

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

August 20, 2018

3:00pm

A meeting of the Fort Wayne-Allen County Airport Authority Board was held in the Airport Authority Conference Room, on August 20, 2018 at Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Michael Gouloff, President, called the meeting to order at 3:03 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, present
Jerome F. (Jerry) Henry, Jr., present
Cornelius B. (Neil) Hayes, absent

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

Scott Hinderman, Executive Director
Robin Strasser, Dir Admin. & Finance
Mike Deam, Airport Authority Attorney
Denny Logan, Airport Authority Attorney
Patrick Dooley, Airport Development
Joe Behling, FBO General Manager
Laura Hakes, Purchasing Manager
Ronnie Portis, Controller
Doug Robertson, Accounting Manager
Katie Scherer, Operations Manager
Rebecca Neild, Air Service & Marketing Manager
Mary Easterday, Administrative Asst.

CALL TO ORDER:

A quorum being present, Mr. Gouloff, President, called the meeting or order at 3:03 p.m.

1. CONSIDERATION AND APPROVAL OF TODAY'S AGENDA:

Mr. Hinderman informed board members the agenda for the August 20, 2018 board meeting would be revised. Bid Consent Agenda Item "A" - Bid Results: Runway 5-23 Rehabilitation, Phase 2 would be removed from the Bid Consent Agenda and would be presented as its own agenda item for consideration. Mr. Tim Haffner made a motion to approve the August 20, 2018 Board Agenda as revised. Mr. Jerry Henry 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:

- Board Meeting Minutes 7.16.2018
- Review and Approval of Claims #18-08
- Accounts Receivable Report

Mr. Jerry Henry seconded the motion; the motion carried.

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3. BID CONSENT AGENDA

a. Bid Results: Taxiway A Rehabilitation, Smith Field Airport

Airport staff solicited bids for the above project to rehabilitate Taxiway A at Smith Field Airport to include bituminous milling & overlay of approximately 5400 SY and 1100 tons of new bituminous asphalt.

In response to the bid solicitation, two bids were received. Airport staff reviewed the bids and it was recommended that the Board make an award to Wayne Asphalt as the lowest responsive and responsible base bid in the amount of \$334,916.00. Approval was also requested for the Executive Director of Airports to sign the contract documents.

b. Bid Results: Air Trade Center Roof Replacement, TB18-B

In April Building 2060, 12602 Global Drive (Air Trade Center), lost approximately 50% of the roof membrane, loss of an HVAC unit on the roof, and damage to the office area below. Airport staff had requested that the Board make an emergency declaration for completion of the repairs in an accelerated manner. Upon soliciting quotes from the two authorized firms, it was learned they would not be able to complete the work until fall. Given that, it was decided to proceed through the normal competitive bid process to secure pricing.

In response to solicitation, three bids were received. Airport staff reviewed the bids and recommended that the Board make an award to Fort Wayne Roofing and Sheet Metal Co., Inc. as the lowest responsive and responsible bid in the base bid and additive bid amount totaling \$118,800. Approval was also requested for the Executive Director of Airports to sign the contract documents.

Mr. Tim Haffner made a motion to approve the Bid Consent Agenda as revised. Mr. Jerry Henry seconded the motion; the motion carried.

4. CONTRACT CONSENT AGENDA

a. Change Order Number 2, TB 17-E, Construct New Hangar 2016

This change order is an increase of \$3,984.59 to raise the total contract amount with Strebbig Construction to \$1,497,324.53. This change order includes changes requested by the City to the SWPPP, sanitary, and water main. Subgrade remediation was also required as well as FAA Fiber work. Offsetting the increase are deductions which reduce the size of the oil water separator, remove ridge vents, and remove the acrylic floor finish.

Staff recommended approval of this change order #2 in the amount of \$3,984.59 with signature authorization for the Executive Director of Airports.

