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Edwin A. Jones
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April 24, 2023

Via Email Only:

Judge Executive Craig Clymer:

cclymer@mccrackencountyky.gov

Commissioner Bill Bartleman:

bbartleman@mccrackencountyky.gov

Commissioner Richard Abraham:

rabraham@mccrackencountyky.gov

McCracken County Courthouse

300 Clarence Gaines Street

Paducah, KY 42003

Re: Airport Funding – Preliminary Fiscal Court Financial Due Diligence Review

Dear Gentlemen:

The purpose of this correspondence is to report a “Due Diligence Review” conducted by Commissioner Bill Bartleman and myself regarding the Barkley Regional Airport funding.

1. On June 28, 2023, our community will celebrate the opening of the new Barkley Regional Airport Terminal. The 42 million dollar new terminal construction project was funded by a collaboration of federal, state, City of Paducah and McCracken County tax dollars along with PACRO funds.

Thus far this project has been managed extremely well by Dennis Rouleau. Our community is blessed to have him at the airport.

In August 2022 and in order to secure the 33 million dollar federal grant, the City of Paducah and McCracken County agreed to contribute an amount of approximately 6 million dollars. An Interlocal Cooperation Agreement (ICA) regarding this obligation was executed on August 25, 2021. See attached City/County/Airport ICA at pages 1 to 7.

2. In April 2022, the Kentucky General Assembly allocated 5.3 million dollars to Barkley Regional Airport for undesignated improvement projects. See attached 22RS-HB241-VO at pages 15 to 30.
3. In October 2022, the Delta Regional Authority awarded a grant in the amount of \$1,771,500.00 for the purpose of constructing “a sewer extension for

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Paducah/McCracken County Joint Sewer Agency (JSA) to the Barkley Regional Airport property. As a part of this grant, the JSA has committed \$250,000.00 to the airport sewer expansion.¹

4. The sewer extension project was also included in the list of projects which substantiated the Barkley Regional Airport request for 5.3 million dollars in additional funds from the Kentucky General Assembly. In making this request the airport identified three additional projects of which the sewer extension project constituted 2.1 million dollars of the 5.3 million dollar request. See attached Airport Private Advocacy List at page 31.
5. The additional 5.3 million dollars state funding is expected to be available on July 1, 2023. It appears the Barkley Regional Airport Board has substantial latitude with how to spend and allocate the 5.3 million dollars. However, we believe the Airport Board is required to spend the dollars on improvement of actual airport property and the portion of the sewer extension project which is not on airport property is not expected to be an eligible use for these funds.

It also appears the Airport Board will have a latitude to use a portion of the 5.3 million in funds for expenses incurred prior to July 1, 2023, including potential reimbursement of funds expended by the City of Paducah and McCracken County. In other words, some of these funds could be used to reduce the "Local Share" in the August 25, 2021, City/County/Airport ICA. Additional due diligence on this issue is necessary.

6. **Since the August 25, 2021 City/County/Airport ICA, the Airport has received additional funding of 7.3 million dollars of which 4.1 million dollars is for a 2.1 million dollar sewer expansion.**
7. As of April 20, 2023, the Airport Authority had 2.4 million dollars in its reserve account.
8. Given the significant change in the financial situation of the Barkley Regional Airport, it is appropriate to ask the City of Paducah and the Airport Authority to amended the August 25, 2023, City/County/Airport ICA to adjust the amount of the "Local Share."

¹ "Hats off" to Commissioner Bill Bartleman for his advocacy related to this grant.

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Please contact me with your questions.

Respectfully,



Edwin A. Jones
McCracken County Commissioner

EAJ/sw

Cc: Steve Doolittle sdoolittle@mccrackencountyky.gov

Concurrence:


Commissioner Bill Bartleman