

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

June 18, 2018

3:00pm

A meeting of the Fort Wayne-Allen County Airport Authority Board was held in the Airport Authority Conference Room, on June 18, 2018 at Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Richard (Barry) Sturges, Vice- President, called the meeting to order at 3:05 p.m.

ATTENDANCE:

**AIRPORT AUTHORITY
BOARD MEMBERS:**

Michael S. Gouloff, President, present*
Richard B. (Barry) Sturges, Jr., VP, present
Timothy J. Haffner, Secretary, present
Benjamin (Ben) T. Johnston, absent
Jerome F. (Jerry) Henry, Jr., present
Cornelius B. (Neil) Hayes, present
**electronic participation*

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

Scott Hinderman, Executive Director
Joe Marana, Dir. Operations & Facilities
Robin Strasser, Dir Admin. & Finance
Mike Deam, Airport Authority Attorney
Patrick Dooley, Airport Development
Joe Behling, FBO General Manager
Gary Fry, Maintenance Manager
Ronnie Portis, Controller
Doug Robertson, Accounting Manager
Rebecca Neild, Air Service & Marketing Manager
Mary Easterday, Administrative Asst.

CALL TO ORDER:

A quorum being present, Mr. Sturges, Vice-President, called the meeting or order at 3:05 p.m. Mr. Scott Hinderman informed board members present that this meeting would be an electronic meeting, with member Mr. Mike Gouloff attending electronically. As such, all votes taken during the meeting would be conducted by a roll call vote.

1. CONSIDERATION & APPROVAL OF TODAY'S AGENDA:

Mr. Scott Hinderman indicated he had two items to present under "Other Business". Mr. Tim Haffner made a motion to approve the June 18, 2018 Board Agenda as published. Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye
Mr. Neil Hayes – Aye
Mr. Jerome F. Henry –
Mr. Benjamin T. Johnston – absent
Mr. Timothy Haffner – Aye
Mr. Barry Sturges – Aye
The motion carried.

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2. CONSIDERATION & APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

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

- Board Meeting Minutes 5.21.2018
- Review and Approval of Claims #18-06
- Accounts Receivable Report

Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye

Mr. Neil Hayes – Aye

Mr. Jerome F. Henry –

Mr. Benjamin T. Johnston – absent

Mr. Timothy Haffner – Aye

Mr. Barry Sturges – Aye

The motion carried.

3. ACTIVITY REPORT – MAY 2018

Ms. Rebecca Neild reported to board members on recent airport authority air service and marketing activity. Her report to the board included the following.

- Total enplanements for May 2018 were at 31,657 which represented about a 1.79% increase over May 2017 total enplanements. Year-to-date 2018 enplanements are up approximately 2.19% compared to 2017. American Airlines continues to hold the greatest market share at FWA with a little over 31%.
- Delta enplanements are down about 6% compared to May of 2017 due to the loss of a once daily Detroit flight.
- American enplanements recorded an 8% increase compared to May 2017 with an additional flight to Dallas and also Chicago added to their schedule.
- The airport authority celebrated American Airlines return of the Philadelphia flight on June 7th with an inaugural event. Media picked up the event and the airport authority received great coverage. The inaugural flight was almost completely full with 49 passengers booked on the flight. Load factor for this flight so far has run at 65%-70% and staff continues to market this flight.
- Flight times next month for the Philadelphia flight will change slightly which will be better suited for the business traveler. Afternoon departure will move from 3:20 pm to 6:08pm allowing for connectivity “banks” out of PHL at 8:35pm, 9:00 pm, and 9:35 pm – all going to all parts for the country along with international connectivity. This 6:08pm departure from FWA will accommodate shorter waiting time for the FWA traveler. The morning 5:20 am departure flight will also move to 5:40 am.
- American Airlines is also adding a 4th flight to Chicago starting in September 2018. Chicago flights will include 2 CR7 planes and 2 E145 planes. The addition of these

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flights not only increases capacity but also allows for 2 class cabins on the American flights between ORD and FWA.