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- b. Change Order Number 1 for the Contract with Crosby Excavating, Terminal Entrance Drive Relocation, AF17-01

This change order is a net project increase in the amount of \$134,436.42 and covers the following:

- Removal of Concrete Footings
- Removal of Contaminated Materials
- Removal of Saturated Sand and Yielding Subgrade
- Additional Asphalt in the Economy Lot

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

- c. Addendum Number 11 to Professional Service Agreement with CHA for the 5-23 Rehabilitation Phase 2 Project—Construction Phase Services

Addendum No. 11 to the Indefinite Delivery Services Agreement with CHA Consulting, Inc. is to provide construction phase services to rehabilitate approximately 4,100 feet of Runway 5-23, otherwise known as Phase 2 of this program. The professional services included in this addendum will provide construction administration and oversight, QA testing, and as-built surveys. Phase 2 will focus on the asphalt overlaid PCCP of Runway 5-23 between Taxiways C3/B1 and the Runway 14-32 intersection. This Addendum is expected to be funded through a federal grant.

CHA proposed fees associated with the services in the amount of \$221,450. Staff obtained an independent fee estimate (IFE) in accordance with federal guidelines. Comparative evaluation evidences that the proposed fees are reasonable. Staff recommended award of this contract to CHA in the not-to-exceed amount of \$221,450. Staff also requested authorization for the Executive Director to execute the contract documents.

Mr. Tim Haffner made a motion to approve the Contract Consent Agenda as presented. Mr. Ben Johnston seconded the motion; the motion carried.

5. Bid Results: Runway 5-23 Rehabilitation, Phase 2

Airport staff solicited bids for Phase 2 of the Runway 5-23 Rehabilitation Project. The second of two phases, Phase 2 will focus on the asphalt overlaid PCCP of Runway 5-23 between Taxiways C3/B1 and the Runway 14-32 intersection. Over the past several years, maintenance staff has routinely been called on to repair severe joint failures and “blow-ups” to maintain acceptable service levels for Runway 5-23. It has been determined that rehabilitation is the best course of action by way of milling the asphalt surface to expose the underlying concrete, rubblizing the concrete layer, then overlaying the rubblized material with new asphalt.

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In response to the bid solicitation, two bids were received. Airport staff along with CHA, our engineering firm, reviewed the bids and it was recommended that the Board make an award to Brooks Construction for the base bid in the amount of \$5,661,621.00 subject to the receipt of a federal grant.

Staff requested that the Board approve the following motion:

An award to Brooks Construction as the lowest responsive and responsible bid received to include the base bid with no additive alternate 1 in the amount of \$5,661,621.00 subject to the receipt of a federal grant along with authorization for the Executive Director of Airports to sign the contract documents.

Mr. Tim Haffner made a motion to approve the bid results for the Runway 5-23 Rehabilitation, Phase 2 by awarding the bid to Brooks Construction in the amount of \$5,661,621.00 to include the base bid with no additive alternate, and to grant the Executive Director of Airports the authorization to sign the contract documents. Mr. Ben Johnston seconded the motion; the motion carried.

6. ACTIVITY REPORT – JULY 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:

- July 2018 enplanements were up 4.25 % compared to July of last year. Year to date, enplanements are up 3.13%.
- American Airlines continues to hold the greatest market share at almost 33%.
- Delta Airlines enplanements are down 7% compared to July 2017 due to the loss of a once daily Detroit flight. Staff expects this trend to continue.
- American Airlines enplanements are up 25% with one added flight to Dallas and also Chicago as compared to July 2017. This increase also reflects the return of the Philadelphia flight beginning June 7, 2018.
- Allegiant enplanements are up 9% due to the recent return of the Myrtle Beach flight.
- The loss of the Newark flight is reflected in this month's statistics as United Airlines enplanements are down 22%. Ms. Neild also noted that United will be suspending the Newark flight at the South Bend Airport from January 7 – March 7, 2019. Ms. Neild also noted that Southwest Airlines recently has pulled their Newark to Indianapolis service at the Indianapolis Airport. Ms. Neild added it is interesting to note the South Bend had Newark service prior to the services being added at FWA and that the loss of EWR service as FWA experienced seems to be a trend at other airports and also amongst other carriers.

