

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY
COUNTY AIRPORT AUTHORITY (MSCAA) July 23, 2020

CALL TO ORDER

Board Meeting provided via ZOOM Webcast to Airport Authority Staff and the Public.

APPROVAL OF BOARD MEETING MINUTES *June 18, 2020*

Resolution for Approval This Month

1. Approval of Contract – Medium Voltage Switchgear Replacement/Const. –Gephart Electrical Construction Company
2. Approval of Mid-year Election for the Section 125 Cafeteria Plan for Calendar Year 2020
3. Award of Purchase Order - 3318 Winchester Road Roof Replacement - Ark Roofing Company, Inc.
4. Resolution Authorizing and Providing for the Issuance and Sale of One or More Series of Airport Revenue Refunding Bonds in an Aggregate Principal Amount Not to Exceed \$117,500,000; Authorizing the Preparation and Distribution of Preliminary and Final Official Statements with Respect to the Aforesaid Series of bonds; Authorizing the Execution and Delivery of Bond Purchase Agreement(s) with Underwriters and/or Bond Purchasers to be Selected by the Authority for the Purchase of the Aforesaid Series of Bonds; Authorizing the Purchase of a Bond Insurance Policy, Debt service Reserve Fund Policy or Surety Bond and Agreements in Connection with the Aforesaid Series of Bonds; Authorizing a Refunding Escrow Agreement for the Benefit of the Holder of Any Refunded Bonds; Making Certain Findings and Determinations with Respect to the Issuance of the Aforesaid Series of Bonds; And Certain Other Matters Related Thereto.
5. Approval of Contract –Security Guard Services- ACTS-Aviation Security, Inc

Division Reports

TREASURER and PROPERTIES REPORTS

Forrest Artz, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Vice President of Operations

INFORMATION ITEMS

Presentation – Student Arts In the Airport Winners!

NEXT BOARD MEETING – ***August 20, 2020***

RESOLUTION

WHEREAS, pursuant to public advertisement, bids were received as follows:

REQUEST FOR BIDS
MEDIUM VOLTAGE SWITCHGEAR REPLACEMENT – CONSTRUCTION
MSCAA PROJECT NO. 18-1412-01
MEMPHIS INTERNATIONAL AIRPORT
Received June 30, 2020

BIDDER	BID AMOUNT
A&B Construction Company, Inc.*	\$4,325,296.00
Gephart Electrical Construction Company*	\$2,024,192.00
Pyramid Electric, Inc.*	\$2,234,567.00
S&S Electric Company*	\$2,937,994.00
Tristate Armature & Electrical Works, Inc.*#	\$1,700,100.00

**local*

#non-responsive
and,

WHEREAS, bids include replacement of three 15kV medium voltage switchgear located in the tunnel to provide power to the existing substations within the facility. The project also includes replacement of medium voltage feeders from the switchgear bays to substations; and,

WHEREAS, the Bids were evaluated according to established criteria; and,

WHEREAS, Gephart Electrical Construction Company was deemed the lowest responsive bidder; and,

WHEREAS, the Airport Authority Management's Capital Program Executive Staff recommended award of the Bid in the total amount of \$2,024,192.00 to Gephart Electrical Construction Company and an Initial Contingency Amount (ICA) in the amount of \$202,419.20 (10%) for the project, which, in accordance with Airport Authority Policy 701, requires approval of the President and CEO and the Board; 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, Gephart Electrical Construction Company is a local prime contractor and is using one local certified DBE subcontractor on the project totaling 29%, which will total \$588,000.00 on this contract; and,

WHEREAS, Airport Authority Management recommends the approval of a contract with Gephart Electrical Construction Company;

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 Gephart Electrical Construction Company as herein described, cost to be paid from 99D Capital and Federal Grant 107-20 funds.

07-23-20

RESOLUTION

WHEREAS, the United States Internal Revenue Service ('IRS') provides regulations for the administration of Section 125 cafeteria plans ("Section 125 Plan"), and such Section 125 Plan is required to process any contributions, such as premium payments, to the various welfare plans on a pre-tax basis; and,

WHEREAS, the various welfare plans include health care insurance, group term life insurance, dental insurance, and vision insurance, all of which are premium-only plans, as well as a health care flexible spending account plan and a dependent care assistance plan; and,

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") processes all contributions to the various welfare plans through its internal payroll department, whether sponsored by the City of Memphis or the Airport Authority; and,

WHEREAS, the Airport Authority's Board of Commissioners ("Board") previously approved the Section 125 Plan, by Resolution #11-4539 adopted on February 24, 2011; and restated and amended by Resolution #19-4904 on September 19, 2019; and,

WHEREAS, the IRS issued Notice 2020-29 to allow mid-year elections during calendar year 2020 for employees who are eligible to make salary reduction contributions under the plan to elect to revoke an election, make a new election, or decrease an existing election in the applicable health care flexible spending account and dependent care assistance account; and,

WHEREAS, the Airport is required to amend the Section 125 Plan to allow for these mid-year elections, specific to calendar year 2020; and,

WHEREAS, the Airport Authority Management wishes to assist employees with unused amounts in these plans resulting from COVID-19; and,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the

Memphis-Shelby County Airport Authority, that the Section 125 Plan be and is hereby amended;

BE IT FURTHER RESOLVED, that the President and CEO or his designee is hereby directed to take any and all actions that are deemed necessary and proper in order to complete a mid-year election for the Section 125 Plan as set forth herein, employer costs to be paid from the Airport Authority's Operating Funds or other funding sources as identified by the CFO.

07-23-20

RESOLUTION

WHEREAS, pursuant to public advertisement, bids for roofing replacement for the Memphis-Shelby County Airport Authority ("Airport Authority") were received as follows:

REQUEST FOR BIDS
3318 WINCHESTER ROAD ROOF REPLACEMENT
FOR MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY
Received June 22, 2020

Bidder	Roof Areas A-H	Contingency Items	Total Bid
A&B Construction Co. Inc.	\$478,792.08	\$51,150.00	\$529,942.08
Ark Roofing Company, Inc.	\$367,301.00	\$41,500.00	\$408,801.00
Carroll's Roofing & Const. LLC	\$436,173.00	\$46,850.00	\$483,023.00
Medford Roofing, Inc.	\$392,800.00	\$30,500.00	\$423,300.00

and,

WHEREAS, Roof Areas A through H consist of, but are not limited to, tear off and removal of approximately 65,000 square feet of existing roof systems down to but not including the rigid insulation; inspection of the existing steel roof decking for damage or deterioration; and provision and installation of new, 60-mil, fully-adhered, thermoplastic polyolefin ("TPO") roofing systems; and,

WHEREAS, the necessity of some repairs cannot be confirmed until the existing roof system is removed and therefore estimated quantities of Contingency Items were bid unit prices for (1) repair of rigid insulation, (2) wire brushing and painting deck, (3) overlaying with like metal decking, and (4) removal and replacement of decking; and,

WHEREAS, the bids were evaluated according to established criteria; and,

WHEREAS, Ark Roofing Company, Inc., was the lowest and most responsive bidder; and,

WHEREAS, in furtherance of its Disadvantage Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 26% for the project and Ark Roofing Company, Inc., as a certified DBE, proposes to perform the project with 100% DBE participation; and,

WHEREAS, Airport Authority Management recommends that a contingency budget of \$40,880.10 (10%) be established for this project, resulting in an estimated total project value of \$449,681.10; 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 award the purchase order to Ark Roofing Company, Inc., as herein described, with costs to be paid from the Airport Authority's annual operating funds or any other funds as identified by the CFO.

