

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

October 18, 2021

3:00pm

A meeting of the Fort Wayne-Allen County Airport Authority Board was held on October 18, 2021, at the Fort Wayne Aero Center, 4401 Altitude Drive, Fort Wayne, Indiana, 46809, Conference Room, F203, pursuant to proper legal notice. A quorum being present, Mr. Barry Sturges, President, called the meeting to order at 3:06 p.m.

ATTENDANCE:

**AIRPORT AUTHORITY
BOARD MEMBERS:**

Richard B. (Barry) Sturges, Jr., President, present
Gregg C. Sengstack, Vice President, present
Timothy J. Haffner, Secretary, present
Jerome F. (Jerry) Henry, Jr., present
Kimberly M. Wagner, absent
Réna Bradley, present
**electronic meeting participation*

**AIRPORT AUTHORITY STAFF
& LEGAL COUNSEL PRESENT:**

Scott Hinderman, Executive Director
Robin Strasser, Dir. Admin. & Finance
Joe Marana, Dir of Facilities and Operations
Mike Deam, Airport Authority Attorney
Tom Trent, Airport Authority Attorney
Patrick Dooley, Airport Development Director
Stephanie Veit, Airport Development Director
Doug Robertson, Controller*
Justin Trefl, FBO Manager
Mary Easterday, Administrative Asst.

CALL TO ORDER:

A quorum being present, Mr. Sturges called the meeting to order at 3:06 p.m.

**1. CONSIDERATION AND APPROVAL OF TODAY'S AGENDA & CONSENT
AGENDA**

Mr. Scott Hinderman indicated staff had no changes to the posted agenda. Mr. Timothy Haffner made a motion to approve the October 18, 2021, Board Agenda as posted and the Consent Agendas as presented below. Mr. Jerry Henry seconded the motion; the motion unanimously carried.

ADMINISTRATIVE CONSENT AGENDA:

- Approval of Board Minutes – 09.20.2021
- Review & Approval of Claims #21-10
- Accounts Receivable Report

CONTRACT CONSENT AGENDA:

Change Order Number 1 to Purchase 4 Steel Passenger Boarding Bridges and Related Equipment with JBT Aerotech

BOARD MEETING MINUTES

October 18, 2021

Page 2 of 8

This change order is a net increase in the amount of \$18,294.00 to increase the total contract with JBT to \$2,555,283.00. The change order is to approve a carpet upgrade to the jetbridges and walkways in Gates 5-10.

Staff recommended that the Board award this change order with signature authorization for the Executive Director of Airports.

Contingency Change Order Authorization Number 1-Fort Wayne International Airport West Terminal Expansion with Michael Kinder & Sons-AIP 77

This contingency change authorization includes the items below and will leave a remaining contingency balance of \$2,891,078.90.

No.	Description	Amount
RFCO-1	CREDIT – Duplicate Bonding	\$ (10,195.02)
RFCO-3	Temp Roofing Material	\$ 44,516.64
RFCO-4	Additional Hardware/Access Control	\$ 3,700.00
RFCO-9	Paralleling Gear Sizing	\$ 64,712.24
RFCP-1	CREDIT – Joint/Sealant at Central Plant	\$ (13,551.08)
RFCO-3	Additional Steel at Shelter	\$ 6,231.01
RFCO-7	EWB Mixing Valve Sizing	\$ 1,952.30
RFCP-2	Bathroom Cove Light	\$ 10,244.42
RFCP-3	Sound Attenuator Configuration	\$ 1,373.23
SID-4	Detail Clarification at Doors 150A and 150B	\$ 914.42
SID-5	CREDIT – Gate 6 Bulkhead Modifications	\$ (977.03)
	TOTAL	\$ 108,921.13

Staff recommended board ratification of this contingency change authorization with signature authorization for the Executive Director of Airports.

