

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

February 11, 2019

3:00pm

A meeting of the Fort Wayne-Allen County Airport Authority Board was held in the Airport Authority Conference Room, on February 11, 2019 at Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Benjamin Johnston, Vice-President, called the meeting to order at 3:05 p.m.

ATTENDANCE:

**AIRPORT AUTHORITY
BOARD MEMBERS:**

Richard B. (Barry Sturges, Jr., President, absent
Benjamin (Ben) T. Johnston, VP, present
Timothy J. Haffner, Secretary, present
Cornelius B. (Neil) Hayes, present
Jerome F. (Jerry) Henry, Jr., present
Gregg C. Sengstack, present

**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
Doug Robertson, Controller
Patrick Dooley, Airport Development Director
Joe Behling, Aero Center General Manager
Laura Hakes, Purchasing Manager
Ryan Bauer, Operations Supervisor
Rebecca Neild, Air Service and Marketing Manager
Mary Easterday, Administrative Asst.

CALL TO ORDER:

A quorum being present, Mr. Johnston called the meeting to order at 3:05 p.m.

1. CONSIDERATION AND APPROVAL OF TODAY'S AGENDA:

Mr. Jerry Henry made a motion to approve the February 11, 2019 Board Agenda as posted. Mr. Neil Hayes seconded the motion; the motion carried.

**2. CONSIDERATION AND APPROVAL OF ADMINISTRATIVE CONSENT
AGENDA:**

Mr. Tim Haffner made a motion to approve the Administrative Consent Agenda as follows:

- Approval of Board Minutes – 1.21.2019
- Review & Approval of Claims #19-2
- Accounts Receivable Report

Mr. Gregg Sengstack seconded the motion; the motion carried.

3. CONSIDERATION AND APPROVAL OF CONTRACT CONSENT AGENDA

- a. Change Order Number 1 for the Contract with Schenkel construction, TB18-C, Vehicle Maintenance Facility Renovation*

This change order is a project increase in the amount of \$8,636.00 and covers costs to make modifications to the bracing, provide power to the air hoses, and re-route circuits at garage doors.

Staff recommended approval of this change order with signature authorization for the Executive Director of Airports.

- b. Change Order Number 3 for the Contract with Crosby Excavating, Terminal Entrance Drive Relocation, AF17-01*

This change order is a net project increase in the amount of \$84,381.86 and covers the following:

- Adjustments for Final Quantity Overruns and Underruns
- The Addition of Bollard Sleeves
- Additional Temporary Markings
- River Rock for the Landscaping
- Additional Irrigation
- Light & Bruening Fiber Extension
- Employee Sign-Lighting

Staff recommended approval of this change order with signature authorization for the Executive Director of Airports.

Mr. Tim Haffner made a motion to approve the Contract Consent Agenda as presented. Mr. Neil Hayes seconded the motion; motion unanimously carried.

4. ACTIVITY REPORT – JANUARY 2019

Ms. Rebecca Neild reported to board members on recent Airport Authority air service and marketing activities. Her report to the board included the following:

- Enplanements in January 2019 were up 4.29% compared to January 2018 – year-to-date enplanements are also up 4.29%.
- American Airlines continues to hold the greatest market share at over 36% - American enplanements continue to be up approximately 23% (with the addition of the PHL flight).
- Delta enplanements are up 1%.
- United continues to be down approximately 21% because of the loss of the EWR flight. We expect to see a corrected year over year comparison this summer.

BOARD MEETING MINUTES

February 11, 2019

Page 3 of 7

Ms. Neild completed her report by reporting on the following marketing events:

- Board members were reminded of the airshow dates, set for June 8-9, 2019.
- Ms. Neild also reported that staff will be coordinating an event with Allegiant Air and Easterseals ARC of NE Indiana called Wings for All. The Airport Authority has partnered with both groups in the past, with a focus on autism; this year the key audience will be anyone who has an intellectual or developmental disability along with their family members.
- The Airport Authority will team up again with the Northeast Indiana Base Community Council on April 27, 2019 to host the annual Race for the Warrior 5k 10k race.

5. COMMITTEE REPORTS

Mr. Hinderman reported that the Real Estate Development Committee and the Air Service Development and Marketing Committee met in executive and regular sessions on February 5, 2019.