07-23-20

RESOLUTION NO. 20-____

MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF AIRPORT REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$117,500,000; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS WITH RESPECT TO THE AFORESAID SERIES OF BONDS; PRESCRIBING CERTAIN DETAILS OF SUCH SERIES OF BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENT(S) WITH UNDERWRITERS AND/OR BOND PURCHASERS TO BE SELECTED BY THE AUTHORITY FOR THE PURCHASE OF THE AFORESAID SERIES OF BONDS; AUTHORIZING THE PURCHASE OF A BOND INSURANCE POLICY, DEBT SERVICE RESERVE FUND POLICY OR SURETY BOND AND AGREEMENTS IN CONNECTION WITH THE AFORESAID SERIES OF BONDS; AUTHORIZING A REFUNDING ESCROW AGREEMENT FOR THE BENEFIT OF THE HOLDERS OF ANY REFUNDED BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE ISSUANCE OF THE AFORESAID SERIES OF BONDS; AND CERTAIN OTHER MATTERS RELATED THERETO

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS (THE "BOARD") OF THE MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (THE "AUTHORITY"):

SECTION 1. Definitions. Unless the context shall clearly indicate some other meaning, all words and terms used in this resolution (including, without limitation, in the next paragraph hereof) which are defined in Resolution No. 88-3227 of the Authority adopted by the Board on January 29, 1988, as amended by Resolution No. 96-3985 adopted by the Board on October 17, 1996, and by Resolution No. 09-4489 adopted by said Board on November 19, 2009 (the "Resolution") shall have the meanings given to them in the Resolution.

Unless the context shall clearly indicate some other meaning, the following terms shall, for all purposes of the Resolution and of any resolution supplemental thereto (including for all purposes of this Twentieth Supplemental Resolution) and for all purposes of any opinion or instrument or other document therein or herein mentioned, have the following meanings:

"Authorized Denominations" shall mean, with respect to the Series 2020 Bonds, the denominations in which the Series 2020 Bonds may be issued as determined by the Designated Financial Officer and set forth in the Certificate of Determination.

"Certificate of Determination" shall mean, with respect to the Series 2020 Bonds, a certificate in a form similar to that attached hereto as Schedule 1 and signed by a Designated Financial Officer upon the sale of the Series 2020 Bonds setting forth matters to be therein determined pursuant to this Twentieth Supplemental Resolution. The Certificate of Determination shall be deemed a part of and incorporated into the Twentieth Supplemental Resolution. If deemed appropriate, the Designated Financial Officer may issue a separate Certificate of Determination for each series of Series 2020 Bonds or any combination thereof.

"Debt Service Reserve Account Requirement" shall mean, with respect to the Series 2020 Bonds, the amount or amounts determined by the Designated Financial Officer and set forth in the Certificate of Determination.

"Designated Financial Officer" shall mean the President and Chief Executive Officer or the Vice President of Finance and Administration/Chief Financial Officer of the Authority.

"Interest Payment Date" shall mean, with respect to the Series 2020 Bonds, the interest payment dates for the Series 2020 Bonds as determined by the Designated Financial Officer and set forth in the Certificate of Determination.

"Maturity Date" shall mean, with respect to the Series 2020 Bonds, the maturity dates for the Series 2020 Bonds as determined by the Designated Financial Officer and set forth in the Certificate of Determination.

"Purchaser" shall mean, with respect to the Series 2020 Bonds, any purchaser or purchasers of the Series 2020 Bonds designated by the Designated Financial Officer and set forth in the Certificate of Determination.

"Record Date" shall mean, with respect to the Series 2020 Bonds, the record date as determined by the Designated Financial Officer and set forth in the Certificate of Determination.

"Refunded Bonds" shall mean all or a portion of the Authority's outstanding Series 2010A Bonds and/or Series 2010B Bonds.

"Resolution" shall have the meaning ascribed in the initial paragraph of this Twentieth Supplemental Resolution.

"Series 2010A Bonds" shall mean the Authority's outstanding Airport Revenue Bonds, Series 2010A issued February 4, 2010.

"Series 2010B Bonds" shall mean the Authority's outstanding Airport Refunding Revenue Bonds, Series 2010B (Subject to AMT) issued February 18, 2010.

"Series 2020 Bonds" shall mean Bonds of the Series of Bonds issued pursuant to Section 3 hereof at any time outstanding, with such definition to be equally applicable to both the singular and plural form of such term. The term "Series 2020 Bonds" includes the Series 2020A Bonds and the Series 2020B Bonds authorized by this Twentieth Supplemental Resolution.

"Series 2020A Bonds" shall mean the not-to-exceed \$32,500,000 Airport Revenue Refunding Bonds, Series 2020A (Private Activity, Non-AMT) issued pursuant to this Resolution.

"Series 2020B Bonds" shall mean the not-to-exceed \$85,000,000 Airport Revenue Refunding Bonds, Series 2020B (AMT) issued pursuant to this Resolution.

"Twentieth Supplemental Resolution" shall mean this resolution.

Unless or except as the context shall indicate otherwise or may otherwise require, in this Twentieth Supplemental Resolution: (i) all references to a particular section or subdivision of the Resolution, or this Twentieth Supplemental Resolution, as the case may be, are to the corresponding section or subdivision of the Resolution or this Twentieth Supplemental Resolution, only, as the case may be; (ii) the terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms, refer to this Twentieth Supplemental Resolution only, and to this Twentieth Supplemental Resolution as a whole and not to any particular section or subdivision hereof; (iii) the terms "therein", "thereunder", "thereby", "thereto", "thereof" and any similar terms, refer to the Resolution only, and to the Resolution as a whole and not to any particular section or subdivision thereof; and (iv) the term "heretofore" means before the time of effectiveness of this Twentieth Supplemental Resolution and the term "hereafter" means after the time of such effectiveness.

SECTION 2. Refunding of Series 2010A Bonds and/or Series 2010B Bonds. The Board hereby authorizes and approves the refunding of all or a portion of the Series 2010A Bonds and/or the

Series 2010B Bonds. In connection with such refundings, the Board further authorizes and approves the entering into, and the execution and delivery by the Designated Financial Officer, of an escrow or trust agreement providing for the irrevocable deposit of a portion of the proceeds of the Series 2020A Bonds and/or Series 2020B Bonds and other available moneys of the Authority and the investment of such funds and setting forth the rights, duties and obligations of the parties thereto, in such form as the Designated Financial Officer executing the same shall approve upon advice of counsel, such approval to be conclusively presumed by the execution thereof. In the event the Designated Financial Officer does not enter into an escrow or trust agreement, the Designated Financial Officer is hereby authorized and directed to take or cause to be taken all actions on behalf of the Authority as may be necessary to ensure that the Series 2010A Bonds and/or Series 2010B Bonds, as the case may be, are fully defeased in accordance with the terms of the documents providing for the issuance thereof. The Board hereby directs the appropriate officers of the Authority to give or publish any required notices in connection with the refunding of the Series 2010A Bonds and/or Series 2010B Bonds.

SECTION 3. The Series 2010A and Series 2010B Projects. The project financed by the Series 2010A Bonds (the "Series 2010A Project") has a reasonably expected remaining average economic life of at least __ years. The project financed or refinanced by the Series 2010B Bonds (the "Series 2010B Project") has a reasonably expected average economic life of at least __ years.

SECTION 4. Series 2020 Bonds. Pursuant to and under the authority of the Metropolitan Airport Authority Act, as amended, the Local Government Public Obligations Act of 1986, as amended, and Section 2.2 of the Resolution, for the purpose of (i) refunding all or a portion of the Authority's outstanding Airport Revenue Bonds, Series 2010A; and (ii) refunding all or a portion of the Authority's outstanding Airport Refunding Revenue Bonds, Series 2010B (Subject to AMT), there are hereby authorized to be issued under and secured by the Resolution one or more series of Bonds in the aggregate principal amount of not-to-exceed One Hundred Seventeen Million Dollars (\$117,500,000) consisting of the following:

1. Airport Revenue Refunding Bonds, Series 2020A (Private Activity, Non-AMT) in an amount not-to-exceed \$32,500,000 (the "Series 2020A Bonds"); and
2. Airport Revenue Refunding Bonds, Series 2020B (AMT) in an amount not-to-exceed \$85,000,000 (the "Series 2020B Bonds").

