

GREATER ORLANDO AVIATION AUTHORITY
AGENDA REVISED 2

DATE: WEDNESDAY, AUGUST 16, 2023

TIME: 2:00 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. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. CONSIDERATION OF AVIATION AUTHORITY MINUTES FOR JUNE 21, 2023

VI. RECOGNIZING YEARS OF SERVICE

VII. STRATEGIC PLAN FOLLOW UP

VIII. CONSENT AGENDA

(These items are considered routine and will be acted upon by the Aviation Authority in one motion. If discussion is requested on an item, it will be considered separately. Items under this section are less than \$1,000,000 dollars)

- A. Recommendation to Accept Aviation Authority Committee Minutes
- B. Recommendation to Dispose of Surplus Property
- C. Recommendation to Approve Amendments to Operational Policy Section 450.04, Approval Authorizations and Documentation
- D. Recommendation to Approve Amendment No. 4 to Fuel System Lease Agreement at Orlando International Airport with Orlando Fuel Facilities, LLC.
- E. Recommendation to approve Amendment No. 2 To Lease Agreement and Amendment No. 3 to Lease Agreement between the Greater Orlando Aviation Authority and JetBlue Airways Corporation
- F. Recommendation of the Construction Committee to Approve Change Order(s) to Various Contracts
- G. Recommendation of the Construction Committee to Approve No-Cost Addenda to the Continuing Electrical Construction Services Agreements to Exercise an Additional Renewal Option through March 31, 2024
- H. Recommendation of the Construction Committee to Approve a No-Cost Addendum to the Land Development, Land Planning and Land Management Consulting Services Agreement with Dykes Everett & Company, LLC to Exercise the First One-Year Renewal Option
- I. Recommendation of the Construction Committee to Approve an Addendum to the Land Development, Land Planning and Land Management Consulting Services Agreement with Dykes Everett & Company, LLC for Land Management Services of Aviation Authority Properties at the Orlando International Airport
- J. Recommendation of the Construction Committee to Approve a No-Cost Addendum to the Specialty Automated People Mover (APM) and Passenger Rail Systems Consulting Services Agreement with Lea+Elliott, Inc. to Exercise the First One-Year Renewal Option
- K. Recommendation of the Procurement Committee to Approve an Addendum to the Computer Aided Drafting (CAD), Geographic Information System (GIS), Building Information Modeling (BIM) and Related Services Agreement with EPIC Engineering and Consulting Group, LLC for Fiscal Year (FY) 2024 CAD, GIS, BIM and Related Services

NOTE: Any person who desires to appeal any decision made at these meetings will need record of the proceedings and for that purpose may need to ensure that a verbatim record of the proceedings is made which includes the testimony and evidence upon which the appeal is to be based.

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VIII. CONSENT AGENDA Cont'd

- L. Recommendation of the Procurement Committee to Approve an Addendum to the Computer Aided Drafting (CAD), Geographic Information System (GIS), Building Information Modeling (BIM) and Related Services Agreement with Woolpert, Inc. for Fiscal Year (FY) 2024 CAD, GIS, BIM and Related Services
- M. Recommendation of the Construction Committee to Approve an Amendment to Addendum No. 38 to the General Consulting Services Agreement with Ricondo & Associates, Inc. for Additional Professional Consulting Services for W-00481, Consolidated Rental Car (RAC) Facility Program Advisory, Technical and Business Plan Services at the Orlando International Airport
- N. Recommendation from the Retirement Benefits Committee (RBC) to approve an amendment to the Greater Orlando Aviation Authority Defined Contribution Retirement Plan (the Plan) Document, Amended and Restated Effective August 16, 2023
- O. Recommendation to Appoint Authorized Investment Officer
- P. Recommendation of the Procurement Committee to Rank Firms for Request for Proposals 23-314 and Award a Professional Services Agreement for Hotel Asset Management Services
- Q. Recommendation to Approve Delegation of Authority to the Chief Financial Officer to Approve Budget Transfers in Excess of \$250,000 through September 30, 2023
- R. Recommendation to Accept Amendment to Public Transportation Grant Agreement (PTGA) for Orlando Executive Airport (ORL) from the Florida Department of Transportation (FDOT)
- S. Recommendation of the Construction Finance Oversight Committee to Approve Funding Action(s) to Various Contracts
- T. Recommendation to Approve Revisions to Organizational Policy 206.01 Wage and Pay Plan
- U. Recommendation to Modify Organizational Policy 110.01 and to Name Three Individuals to Serve as Acting Chief Executive Officer in the Absence of the Chief Executive Officer
- V. Recommendation to Extend Nelson Mullins
- W. Recommendation of the Chief Executive Officer to Nominate Candidate for the Position of Vice President of Engineering & Architecture
- X. Recommendation of the Chief Executive Officer to Nominate Candidate for the Position of Vice President of Small Business
- Y. Recommendation of the Chief Executive Officer to Nominate Candidate for the Position of Senior Vice President, Public Affairs
- Z. Recommendation of the Chief Executive Officer to Nominate Candidate for the Position of Deputy Chief Financial Officer
- AA. Recommendation of the Chief Executive Officer to Nominate Candidate for the Position of Chief Creative Officer