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

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- The Airport Authority hosted the Annual FWA Scholarship Golf Outing at Brookwood Golf Course on August 17, 2018. Even though the course was wet, 34 of the registered 35 foursomes showed up and enjoyed a wonderful day of golf. This year's registrations broke last year's record of 32 teams participating in the event.
- Ms. Neild informed board members that staff will host the annual Air Service Luncheon for community leaders on November 7, 2018 from 12:00 – 1:30 PM. This event is held annually to inform community leaders about NE Indiana's Air Service market. Additional information regarding this event will be forthcoming.

Board members inquired about the Allegiant flight to Mesa AZ, and Ms. Neild informed board members that this seasonal flight should resume by mid-October 2018. It was also reported that the seasonal Myrtle Beach flight concluded as of August 13, 2018.

7. COMMITTEE REPORTS

Mr. Hinderman reported that both the Real Estate Development Committee and the Air Service Development & Marketing Committee met in both executive and regular sessions on August 14, 2018. Mr. Hinderman informed board members that lease negotiations were discussed in the executive session of the READ Committee, however no formal action was taken during the public session. Likewise, current marketing statistics were discussed during the executive session by the ASM Committee, but no formal action was taken during the ASM public session.

8. CONSIDERATION AND APPROVAL OF RESOLUTION 18-03: RESOLUTION TO APPOINT TREASURER

Mr. Scott Hinderman reported to the board that the Airport Authority's current acting Treasurer, Ronnie C. Portis will be retiring from employment with the Airport Authority effective October 12, 2018. Resolution 18-03 is being presented so that a new Treasurer can be appointed, prior to the retirement of current Treasurer, Ronnie C. Portis. Resolution 18-03 would appoint Robin R. Strasser the authority's current Administration and Finance Director as Airport Authority Treasurer effective September 1, 2018. As Treasurer, Ms. Strasser would also report to the Board of Directors.

Mr. Tim Haffner made a motion to approve Resolution 18-03: Resolution to Appoint Treasurer as presented and to appoint Ms. Robin Strasser as the board Treasurer effective September 1, 2018. Mr. Jerry Henry seconded the motion; the motion carried.

9. CONSIDERATION AND APPROVAL OF RESOLUTION 18-04: RESOLUTION REGARDING REAL ESTATE ACQUISITION PROCEDURES

Mr. Hinderman reported that Resolution 18-04 is being presented for consideration and approval as a replacement to Resolution 10-04. Resolution 10-04 when enacted had provided certain power and authorizations to an employee with the title of Director of

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Administration and Finance and the Property Manager. Since the Airport Authority, no longer has an employee classification for the position of Property Manager, Resolution 18-04 is being presented to replace and supersede Resolution 10-04 with all references and authorizations provided to the Property Manager employee removed. The new resolution also gives the Director of Administration and Finance along with the Executive Director, authority to sign real estate acquisition paperwork.

Mr. Hinderman informed board members that Resolution 18-04 had received full legal review and that all other provisions of previously enacted Resolution 10-04 remain in effect (mainly the Director of Administration and Finance is authorized to execute closing documents on behalf of the Airport Authority if the Executive Committee and READ Committee have identified the property to be acquired for future use and being within the Authority's land use plan & the purchase price is not higher than the fair market value as is indicated by an appraisal completed by an independent, professional real estate appraiser, and as reviewed by an independent, professional real estate appraiser).

Mr. Tim Haffner made a motion to approve Resolution 18-04: Resolution Regarding Real Estate Acquisition Procedures as presented. Mr. Barry Sturges seconded the motion; the motion carried.

10. CONSIDERATION AND APPROVAL OF FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY 2019 BUDGET

Mr. Scott Hinderman and Ms. Robin Strasser, gave a presentation to the Board regarding the 2019 FWACAA Operating and Capital Budget. Mr. Hinderman informed the Board that preparation for the 2019 budget began in April 2018 and the 2019 proposed budget was presented to the airlines on August 15, 2018. Mr. Hinderman reported that the airlines which participated in the budget review had a good dialog of questions and they saw no major concerns with our 2019 budget. Airlines also reported to FWA personnel they were very pleased with our presentation.