- The airport authority will be participating in the Three River's Festival Parade on July 14th. The theme of this year's parade is Fun to Fly FWA.
- Mr. and Mrs. Patriotic promotion will end July 4th
- Airport authority is promoting a PHL give-a-way to the Eagles vs Colts football game on September 23rd. One lucky winner (and their guest) will receive two roundtrip, non-stop, tickets to Philadelphia on American Airlines from FWA, as well as two tickets to see the Philadelphia Eagles take on a local favorite, the Indianapolis Colts, at Philadelphia's Lincoln Financial Field on Sunday, September 23, at 1pm EST. This promotion is being supported through FWA's facebook page and will help to increase our social media presence.
- The airport authority's annual golf outing is scheduled for Friday, August 17th.

4. COMMITTEE REPORTS

Mr. Hinderman reported to the board that the Administrative Services / Executive Committee and the Real Estate and Development Committee met on June 12, 2018, in both executive and public sessions. During the public session of the Administrative Services Committee meeting, the committee approved the 2018 Land Acquisition Plan. Mr. Hinderman noted that this was an up-date to the existing plan.

Mr. Hinderman also informed board members that action was taken on three (3) different items during the public session of the READ Committee meeting. All items will be brought before the full board later in today's meeting for consideration and approval and all 3 items received unanimous votes of recommendation for approval by the full board from the READ Committee.

5. LEASE REVIEW AND APPROVAL

SUPERIOR AVIATION: LEASE OF BUILDING 2042

Mr. Hinderman reported that the airport authority has successfully negotiated a 5 year lease agreement with Superior Aviation, LLC for the use of Building 2042. Superior Aviation had exercised their third option to their original lease agreement to extend their lease from August 1, 2018 – July 31, 2019, however Superior Aviation expressed desire to enter in to a longer lease agreement beyond the 3rd option period and so the current agreement being presented was successfully negotiated.

Mr. Hinderman outlined the lease agreement as follows:

Total Square Feet:	Approximately 20,193 square feet
	Hangar space = 15,129 square feet
	Office space = 5,064 square feet

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Lease Type: Standard Building Lease

Lease Term: Five (5) years base term with on five (5) year option

Start Date: August 1, 2018

End Date: July 31, 2023 – option to renew available – one additional 5 year term extending the lease August 1, 2023 – July 31, 2028

Annual Rental Rate (base term):

Lease Period	Rent Per Square Foot	Annual Minimum Rent	Monthly Rent
8/1/2018 to 7/31/2019	\$ 3.30	\$ 66,636.90	\$ 5,553.08
8/1/2019 to 7/31/2020	\$ 3.50	\$ 70,675.50	\$ 5,889.63
8/1/2020 to 7/31/2021	\$ 3.64	\$ 73,502.52	\$ 6,125.21
8/1/2021 to 7/31/2022	\$ 3.79	\$ 76,531.47	\$ 6,377.62
8/1/2022 to 7/31/2023	\$ 3.94	\$ 79,560.42	\$ 6,630.04

Annual Rental Rate (option period):

Lease Option Period	Rent Per Square Foot	Annual Minimum Rent	Monthly Rent
8/1/2023 to 7/31/2024	\$ 4.09	\$ 82,589.37	\$ 6,882.45
8/1/2024 to 7/31/2025	\$ 4.26	\$ 86,022.18	\$ 7,168.52
8/1/2025 to 7/31/2026	\$ 4.43	\$ 89,454.99	\$ 7,454.58
8/1/2026 to 7/31/2027	\$ 4.61	\$ 93,089.73	\$ 7,757.48
8/1/2027 to 7/31/2028	\$ 4.79	\$ 96,724.47	\$ 8,060.37

Rent Credits:

Acknowledgement that Superior Aviation still has \$8,095.79 in Rent Credits for building improvements made by Tenant as part of the original lease that may be utilized in the first year of the

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lease agreement

Improvements: No landlord improvements to premises are to be provided in lease agreement – the Airport Authority will not be making any capital investment in the building at this time

Mr. Hinderman also informed board members that this particular lease agreement has received full legal review and was discussed by the READ Committee during their June 12, 2018 public session meeting, and they in turn voted unanimously to recommend approval of this lease agreement by the full board.

Mr. Tim Haffner made a motion to approve the Standard Building Lease with Superior Aviation as presented. Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye

Mr. Neil Hayes – Aye

Mr. Jerome F. Henry –

Mr. Benjamin T. Johnston – absent

Mr. Timothy Haffner – Aye

Mr. Barry Sturges – Aye

The motion carried.