[The Series 2020A Bonds and Series 2020B Bonds are collectively referred to as the "Series 2020 Bonds".]

The Series 2020 Bonds shall be dated their date of issuance and shall be in such principal amount, be issued in Authorized Denominations, bear interest at such rate or rates per annum payable on Interest Payment Dates, be subject to optional or mandatory redemption or tender for purchase, and shall mature on the Maturity Date in each of the years and in the principal amounts, all as determined by the Designated Financial Officer and set forth in the Certificate of Determination. To the extent determined by the Designated Financial Officer and set forth in the Certificate of Determination, the Series 2020 Bonds may be issued in several Series, in which case the Series designation for each such separate Series shall distinguish each such Series and shall be as determined by the Designated Financial Officer and set forth in the Certificate of Determination. As a result, the Series 2020 Bonds may be issued simultaneously or in one or more emissions and also may be either separately or as part of one or more larger bond issues which may include bonds of the Authority being issued for other purposes and/or under other authorizing resolutions and statutes, as set forth in the Certificate of Determination as to such Series.

The Series 2020 Bonds will be issued as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Series 2020 Bonds and immobilized in the custody of DTC or a custodian of DTC. One fully registered Series 2020 Bond for the principal amount of each maturity of each series will be registered

to Cede & Co. Beneficial owners of Series 2020 Bonds will not receive physical delivery of certificates. Individual purchases of Series 2020 Bonds may be made in book-entry form only in principal amounts of Authorized Denominations. Principal, premium, if any, and interest payments on the Series 2020 Bonds will be made by wire transfer to DTC or its nominee as registered owner of such Series 2020 Bonds, which will in turn remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2020 Bonds. Transfer of principal, premium, if any, and interest payments to DTC participants will be the responsibility of DTC. Transfers of such payments to beneficial owners of the Series 2020 Bonds by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Series 2020 Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC participants who act on behalf of the indirect participants of DTC and the beneficial owners of the Series 2020 Bonds.

The Authority will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owner of the Series 2020 Bonds.

Series 2020 Bonds certificates ("Replacement Bonds") will be issued directly to owners of Series 2020 Bonds other than DTC, or its nominee, but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Series 2020 Bonds; or
- (ii) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties; or
- (iii) the Authority has determined that it is in the best interests of the Authority not to continue the book-entry system of transfer or that the interests of the beneficial owners of the Series 2020 Bonds might be adversely affected if the book-entry system of transfer is continued.

Upon occurrence of the event described in (i) or (ii) above, the Authority shall attempt to locate another qualified securities depository. If the Authority fails to locate another qualified securities depository to replace DTC, the Authority shall execute and deliver Replacement Bonds in certificate form to the beneficial owners of the Series 2020 Bonds or their nominees. In the event the Authority makes the determination noted in (iii) above (the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), the Authority shall execute and deliver Replacement Bonds in certificate form to the beneficial owners of the Series 2020 Bonds or their nominees. Principal of and interest on the Replacement Bonds shall be payable by check or draft mailed to each owner of such Replacement Bond at the address of such owner as it appears in the books of registry kept pursuant to Section 2.5 of the Resolution, and such Replacement Bonds will be transferable in accordance with Section 2.5 of the Resolution. In the event Replacement Bonds are issued and delivered to Bondholders, payment of interest may thereafter be made by wire transfer to any Bondholder of more than \$1,000,000 principal amount of such Replacement Bonds. If the Authority has designated in the Replacement Bonds an agent for the payment of principal and interest on the Series 2020 Bonds and further designated such agent as Registrar such agent and registrar shall authenticate such Replacement Bonds.

The principal of and premium (if any) on the Series 2020 Bonds shall be payable at the office of the Authority, or an agent of the Authority if designated in the Replacement Bonds. Interest on the Series 2020 Bonds shall be payable by check or draft mailed by the Authority, or an agent of the Authority if designated in the Replacement Bonds. Such payments will be made to the registered owners of record as of the close of business on the Record Date at their addresses as they appear on the books of registry kept pursuant to Section 2.5 of the Resolution provided that so long as such Series 2020 Bonds are registered to Cede & Co. such payment of interest may be made by wire

transfer. The Authority shall act as Registrar for the Series 2020 Bonds in accordance with Section 2.5 of the Resolution unless otherwise provided in the Replacement Bonds. The Series 2020 Bonds shall bear interest from the interest payment date to which interest has been paid next preceding the authentication date or if not authenticated the date of transfer and exchange unless (1) the authentication date, or if not authenticated the date of transfer and exchange, is also an interest payment date to which interest has been paid, in which event the Series 2020 Bonds shall bear interest from such authentication date or date of transfer and exchange, or (2) the authentication date, or if not authenticated the date of transfer and exchange, is prior to dated date, in which event the Series 2020 Bonds shall bear interest from their date, or (3) the authentication date, or if not authenticated the date of transfer and exchange, is after a Record Date and prior to the next succeeding interest payment date, in which event the Series 2020 Bonds shall bear interest from the next succeeding interest payment date.

The Series 2020 Bonds maturing in the years designated by the Designated Financial Officer in the Certificate of Determination shall be subject to redemption prior to maturity, at the option of the Authority, on and after the date, at such times, in whole or in part, to be selected for redemption in such manner, and at such prices designated by the Designated Financial Officer in the Certificate of Determination.

The Series 2020 Bonds are subject to mandatory sinking fund redemption in part prior to maturity, at such time and in such amounts, as shall be determined by the Designated Financial Officer and set forth in the Certificate of Determination. The Authority shall cause to be deposited in the Airport Improvement Principal and Interest Fund amounts sufficient to redeem the principal amounts of the Series 2020 Bonds on the sinking fund payment dates as set forth in the Certificate of Determination, but only upon payment of the principal amount thereof from amounts required to be credited as sinking fund installments to the Sinking Fund Account in the Airport Improvement Bond Fund pursuant to Section 4.2 of the Resolution and Section 5 hereof, together with the interest accrued thereon to the date fixed for redemption.

In the event of the redemption of Series 2020 Bonds, (i) if less than all of a series of Series 2020 Bonds of a maturity are to be called for redemption, the Series 2020 Bonds of such maturity to be redeemed shall be selected by lot as provided in Section 2.4 of the Resolution, provided, however, that the Authority may select the particular sinking fund installments to which any optional redemption shall apply, and (ii) notice of such redemption shall be given, and such redemption shall have the effect, as is provided in said Section 2.4 of the Resolution.

If at the time of the giving of any notice of redemption there shall not be on deposit with the Paying Agent moneys sufficient to redeem all the Series 2020 Bonds called for redemption, the notice of redemption shall state that the redemption of such Series 2020 Bonds is conditional and subject to deposit of moneys with the Paying Agent sufficient to redeem all such Series 2020 Bonds not later than the opening of business on the redemption date, and that such notice shall be of no effect with respect to any of such Series 2020 Bonds for which moneys are not on deposit. If the amount on deposit with the Paying Agent, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Series 2020 Bonds called for redemption on such date, the Paying Agent shall redeem and pay on such date an amount of such Series 2020 Bonds for which such moneys or other available funds are sufficient, selecting the maturities of Series 2020 Bonds to be redeemed and Series 2020 Bonds within a maturity to be redeemed by lot.

