

On **Tuesday, July 26, 2016** the **CONSTRUCTION FINANCE OVERSIGHT COMMITTEE** of the Greater Orlando Aviation Authority met in Conference Room "Apollo/Gemini/Taurus", at 5855 Cargo Road, Orlando, FL 32827. The meeting, having been posted in accordance with Florida Statutes, was called to order by Chairperson Sharman, at 9:45 a.m. with a quorum present.

Committee Members Present:

Kathleen Sharman, CFO and Chair
Stan Thornton, Chief Operating Officer
Ron Lewis, Deputy Executive Director of Operations
Davin Ruohomaki, Senior Director of Planning, Engineering, Construction

Staff Present:

Mike Patterson, Director of Construction
Brad Friel, Director of Planning
Mark Birkebak, Director of Engineering
Gary Hunt, Director of Maintenance
Tom Draper, Director of Operations
Kevin McNamara, Director of General Aviation
Pam L'Heureux, Assistant Director, Construction Finance
Alan Jones, Construction Finance
Cheryl McConnell, Construction Finance
Vikki McKay, Construction Finance
Violet Fermin, Construction Finance
Hameedah McCondichie, Construction Finance
Tuan Nguyen, Engineering
Daisily Pagan, Maintenance
Frank Wichowski, Maintenance
Steve Pue, Maintenance
Jeff Daniels, Maintenance
Torre Burke, Maintenance
Abdu El Baroudi, Operations
Arlene Grant, Planning
Kathy Anderson, Planning
Cheri Baxter, Project Controls
Christina Taylor, GCI
John Guirges, GCI
David Benouaich, R.W. Block Consulting, Inc.
Carlos Roche, SchenkelShultz
Robert Alfert, Legal Counsel
Karen Ryan, Legal Counsel
Jihyun Park, Executive Administration, Recording Secretary

LOBBYIST DISCLOSURE

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.

ACTION ITEMS

1. Minutes of the June 28 CFOC Meeting

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With no changes or comments made, it was the consensus of the Committee to approve the minutes of June 28, 2016.

2. Old Business Update

Chairperson Sharman presented the memorandum, dated July 26, 2016 for old business update. The intent is to provide an update on actions recommended at previous CFOC meetings where follow up action was requested. Chairperson Sharman presented the following items:

- A. A request to Reallocate FDOT Strategic Intermodal System (SIS) Funds from Dowden Road was presented at the June 28, 2016 meeting (Item 17). The Committee reached a consensus to request the FDOT to amend the scope of the future grant in the amount of \$15M and apply the funds to the South Terminal Phase C roadwork. This was discussed at a subsequent meeting with the FDOT on June 29, 2016. The FDOT has verbally confirmed that this request is being reviewed. The Committee will be advised of the final answer once it is known.
- B. During discussion of the Fiber Infrastructure Program spreadsheet at the June 28, 2016 meeting, Mr. Thornton asked whether the sheet included the transfer of money to fund the I/T Video Wall. After reviewing the May 24, 2016 agenda (Item 9), Ms. L'Heureux found that the Fiber Infrastructure Program funds were not requested for use in the I/T Video Wall project. The I/T Video Wall project was partially funded by an unrelated FY 2016 CIR for fiber originally intended for use from the East Minimum Point of Entry on Dowden Road to the intersection of Heintzelman Road and Cargo Road. No further action is required for this item.

Chairperson Sharman indicated future updates would include items approved pending receipt of start-up packages.

The Committee reached a consensus to approve Old Business Update as described above.

3. Airside 4 Passenger Holdroom Seating - New Electrical Power Outlets

Mr. Pue presented the memorandum, dated July 26, 2016, requesting to approve the transfer of \$402,000.00 from Fund Code 308.631.210.5460002.000.501132 to be used for the completion of the Airside 4 Passenger Holdroom Seating Project. On June 28, 2016 the Concessions Procurement Committee (CPC) recommended the award of the purchase of passenger seating for holdroom areas, the 70's and 90's wings, on Airside 4, including replacement/installation; however, the recommended purchase does not include electric work needed to provide power to the locations with power outlets. Also, there is an increase in cost due to an installation scope change for removal/replacement.