IX. PROCUREMENTS

(Notification for release of documents for different services at the Aviation Authority in excess of \$500,000)

- A. Three Requests for Proposal for Professional Services, Specialty Legal Services for three separate functions: (1) Infrastructure and Construction Department Counsel; (2) Purchasing Department Counsel; and (3) Finance Department Counsel
- B. Upcoming Construction Projects can be found at [Upcoming Construction Projects - August 2023](#)

X. CHIEF EXECUTIVE OFFICER'S REPORT

XI. NEW BUSINESS

(Consistent with GOAA Policy 450.04, contracts in excess of \$1,000,000 are listed under this section as separate line items)

- A. Recommendation of the Procurement Committee to Approve an Addendum to the Information Technology (IT) Consulting Services Agreement with Technology Management Corporation dba Technology Management Corporation – 1 Incorporated for Fiscal Year (FY) 2024 Helpdesk and Staff Augmentation Support
- B. Recommendation of the Procurement Committee to Approve an Addendum to the Information Technology (IT) Consulting Services Agreement with Faith Group Consulting, LLC for Fiscal Year (FY) 2024 Digital Content Ecosystem Visual Communication Strategy, Innovation and Content Production Services
- C. Recommendation of the Construction Committee to Award Purchasing Contract No. 23-690-OEC, Terminal C, Level 2, Moving Walkways, at the Orlando International Airport, to TK Elevator Corporation, utilizing Sourcewell Contract No. 080420
- D. Recommendation of the Construction Committee to Approve an Addendum to the Executive Program Management and Oversight (PMO) Services for Terminal C Programs Agreement with Jacobs Project Management Co. for Additional Executive Project Management and Oversight PMO Services to Support the Construction Phase of Bid Package (BP) No. S00195, Terminal C, Phase 1 - Airside Concourse Gates C250 – C253, and BP No. S00198, Terminal C Multi-Modal Connector Pedestrian Bridge and Rental Car Lobby (Design/Build); and Design, Bid and Award Phase of BP No. S00196, Terminal C, Phase 1 - Airfield Civil, Apron and Taxiway Paving at the Orlando International Airport
- E. Recommendation to approve Amendment No. 21 to Fixed Base Operator Lease Agreement with Sheltair Orlando Air Center, Inc. ("Sheltair") at the Orlando Executive Airport

XI. NEW BUSINESS Cont'd

- F. Recommendation of the Procurement Committee to Approve Amendment No.4 Second Renewal Option for Purchasing Contract 03-20, Terminal Janitorial Maintenance at the Orlando International Airport, with Flagship Airport Services, Inc. ("Flagship")
- G. Recommendation to Award Invitation for Bid 23-518-IFB, Purchase of Ten Pre-Conditioned Air Units to ITW GSE, Inc.
- H. Recommendation of the Ground Transportation Committee to adopt the Adjusted Public Parking Rate Structure and Amend the Ground Transportation Rules and Regulations
- I. Recommendation to Provide the Aviation Authority Regular Employees a Health Insurance Subsidy if the Employee Qualifies to Retire from the Aviation Authority
- J. Recommendation for Preliminary Approval of Fiscal Year 2024 Aviation Authority Budget
- K. Recommendation of the Capital Management Committee to Update the Fiscal Year 2021-2028 Capital Improvement Program for Orlando International Airport (MCO)
- L. Recommendation of the Capital Management Committee to Update the Fiscal Year 2022-2028 Capital Improvement Program for Orlando Executive Airport (ORL)

XII. INFORMATION SECTION

(No action is required on the item(s). Board members should feel free to ask questions on the item(s).)