SECTION 5. Certificate of Determination. The Designated Financial Officer is hereby authorized and directed to determine (i) subject to the limitations set forth in Section 2 hereof, the aggregate principal amount, Series designations, the principal maturity dates and amounts, and sinking fund installments with respect to the Series 2020 Bonds, (ii) the interest rates or manner of determining the interest rates and amounts of original issue discount or premium for each maturity of the Series 2020 Bonds, and (iii) the Paying Agent and Registrar, the place or places of payment and registration, and (iv) the other matters in connection with the Series 2020 Bonds as set forth herein, all

of the foregoing to be set forth in the Certificate of Determination; provided, that no maturity shall be more than thirty-one (31) years from the date of issuance of the Series 2020 Bonds.

The Series 2020 Bonds may be issued as Bonds bearing a fixed rate of interest; provided no interest rate per annum shall exceed the maximum interest rate permitted by law or be at a rate per annum resulting in a yield in excess of 8.5% per annum with respect to the Series 2020 Bonds, no amount of original issue discount shall exceed 5% of the principal amount of a maturity and no amount of premium shall exceed __% of the principal amount of a maturity.

The Series 2020 Bonds shall be sold to the Purchasers for an aggregate price of not less than 97% of the principal amount thereof, as such principal amount may be reduced by any net original issue discount. The execution of the Certificate of Determination shall be conclusive evidence of the determination of terms and details of the Series 2020 Bonds.

SECTION 6. Forms of Series 2020 Bonds and Endorsement and Assignment Provisions.

The form of Series 2020 Bond, the form of the certificate of authentication thereof, the form of endorsement to appear thereon and the form of assignment thereof shall be set forth in the Certificate of Determination. In case any one or more of the officers who shall have signed or sealed any of the Series 2020 Bonds shall cease to be such officer before the Series 2020 Bonds so signed and sealed shall have been delivered by the Authority, or an agent of the Authority if designated in the Replacement Bonds, such Series 2020 Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or sealed such Series 2020 Bonds had not ceased to hold such offices. Any Series 2020 Bonds may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Series 2020 Bonds shall be duly authorized or hold the proper office in the Authority, although at the date borne by the Series 2020 Bonds such persons may not have been so authorized or have held such office.

If Replacement Bonds are issued and if the Authority designates in the Replacement Bonds a Paying Agent and Registrar for such Replacement Bonds, the Series 2020 Bonds shall bear thereon a certificate of authentication in the form set forth in the Certificate of Determination executed manually by an authorized officer of the Registrar as registration agent for the Authority. If a certificate of authentication is so required only such Series 2020 Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and this Twentieth Supplemental Resolution and no Series 2020 Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by an authorized officer of the Registrar. Any such certificate of the Registrar upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Series 2020 Bond so authenticated has been duly authenticated and delivered under the Resolution and this Twentieth Supplemental Resolution and that the holder of such Series 2020 Bond is entitled to the benefits and security of the Resolution and this Twentieth Supplemental Resolution.

SECTION 7. Interest Account Credits, Serial Principal Account Credits, Sinking Fund Account Credits and Debt Service Reserve Account Credits for Series 2020 Bonds.

Interest Account Credits. In order to provide for the payment of the interest on the Series 2020 Bonds, monthly credits shall be made to the Interest Account for the Series 2020 Bonds hereby created in the Airport Improvement Bond Fund, from the moneys, in the amounts and at the times required by Section 4.2 of the Resolution. In making such credits, consideration shall be given to and allowance made for the amounts credited to said Interest Account of accrued interest, if any, credited to such Interest Account in the Certificate of Determination.

Serial Principal Account Credits. For the purpose of paying the principal of the Series 2020 Bonds issued in serial form, if any, monthly credits shall be made to the Serial Principal Account, created by Section 4.2 of the Resolution in the Airport Improvement Bond Fund, from the moneys, in the amounts and at the times required by said Section 4.2 of the Resolution and commencing on the

last business day of the month which is twelve (12) months prior to the first principal payment date of the Series 2020 Bonds.

Sinking Fund Account Credits. For the purpose of retiring the Series 2020 Bonds being issued in the form of term bonds, if any, monthly credits shall be made, commencing with the last business day of the month which is twelve (12) months prior to the first mandatory retirement of any term bond, and on the last business day of each month thereafter so long as any of the Series 2020 Bonds issued as term bonds remain outstanding, to the Sinking Fund Account created by Section 4.2 of the Resolution in the Airport Improvement Bond Fund, from the moneys, in the amounts and at the times required by Section 4.2 of the Resolution.

The amounts of moneys credited to the Sinking Fund Account for the purpose of providing for the retirement of the Series 2020 Bonds issued as term bonds, shall, without further authorization or direction, be applied by the Authority to the redemption of the Series 2020 Bonds on the dates designated by the Designated Financial Officer in the Certificate of Determination, provided that any amounts which are applied on the due date or dates of the term bonds to the retirement of the Series 2020 Bonds maturing on such date or dates shall be applied to such retirement without the calling of such Series 2020 Bonds for redemption on such date or dates.

The Authority, without further authorization or direction, may also apply the moneys credited to this Account for the retirement of the Series 2020 Bonds maturing on the due date or dates of the term bonds to the purchase of the Series 2020 Bonds of such maturities, such maturity or purchases to be made in accordance with the provisions of Section 4.2 of the Resolution applicable to the purchase of Bonds from moneys on credit to the Sinking Fund Account in the Airport Improvement Bond Fund.

Debt Service Reserve Account. There is hereby created a separate account in the Airport Improvement Bond Fund for the Series 2020 Bonds, to be known and designated as the "Debt Service Reserve Account, Series 2020" (referred to herein as the "Debt Service Reserve Account"), the moneys on credit to which shall constitute reserves for the payment of the principal of and interest and premium, if any, on the Series 2020 Bonds. Subject to the remaining provisions of this paragraph with respect to the credits to be made to such Debt Service Reserve Account, (i) the moneys on credit to such Debt Service Reserve Account, or a surety bond, insurance policy or letter of credit as hereinafter provided, shall always be maintained at an amount at least equal to the Debt Service Reserve Account Requirement for the Series 2020 Bonds in any Fiscal Year; (ii) if at any time the moneys on credit to a Debt Service Reserve Account are less than the Debt Service Reserve Account Requirement for the Series 2020 Bonds in any Fiscal Year the amount of the deficiency shall be restored from the first available moneys after payments to the Interest Accounts, Serial Principal Accounts and Sinking Fund Accounts taking into consideration amounts also required to be deposited into the Debt Service Reserve Accounts for other Series of Bonds; and (iii) if at any time and for so long as the moneys on credit to the Debt Service Reserve Account are at least equal to the Debt Service Reserve Account Requirement for the Series 2020 Bonds in any Fiscal Year, no further credits shall be made to such Account, and, notwithstanding the provisions of the Resolution, any amounts in excess of the Debt Service Reserve Account Requirement for the Series 2020 Bonds in any Fiscal Year may be transferred to the Revenue Fund, the Airports Improvement Fund, the Special Reserve Fund or the International Park Fund, as determined by the Authority, for use and application as are all other moneys on deposit therein. Notwithstanding the foregoing, the Authority may establish separate Debt Service Reserve Accounts for the Series 2020A Bonds the Series 2020B Bonds as determined by the Designated Financial Officer and as set forth in the Certificate or Certificates of Determination.

The Authority may obtain a surety bond or bonds, an insurance policy or policies payable or a letter of credit to provide all or part of the Debt Service Reserve Requirement. The provisions pertaining to any such surety bond, insurance policy or a letter of credit shall be determined by the Designated Financial Officer and set forth in the Certificate of Determination.

SECTION 8. Sale of the Series 2020 Bonds. The Board hereby authorizes and approves the entering into and the execution and delivery by the Designated Financial Officer of a Bond Purchase Agreement, between the Authority and the Purchaser, under which said Purchaser shall agree to purchase the Series 2020 Bonds under the terms provided therein, in such form as the officers executing the same shall approve upon the advice of counsel, such approval to be conclusively evidenced by their execution thereof. The Board hereby further ratifies, validates, confirms and approves said Bond Purchase Agreement and the terms, conditions and provisions thereof.

