

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

August 21, 2017

3:00pm

A meeting of the Fort Wayne-Allen County Airport Authority Board was held in the Airport Authority Conference Room, on August 21, 2017 at Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Michael S. Gouloff., President, called the meeting to order at 3:00 p.m.

**ATTENDANCE:**

**AIRPORT AUTHORITY  
BOARD MEMBERS:**

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

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

Scott Hinderman, Executive Director  
Robin Strasser, Dir. Admin. & Finance  
Joe Marana, Dir. Operations & Facilities  
Mike Deam, Airport Authority Attorney  
Patrick Dooley, Airport Development Director  
Katie Scherer, Operations Manager  
Ryan Bauer, Airport Operations Supervisor  
Laura Hakes, Purchasing Manager  
Rebecca Neild, Air Service and Marketing Manager  
Joe Behling, FBO General Manager  
Ron Portis, Controller  
Mary Easterday, Administrative Asst.

**CALL TO ORDER:**

A quorum being present, Mr. Gouloff called the meeting to order at 3:00 p.m.

**1. CONSIDERATION AND APPROVAL OF TODAY'S AGENDA:**

Mr. Tim Haffner made a motion to approve the August 21, 2017 Board Agenda as published, Mr. Neil Hayes seconded the motion; motion unanimously 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 (Regular Session Only) – 7.17.17
- Review & Approval of Claims #17-08
- Accounts Receivable Report

Mr. Ben Johnston seconded the motion; motion unanimously carried.

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**3. CONSIDERATION AND APPROVAL OF BID CONSENT AGENDA:**

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

- a. *Consideration and Approval of RFP for Access Control System (ACS) Extended Service Contract*

The complexity of the access control system (ACS) at the Fort Wayne International Airport and its integration of hardware and software exceeds our current capabilities to service this system internally. This system was initially installed in 2009 and is currently under a service agreement with Siemens that expires September 30, 2017.

Request for proposals were advertised and solicited from known sources that are certified and authorized to provide the labor to support and maintain the ACS system components and keep current the Software House CCure and American Dynamics video software. While we did have another certified firm from the Indianapolis area express an interest, Siemens submitted the only proposal as follows:

	Siemens
Maintenance Yr. 1	\$ 54,445.00
Maintenance Yr. 2	\$ 59,793.00
Maintenance Yr. 3	\$ 60,391.00
Maintenance Yr. 4	\$ 60,995.00
Maintenance Yr. 5	<u>\$ 61,605.00</u>
Total	\$297,229.00

Staff recommended that the Board award this Request for Proposal to Siemens as the offer whose qualifications have been determined to be the most advantageous to the Authority with authorization for the Executive Director to sign the maintenance agreement upon negotiation of acceptable terms and conditions. The agreement will be effective October 1, 2017 to September 30, 2022 in the amount of \$297,229.00.

- b. *Recommendation and Award of a Request for Proposal for the Purchase and Installation of a Terminal-Wide Digital Audio Public Address System*

Airport staff solicited Request for Proposals for the purchase and installation of a “turnkey” Terminal-wide fully digital audio public address system.

In response to their initial solicitation, authority staff received 3 proposals. After review of the initial proposals received, the evaluation team compiled a short list of two firms in which presentations were arranged. The two firms were asked to provide a system overview, elaborate on their ability to service the system, answer questions, and provide best and final offers. While both firms offer a digital solution manufactured by Atlas IED, Ford AV more fully explained

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their installation and enhanced capabilities which resulted in the highest score (both in the presentation as well as the initial proposal submission).

Staff recommended an award of this of the RFP for the terminal digital audio public address system to Ford AV as the offeror whose proposal has been determined to be the most *ADVANTAGEOUS* to the Authority. We request a total award in the amount of \$180,055.00 with authorization for the Executive Director to sign the agreement.

Mr. Ben Johnston seconded the motion made by Mr. Tim Haffner to approval the Bid Consent Agenda with signature authorization for the Executive Director; the motion unanimously carried.

#### 4. CONSIDERATION AND APPROVAL OF CONTRACT CONSENT AGENDA

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

*a. Amendment Number 3 to Addendum Number 4 to the Professional Services Agreement with CHA for Construction Phase Services for Runway 14-32 Reconstruction-Phase 1*

Amendment Number 3 to Addendum Number 4 to the Professional Services Agreement with CHA is a contract **decrease** in the amount of \$13,770.00 due to an underrun in the subcontract value of the DBE firm performing the as-built Topographic and Geodetic surveys. Because the work was completed in one construction season, costs were lower than estimated in the sub-agreement.

Authority staff recommended approval of Amendment Number 3 to Addendum Number 4 in the deduct amount of \$13,770.00 with a reduced contract amount not-to-exceed \$657,740.00. Staff also requested approval for the Executive Director of Airports to execute the contract documents.