2. ACTIVITY REPORT – SEPTEMBER 2021

Mr. Scott Hinderman reported to board members on recent Airport Authority air service and marketing activities. His report to the board included the following:

- FWA’s recovery mode operation continues to exceed staff expectations and enplanements continue to increase on a monthly basis – FWA Covid recovery is looking strong – close to 2018 enplanement numbers and staff expect passenger growth to continue
- 2021 numbers are only down 15.17% from 2019
- Enplanements in September 2021 were reported at 27,981 up 73.80% compared to September 2020

BOARD MEETING MINUTES

October 18, 2021

Page 3 of 8

- September 2021 enplanements were up slightly compared to August 2021 enplanements
- Year-to-date enplanements in 2021 are up by 52.39% compared to enplanements year-to-date 2020
- Despite a loss of capacity (loss of one Delta Atlanta flight; one American Dallas flight; seasonal loss of Allegiant Myrtle Beach and Phoenix flights) September 2021 activity was still up
- Board members inquired about the loss of capacity and Mr. Hinderman explained it is due to smaller aircraft currently being flown and airlines are experiencing a loss of flight crews

3. CONSIDERATION AND APPROVAL OF LEASE AGREEMENT WITH BEST WAREHOUSING AND TRANSPORTATION, INC. FOR USE OF SPACE IN BUILDING 2060 SUITES B AND C

Mr. Hinderman informed board members that staff had successfully negotiated a lease with Best Warehousing and Transportation, Inc. for use of space in ATC Building 2060 Suites B and C. Mr. Hinderman presented details of the lease agreement as follows:

LEASE SUMMARY

FACILITY:

12602 Global Drive
Building 2060 / Suites B & C
Yoder, IN 46798

Suite B = 67,800 square feet
Suite C = 42, 200 square feet
110,000 square feet of occupied space

TENANT:

Best Warehousing and Transportation, Inc.

USE OF PREMISES:

Logistics, Third Party Provider for Clarios

LEASE TERM:

Two (2) Year Term:
October 1, 2021 – September 30, 2023

RENTAL RATE:

\$50,416.66 per month / \$5.50 per square foot

OPTION TO RENEW:

Tenant shall have no option to renew this lease

UTILITIES:

Tenant will pay its proportionate share of all utilities (sewer, gas, electricity, water, service utilities) on the building, prorated based on 110,000 square feet of occupied space

BOARD MEETING MINUTES

October 18, 2021

Page 4 of 8

IMPROVEMENTS / No rent credits available

RENT CREDITS: Improvements provided for the Premises: Landlord will divide the space within Building 2060 to separate Suite B and C from Suite D within 6 months of lease approval with a tenant for Suite D. At Landlord expense, demising wall will be constructed to separate Best Warehousing leased space from Suite D

**OTHER
INFORMATION
REGARDING THE
LEASE**

- Previous lease agreement (10/1/2020 – 9/30/2021) was for Building 2060 Suites D and E = 109,860 square feet
- Rent from previous agreement = \$56,303.25 per month = \$6.15 per square foot psf (premium short term rental rate)
- Airport Authority staff were willing to negotiate a lower rental rate for a longer lease term

Mr. Timothy Haffner made a motion to approval the lease agreement with Best Warehousing for use of space in Building 2060 as presented. Mr. Gregg Sengstack seconded the motion; the motion unanimously carried.

4. CONSIDERATION AND APPROVAL OF AIRLINE USE AND LEASE AGREEMENT

Ms. Robin Strasser explained to the board that throughout 2021 the airlines have been operating in hold over as it relates to their expired Use and Lease Agreements. Ms. Strasser noted that the current agreement which expired in December 2020 was extended through December 31, 2021. Throughout 2021 Airport Authority staff continued to meet with airline representatives to negotiate a new Airline Use and Lease Agreement. Meetings were productive and amicable and Ms. Strasser reported that A new Use and Lease Agreement was sent to the airlines for signature on September 30, 2021. Exhibits which indicate exclusive use space differ for each airline. The new agreement is for five years and expires on December 31, 2026. The rental rates are determined annually through the budget process. This agreement includes the following significant changes:

- The term of the agreement has been changed from a three-year agreement with two (2) one-year extensions to a five-year agreement.
- The adjustment to the Stabilization Factor (which addresses landed weight of aircraft) will be reduced over the five-year period from 375,000 units to 200,000 units. This will reduce the subsidy the Airport Authority provides relative to landed weight for all airfield users.
- The threshold for amortization of the local portion of allowable capital items will be increased from \$75,000 to \$150,000. The interest rate for the amortization period will be reduced from 8% to 5%.