- A. Notification of Committee Recommendations to the Chief Executive Officer for Approval for August 16, 2023, Aviation Authority Board Meeting
- B. Construction Report



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard

Orlando, Florida 32827-4392

MEMORANDUM

TO: Members of the Aviation Authority

FROM: Kathleen M. Sharman, Chief Financial Officer

DATE: August 16, 2023

ITEM DESCRIPTION

Recommendation for Preliminary Approval of Fiscal Year 2024 Aviation Authority Budget

BACKGROUND

The Aviation Authority Staff has prepared a preliminary 2023-2024 Fiscal Year Budget for Orlando International Airport (MCO) and Orlando Executive Airport (ORL). A resolution authorizing the Aviation Authority's preliminary 2023-2024 Fiscal Year Budget is required by the Aviation Authority Board. The Orlando City Council will conduct a public hearing within ten days of receipt of this preliminary budget.

ISSUES

Orlando International Airport passenger traffic year over year through May 2023 has grown by 13.3%. To keep up with the increasing passenger growth as well as passenger expectations, and to provide an exceptional travel experience for our customers, we are pleased to present the Budget for FY 2023-2024. While the proposed average cost per enplaned passenger (CPE) is **8.7% lower** in 2024 than was budgeted in 2023, the proposed fiscal year 2024 budget does include a 10.6% increase in Operating and Maintenance (O&M) expenses over the prior year budget. Significant drivers of this increase include:

- Additional Staff to meet the growing needs of the Authority.
- Salary and benefit modifications to retain current staff and attract new talent, both internally and with our contractors and terminal ambassadors, as the Authority continues to compete with local municipalities and theme parks to hire bus drivers, maintenance workers, and administrative personnel.
- General cost of providing goods and services for increasing number of passengers.
- Increase in hotel costs due to increased hotel occupancy which directly correlates to increased passenger traffic.

Attached please find more detailed information relating to the proposed budget of the Greater Orlando Aviation Authority for the fiscal year ending September 30, 2024.

MCO Preliminary 2023-2024 Fiscal Year Budget

A summary comparison of the budget from the current fiscal year and the proposed budget are provided below:

	<u>FY 2024</u>	<u>FY 2023</u>
Gross Revenues	\$831,620,000	\$683,585,000
Less Airport Exclusive Revenues	(\$6,317,042)	(\$5,867,040)
Net Revenues	\$825,302,958	\$677,717,960
Expenses		
Operations & Maintenance	\$514,110,000	\$464,685,000
Operations & Maintenance Reserve	\$22,768,333	\$14,530,833
Debt Service – GARB	\$104,754,710	\$111,692,628
Debt Service – PFC Supported	\$80,213,737	\$80,709,263
Available for PFC Revenue	(\$80,213,737)	(\$80,709,263)
Central Energy Plant	\$10,189,285	\$10,039,000
Total Airport Requirement	\$651,822,329	\$600,947,461
Remaining Revenues	\$173,480,630	\$76,770,499
Debt Service Coverage Ratios:		
Senior Lien Debt	5.85x	3.76x
All Indebtedness	2.04x	1.48x
Cost Per Enplaned Passenger (CPE)	\$10.64	\$11.65
CPE for Participating Airlines	\$9.28	\$10.68

Expenditures:

The proposed Operation and Maintenance (O&M) Budget for Fiscal Year 2024, totaling \$514.1 million, is budgeted to increase approximately \$49.4 million over Fiscal Year 2023. Significant variances are listed below:

- Salaries and Benefits - \$15.9M increase includes COLA, benefits, and 73 new employees.
- Engineering Consultant - \$1.0M increase for biannual bridge inspections, eight RFPs, and FDOT requirements.
- Outside Services - \$3.0M increase in Ambassador Contract to add staff and new locations of coverage.
- Landscaping - \$1.6M increase in contract rates.
- Janitorial Services - \$5.4M increase in new contract rate.
- Management Contracts - \$10.9M increase in parking and shuttle contracts due to staff and wage increases, passenger volumes, and bus frequencies. Also, includes increase in hotel expenses as guests return increasing occupancy.
- Other Contractual Services - \$10.4M increase for new shuttle service between terminals, new contract for traffic enforcement, and new contract for bag delivery to/from Remote Sort Facility.
- Utilities - \$1.0M increase for additional power/water usage.
- Property & Casualty - \$3.1M increase in annual insurance premium rate.
- Other Repairs and Maintenance - \$0.7M increase in CPI for plumbing, electronics, and electrical contracts.
- Retiree Health and Life Insurance - \$0.8M increase annual contribution for OPEB.
- Maintenance Contracts - \$4.2M contract value decrease for APM in a light maintenance cycle year.