Mr. Thornton asked if these services are in line with the construction schedule provided to airlines, and Mr. Pue answered yes. Mr. Thornton requested to conduct cost analysis in order to prepare any discussion with airlines. Chairperson Sharman stated that the intent of these services is to separate electrical work from seating installation.

The Committee reached a consensus to transfer funding in the amount of \$402,000.00 from Fund Code 308.631.210.5460002.000.501132.

4. Request to Identify Funds to Replace Pan Tilt Zoom Camera at OEA

Mr. McNamara presented the memorandum, dated July 26, 2016, requesting to identify funding for the replacement of Pan Tilt Zoom (PTZ) camera at Orlando Executive Airport (OEA). The PTZ is the main security camera for monitoring

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international passengers' operating at OEA. This existing camera was installed in 2007 and it has reached the end of its life cycle.

The Committee reached a consensus to use funding in the amount of \$4,700.00 from Fund Code 901.446.871.5640003.000.501114.

5. Request to Identify Funds to Replace Eight Vertical Sort Units for Pods A & B

Mr. El-Baroudi presented the memorandum, dated July 26, 2016, requesting to identify funds in the amount of \$745,884.27 to replace eight Vertical Sort Units for Pods A & B. The existing Vertical Sort Units are nearing the end of their life cycle and should be replaced simultaneously with the BP-445 project to achieve potential cost and/or time savings. The replacement of the Vertical Sort Units was not part of the BP-445 project scope and is not currently included in any other project or program scope of work. Currently there is no approved funding for the Vertical Sort Units replacement.

Chairperson Sharman asked if these services are part of Baggage Handling System (BHS) Program, and Mr. El-Baroudi answered no.

The Committee reached a consensus the use of funding as follow: (1) Fund Code 308.413.213.5460002.000.501125 for the funding amount of \$665,000.00; (2) Fund Code 308.413.213.5460002.000.501100 for the funding amount of \$80,884.27.

6. Recommendation to increase the funding for BP-S109 (GMP 12), ITF and PDL Structure & Finishes

Mr. Block presented the memorandum, dated July 26, 2016, requesting for approval of the fund transfer in the amount of \$1,845,915.00 from the SAPM and ITF program pricing allowances to BP-S109 ITF & PDL Structure and Finishes in order to complete the project.

On January 5, 2016, Construction Committee approved Addendum No. 9, BP-S109 (GMP 12) to Turner-Kiewit Joint Venture (TK) in the amount of \$130,275,924.00 for the ITF and Passenger Drop-off Lobby (PDL) Structure and Finishes. Included in the scope of Addendum No. 9 was \$16,821,424.00 to fund the PDL. Within the PDL budget of \$16,821,424.00, there are \$8,096,151.00 for the first floor approved under PFC No. 17 and the balance, totaling \$8,725,273 funded by FDOT grants. Due to the estimate increasing by \$1,845,915.00, revisions have been made as shown below:

Table 1

Description	Original GMP 12 Budget	Current GMP 12 Budget	Change	Proposed GMP 12 Budget
Direct Cost of Work	\$ 97,923,763	\$ 100,121,769	\$ 14,027,798	\$ 114,149,567
Allowances (Direct Cost of Work)	15,523,750	13,334,750	(12,311,000)	1,023,750
CMAR Contingency	4,475,461	4,476,938	-	4,476,938
Owner Contingency	2,797,163	2,786,680	-	2,786,680
Total Direct Cost of Work	120,720,137	120,720,137	1,716,798	122,436,935
CMAR Fee (5.5%)	6,639,608	6,639,608	94,423	6,734,031
General Conditions	2,916,179	2,916,179	34,694	2,950,873
Total	\$ 130,275,924	\$ 130,275,924	\$ 1,845,915	\$ 132,121,839

