Also present, Phillip N. Brown, Chief Executive Officer
 Kathleen Sharman, Chief Financial Officer
 Kathy Bond, Senior Director of Human Resources
 Tianna Dumond, Director of Internal Audit
 Marie Dennis, Interim Director of Finance
 Elsie Alfonso, Manager of Finance
 LuAnn Fisher, Finance Contract Administrator
 Dan O'Keefe, Auditor, Moore Stephens Lovelace, P.A.
 Dan Gerber, Rumberger Kirk
 Dianne Klaiss, Frasca & Associates, LLC
 Doug Starcher, Legal Counsel, Nelson Mullins
 Jon Eichelberger, Raymond James
 Silvia Dunlap, National Minority Consultants, Inc.
 Larissa Bou, Recording Secretary

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MINUTES

1. Upon motion by Mayor Dyer, second by Chairman Sanchez, vote carried to accept the January 15, 2020, Finance Committee minutes as written.

CONSENT AGENDA

2. Upon motion by Mr. Martinez, second by Mayor Dyer, vote carried to approve the following:

A. accept the Ad Hoc Committee's recommendation to: (1) approve the selection of Nabors, Giblin & Nickerson, PA as Bond and Tax Counsel, D. Seaton and Associates as Co-Bond and Tax Counsel, Bryant Miller Oliver as Disclosure Counsel, and Virtus LLP as Co-Disclosure Counsel; (2) approve the term of service for thirty-six months, with initial service to commence on or about April 1, 2020, and with the Aviation Authority having options to renew the term of services for two additional periods of one-year each, upon mutual agreement; (3) authorize fees related to debt issuance to be negotiated in advance of each transaction by the Chief Executive Officer, and paid from proceeds of the financing transaction; (4) authorize fees related to advice and other services not provided in connection with a financing transaction to be allocated from the Operations and Maintenance Fund as approved through the budget process; and (5) authorize the Chief Executive Officer to execute the necessary documents following review by legal counsel to enter into one or more agreements for Bond, Tax and Disclosure Counsel Services, following satisfactory legal review.

INFORMATION ITEMS

3. Mr. Brown presented the following information items, which do not require any Committee action:

- A. Aviation Authority's Draft Comprehensive Annual Financial Report for the Year Ended September 30, 2019

Mr. O'Keefe, stated that the Aviation Authority's Comprehensive Annual Financial Report (CAFR) demonstrated, from a financial standpoint, a strong reserve. Additionally, looking at the trend of where the Aviation Authority was in 2010 versus now, there is a 75% of revenue growth over that 10-year period. Mr. O'Keefe indicated that the Orlando International Airport is a good reflection of the economy. Mr. Brown added that the auditor, as required by federal law, looks at the entire compliance section every year.

- B. Audited Financial Statements for the Fiscal Year Ending September 30, 2018, of the Retirement Plan for Employees of the Greater Orlando Aviation Authority (DB Plan), Defined Contribution Plan (DC Plan) and Other Post-Employment Benefits Trust (OPEB Trust)

Mr. O'Keefe provided his observations regarding the audited financial statements of the Retirement Plan for Employees of the Greater Orlando Aviation Authority (the Plan). It was his opinion that the financial statements present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2018, and the changes in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Regarding the DB Plan, Mr. O'Keefe stated that it is 99% funded. He emphasized that this is a 2018 report, which does not reflect the 2019 market. Mr. O'Keefe continued by stating that the DC Plan demonstrates a strong financial position. Lastly, Mr. O'Keefe indicated that the OPEB Trust is almost fully funded and made a point to mention

that he has never seen a trust this strong. By question from Mr. Martinez, Mr. O'Keefe explained that the OPEB Trust is properly funded and managed, which shows that the Aviation Authority has done a good job in creating net revenue.

Ms. Sharman thanked Ms. Alfonso and Ms. Dennis for a great job making sure that the Aviation Authority stays in compliance.

ADJOURNMENT

5. There being no further business to be considered, Chairman Sanchez adjourned the meeting at 1:39 p.m.

(Digitally signed on , 2020)

Larissa Bou
Recording Secretary

Phillip N. Brown
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, Chief Financial Officer
DATE: July 15, 2020

ITEM DESCRIPTION

Recommendation to Release a Request for Proposal for a \$100 million Line of Credit Facility

BACKGROUND

The Aviation Authority uses Lines of Credit Facilities (LOC Facilities) for two primary purposes. First, the Aviation Authority draws advances from the LOC Facilities to interim finance various tax-exempt or taxable airport projects. Second, the undrawn capacity is "encumbered" as an available source of funds to pay future commitments when contracts are awarded and until the permanent funding is received. The permanent funding is expected to be made from many different sources, to the extent legally available, including: Federal grants, State grants, Passenger Facility Charges, Customer Facility Charges, and the proceeds from the issuance of General Airport Revenue Bonds and Passenger Facility Charge Backed Bonds.

The Aviation Authority currently has five revolving LOC Facilities. Two of these LOC Facilities are with Bank of America, N.A. (Bank of America) in the amounts of \$75,000,000 and \$150,000,000, which expire June 28, 2021, and July 31, 2022, respectively. Two LOC Facilities are with Wells Fargo Bank, N.A. (Wells Fargo) in the amounts of \$175,000,000 and \$50,000,000, which expire on June 28, 2021, and July 31, 2022, respectively. The fifth LOC Facility is with PNC Bank, National Association (PNC) in the amount of \$100,000,000, which expires on November 6, 2020. The combined total LOC Facilities capacity is \$550,000,000. The LOC Facilities are governed by the Amended and Restated Master Subordinated Indenture of Trust and are secured on a parity basis with any Secondary Subordinated Indebtedness outstanding under the Airport Facilities Bond Resolution.

The PNC LOC Facility expires November 6, 2020, reducing the combined LOC capacity to \$450,000,000.

ISSUES

Since the PNC LOC Facility expires November 6, 2020, staff is requesting approval to release a Request for Proposal with the intent to award to one or more proposer for a minimum of \$40 million and maximum of \$100 million LOC Facility, for a term of up to three-years, in order to replace the \$100 million capacity currently being provided under the PNC LOC.

A three-year facility, expiring in 2023, will extend the expiration dates on the LOC Facilities in order to mitigate the risk that the Aviation Authority would not have access to an interim financing vehicle in any given year. Also, extending expiration dates would ensure the Aviation Authority has adequate time to secure permanent financing or procure alternative interim funding if required.

ALTERNATIVES

The Finance Committee could delay the release of the RFP; however this could limit the Aviation Authority's ability to interim finance various tax-exempt or taxable airport projects and is not recommended.

FISCAL IMPACT

None.

RECOMMENDED ACTION

It is respectfully requested that the Finance Committee approve the release of the RFP for a \$100,000,000 three-year Line of Credit Facility.