6. CONSIDERATION AND APPROVAL OF 2019 HOLIDAY SCHEDULE

Ms. Robin Strasser informed the board that every year the holiday schedule for airport authority employees is presented to the board for their approval. Ms. Strasser indicated the holiday schedule being presented is similar to holiday schedules presented in the past, with 12 holidays being scheduled in 2019.

Mr. Haffner made a motion to approve the 2019 Holiday Schedule as presented. Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye

Mr. Neil Hayes – Aye

Mr. Jerome F. Henry –

Mr. Benjamin T. Johnston – absent

Mr. Timothy Haffner – Aye

Mr. Barry Sturges – Aye

The motion carried.

The 2019 Holiday Schedule is as follows:

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2019		
Custodial, Operations, Smith Field and Fort Wayne Aero Center		
1	New Year's Day	Tuesday, January 1
2	Presidents' Day	Monday, February 18
3	*Easter	Sunday, April 21
4	Memorial Day	Monday, May 27
5	Independence Day	Monday, July 1
6	Labor Day	Monday, September 2
7	Columbus Day	Monday, October 14
8	Thanksgiving Day	Thursday, November 28
9	Day After Thanksgiving	Friday, November 29
10	Christmas Eve	Tuesday, December 24
11	Christmas Day	Wednesday, December 25
12	New Year's Eve	Tuesday, December 31
*Different day than Admin and Maintenance Holiday Schedule		

2019		
Administration and Maintenance Departments		
1	New Year's Day	Tuesday, January 1
2	Presidents' Day	Monday, February 18
3	Good Friday	Friday, April 19
4	Memorial Day	Monday, May 27
5	Independence Day	Monday, July 1
6	Labor Day	Monday, September 2
7	Columbus Day	Monday, October 14
8	Thanksgiving Day	Thursday, November 28
9	Day After Thanksgiving	Friday, November 29
10	Christmas Eve	Tuesday, December 24
11	Christmas Day	Wednesday, December 25
12	New Year's Eve	Tuesday, December 31

7. CONSIDERATION AND APPROVAL OF 2019 BOARD MEETING SCHEDULE

Ms. Strasser informed the members of the board, that every year the board meeting schedule for the upcoming year is presented to the board for their approval. Mr. Haffner made a motion to approve the 2019 Board Meeting Schedule as presented. Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye

Mr. Neil Hayes – Aye

Mr. Jerome F. Henry –

Mr. Benjamin T. Johnston – absent

Mr. Timothy Haffner – Aye

Mr. Barry Sturges – Aye

The motion carried.

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2019 Board Meeting Schedule is as follows:

Following is the schedule for Year 2019 meetings of the Fort Wayne-Allen County Airport Authority Board. All meetings will begin at 3:00 p.m. in the Board Room of the Fort Wayne-Allen County Airport Authority, Suite 210, 3801 W. Ferguson Road, Fort Wayne, Indiana 46809, unless otherwise noted. Meetings are subject to change.

Monday	January 21, 2019
Monday	February 11, 2019
Monday	March 18, 2019
Monday	April 15, 2019
Monday	May 20, 2019
Monday	June 17, 2019
Monday	July 15, 2019
Monday	August 19, 2019
Monday	September 16, 2019
Monday	October 21, 2019
Monday	November 18, 2019
Monday	December 16, 2019

A quorum, consisting of at least four (4) board members, is absolutely necessary for the board meetings. It is essential that a quorum be present each month. Individual meetings can be adjusted in order to accomplish a quorum, if sufficient time is available. Staff will be contacting board members on a regular basis to ensure a quorum at each meeting.

8. CONSIDERATION AND APPROVAL OF ACCOUNTS RECEIVABLE WRITE-OFFS

Ms. Strasser reported that staff is requesting Board approval to write-off the following accounts receivable:

Debtor	Services Provided	Amount
Darrell Davis	U.S. Customs Clearance	\$372.10
Joseph Soldo	U.S. Customs Clearance	\$233.41
Yellow Taxi	Terminal Rent	\$10,692.60
TOTAL WRITE-OFFS		\$11,298.11

Ms. Strasser informed board members that each account is at least one year old and remains unpaid primarily due to two reasons: one debtor refused to pay after numerous contacts; and two debtors were unable to be contacted. Ms. Strasser indicated that staff is continuing to give its best efforts to collect the balances on each of these accounts, however, collection seems unlikely. If approved, these accounts will be removed from the Authority's accounts receivable ledgers.