SECTION 9. Municipal Bond Insurance Policy; Debt Service Reserve Policy; Execution and Delivery of the Debt Service Reserve Fund Policy Agreement. The Authority is authorized to obtain from, and pay the required premium for, the municipal bond insurance policy from any insurance company selected by the Designated Financial Officer with respect to any of the Series 2020 Bonds. The Board hereby authorizes and approves obtaining a debt service reserve policy of surety in the amount of the Airport Improvement Reserve Account Requirement, and the payment of the required premium therefor, with respect to any of the Series 2020 Bonds and the entering into and the execution and delivery by the Designated Financial Officer of a debt service reserve fund policy agreement between the Authority and the insurance company in connection therewith, in such form as the officers executing the same shall approve upon the advice of counsel, such approval to be conclusively evidenced by their execution thereof; provided, however, no interest rate payable thereunder shall exceed the maximum interest rate permitted by law. The Board hereby further ratifies, validates, confirms and approves the debt service reserve fund policy agreement and the terms, provisions and conditions thereof.

SECTION 10. Disposition of Proceeds of the Series 2020 Bonds. The proceeds of sale of the Series 2020 Bonds shall be applied as determined by the Designated Financial Officer and set forth in the Certificate of Determination.

SECTION 11. Official Statement. The Board hereby approves and ratifies the preparation and distribution of a preliminary official statement and a final official statement relating to any of the Series 2020 Bonds in such form as the Designated Financial Officer shall approve upon the advice of counsel and authorizes (a) the execution by the Designated Financial Officer of such final official statement, (b) the delivery of such preliminary official statement and final official statement as so executed to the Purchaser of any of the Series 2020 Bonds, and (c) the use of such preliminary official statement and final official statement by the Purchaser in effecting sales of any of the Series 2020 Bonds. The Designated Financial Officer is authorized to deem final the preliminary official statement for the purposes of SEC Rule 15c2-12.

SECTION 12. Findings and Determinations; Authority for This Twentieth Supplemental Resolution; Series 2020 Bonds are "Bonds" under the Resolution. The Authority hereby finds and determines: (a) Airport Revenue Bonds or Airport Refunding Revenue Bonds, Series 2010A, Series 2010B, Series 2011A-1, Series 2011B, Series 2011C, Series 2011D, Series 2016A and Series 2018 (the "Outstanding Bonds") have been heretofore issued and are Outstanding under the Resolution; (b) the Series 2020 Bonds are issued under the authorization of Section 2.2 of the Resolution; (c) no default exists in the payment of the principal of or interest and premium (if any) on any Bond; and all payments required by law or agreement to have been made to the time of such finding or determination to the City of Memphis or the County of Shelby or any other municipality by reason of issuance of bonds, notes or other evidences of indebtedness of such city or county or other municipality for the Airport have been made; and (d) all applicable provisions and conditions of the Metropolitan Airport Authority Act and the Resolution have been complied with in the issuance under said Act and the Resolution of the Series 2020 Bonds.

This Twentieth Supplemental Resolution (1) supplements the Resolution; (2) is hereby found, determined and declared to constitute and to be a "Supplemental Resolution" within the meaning of the quoted words as defined and used in the Resolution; and (3) is adopted pursuant to and under the authority of the Resolution.

The Series 2020 Bonds are hereby found, determined and declared to be issued under the Resolution and to constitute and be "Bonds" within the meaning of the quoted words as defined and used in the Resolution. As more fully set forth in the Resolution, the Series 2020 Bonds: (i) shall be entitled to the benefits, security and protection of the Resolution, equally and ratably with one another, with the Outstanding Bonds and with any other Bonds hereafter issued thereunder; (ii) shall be payable as provided in the Resolution solely from the Revenues on a parity with one another, with the Outstanding Bonds and with all Bonds hereafter issued under the Resolution subject to the prior payment of the Costs of Operation and Maintenance; and (iii) shall be equally and ratably secured under the Resolution with one another, with the Outstanding Bonds and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the Supplemental Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery, or otherwise, by the liens, pledges, charges and assignments created by the Resolution.

SECTION 13. Additional Findings and Determinations. The Authority further finds and determines: (a) the Resolution has not been amended or supplemented or rescinded since the adoption thereof except as provided herein and except by Supplemental Resolutions authorizing the issuance of the Outstanding Bonds; (b) there are not outstanding any bonds, notes or other evidences of indebtedness payable from and secured by a parity lien on or pledge or charge upon the Revenues other than Outstanding Bonds now Outstanding; (c) the Revenues are not encumbered by any parity lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the Resolution for the payment and security of the Outstanding Bonds and (d) there does not exist an "Event of Default" as defined in Section 8.1 of the Resolution, nor does there exist any condition which, after notice and the passage of time, would constitute such an "Event of Default".

SECTION 14. Tax Covenants. To the extent the Series 2020 Bonds are issued as tax-exempt bonds, the Authority hereby covenants with the holders from time to time of the Series 2020 Bonds, that so long as any Series 2020 Bonds shall be Outstanding under the Resolution and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), it will comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2020 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103.

SECTION 15. CUSIP Identification Numbers. CUSIP identification numbers, at the sole option of the Authority, may be placed on the Series 2020 Bonds but neither the failure to place any such number on any Bond nor any inaccuracy, error or omission with respect thereto shall constitute cause for failure or refusal by the purchasers to accept delivery of and pay for the Series 2020 Bonds. No such CUSIP identification number shall constitute a part of the contract evidenced by the particular Series 2020 Bonds upon which it is imprinted and no liability shall attach to the Authority or any officer or agent thereof, including any registrar or paying agent for the Series 2020 Bonds, by reason of such numbers or any use made thereof, including any use thereof made by the Authority, any such officer or any such agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use.

SECTION 16. Approvals. A Designated Financial Officer or the Secretary are hereby authorized to execute such further documents, tax certificate or agreement, federal tax and state filings, continuing disclosure undertaking, certificate or agreement, or a letter of representation with DTC or take any and all such further action as upon the advice of counsel to the Authority (a) he, she or they shall deem necessary or desirable in order to effectuate the issuance, delivery and payment of the Series 2020 Bonds in accordance with the terms of the Resolution and this Twentieth Supplemental Resolution, or (b) may be reasonably required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby.

SECTION 17. Balloon Indebtedness Approval. The Authority has requested approval from the Tennessee Comptroller of the Treasury, Division of Local Government Finance, to issue "balloon indebtedness" as defined in Section 9-21-134 of the Tennessee Code Annotated, as amended, and is in receipt of a letter containing such approval dated July 8, 2020 ("Balloon Indebtedness Approval Letter") which is attached hereto as Exhibit B. The Board has received and reviewed the Balloon Indebtedness Approval Letter and has determined that it is appropriate for the Authority to proceed with such bond issuance at this time.

SECTION 18. Plans of Refunding and Refunding Reports from State. The plans of refunding of the Refunded Obligations have been submitted to the Tennessee Comptroller of the Treasury, Division of Local Government Finance, as required by Section 9-21-903, Tennessee Code Annotated, as amended, and it has acknowledged receipt thereof to the Authority and submitted its reports thereon to the Issuer which reports are attached to this Resolution as Exhibit C.

SECTION 19. Section Headings: Table of Contents. The headings or titles of the several sections hereof, and any table of contents appended thereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Twentieth Supplemental Resolution.

SECTION 20. Effectiveness of Twentieth Supplemental Resolution. This Twentieth Supplemental Resolution shall become effective upon its adoption.