BOARD MEETING MINUTES

October 18, 2021

Page 5 of 8

- A section was added for Pre-Approved Projects in the Capital Improvements and Majority-In-Interest (MII) Voting article. This section allows the Authority to proceed with Pre-Approved Projects without being further subject to the MII process. The only such project included in the proposed agreement is the East Phase of the Terminal Expansion and Modernization project. This allows the Authority to proceed with the East Phase of the terminal project without a vote by the airlines. If costs related to the project exceed the Opinion of Probable Cost (OPC) included in the Exhibit H (\$78,001,650), the agreement provides steps to take to address the cost and / or scope of the project.

Board members inquired if the agreement was the same for each airline and Ms. Strasser indicated they are with the Exhibits indicating exclusive leased space being different for each airline. Ms. reported that to date, we have received signed documents from UPS; SkyWest Airlines, Inc.; and United Airlines, Inc. We are awaiting documents from Delta Air Lines, Inc.; American Airlines; Allegiant Air; and FedEx.

Staff recommended that the Board approve the agreement and give the Executive Director signature authority to sign the agreements as they are returned to the Authority by each airline.

Mr. Timothy Haffner made a motion to approval the Airline Use and Lease Agreement and to provide authorization to the Executive Director of Airports to sign each agreement as they are returned to the Authority by each airline. Mr. Jerry Henry seconded the motion; the motion unanimously carried.

5. CONSIDERATION AND APPROVAL OF SOLICITATION RESULTS: RFP FOR PROFESSIONAL SERVICES

Ms. Robin Strasser reported that Authority staff had requested proposals from qualified certified public accounting firms interested in providing audit services for its financial statements for fiscal years ending December 31, 2021, to December 31, 2025. A three-year contract is contemplated with two one-year options to renew. Ms. Strasser indicated that the selected proposer must be qualified to perform audit services in accordance with generally accepted auditing standards, generally accepted governmental auditing standards, Office of Management and Budget Circular A-133 (Audits of States, Local Governments and Non-Profit Organizations), FAA Advisory Circular No. 150/5100-18 (Guide for Audit Certification by Airport Sponsors), Federal Aviation Regulation 14 CFR Part 158 (Passenger Facility Charge Program), and the Indiana State Board of Accounts Guidelines.

The Auditor Selection Committee received proposals from six accounting firms: BKD, LLP; Cherry Bekaert, LLP; Crowe, LLP; Katz, Sapper & Miller; Plante Moran; and Sikich, LLP. Based upon an evaluation of these firms, the Committee recommended that the Board make an award to Cherry Bekaert, LLP as the most advantageous firm. Ms. Strasser commented that this recommendation is based upon criteria contained in the RFP to include experience, staff qualifications, the overall quality of services proposed and the price of those services. Ms. Strasser also requested that the Executive Director be given signature authority for the three-year agreement with two one-year renewal options with Cherry Bekaert, LLP.

BOARD MEETING MINUTES

October 18, 2021

Page 6 of 8

Board members inquired if the proposal from Cherry Bekaert were substantially cheaper and Ms. Strasser comment that it was not, however they scored well in other areas and price was not the sole indicator of which firm the committee chose to recommend for award of this RFP. Ms. Strasser also indicated that while Cherry Bekaert is based in West Virginia they have an Airport Division and have extensive experience performing audits for other airports and came with strong recommendations.

Mr. Timothy Haffner made a motion to award the Professional Services contract for auditing services to Cherry Bekaert, LLP for a three year contact with 2 one year options to renew, along with authorization for the Executive Director of Airports to sign the contract document. Mr. Gregg Sengstack seconded the motion; the motion unanimously carried.

6. INTRODUCTION OF ORDINANCE 21-04: 2022 RATES AND CHARGES ORDINANCE

Ordinance 21-04 was introduced by Mr. Timothy Haffner. A Public Hearing on Ordinance 21-04: 2022 Rates and Charges Ordinance will be held at the November 15, 2021 board meeting.