Mr. Hinderman informed board members that the READ Committee approved minutes from the previous meeting and also took formal action on three separate lease agreements during the public session (the formal actions taken were discussed later during the meeting).

Mr. Hinderman reported the Air Service Development and Marketing Committee approved the previous meeting's minutes during the public session; no other formal action was taken by the committee.

6. LEASE REVIEW AND APPROVAL

Mr. Hinderman informed board members that there were three leases to come before the board for their review and approval. Mr. Hinderman reported that each of these leases was discussed during the February 5, 2019 READ Committee meeting, and the READ committee has approved each lease and recommends approval of each lease by the full board.

Mr. Hinderman presented the two Sweet Aviation lease agreements together for consideration and outlined each lease as follows.

REVIEW AND APPROVAL OF SWEET AVIATION SMD STANDARD BUILDING LEASE AGREEMENT

Mr. Hinderman informed board members that staff has been working with SMD tenant Sweet Aviation, to lease the 2nd floor space in building 902 – SMD FBO building. Sweet's rapid growth has resulted in the need for more space which would be used for flight instruction, simulator training, study areas, and flight instructor offices. Mr. Hinderman outlined the proposed lease agreement for the lease of Building 902, upstairs area as follows:

BOARD MEETING MINUTES

February 11, 2019

Page 4 of 7

- 1,771 square feet
- Monthly rental rate = \$568.20
- First Option rent increase to: \$627.23
- Second Option rent increase to: \$686.26

(These rates parallel the rates for the existing lease Sweet Aviation currently shares with FWACAA for building 902)

Terms will be:

- Initial term ends November 30, 2021.
- First option ends November 30, 2024
- Second option ends November 30, 2027
- Tenant must exercise option (in writing) to renew by July 31 of the expiration year.
- Tenant can cancel lease with 60 days' notice for any reason.
- Termination of Sweet's original lease for building 902 would also terminate this lease agreement

Tenant improvements to the 2nd floor of Building 902 will need to be made for electrical outlets and lighting. Upon FWACAA approval, 50% of improvements made by Sweet shall be reimbursable to Sweet in the form of rent abatements.

REVIEW AND APPROVAL OF 3RD AMENDMENT TO SWEET AVIATION SMD AIRPORT STANDARD BUILDING LEASE AGREEMENT FOR THE LEASE OF SMD BUILDING 902

Mr. Hinderman reported to board members that staff has successfully negotiated a 3rd amendment to the original lease agreement with Sweet Aviation regarding the lease of SMD building 902. Mr. Hinderman explained that with the approval of the lease agreement with Sweet Aviation for the 2nd floor space in building 902, Sweet has requested that the termination and renewal dates of both agreements coincide – the 3rd Amendment to Sweet's original lease of building 902 would do just that. Sweet has also requested third and fourth renewal options for Building 902. The details of the 3rd amendment were outlined as follows:

- No change to rental space – current rental rate = \$1640.65
- Monthly rent will be:
- Second Option: \$1,914.09 (unchanged)
- Third Option: \$2,187.53
- Fourth Option: \$2,460.98

Terms will be:

- First Option will end May 31, 2019
- Second Option terms will now be June 1, 2019 through November 30, 2021
- Third Option terms will be December 1, 2021 through November 30, 2024
- Fourth Option terms will be December 1, 2024 through November 30, 2027
- Tenant must exercise option (in writing) to renew between June 1 and July 31 of the expiration year.

BOARD MEETING MINUTES

February 11, 2019

Page 5 of 7

Board members inquired if the presence of Sweet Aviation at SMD has resulted in an increase in activity and pilots being trained at SMD. Mr. Hinderman responded that Sweet Aviation's ongoing presence at SMD has been very positive and the Airport Authority enjoys a mutual beneficial working relationship with them.

Mr. Tim Haffner made a motion to approve the lease agreement between Sweet Aviation and the Airport Authority for the lease of the 2nd floor space in SMD building 902 and also the 3rd Amendment to the Standard Building Lease Agreement between Sweet Aviation and the Airport Authority for the lease of SMD building 902 as outlined. Mr. Jerry Henry seconded the motion; the motion carried.