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Table 2

Funding Source	Current Budget	Change	Proposed Budget
PDL (1st Floor)			
PFC 17.03	\$ 5,466,290	\$ 31,067	\$ 5,497,357
AMT GARBS	2,629,861	758,173	3,388,034
CapEx	-	99,199	99,199
Total PDL (1st Floor)	\$ 8,096,151	\$ 888,439	\$ 8,984,590
PDL (2nd/3rd Floor)			
FDOT 435711A	8,725,273	957,476	9,682,749
Total PDL (2nd/3rd Floor)	\$ 8,725,273	\$ 957,476	\$ 9,682,749
Total PDL (APM and ITF)			
	\$ 16,821,424	\$ 1,845,915	\$ 18,667,339
ITF (Excluding PDL)			
FDOT 435711A	\$ 3,954,845	\$ -	\$ 3,954,845
FDOT 435711B	48,078,501	-	48,078,501
FDOT 435711E	52,700,000	-	52,700,000
AAF	8,721,154	-	8,721,154
Total ITF (Excluding PDL)	\$ 113,454,500	\$ -	\$ 113,454,500
Total GMP 12			
	\$ 130,275,924	\$ 1,845,915	\$ 132,121,839

Mr. Block stated that these services were approved at the Construction Committee on July 26, 2016, subject to CFOC approval. He further stated that this is a reallocation of existing funding sources and does not increase the overall budget.

The Committee reached a consensus to approve the transfer of \$1,845,915.00 from the SAPM and ITF program pricing allowances to BP-S109 ITF & PDL Structure and Finishes.

7. Replacement of HVAC Unit 37 on the Ramp Level of Airside 1 Airline Offices

Mr. Daniels presented the memorandum, dated July 26, 2016, requesting approval of the transfer of \$141,184.00 from V-753 and \$80,816.00 from Fund Code 308.685.210.5660006.000.500100 to the Replacement of HVAC unit 37 on the Ramp Level of Airside 1 Airline Offices (JetBlue Offices). The Airside 1 Airline Office (JetBlue Offices) air handler unit has reached the end of its useful life and needs to be replaced. There is an opportunity to advance this project with funding from V-753, Install Air Conditioning in Communication Rooms, which has recently been completed.

Mr. Thornton inquired about V-753 project and Mr. Patterson answered that V-753 is for Airside 2 Communication Rooms A/C Unit Installation.

The Committee reached a consensus to approve the transfer of \$141,184.00 from V-753 and \$80,816.00 from Fund Code 308.685.210.5660006.000.500100 to the Replacement of HVAC unit 37 on the Ramp Level of Airside 1 Airline Offices (JetBlue Offices).

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8. Proposed Capitalized Labor for CIP Programs

Ms. L'Heureux presented the memorandum, dated July 26, 2016, requesting the use of capital program funding as follows: 1) Airside 1 & 3 \$1,804,651.28 funded by ZC-219 CIP Unallocated 2015A GARBs \$928,610.48, previously approved Customer Service Capital Expenditure Funds \$290,671.20 and previously approved Discretionary Funds \$585,369.60; 2) Airside 4 \$700,794.24 funded by ZC-213 CIP Unallocated 2015A GARBs; 3) Ticket Lobby \$1,280,562.66 funded by previously approved ZC-153 Airline Relocation Capital Expenditure Funds; 4) recommend a FY 2017 CIR for Capital Expenditure Funds in the amount of \$2,752,345.40 subject to Aviation Authority Board adoption of the budget; 5) recommend a FY 2018 CIR for Capital Expenditure Funds in the amount of \$3,471,294.83 subject to the Aviation Authority Board adoption of the budget.

During the FY 2017 annual budget, new personnel requests for Authority staff and contract positions were received. These increases are due to the anticipated level of displaced passenger flow related to the extensive work at the airport as a result of the CIP program. In order to complete the projects in an expedited manner and to minimize disruption to the traveling public, additional staff is required to manage passenger flow through the construction areas. The additional staff will also provide continuity of operations should there be a failure of available infrastructure during construction.