#_____

EXHIBIT A

CERTIFICATE OF DETERMINATION

The undersigned Designated Financial Officer hereby certifies in accordance with the Twentieth Supplemental Resolution, adopted by the Authority on _____, 2019 (the "Supplemental Resolution") as follows:

(1) The Series 2020_ Bonds shall be issued in one or more Series.

(2) The Series 2020_ Bonds shall be issued in the total principal amount of _____ Dollars (\$ _____), and [shall bear interest at the rates per annum,] have such public offering prices and mature on [1] in each of the years and in the principal amounts as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>
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(3) The Paying Agent for the Series 2020_ Bonds shall be _____.
The Registrar for the 2020_ Bonds shall be _____.

(4) The Series 2020_ Bonds maturing [] shall be redeemed by sinking fund installments which shall be accumulated in the Airport Improvement Principal and Interest Fund in amounts sufficient to redeem on [__] of each year the principal amount of such Series 2020 Bonds specified for the year set forth below:

<u>Year</u>	<u>Principal Amount</u>

(5) [Add optional redemption provisions]

(6) The Interest Payment Dates shall be [add Interest Payment Dates].

(7) The Record Date shall be [add Record Date].

(8) The Airport Improvement Reserve Account Requirement shall be [add Airport Improvement Reserve Account Requirement].

(9) The form of Series 2020 Bonds, the forms of the certificate of authentication thereof, the forms of endorsement to appear thereon and the forms of assignment thereof shall be substantially as follows: [add bond forms].

(10) Bond Insurance Company: [add company, if any]

(11) [Add surety bond, insurance and letter of credit provisions for Debt Service Reserve Account].

(12) [Add required bond insurance provisions]

(13) The Authorized Denominations shall be [add Authorized Denominations].

(14) The proceeds of the Series 2020_ Bonds shall be applied as follows:

(15) The Maturity Date shall be [__ 1] of each year.

(16) [Refunding Escrow Agent or Trustee:_____.]

(17) Purchaser: _____.

All terms not otherwise defined herein shall have the meanings set forth in the Supplemental Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2020.

Designated Financial Officer
Memphis-Shelby County Airport
Authority

EXHIBIT B

BALLOON INDEBTEDNESS APPROVAL LETTER



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

July 8, 2020

Mr. Scott Brockman, CEO
and Members of the Board
Mr. Forrest Artz, CFO
Memphis – Shelby County Airport Authority
2491 Winchester Road, Suite 113
Memphis, TN 39116-3856

Dear Mr. Brockman, Mr. Artz, and Members of the Board:

Thank you for your recent correspondence. We acknowledge receipt on July 2, 2020, of a request from the Memphis-Shelby County Airport Authority (the "Authority") for the approval of a plan of balloon indebtedness (the "Plan") to issue an amount up to \$30,290,000 Airport Revenue Bonds, Series 2020A (Non-AMT) (the "Series 2020A Refunding Bonds"). The proceeds of the Series 2020A Refunding Bonds will be used to refinance \$30,290,000 Airport Revenue Rounding Bonds, Series 2010A (Non-AMT) (the "Series 2010A Bonds").

Balloon Indebtedness

The debt structure, as described below, constitutes balloon indebtedness as defined by State statute because the annual debt service is not substantially level or declining throughout the life of the debt.

The structure of the Series 2020A Refunding Bonds mirrors the balloon indebtedness structure of the Series 2010A Bonds. There are no principal repayments for fiscal years 2021 through 2026. Annual debt service appears to be approximately level beginning in fiscal year 2027 with a final maturity on July 1, 2039. The final maturity of the Series 2020A Refunding Bonds is the same as the Series 2010A Bonds.

The Authority stated in its Plan that issuing this debt as balloon indebtedness is in the public interest because:

We believe that the refunding and the corresponding plan of finance are both clearly in the best interest of the public for reasons that go beyond the significant amount of total debt service savings expected to result from the transaction.

As noted previously, the original principal repayment structure for the Series 2010A Bonds "wrapped" around the Authority's previously outstanding debt service, seeking to mitigate the impacts of that debt service of the airlines' cost of operating at the Airport by keeping debt service allocable to the terminal cost center relatively stable. Aligning the principal repayment

structure of the Series 2020A Bonds with that of the Series 2010A Bonds to be refunded will achieve approximately level annual debt service savings, mitigating significant fluctuations in the airlines' cost of operating at Memphis International Airport (MEM).

Maintaining the total debt service in the terminal cost center essentially level, albeit at levels lower than prior to the refunding, will enable the Authority to maintain a stable airline cost per enplanement (CPE) at MEM and a lower CPE than would be achievable pre-refunding. In effect, this will reduce the unit cost to the airlines serving MEM, and thus increase the likelihood that the airlines will return service that has been temporarily cut as a result of the COVID-19 pandemic and promote the addition of new service at MEM in the years ahead - both of which are clearly in the public interest.

Nevertheless, estimated savings from the proposed transaction are material...

Approval

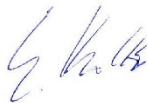
The comptroller of the treasury or the comptroller's designee shall evaluate each plan of balloon indebtedness based on the plan's specific circumstances and shall approve the plan only if a determination is made that the repayment structure is in the public's interest. Based on the review of the Plan in accordance with statute, the Plan is approved.

Changes to our Office

We are enclosing a memorandum about the newly created Division of Local Government Finance within the Comptroller's Office.

If you should have questions or need assistance, please feel free to contact your financial analyst, Ron Queen, at 615.401.7862 or Ron.Queen@cot.tn.gov. You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst.

Very truly yours,



Betsy Knotts
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Contract Audit Review Manager, Local Government Audit, COT
Mr. Kevin McPeck, PFM
Mr. Doug Earthman, Glankler Brown, PLLC

Enclosure: Comptroller's Memorandum Regarding New Division
BK:rj

EXHIBIT C

REFUNDING LETTERS AND REPORTS OF THE STATE



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

July 8, 2020

Mr. Scott Brockman, CEO
and Members of the Board
Mr. Forrest Artz, CFO
Memphis – Shelby County Airport Authority
2491 Winchester Road, Suite 113
Memphis, TN 39116-3856

Dear Mr. Brockman, Mr. Artz, and Members of the Board:

Thank you for your recent correspondence. We acknowledge receipt on July 2, 2020, of a revised request from the Memphis – Shelby County Airport Authority (the "Authority") for a report on a plan of refunding (the "Plan") for the Authority's proposed issuance of up to approximately \$31,600,000 Airport Revenue Refunding Bonds, Series 2020A (Non-AMT [Alternative Minimum Tax]).

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the Authority's Plan. The Plan, this letter, and the enclosed report should be made available on the Authority's website and must be presented to each member of the Council for review prior to the adoption of a refunding bond authorizing resolution.

Changes to our Office

We are enclosing a memorandum about the newly created Division of Local Government Finance within the Comptroller's Office.

If you should have questions or need assistance, please feel free to contact your financial analyst, Ron Queen, at 615.401.7862 or Ron.Queen@cot.tn.gov. You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst.

Very truly yours,

A handwritten signature in blue ink, appearing to read "B. Knotts".

Betsy Knotts
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Mr. Kevin McPeck, PFM Financial Advisors, LLC
Mr. B. Douglas Earthman, Esq., Glankler Brown PLLC

Enclosures: Report of the Director of the Division of Local Government Finance
Comptroller's Memorandum Regarding New Division

BK:rq



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report of the Director of the Division of Local Government Finance
Concerning the Proposed Issuance of
Airport Revenue Refunding Bonds, Series 2020A (Non-AMT)
Memphis – Shelby County Airport Authority**

This report is being issued pursuant to T.C.A. §§ 9-21-1003 and 42-4-109 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on July 2, 2020, as revised, from the Memphis – Shelby County Airport Authority (the “Authority”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The Authority should discuss these issues with bond counsel. This report and the Authority’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the Chief Financial Officer of the Authority, our office has reviewed the Authority’s Plan, as required by TCA § 42-4-109 in the manner of TCA § 9-21-1003, and provides the following analysis based upon the assumptions outlined in the Plan:

The Authority intends to issue by private negotiated sale approximately \$25,120,000 Airport Revenue Refunding Bonds, Series 2020A (Non-AMT [Alternative Minimum Tax]) (the “Series 2020A Refunding Bonds”), priced at an estimated premium of \$5,485,925 to current refund \$30,290,000 Airport Revenue Bonds, Series 2010A (Non-AMT), (the “Series 2010A Bonds”), maturing July 1, 2021, through July 1, 2039.