*b. Amendment number 1 to Addendum Number 5 to the Professional Services Agreement with CHA for Construction Phase Services for Runway 14-32 Reconstruction-Phases 2 and 3*

Amendment Number 1 to Addendum Number 5 to the Professional Services Agreement with CHA is a contract **decrease** in the amount of \$37,254.00 due to an underrun in the subcontract value of the DBE firm performing the as-built Topographic survey. Because the survey for Phase 3 could be completed at the same time as Phases 1 & 2 costs were substantially lower than estimated in the original sub-agreement.

Authority staff recommended approval of Amendment Number 1 to Addendum Number 5 in the deduct amount of \$37,254.00 with a reduced contract amount not-to-exceed \$387,616.00. Approval was also requested for the Executive Director of Airports to execute the contract documents

*c. Amendment Number 1 to Addendum Number 6 to the Professional Services Agreement with CHA for Design Phase Services for Runway 5-23 Rehabilitation-Phase 1*

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Amendment Number 1 to Addendum Number 6 to the Professional Services Agreement with CHA is a contract **decrease** in the amount of \$7,892.00 due to an underrun in the subcontract value of the DBE firm performing the Distress Mapping/Topographic Survey. The work was completed with less effort than originally estimated in their sub-agreement.

Authority staff recommended approval of Amendment Number 1 to Addendum Number 6 in the deduct amount of \$7,892.00 with a reduced contract amount not-to-exceed \$191,648.00. Authority staff also requested approval for the Executive Director of Airports to execute the contract documents.

Mr. Ben Johnston seconded the motion made by Mr. Tim Haffner to approval the Contract Consent Agenda with signature authorization for the Executive Director; the motion unanimously carried.

### **5. ACTIVITY REPORT – JULY 2017**

Ms. Rebecca Neild reported to the board that use of FWA and traffic through FWA remains relatively flat with total enplanements year-to-date, up less than 1%. Mr. Hinderman commented that FWA continues to market our air service through various media outlets. Mr. Hinderman also commented that though enplanements are relatively flat, taking into consideration the record number of enplanements achieved in 2016 there is no cause for concern with our current air service performance at FWA. Board members inquired if Allegiant service out of Indianapolis has affected our service and Mr. Hinderman responded Allegiant is down 3 flights for the month of July 2017. Mr. Hinderman also informed the board that Allegiant's plans to establish a hub in Indianapolis would actually be beneficial to FWA in that flight crews would be more readily available and maintenance issues would be addressed in a more timely fashion. However, Allegiant's presence in Indianapolis would hinder our ability to grow our Allegiant business.

### **6. COMMITTEE MEETINGS**

Mr. Hindereman reported that the Real Estate and Airport Development Committee met on August 15, 2017 in both Executive and Regular Sessions. Mr. Hinderman informed the board that the only formal action taken by the committee during the regular / public session was to approve the July 2017 READ Committee minutes.

### **7. BOARD REVIEW AND APPROVAL OF FUEL COST OFFSET PROGRAM**

Mr. Hinderman informed the board that in the past, the airport authority had two different incentive programs in place which would financially reward the airlines for making decisions that would increase passenger traffic at Fort Wayne, International Airport. Both of these programs expired in 2015 and authority staff wishes to reinstate both programs as a means of

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possibly enticing the airlines to offer new service, routes, or up-graded aircraft and in turn provide better air service for our community.

The Fuel Cost Offset Program (FCOP) would provide payments to offset a portion of the fuel cost associated with providing commercial air service to a specific eligible airport for a period of twelve months. Under the FCOP program, eligible commercial service would refer to regularly scheduled, non-stop air carrier service between FWA and an "Eligible Airport" (only selected airports would be eligible for the program). Mr. Hinderman also noted that the FCOP program is not a contract nor is it an amendment to the Use and Lease Agreement between the Carriers and the authority but is being established as a marketing program designed to provide benefits to airlines to encourage new flights at FWA.

The term of the FCOP would begin on July 1, 2017 and be in place no longer than June 30, 2019 (no more than 2 years). Mr. Hinderman also noted that this was the same program which was used in the past when Allegiant added the Phoenix flight.

Mr. Haffner made a motion to approve the Fuel Cost Offset Program as presented. Mr. Jerry Henry seconded the motion; motion unanimously carried.

### **8. BOARD REVIEW AND APPROVAL OF TRAFFIC AND REVENUE IMPROVEMENT PLAN**

Mr. Hinderman informed the board, that like the FCOP, the Traffic & Revenue Improvement Plan (TRIP) is designed to financially reward the airlines for making decisions that would increase passenger traffic at Fort Wayne International Airport. In the past TRIP as promoted to the airlines was successful at enhancing Minneapolis service, Allegiant service, and American's service to Dallas.

Through TRIP the airport authority would establish four categories for providing fee abatements and rebates. Abatements would be established as follows:

1. abate all airport fees of a new carrier (for a period of two years);
2. for new non-stop routes (for a period of one year);
3. for new up-gauged aircraft (for a period of one year);
4. to existing carriers which increase their enplanements from air carrier routes that are not new, non-stop routes.