Revenues:

The proposed Revenue Budget for Fiscal Year 2024 is \$831.6 million, an increase of approximately \$148.0 million, as compared to the budget for Fiscal Year 2023. The factors responsible for the net increases are:

- Landing Revenue – \$6.4M increase due to activity and increased O&M
- Apron - \$2.0M increase in the Net Apron Requirement, due to increased O&M
- Ramp Parking & RON Fees - \$1.2M increase primarily due to increase in activity
- Airline Equipment - \$1.2M increase in rate base costs due to contract increase
- Fuel Systems - \$1.3M increase on hydrant fueling system demand
- Terminal Premises - \$17.7M increase in rate and increase in lease space
- Baggage - \$15.6M increase in terminal rental rate and BHS O&M expenses
- Concession - \$8.1M increase reflected in MAGs and additional concessions due
- FIS & Facility Fee - \$11.7M increase in rates, demand, and international passengers
- Other Building and Grounds - \$3.3M increase in ancillary services commission and rental rates
- Hotel - \$9.8M increase in occupancy, average room rate, and ancillary services as traffic improves
- Parking - \$21.2M demand increase due to growth in passenger traffic and rates
- Rental car - \$18.8M demand increase due to increase in passenger traffic, rental car pricing, and various MAGs increases (Minimum Annual Guarantees) and scheduled rental increases
- Commercial lane - \$9.2M increase in passenger traffic, demand, and rates
- Rail Station - \$0.6 additional revenue from concessions
- Other Operating and Non-Operating items – \$0.2M activity/demand increase in miscellaneous reimbursable items such as badges and telecomm charges
- Interest - \$17.4M increase in rates and investment balances

The expenditures and revenues detailed above resulted in rates and charges which were presented to the airlines on July 12, 2023. A budget comparison of the Rates & Charges for Fiscal Year 2024, compared to Fiscal Year 2023, for MCO is summarized below:

	Budget FY 2024	Budget FY 2023
CPE for Participating Airlines	\$9.28	\$10.68
CPE All Airlines	\$10.64	\$11.65
Landing Fees per 1000/lbs.	\$2.0334	\$1.9657
Landing Fees per 1000/lbs.	\$2.0323	\$1.9657
Apron Fee per gate	\$94,424	\$74,471
Apron Fee per gate	\$94,397	\$74,471
Terminal Premises Rate per square foot	\$204.39	\$193.21
Terminal Premises Rate per square foot	\$204.43	\$193.21
Airline Equipment Charge per gate	\$97,427	\$87,848
Airline Equipment Charge per gate	\$97,415	\$87,848
North Inbound Baggage System Fee per deplaned passenger	\$1.84	\$1.70
North Outbound Baggage System Fee per enplaned passenger	\$1.99	\$1.71
North Outbound Baggage System Fee per enplaned passenger	\$1.85	\$1.71
South Inbound Baggage System Fee per deplaned passenger	\$2.97	\$2.45
South Inbound Baggage System Fee per deplaned passenger	\$2.30	\$2.45
South Outbound Baggage System Fee per enplaned passenger	\$3.91	\$3.28
South Outbound Baggage System Fee per enplaned passenger	\$3.10	\$3.28
South Terminal Annual Common Use Fee per annual access gate	\$580,560	\$545,770
South Terminal Annual Common Use Fee per annual access gate	\$580,673	\$545,770

ORL Preliminary 2023-2024 Fiscal Year Budget

A budget comparison of the Budget for Fiscal Year 2024 compared to Fiscal Year 2023 for ORL is summarized below:

	<u>FY 2024</u>	<u>FY 2023</u>
Revenues		
Aviation Related	\$1,330,554	\$1,302,106
Commercial Properties	\$3,115,486	\$2,383,259
Other Revenue	\$513,960	\$114,635
Federal Relief	\$748,100	\$965,000
Contribution from OEA Revenue Fund	\$0	\$0
Total Revenues	\$5,708,100	\$4,765,000
Expenses		
Operations & Facilities	\$1,961,820	\$1,844,049
Safety & Security	\$1,811,230	\$1,609,562
Administration	\$754,020	\$759,259
Other Expenses	\$329,930	\$302,130
Capital Outlay and Improvements	\$851,100	\$250,000
Total Expenses	\$5,708,100	\$4,765,000

Revenues:

- Aviation Related - Approximately \$28,500 in increased revenues from fixed base operators (FBOs).
- Commercial Properties - Approximately \$732,000 increase in revenues from commercial leases including at Colonial Promenade
- Other Revenues – Approximately \$400,000 increase in interest income and other operating
- Federal Relief - Approximately \$217,000 in decrease in federal relief from CARES Act Funds.