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Mr. Mike Gouloff inquired on the status of Yellow Taxi and the total amount owed to the airport authority. Ms. Strasser indicated the amount owed was from uncollected rent when Yellow Taxi held a lease agreement with the authority for counter space in the terminal building. Ms. Strasser also indicated that legal steps were taken to have Yellow Taxi evicted and they currently are not allowed to operate out of FWA because they are not in good standing with the authority. Legal counsel was sought and legal action was taken on behalf of the authority to collect the total amount owed. A legal judgement was made in favor of the airport authority for the total amount owed, but to date no payment has been made to the authority. Mr. Gouloff encouraged the authority to proceed with further legal action to recover monies owed.

Ms. Strasser further explained that the uncollected custom fees were from two individuals not living in this country and to whom no contact information is available. Mr. Gouloff suggested that the airport authority at least should report these individuals' planes and tail numbers to custom officials and the FAA as owing the authority for U.S. customs clearance.

Ms. Strasser indicated that authority staff would follow up on both of these matters.

Mr. Haffner made a motion to approve the write-off of three (3) accounts receivable totaling \$11,298.11 and to remove them from the Airport Authority's accounts receivable ledgers. Mr. Mike Gouloff seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye

Mr. Neil Hayes – Aye

Mr. Jerome F. Henry – Aye

Mr. Benjamin T. Johnston – absent

Mr. Timothy Haffner – Aye

Mr. Barry Sturges – Aye

9. CONSIDERATION AND APPROVAL OF EAP EASEMENT AGREEMENT

Mr. Joe Marana reported to board members that AEP has requested a right-of-way and easement for the construction, operation, use, maintenance, repair, renewal and removal of a line or lines of underground facilities and equipment for the transmission of electrical energy, in conjunction with the terminal road re-location project. The easement would be approximately 8feet and would eliminate a few poles.

Mr. Marana also informed board members that this easement agreement has received full legal review and was discussed by the READ Committee during their June 12, 2018 public session meeting, and they in turn voted unanimously to recommend approval of this easement agreement by the full board.

Mr. Tim Haffner made a motion to approve the Easement with AEP for Parcel: 02.17-08-200-02.000-071 as presented. Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

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Mr. Michael S. Gouloff – Aye
Mr. Neil Hayes – Aye
Mr. Jerome F. Henry – Aye
Mr. Benjamin T. Johnston – absent
Mr. Timothy Haffner – Aye
Mr. Barry Sturges – Aye

10. CONSIDERATION AND APPROVAL OF LAND ACQUISITION TO PROTECT THE AIRPORT FROM INCOMPATIBLE LAND USE

Mr. Hinderman informed board members that the Airport Authority has executed a land purchase agreement with Crown Hill Farms for the purchase of two (2) parcels totaling 40.60 acres zoned R-1 located adjacent to the Air Trade Center located on Indianapolis Road and Buskirk Road. The parcels have been offered for residential development and are currently owned by Crown Hill Farms and used for agricultural purposes. The parcels were appraised at \$388,000 (\$9,424 per acre) and an offer to purchase the two (2) parcels has been made and accepted. An updated survey and Phase One study have been ordered. Mr. Hinderman further explained that these parcels will NOT be added to Exhibit A to permit development on non-aeronautical uses. The parcels will be rezoned to I-2. Money has been budgeted to allow for the purchase of these two parcels.

Mr. Hinderman also indicated that the purchase agreement has received full legal review and was discussed by the READ Committee during their June 12, 2018 public session meeting. The READ Committee has in turn voted unanimously to recommend approval of this purchase agreement by the full board. Pending approval from the Airport Authority board of directors, staff anticipates closing on this purchase in July 2018. Mr. Henry inquired as to the plans for these two parcels and Mr. Marana indicated the plan was to add them to the farm contract which is currently under staff review.