7. PUBLIC HEARING AND ADOPTION OF ORDINANCE 21-03: AN AMENDED AND RESTATED ORDINANCE OF THE FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY APPROPRIATING THE PROCEEDS OF ITS GENERAL OBLIGATION BONDS

Mr. Hinderman informed the board that Ordinance No. 21-03 had been introduced at the September 20, 2021 board meeting and that a public hearing would be held on this particular ordinance.

Public Hearing – Mr. Deam opened the Public Hearing for Ordinance No. 21-03: An Amended and Restated Ordinance of the Fort Wayne-Allen County Airport Authority Appropriating the Proceeds of its General Obligation Bonds. Mr. Deam indicated that staff would make introductory comments. The board and staff would have time for comments and questions and then the public would have the opportunity to come to the podium and speak to the matter.

Staff Comments – Ms. Robin Strasser informed board members this ordinance was being presented and is necessary as a result of the 2021 General Obligation Bonds that were sold at a premium. The premium amount must now be appropriated to cover the current bond payments due in 2021 and 2022. Ms. Strasser also indicated that the amended appropriation would also be requested from the Allen County Council at their October 21, 2021 scheduled meeting. Ms. Strasser also reported that the appropriation of the proceeds of the Bonds in an aggregate principal amount not to exceed Twenty-eight Million, Seven Hundred Sixty Two Thousand, Sixty Seven Dollars (\$28,762,067)

BOARD MEETING MINUTES

October 18, 2021

Page 7 of 8

Board Comments – Board members had no questions or comments regarding the proposed ordinance.

Public Comments – Mr. Deam asked if any member of the public cared to comment about Ordinance No. 21-03: An Amended and Restated Ordinance of the Fort Wayne-Allen County Airport Authority Appropriating the Proceeds of its General Obligation Bonds

No member of the public came forward to comment about Ordinance No. 21-03.

Closure of Public Hearing - Hearing no further requests for comment, Mr. Deam closed the Public Hearing for Ordinance No. 21-03.

Board Action – Mr. Timothy Haffner made a motion to adopt Ordinance No. 21-03: An Amended and Restated Ordinance of the Fort Wayne-Allen County Airport Authority Appropriating the Proceeds of its General Obligation Bonds. Mr. Jerry Henry seconded the motion; the motion unanimously carried.

8. OTHER BUSINESS

Mr. Hinderman indicated staff had no other business to bring before the board at this time.

9. ADJOURNMENT

Mr. Haffner moved to adjourn the October 18, 2021, Regular Session Board Meeting at 3:27 p.m. Mr. Barry Sturges adjourned the meeting.

EXECUTIVE SESSION:

An Executive Session was held prior to the regular session board meeting on October 18, 2021 at 2:00 p.m. at the Fort Wayne Aero Center, 4401 Altitude Drive, Fort Wayne, Indiana, 46809, Conference Room, F203, pursuant to proper legal notice, to discuss Personnel (pursuant to IC 5 14 1.5 6.1(b)(5) or (b)(6) or (b)(9), Lease Negotiations (pursuant to IC 5 14 1.5 6.1(b)(2)(D), pending or threatened litigation which is pursuant to IC 5 14 1.5 1(b)(2)(B), and confidential records which is pursuant to IC 5 14 1.5 6.1 (b)(7).

Attendance:

Richard B. (Barry) Sturges, Jr., President; present

Gregg Sengstack, VP; present

Timothy T. Haffner, Secretary; present

Jerome F. (Jerry) Henry, Jr.; present

Kimberly Wagner; present

Réna Bradley; present

BOARD MEETING MINUTES

October 18, 2021

Page 8 of 8

Mr. Mike Deam; present
Mr. Tom Trent; present
Mr. Scott Hinderman; present
Ms. Robin Strasser; present
Mr. Patrick Dooley; present
Ms. Stephanie Veit; present
Ms. Mary Easterday; present

By signing the minutes of the October 18, 2021, board meeting, it is hereby certified that nothing other than the topics, as noted above, were discussed during the Executive Session.

Signatures on File

Mr. Richard (Barry) Sturges
Board President

Mr. Gregg Sengstack
Board Vice President