- The Authority’s objective for the refunding is to achieve debt service savings.
- These are Non-AMT private activity bonds.
- The estimated net present value debt service savings is \$7,025,360 or 23.19% of the refunded principal amount of \$30,290,000. The savings are achieved by selling the Series 2020A Refunding Bonds at a premium of \$5,485,925 while maintaining the same average coupon rate of 5.00%. The Authority is paying interest on the smaller principal amount of \$25,120,000 over the same period as the Series 2010A Bonds.

- In addition, the Authority plans to contribute \$2,764,417 from the Debt Service Fund and Series 2010A Bonds Debt Service Reserve Fund.
- Total interest cost is projected to decrease from \$20,715,750 to \$16,920,322.
- The final maturity of the Series 2020A Refunding Bonds does not extend beyond the final maturity of the Series 2010A Bonds.
- The proposed structure of the Series 2020A Refunding Bonds is balloon indebtedness as defined in T.C.A. §9-21-134. A separate letter approving the Authority's Plan of Balloon Indebtedness for the proposed refunding will be sent to the Authority.
- Estimated costs of issuance are summarized below and are based upon the par amount of \$25,120,000 for the Series 2020A Refunding Bonds:

	Amount	Price Per \$1,000 Bond
Underwriter's Discount (To Be Determined)	\$ 106,744.00	\$ 4.25
Municipal Advisor (PFM Financial Advisors)	25,141.00	1.00
Bond Counsel (Glankler Brown)	25,141.00	1.00
Underwriter's Counsel	18,856.00	0.75
Rating Agency Fees	56,568.00	2.25
Miscellaneous	18,750.00	0.75
	<hr/>	<hr/>
	\$ 251,200.00	\$ 10.00

Balloon Indebtedness Structure

The Authority determined the structure of the Series 2020A Refunding Bonds presented in the Plan is balloon indebtedness and therefore, submitted a separate request for approval of a plan of balloon indebtedness in conjunction with its request for the review of the Plan. Approval of the Director of the Division of Local Government Finance is required prior to the Authority adopting the resolution authorizing the issuance of balloon indebtedness. A separate letter approving the Authority's Plan of Balloon Indebtedness for the proposed refunding will be sent to the Authority.

Financial Professionals

The Plan was prepared with the assistance of the Authority's financial advisors, PFM Financial Advisors, LLC. Financial advisors have a fiduciary responsibility to the Authority. Underwriters have no fiduciary responsibility to the Authority. They represent the interests of their firm and are not required to act in the Authority's best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the Authority's underwriter and municipal advisor, please read the information posted on the MSRB website: www.msrb.org.

Plan Assumptions

The assumptions of the Plan are the assertions of the Authority. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report

provides non assurances of the reasonableness of the underlying assumptions. The assumptions included in the Authority's Plan may not reflect either current market conditions or market conditions at the time of sale. The Series 2020A Refunding Bonds may be issued with a structure different from that of the Plan.

Debt Management Policy


The Authority has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the Authority's policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the bonds are issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the Authority's governing body to review prior to adopting a new refunding bond authorizing resolution.



Betsy Knotts
Director of the Division of Local Government Finance
Date: July 8, 2020

Enclosure: Requirements After Debt is Issued



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Requirements After Debt is Issued

- **Annual Budget Approval**

Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: tncot.cc/budget.

- **Bonds not Refunded**

If all the loan agreements not refunded as a part of the proposed refunding transaction and the Authority wishes to refund them in a subsequent bond issue, then a new plan must be submitted to our office for review.

- **Debt Management Policy**

Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: tncot.cc/debt-policy.

- **Required Notification**

We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the Authority decides to proceed with the issue, the Authority's governing body and our office should be notified after the sale by the local government's Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

- (1) An increase in the principal amount of the debt issued;
- (2) An increase in costs of issuance; or
- (3) A decrease in the cumulative savings or increase in the loss.

The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the Authority's governing body and our office with the required filing of the Report on Debt Obligation, Form CT-0253.

- **Report on Debt Obligation (State Form CT – 0253)**

Pursuant to T.C.A. § 9-21-151(6)(c), a Report on Debt Obligation (the "Report") shall be completed and filed with the governing body of the local government no later than forty-five (45) days after the issuance of the debt, with a copy (including attachments, if any) filed with the

Division of Local Government Finance. The Report and instructions may be accessed at: mncot.cc/debt-report. No public entity may enter into additional debt if it has failed to file the Report.

- **Rule 15c2-12 of the Securities Exchange Act**

Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: emma.msrb.org.



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

July 8, 2020

Mr. Scott Brockman, CEO
and Members of the Board
Mr. Forrest Artz, CFO
Memphis – Shelby County Airport Authority
2491 Winchester Road, Suite 113
Memphis, TN 39116-3856

Dear Mr. Brockman, Mr. Artz, and Members of the Board:

Thank you for your recent correspondence. We acknowledge receipt on July 2, 2020, of a revised request from the Memphis – Shelby County Airport Authority (the "Authority") for a report on a plan of refunding (the "Plan") for the Authority's proposed issuance of up to approximately \$83,290,000 Airport Revenue Refunding Bonds, Series 2020B (AMT [Alternative Minimum Tax]).

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the Authority's Plan. The Plan, this letter, and the enclosed report should be made available on the Authority's website and must be presented to each member of the Council for review prior to the adoption of a refunding bond authorizing resolution.

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We are enclosing a memorandum about the newly created Division of Local Government Finance within the Comptroller's Office.

If you should have questions or need assistance, please feel free to contact your financial analyst, Ron Queen, at 615.401.7862 or Ron.Queen@cot.tn.gov. You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Betsy Knotts".

Betsy Knotts
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Mr. Kevin McPeck, PFM Financial Advisors, LLC
Mr. B. Douglas Earthman, Esq., Glankler Brown PLLC

Enclosures: Report of the Director of the Division of Local Government Finance
Comptroller's Memorandum Regarding New Division BK:rq



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report of the Director of the Division of Local Government Finance
Concerning the Proposed Issuance of
Airport Revenue Refunding Bonds, Series 2020B (AMT)
Memphis – Shelby County Airport Authority**

This report is being issued pursuant to T.C.A. §§ 9-21-1003 and 42-4-109 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on July 2, 2020, as revised, from the Memphis – Shelby County Airport Authority (the “Authority”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs, risks, and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee.

This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be refinanced or remain outstanding until their respective dates of maturity. This report does not address compliance with federal tax regulations and is not to be relied upon for that purpose. The Authority should discuss these issues with bond counsel. This report and the Authority’s Plan must be presented to the governing body prior to the adoption of a refunding bond resolution.

Refunding Analysis

At the request of the Chief Financial Officer of the Authority, our office has reviewed the Authority’s Plan, as required by TCA § 42-4-109 in the manner of TCA § 9-21-1003, and provides the following analysis based upon the assumptions outlined in the Plan:

The Authority intends to issue by private negotiated sale approximately \$74,795,000 Airport Revenue Refunding Bonds, Series 2020B (AMT [Alternative Minimum Tax]) (the “Series 2020B Refunding Bonds”), priced at an estimated premium of \$6,848,670 to current refund \$83,400,000 Airport Revenue Bonds, Series 2010B (AMT) (the “Series 2010B Bonds”), maturing July 1, 2021, through July 1, 2025.