During the 2019 budget preparation, Mr. Hinderman indicated focus was on conservative projections for passengers and passenger-based revenue. Budgeting also focused on maintain safe, clean, and reliable facilities. Primary funding sources for the 2019 budget will be: Federal Funding (in the form of AIP grants), Property Taxes, and Rates and Charges.

Mr. Scott Hinderman and Ms. Robin Strasser's presentation of the Airport Authority's recommendations for the 2019 budget is summarized as follows:

OPERATING FUND REVENUES:

Description (Budget)	Amount (<i>in thousands</i>)
Airfield Fees	\$ 1,779
Terminal Rent	\$ 2,002
Parking	\$ 3,930

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Sales and Services	\$	4,328
Bldg. & Land Revenue	\$	1,806
Commissions	\$	1,258
Property & Other Taxes	\$	5,673
Passenger Facility Charges	\$	1,411
Customer Facility Charges	\$	447
Federal & State Grants	\$	8,389
Interest	\$	300
Other	\$	383
Totals	\$	31,706

OPERATING FUND EXPENDITURES

Description (Budget)	Amount	(in thousands)
Personal Services	\$	7,038
Materials & Supplies	\$	3,677
Other Services & Charges	\$	5,961
Capital Outlay	\$	14,897
Totals	\$	31,573

CUMULATIVE BUILDING FUND REVENUES

Description (Budget)	Amount	(in thousands)
Property & Other Taxes	\$	509
Interest Income	\$	220
Totals	\$	729

CUMMULATIAVE BUILDING FUND EXPENDITURES

Description (Budget)	Amount	(in thousands)
Capital Outlay	\$	0

DEBT SERVICE FUND REVENUES

Description (Budget)	Amount	(in thousands)
Property & Other Taxes		1,984

DEBT SERVICE FUND EXPENDITURES

Description (Budget)	Amount	(in thousands)
Debt Service	\$	2,010

In addition, staff anticipates presenting the budget to the County Council on September 20, 2018 with the Council adopting the budgets on October 18, 2018.

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Mr. Gouloff inquired if the 2019 budget presented includes the operation of the FBO Aero Center and Mr. Hinderman responded that it does.

Mr. Haffner made a motion to approve the 2019 Fort Wayne-Allen County Airport Authority Budget as presented by authority staff. Mr. Ben Johnston seconded the motion; motion unanimously carried. President Michael Gouloff also asked that the record show he voted favorably for the approval of the 2019 Fort Wayne-Allen County Airport Authority Budget as presented.

11. OTHER BUSINESS

Mr. Hinderman indicated he had two announcements to bring before the board.

Mr. Hinderman was pleased to announce that staff member Joe Marana, Facilities and Operation Director, and his wife gave birth to a healthy baby boy Merritt Ryan Marana on August 19, 2018.

Mr. Hinderman also announced that the Airport Authority recently completed a successful FAA inspection with zero discrepancies noted. With the completion of this inspection, Mr. Hinderman noted it now makes 4 consecutive years that FWACAA has completed this FFA inspection with no discrepancies! Mr. Hinderman presented four plaques to Ms. Katie Scherer, Operation Manager, commemorating this outstanding accomplishment, to be displayed within the 4 major work-centers at the airport which have major FAR Part 139 responsibilities.

12. ADJOURNMENT:

Mr. Haffner moved to adjourn the August 20, 2018 Regular Session Board Meeting at 3:39 pm; the meeting was adjourned.

EXECUTIVE SESSION:

An Executive Session was held immediately following the regular session board meeting in the Airport Authority N211 Conference Room, on August 20, 2018 at Fort Wayne International Airport, 3801 W. Ferguson Road, Fort Wayne, Indiana 46809, 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)(6).

Attendance:

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

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Mr. Mike Deam, present

Mr. Denny Logan, present

Mr. Scott Hinderman, present

Ms. Robin Strasser, present

By signing the minutes of the August 20, 2018 board meeting, it is hereby certified that nothing other than the topics, as noted above, were discussed during the Executive Session.

Signature on File

Mr. Michael Gouloff
Board President

Mr. Timothy Haffner
Board Secretary