The current analysis is based on the assumption that a portion of these services will be covered by the existing project budgets. The level of customer service needed for this program will be evaluated at the end of the 7-month period and adjustments will be made to the Customer Service Program at that time, if necessary. However, for budget purposes, it is assumed that the current proposed level of effort will be needed for the duration of the programs. Additionally, it is suggested that a project within the Customer Service Program be created for the intended purpose to provide staffing and other related costs to manage the passenger flow affected by these programs. All charges for customer services related to these programs would be covered by this Customer Service project as the Capital Program Customer Support Services project, inclusive of the Airside 1 & 3 program, Airside 4 program and Ticket Lobby program.

Chairperson Sharman stated that, in an effort to enhance the review process for the actual expense of each program, the Finance Department is currently in discussion with Purchasing Department about procuring a labor cost tracking system. She further stated that a current analysis on proposed capitalization of staffing is reflected on various worksheets included in the agenda. Mr. Ruohomaki inquired about funding impact on the program contingencies. Chairperson Sharman responded that the total impact of adding the personnel and contractors through the final completion date of each program is \$10,009,648.41, with previously approved funding of \$3,786,008.18. Mr. Ruohomaki expressed concerns about reducing the program contingency at the early stage of the construction. Chairperson Sharman noted that the funds amount of \$3,786,008.18 for the Airside 1 and 3 Program was approved at the Concession Procurement Committee on May 27, 2016; however, remaining funds of \$6,223,640.23 are currently tentative and scheduled to be re-evaluated in the future. Mr. Thornton stated it is important to ensure that all parties understand that this reflects the overall program contingencies; however, no impact on the project contingency. In regard to Mr. Thornton's request to provide further details on funding impact on each program's contingency, Chairperson Sharman provided further analysis on Airside 1 & 3 APM Guideway/Structure Program. Mr. Thornton inquired about the remaining amount of contingency for Airside 1 & 3 APM Guideway/Structure Program and Mr. Block answered that the program will have a remaining balance in the amount of \$1,440,558.00.

The Committee reached a consensus to approve the use of capital program funding as described above.

9. Insurance Consulting Invoice Review - Capital Programs

[A handout was provided, which included a revised memorandum.] Ms. L'Heureux presented the memorandum, dated July 26, 2016. In an effort to clearly delineate ITF program efforts from Rail and other program efforts, it is recommended that the Aviation Authority 1) perform eligibility reviews for insurance consulting fees relative to construction programs underway to determine the appropriate allocation to projects; 2) present recommendations to the Professional Services Committee to clarify eligible programs and funding for contracts PS-211 and PS-406, and 3) realign costs between programs and awards.

Siver Insurance Consultants (Siver) provides construction related risk management and insurance consulting services in support of the construction activities for the Aviation Authority's Capital Improvement Program, including the South Airport Automated People Mover (APM) Complex, the Intermodal Transportation Facility (ITF), Airsides 1 & 3 APM Replacement, BP-443 and PB-447. During a review of construction related insurance expenditures, it was discovered that certain costs associated with these activities supporting the Capital Improvement Program are not currently aligned with the appropriate Programs based on detailed activity provided on Siver invoices.

Table 1 below identifies the insurance consulting commitments charged to the various capital programs. The Beginning Commitment Balance column reflects the project commitment balance as of June 16, 2016. The Ending Commitment Balance column reflects the committed project balances resulting from the reallocation of the insurance consulting services pursuant to the review of the actual invoices, as described above. The Transfers column represents the recommended reallocation across the capital programs.

Table 1

Program	Beginning Commitment Balance	Transfers	Ending Commitment Balance	Funding Source Change
Airside 1/3	\$2,438	\$136	\$2,574	519.AMTGBAS1&3
Airside 4	30,671	(25,210)	5,461	519.AMTGARB
Intermodal Terminal Facility	2,031	158,386	160,417	FDOT
Operations & Maintenance	31,275	(31,275)	-	301
Rail Infrastructure	97,241	(65,501)	31,740	305
South APM	57,136	169	57,305	310
South Terminal Complex	75,000	270	75,270	592.AMT.GARB
Temp Code	2,165	(2,165)	-	N/A
Ticket Lobby	39,329	(34,810)	4,519	519.AMT.GARB
Total	\$337,286	\$0	\$337,286	

Ms. L'Heureux stated that this is a reallocation and therefore there is no funding impact on the total program budgets. She further stated that the Finance Department conducted reviews and discussions with various departments to ensure their buy-in on this process. It is also anticipated to present recommendations

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to the Professional Services Committee to clarify eligible programs and funding for projects.