REVIEW AND APPROVAL OF 2ND AMMENDMENT TO CONSOLIDATED AIR, INC. GROUND LEASE AGREEMENT

Mr. Hinderman informed board members, that Consolidated Air, Inc has requested a change to their current ground lease agreement which would provide them with the ability to modify and expand their current parking space in front of hangar 1039. Mr. Hinderman explained that staff has negotiated a modification to Exhibit A of their lease agreement which would provide Consolidated Air with more parking area and provide the Airport Authority the ability to regain control and use of non-exclusive airside ramp space. Mr. Hinderman reported that staff is very satisfied with this arrangement as it will only change Exhibit A of the lease agreement and will have no financial impact on either party, all other provision of the lease agreement will remain intact.

Mr. Tim Haffner made a motion for the board to approve the 2nd Amendment to the ground lease agreement between Consolidated Air, Inc. and the Airport Authority for the change to Exhibit A of the lease agreement as outlined. Mr. Jerry Henry seconded the motion; the motion carried. It is noted in the minutes that Mr. Neil Hayes abstained from voting on this matter.

7. FIVE YEAR CIP REVIEW

Mr. Joe Marana reported to the board that authority staff has developed a Capital Improvement Program for the years 2019-2024. This plan represents projects which would be eligible for federal or state funding which the airport authority would seek to obtain. Mr. Marana reported that staff recognizes this is an aggressive plan and based on actual federal / state funding received would be adjusted accordingly. Projects included in the plan were outlined as follows:

FWA CIP PLANS

2019

- Terminal Apron Improvements Phase 1 (Construction)

2020

- Terminal Building Expansion – Phase 1
- TWY C2 Relocation (Construction)

BOARD MEETING MINUTES

February 11, 2019

Page 6 of 7

2021

- Terminal Building Expansion – Phase 1

2022

- Terminal Building Expansion – Phase 2

2023

- Taxiway C Rehab and Taxiway F Lighting

2024

- Terminal Apron Improvement – Phase 2

SMD CIP PLANS

2019

- TWY A Rehabilitation – Phase 2 Design and Environmental

2020

- TWY A Rehabilitation – Phase 2 Construction

2021

- New T-Hangar Ramp

2022

- Snow Removal equipment Building

2023

- Wildlife Deterrent Fence

2024

- Land Acquisition – Runway 5 Approach

8. OTHER BUSINESS

Mr. Hinderman indicated staff had one additional item of business to bring before the board at this time. Mr. Hinderman informed board members staff is requesting the Consideration and Approval for the Award and Purchase of one new 2019 Aircraft Refueler Truck.

Mr. Hinderman reminded board members that on July 16, 2018, the Authority Board approved the award and purchase of a new aircraft refueler from Skymark. Proposals had been reviewed on weighted criteria outlined in the proposals to include experience of the equipment

BOARD MEETING MINUTES

February 11, 2019

Page 7 of 7

manufacturer, issues relating to serviceability of the unit, background of the proposing company, price, and compliance with the technical specifications. Two proposals were received at that particular time as follows:

- Skymark: \$269,495
- Garsite: \$272,500

Skymark offered the proposal determined to be the most advantageous to the Authority in the amount of \$269,495.00.

Mr. Hinderman further explained that the 2019 budget includes an appropriation for the purchase of an identical fuel truck. Skymark has agreed in writing their willingness to manufacturer an additional identical fuel truck for the same price as offered in the 2018 proposal. IC 5-22-17-4 (b) provides that a contract may be renewed with the agreement of the contractor and the purchasing agency provided funding has been appropriated. Staff, therefore, requested that the Board provide approval to renew the contract award with Skymark for the purchase of a new aircraft refueler in the amount of \$269,495.00.

Mr. Tim Haffner made a motion for the board to approve the renewal of the contract award with Skymark for the purchase of a new aircraft refueler truck in the amount of \$269,495.00. Mr. Gregg Sengstack seconded the motion; the motion carried.

9. ADJOURNMENT

Mr. Haffner moved to adjourn the February 5, 2019 Regular Session Board Meeting at 3:31 p.m. Mr. Ben Johnston adjourned the meeting.

EXECUTIVE SESSION:

An Executive Session was not held following the regular session board meeting.

Signatures on File

Mr. Richard (Barry) Sturges
Board President

Mr. Benjamin Johnston
Board Vice-President