Mr. Haffner made a motion to approve the purchase the two parcels of land totaling 40.60 acres as presented and provide authorization to the Executive Director of Airports to sign all contract / land purchase documents. Mr. Mike Gouloff seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye
Mr. Neil Hayes – Aye
Mr. Jerome F. Henry – Aye
Mr. Benjamin T. Johnston – absent
Mr. Timothy Haffner – Aye
Mr. Barry Sturges – Aye

11. PUBLIC HEARING AND ADOPTION OF ORDINANCE 18:01 – DISPOSITION OF REAL ESTATE

Mr. Hinderman informed the board that introduced Ordinance No. 18-01: Disposition of Real Estate Ordinance had been introduced at the May 21, 2018 board meeting and that a public hearing would be conducted on this particular ordinance.

Public Hearing – Mr. Michael Deam opened the Public Hearing for Ordinance No. 18-01: Disposition of Real Estate Ordinance. 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 – Mr. Hinderman stated that Ordinance No. 18-01 allows for the disposition of surplus real estate not actively utilized as part of the operation of FWA and for which the Airport Authority has no plans in the future to utilize this real estate for airport operations. Mr. Hinderman also indicated that this Ordinance had received full legal review and was discussed during the public session of the June 12, 2018 READ Committee meeting and that the READ Committee had voted to recommend adoption of Ordinance 18:01 by the full board.

Board Comments – Board members inquired as to the length of time it has taken to have this particular piece of property to be released by the FAA and Mr. Patrick Dooley informed board members he has been working for over 3 years to have this property reviewed and released by the FAA. Mr. Dooley indicated the parcel is currently served by utilities and could be divided or sold to a single developer. Board members were informed that FAA release of this land for disposition requires the following restrictions:

- Restrictive conveniences would be included in the sale of the land
- Land would need to be sold at the fair market value
- Any profits from the sale of the land would need to be reinvested

Public Comments – Mr. Deam asked if any member of the public cared to comment about Ordinance No. 118-01: Disposition of Real Estate. No member of the public came forward to comment about Ordinance No. 18-01: Disposition of Real Estate.

Closure of Public Hearing – Hearing no further request for comment, Mr. Deam closed the Public Hearing for Ordinance No. 18-01: Disposition of Real Estate.

Board Action – Mr. Haffner mad a motion to adopt Ordinance No. 18-01: Disposition of Real Estate. Mr. Neil Hayes seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Michael S. Gouloff – Aye

Mr. Neil Hayes – Aye

Mr. Jerome F. Henry – Aye

Mr. Benjamin T. Johnston – absent

Mr. Timothy Haffner – Aye

Mr. Barry Sturges – Aye

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12. OTHER BUSINESS:

Mr. Hinderman indicated staff had two additional item of business to bring before the board. Mr. Hinderman introduced to board members Mr. Brian Paugh, owner and general manager of Premier Avionics. Premier Avionics provides maintenance services for commercial aircraft and is the on-call maintenance provider for the commercial airlines as well as providing maintenance services to Fort Wayne Aero Center transient customers and those who may not have a maintenance facility of their own.

Most recently Premier Avionics was awarded its full Maintenance Certification through the FAA. Mr. Hinderman indicated this process took 27 months to complete but has allowed Premier to advertise the maintenance aspect of the business – expanding its customer base, growing its number of employees and becoming a “one stop shop”.

Mr. Hinderman took the opportunity to thank Premier Avionics & Maintenance for the efforts in getting FAA Certified and also provided each board member with a copy of the most recent Business People Magazine (June 2018) and the FWACAA feature Skywriting article featuring Premier Avionics. Mr. Paugh addressed the board and thanked them for the opportunity he has been provided to grow his business and the outstanding working relationship he holds with the airport authority and authority tenants.

Mr. Barry Sturges commended Mr. Paugh and Premier Avionics for their recent certification and on behalf of the board thanked Mr. Paugh for the outstanding service they are providing.

Mr. Hinderman then proceeded to introduce to board members, two new staff members recently hired. Mr. Gary Fry was introduced to board members as the new maintenance manager and Mr. Doug Robertson was introduced as the new Accounting Manager – to fill the position of Controller upon the retirement of Ron Portis in October 2018.

13. ADJOURNMENT:

Mr. Haffner moved to adjourn the June 18, 2018 Regular Session Board Meeting at 3:45; the meeting was adjourned.

EXECUTIVE SESSION:

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

Signatures on File

Mr. Barry Sturges
Board Vice-President

Mr. Timothy Haffner
Board Secretary