The Committee reached a consensus to approve the following items: 1) perform eligibility reviews for insurance consulting fees relative to construction programs underway to determine the appropriate allocation to projects; 2) present recommendations to the Professional Services Committee to clarify eligible programs and funding for contracts PS-211 and PS-406, and 3) realign costs between programs and awards.

10. Proposed Revisions to Orlando International Airport Capital Improvement Plan (CIP)

[HANDOUT.] Chairperson Sharman presented Proposed Revisions to Orlando International Airport Capital Improvement Plan. Mr. Block stated that these revisions are informative in regard to anticipated changes for future CIP. Mr. Thornton expressed concerns on an increase in the amount of \$9,000,000.00 for Airside 2 APM Vehicle Replacement. He stated that there are a number of factors that come in to play for Airside 2 APM Vehicle Replacement and it is crucial to ensure that no impact on PFC 18 is anticipated. Mr. Block responded that proposed revisions on the CIP is good as is for now; however, moving forward, if the Aviation Authority needs more value in the future, the Aviation Authority can either submit a new PFC application or request amendments to the current process.

Chairperson Sharman stated that the intent is to provide CIP revisions annually in conjunction with the annual budget report. Mr. Block stated that it is his recommendation that CFOC approves to recommend revisions to CMC for their approval.

The Committee reached a consensus to approve the proposed revisions to the Orlando International Airport Capital Improvement Plan.

BUDGET STATUS WORKSHEETS

11. Airside 1 & 3 APM Guideways/Structure

Chairperson Sharman reviewed this item with the Committee.

12. Airside 4 Renovations

Chairperson Sharman reviewed this item with the Committee. She introduced a new dashboard sheet outlining Airside 4 Renovation budget status. She stated that the intent is to provide a high level of updates on funding activities for the program.

13. Baggage System - Additional Projects

Chairperson Sharman reviewed this item with the Committee.

14. Customer Service Initiatives

Chairperson Sharman reviewed this item with the Committee. Mr. Thornton inquired about the budget amount of \$91,905.00 for V-822, Landside Level 3 Companion Restroom. Mr. Patterson responded that the budget amount for V-822 is in need of further review as it is anticipated to increase. Ms. L'Heureux requested to provide an updated start-up package.

15. Fiber Infrastructure

Chairperson Sharman reviewed this item with the Committee.

16. OEA Active Projects

Chairperson Sharman reviewed this item with the Committee. Mr. Thornton inquired about the Expressway Fund Plan. Mr. Friel responded that it is anticipated to

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request FAA approval for an extension and then collect more details in regard to the OEA CIP. Mr. Thornton requested to present the memorandum describing the details of the plan at the next CFOC on August 23, 2016, and Mr. Friel confirmed.

17. South Airport APM Complex

Chairperson Sharman reviewed this item with the Committee.

18. ITF Station

Chairperson Sharman reviewed this item with the Committee.

19. South Terminal Phase C

Chairperson Sharman reviewed this item with the Committee. Mr. Thornton stated that, during the meeting between Rental Car companies and the Aviation Authority, Rental Car companies expressed their interest in acquiring Quick Turn-Around (QTA) by October 2019. In an effort to start tracking expenses, Mr. Thornton suggested to include QTA into the budget worksheets moving forward.

20. Rail Infrastructure Oversight

Chairperson Sharman reviewed this item with the Committee.

21. Ticket Lobby Improvements

Chairperson Sharman reviewed this item with the Committee.

Additional Comment

Mr. Block stated that CFOC previously set a threshold value amount of \$2 million for each CMAR's direct negotiated work for APM/ITF. He further stated that these programs made progress since its last discussion and updates will be provided to the Committee in the near future.

ADJOURNMENT

Having no further business to conduct, the meeting was adjourned at 10:34 a.m.



Kathleen Sharman, Chairperson

Construction Finance Oversight Committee

Chief Financial Officer