The airport authority would also provide marketing funds (subject to authority discretion and availability of funds) to the carrier to help promote new service, routes or aircraft.

Like FCOP, TRIP would begin on July 1, 2017 and would be in place no longer than June 30, 2019.

Mr. Haffner made a motion to approve the Traffic and Revenue Improvement Plan as presented. Mr. Ben Johnston seconded the motion; the motion unanimously carried.

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**9. CONSIDERATION AND APPROVAL OF 2018 FWACAA BUDGET**

Mr. Scott Hinderman, Ms. Robin Strasser, and Mr. Joe Marana gave a presentation to the Board regarding the 2018 FWACAA Operating and Capital Budget. Mr. Hinderman informed the Board that preparation for the 2018 budget began in March 2017 and the 2018 proposed budget was presented to the airlines on August 16, 2017. 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 2018 budget. Airlines also reported to FWA personnel they were very pleased with our presentation.

Mr. Scott Hinderman's presentation of the Airport Authority's recommendations for the 2018 budget is summarized as follows:

**2018 Operating Revenue Breakdown**

Airfield Fees	\$	1,747,000.00
Terminal Rent	\$	2,002,000.00
Parking	\$	3,905,000.00
Sales and Services	\$	3,696,000.00
Building and Land Revenue	\$	1,869,000.00
Commissions	\$	1,280,000.00
Property and Other Taxes	\$	5,574,000.00
Passenger Facility Charges	\$	1,400,000.00
Customer Facility Charges	\$	464,000.00
Federal and State Grants	\$	5,999,000.00
Interest	\$	35,000.00
Other	\$	388,000.00
<b>Total Anticipated Operating Revenue</b>	<b>\$</b>	<b>28,359,000.00</b>

**2018 Cumulative Building Fund Revenues**

Property & Other Taxes	\$	491,000.00
Interest Income	\$	58,000.00
<b>Total Anticipated Cumulative Building Fund Revenues</b>	<b>\$</b>	<b>549,000.00</b>

**2018 Debt Service Fund Revenues**

Property & Other Taxes	\$	1,980,000.00
<b>Total Anticipated Debt Service Fund Revenues</b>	<b>\$</b>	<b>1,980,000.00</b>

**TOTAL ANTICIPATED BUDGETTED REVENUES** **\$** **30,888,000.00**

**2018 Operating Fund Expenditures**

Personal Services	\$	7,149,000.00
Materials & Supplies	\$	3,586,000.00
Other Services & Charges	\$	5,540,000.00
Capital Outlay	\$	11,473,000.00
<b>Total Anticipated Operating Expenditures</b>	<b>\$</b>	<b>27,748,000.00</b>

**2018 Debt Service Fund Expenditures**

Debt Service	\$	2,007,000.00
<b>Total Debt Service Expenditures</b>	<b>\$</b>	<b>2,007,000.00</b>

**Cumulative Building Fund Expenditures**

Capital Outlay	\$	-
<b>Total Cumulative Building Fund Expenditures</b>	<b>\$</b>	<b>-</b>

**TOTAL ANTICIPATED BUDGETTED EXPENDITURES** **\$** **29,755,000.00**

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In addition, staff anticipates presenting the budget to the County Council on September 21, 2017 with the Council adopting the final budget sometime in October, 2017.

Mr. Haffner made a motion to approve the 2018 Fort Wayne-Allen County Airport Authority Budget as presented by authority staff. Mr. Neil Hayes seconded the motion; motion unanimously carried.

### **10. OTHER BUSINESS**

Mr. Hinderman informed the board that staff had no additional business to bring before the board at this time. Mr. Gouloff informed board members he had two presentations he wished to make at this time.

Mr. Gouloff presented a plaque to Ms. Katie Scherer, airport authority Operation's Manager in recognition of Ms. Scherer earning her Accredited Airport Executive (AAE) designation. Only 10% of the membership of American Association of Airport Executives (AAAE) has this designation. Ms. Scherer joins Mr. Hinderman and Mr. Marana as authority staff with AAE designation.

Mr. Gouloff also presented a plaque to airport authority Operations and Facilities Director Mr. Joe Marana in recognition of passing FAA inspection with zero discrepancies. This marks the third year in a row in which the airport authority has achieved zero discrepancies. Mr. Gouloff congratulated Mr. Marana and the entire airport authority staff for their continued diligence and efforts to run our airport in such an effective manner.

### **11. ADJOURNMENT**

Mr. Gouloff moved to adjourn the August 21, 2017 Regular Session Board Meeting at 3:33 p.m. Mr. Tim Haffner seconded the motion; the meeting was adjourned.

### **EXECUTIVE SESSION:**

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

**Signatures on File**

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Mr. Michael Gouloff  
Board President

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Mr. Timothy Haffner  
Board Secretary

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