Expenses:

- Operations and Facilities increases of approximately \$118,000 for increased contractual services for Colonial Promenade and Aviation Authority salaries and benefits.
- Safety and Security increases of \$202,000 due to adjustments to the contract services from Orlando Fire Department and Aviation Authority salaries and benefits
- FY 24 Capital Outlay and Improvements increases of \$600,000. This includes matching funds for grant projects such as Taxiway A, B, E4, Runway 7-25 Rehabilitation, and generator installation.

In summary, the preliminary 2023-2024 Fiscal Year Budget for MCO is \$831,620,000 and the preliminary budget for ORL is \$5,708,100.

ALTERNATIVES

The Aviation Authority Board could modify the preliminary 2023-2024 Fiscal Year Budget.

FISCAL IMPACT

The total budget for Fiscal Year 2024 is \$831,620,000 for MCO and \$5,708,100 for ORL.

RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to: (1) adopt the attached resolution approving the 2023-2024 preliminary budget; (2) request Orlando City Council to conduct a public hearing on the preliminary budget within ten days of receipt of the budget; and (3) authorize an Aviation Authority Officer to execute any necessary documents.

**RESOLUTION BY THE GREATER ORLANDO AVIATION AUTHORITY
CONCERNING THE AVIATION AUTHORITY'S
2023-2024 FISCAL YEAR BUDGET**

WHEREAS, the City of Orlando, Florida (the "City") a municipal corporation in the County of Orange, State of Florida, owns the Orlando International Airport and Orlando Executive Airport (the "Airports"); and

WHEREAS, the Greater Orlando Aviation Authority (the "Authority"), pursuant to Chapter 57-1658, Special Laws of Florida 1957, as amended, The Greater Orlando Aviation Authority Act as codified and amended (the "Act"), was created and established to exercise those powers granted under the Act; and

WHEREAS, the City, pursuant to the Act and Operation and Use Agreement with the Authority dated September 27, 1976, as amended and restated as of October 1, 2015, transferred custody, control and management of the Airports to the Authority; and

WHEREAS, the Authority, at its meeting of August 16, 2023, considered the matter of its preliminary 2023-2024 Fiscal Year Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER ORLANDO AVIATION AUTHORITY:

1. That the preliminary annual Budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024, is necessary to provide for anticipated expenditures of the Authority for all of its projects during the ensuing fiscal year, including operating expenses, capital outlays, materials, labor, equipment, supplies, payments of principal and interest on all outstanding revenue bonds and subordinated indebtedness of the Authority, and sinking fund and reserve requirements of such bonds and other subordinated indebtedness; and represents the judgment and intent of the Authority as to the needs of its Departments as to their fiscal requirements for the ensuing fiscal year.

2. That such preliminary Budget provides for expenditures only to the extent of funds legally available to the Authority for the ensuing fiscal year from established sources, based upon past experience and reasonable projections thereof, and from new projects or new sources of income of the Authority.

3. That said preliminary annual Budget, attached hereto and made part hereof, is hereby adopted and submitted to the City Council of the City of Orlando, Florida.

4. That the City Council of the City of Orlando is requested, within ten (10) days of its receipt of such preliminary Budget, to conduct a public hearing with respect thereto.

5. That a copy of the preliminary Budget be filed in the Authority's documentary files.

BE IT FURTHER RESOLVED that funds in the Budget for the fiscal year ended September 30, 2023, which have been encumbered prior to that date as a result of purchase orders issued by the Greater Orlando Aviation Authority are hereby reappropriated as part of the Budget for the fiscal year commencing October 1, 2023.

BE IT FURTHER RESOLVED that this resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED this 16th day of August 2023.

GREATER ORLANDO AVIATION AUTHORITY

BY

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

By: _____