- The Authority’s objective for the refunding is to achieve debt service savings.
- The estimated net present value debt service savings is \$8,360,124 or 10.02% of the refunded principal amount of \$83,400,000. The savings are achieved by selling the Series 2020B Refunding Bonds at a premium of \$6,848,670 while reducing the average coupon rate of 5.75% for the Series 2010B Bonds to 5.00% for the Series 2020B Refunding Bonds. The Authority is also paying interest on the smaller principal amount of \$74,795,000 over the same period as the Series 2010B Bonds.
- In addition, the Authority intends to contribute \$10,972,917 from the Debt Service Fund and Series 2010B Bonds Debt Service Reserve Fund.
- Total interest cost is projected to decrease from \$14,133,788 to \$10,358,274.

- The final maturity of the Series 2020B Refunding Bonds does not extend beyond the final maturity of the Series 2010B Bonds.
- The proposed structure of the Series 2020B Refunding Bonds is not balloon indebtedness as defined in T.C.A. § 9-21-134.
- Estimated costs of issuance are summarized below and are based upon the par amount of \$74,795,000 for the Series 2020B Refunding Bonds:

	Amount	Price Per \$1,000 Bond
Underwriter's Discount	\$ 317,831.00	\$ 4.25
Municipal Advisor (PFM Financial Advisors)	74,859.00	1.00
Bond Counsel (Glankler Brown)	74,859.00	1.00
Underwriter's Counsel	56,144.00	0.75
Rating Agency Fees	168,432.00	2.25
Miscellaneous	55,826.00	0.75
	<u>\$ 747,950.00</u>	<u>10.00</u>

Changes to the Structure of the Repayment Schedule

If the structure is revised, the Authority should determine if the new structure complies with the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness. If it is determined that the bond structure constitutes balloon indebtedness, the Authority must submit a Plan of Balloon Indebtedness to the Director of the Division of Local Government Finance for approval prior to the Authority adopting the resolution authorizing the issuance of the debt.

Financial Professionals

The Plan was prepared with the assistance of the Authority's financial advisors, PFM Financial Advisors LLC. Financial advisors have a fiduciary responsibility to the Authority. Underwriters have no fiduciary responsibility to the Authority. They represent the interests of their firm and are not required to act in the Authority's best interest without regard to their own or other interests.

The Municipal Securities Rulemaking Board (MSRB) establishes rules and notices that municipal advisors and underwriters must follow when engaging in municipal securities transactions and advising investors and local governments. To learn more about the obligations of the Authority's underwriter and municipal advisor, please read the information posted on the MSRB website: www.msrb.org.

Plan Assumptions

The assumptions of the Plan are the assertions of the Authority. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by our office. This report provides non assurances of the reasonableness of the underlying assumptions. The assumptions included in the Authority's Plan may not reflect either current market conditions or market conditions at the time of sale. The Series 2020B Refunding Bonds may be issued with a structure different from that of the Plan.

Debt Management Policy


The Authority has adopted a debt management policy and has indicated in its Plan that the proposed refunding transaction complies with the Authority's policy.

Requirements After the Refunding Bonds Have Been Issued

We have included a listing of certain compliance requirements your local government will be responsible for once the bonds are issued. The listing is not all inclusive and you should work with your municipal advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the Authority's governing body to review prior to adopting a new refunding bond authorizing resolution.



Betsy Knotts
Director of the Division of Local Government Finance
Date: July 8, 2020

Enclosure: Requirements After Debt is Issued



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Requirements After Debt is Issued

- **Annual Budget Approval**

Your local government will be subject to an annual budget approval process for the life of the outstanding debt as required by TCA § 9-21-403. Please refer to our online guidance at: tncot.cc/budget.

- **Bonds not Refunded**

If all the loan agreements not refunded as a part of the proposed refunding transaction and the Authority wishes to refund them in a subsequent bond issue, then a new plan must be submitted to our office for review.

- **Debt Management Policy**

Your local government should regularly review and, if necessary, amend its debt management policy. Please submit any amended policy to our office immediately upon adoption. Guidance concerning debt management policies is available at: tncot.cc/debt-policy.

- **Required Notification**

We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if it is determined prior to the issuance of the debt, that the actual results will differ significantly from the information provided in the submitted Plan and the Authority decides to proceed with the issue, the Authority's governing body and our office should be notified after the sale by the local government's Chief Executive Officer or the Chief Financial Officer regarding these differences. The Chief Executive Officer must state that they were aware of the differences and determined to proceed with the issuance of the debt. Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

- (1) An increase in the principal amount of the debt issued;
- (2) An increase in costs of issuance; or
- (3) A decrease in the cumulative savings or increase in the loss.

The notification must include an explanation for any significant differences and the justification for a change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the Authority's governing body and our office with the required filing of the Report on Debt Obligation, Form CT-0253.

- **Report on Debt Obligation (State Form CT – 0253)**

Pursuant to T.C.A. § 9-21-151(6)(c), a Report on Debt Obligation (the "Report") shall be completed and filed with the governing body of the local government no later than forty-five (45)

days after the issuance of the debt, with a copy (including attachments, if any) filed with the Division of Local Government Finance. The Report and instructions may be accessed at: tncot.cc/debt-report. No public entity may enter into additional debt if it has failed to file the Report.

- **Rule 15c2-12 of the Securities Exchange Act**

Local governments that have issued municipal securities on or after February 27, 2019, are required to report certain information related to the issuance of financial obligations. Information on the reporting requirements is available on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access EMMA® website: emma.msrb.org.

RESOLUTION

WHEREAS, pursuant to public advertisement, Statements of Qualifications for Security Guard Services for the Memphis-Shelby County Airport Authority ("Airport Authority") were received as follows:

REQUEST FOR QUALIFICATIONS
SECURITY GUARD SERVICES
FOR MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY

Received June 16, 2020

STATEMENTS OF QUALIFICATIONS RECEIVED FROM:

ACTS-Aviation Security, Inc.*
Allied Universal Security Services*
American Eagle Protective Services Corporation*
American Guard Services, Inc.*
Contemporary Services Corporation*
Top Notch Security, Inc.
Walden Security*

** Out of town firms*

and,

WHEREAS, services may include, but are not limited to, security vendor screening, employee screening, routine passenger assistance, access control to restricted areas, construction access surety, and security services in response to TSA Security Directives or emergencies; and,

WHEREAS, the initial term of the contract will be for a period of one (1) year with four (4) one (1) year renewal options to be exercised at the Authority's sole discretion, for a potential total contract term of five (5) years; and,

WHEREAS, the selection committee evaluated all seven (7) firms, and after review, the top three (3) firms were interviewed by the selection committee; and,

WHEREAS, the selection committee subsequently ranked the top three (3) firms in

the following order:

1. ACTS-Aviation Security, Inc.
2. Allied Universal Security Services
3. Top Notch Security, Inc.

and,

WHEREAS, Airport Authority management recommends that ACTS-Aviation Security, Inc., be designated the top ranked firm; and,

WHEREAS, Airport Authority management will negotiate a contract for services to be performed with the number-one ranked firm; however, if negotiations are unsuccessful with the number-one ranked firm, negotiations will terminate with that firm and begin with the next-ranked firm until a satisfactory agreement has been reached; and,

WHEREAS, in the furtherance of its Disadvantage Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 49% for the full term of this contract; and,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that ACTS-Aviation Security, Inc., be hereby designated the top ranked firm, and the President and CEO or his designee be hereby authorized to negotiate and execute a contract for security guard services in accordance with this Resolution, with cost to be paid from the Airport Authority's annual operating funds or any other funds as identified by the CFO.

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07-23-20