

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

January 22, 2024

3:00 p.m.

A meeting of the Fort Wayne-Allen County Airport Authority Board of Directors was held on January 22, 2024, at the Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Richard Sturges, Board President, called the meeting to order at 3:02 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. Grannan, present
Réna Bradley, present
**electronic meeting participation*

AIRPORT AUTHORITY STAFF & LEGAL COUNSEL PRESENT:

Scott Hinderman, Executive Dir. Of Airports
Joe Marana, Director of Operations and Facilities
Mike Zawahri, Director of Administration and Finance
Mike Deam, Airport Authority Attorney
Tom Trent, Airport Authority Attorney
Doug Robertson, Controller
Ryan Bauer, Airport Development Manager
Mary Easterday, Administrative Assistant

CALL TO ORDER:

A quorum being present, Mr. Sturges called the meeting to order at 3:02 p.m.

1. CONSIDERATION AND APPROVAL OF TODAY'S AGENDA AND CONSENT AGENDAS

Mr. Scott Hinderman indicated staff had three additional items which would be presented under "Other Business". One item would require board action and the other two items would be informative. Mr. Tim Haffner made a motion to approve the January 22, 2024 Board Agenda as amended and the Consent Agendas as presented below. Ms. Kimberly Grannan seconded the motion; the motion unanimously carried.

A. ADMINISTRATIVE CONSENT AGENDA:

- Approval of Board Minutes – 12.18.2023
- Review & Approval of Claims #24-01
- Accounts Receivable Report

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B. CONTRACT CONSENT AGENDA:

- (1) *Change Order Number 1 for the Contract with Schust Construction, LLC, TB22-D, PSD Roof Replacement, PH 1*

This change order is a project decrease in the amount of \$9,750 to include the following:

- Liquidated Damages assessed for delays in project completion.

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

- (2) *Contingency Change Order Authorization Number 5-Fort Wayne International Airport East Terminal Expansion with Clayco*

This contingency authorization results in an overall credit is in the amount of \$136,019.82. This amount will add to the already approved owner's construction contingency in the Clayco contract. This leaves a contingency balance of \$1,436,572.56. Included in this change order are the items listed below. Staff recommended approval of this change order with signature authorization for the Executive Director of Airports.

No.	Description
RFCP-21	Area C Storm Drain
RFCP-24	Added Floor Drain for AHU-013
RFCP-13	Gate 4 Bulkhead Changes
RFCP-16	Ops and Business Lounge Changes
RFCP-20	TSA Podium Data
RFCP-14	Roof Antenna & Telecom Changes - CREDIT
RFCP-22	Curtainwall Steel
COR-43	Reconciliation of RFCP – 011R1 – Curved Glass - CREDIT

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ANNUAL ELECTION OF OFFICERS

The board historically conducts an annual election of officers for the three positions of President, Vice President, and Secretary of the Board during the first board meeting of the year. Mr. Timothy Haffner made a motion to approve the following slate of officers to serve in 2024:

Board President – Mr. Richard (Barry) Sturges

Board Vice President – Mr. Gregg Sengstack

Secretary – Mr. Tim Haffner

Mr. Jerry Henry seconded the motion, the motion unanimously carried.

2. ACTIVITY REPORT – DECEMBER 2023

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

- 2023 enplanements were reported at 398,488 – representing a new all-time high number of enplanements in any given year
- 2023 enplanements surpassed 2019 enplanements by 550 passengers – 2019 was the previous year for record number of enplanements
- Enplanements in December 2023 – 32,683 were up 7.87% compared to December 2022 and up 9.76% year to date
- 9.76% growth experienced in 2023 will be hard to beat in 2024 as we continue to operate with less capacity; pilot shortage continues to drive capacity issues
- Continue to work with all our carriers regarding increasing capacity at FWA
- Anticipate weather events in January 2024 will most likely impact enplanement numbers for the month; experienced cancellations the week of January 15th due to extremely cold temperatures; ice predicated for later this week will most likely also bring about flight cancellations
- Anticipate return of Detroit flight sometime 2Q 2024

3. CONSIDERATION AND APPROVAL OF RESOLUTION 24-01: APPOINTMENT OF TREASURER

Mr. Scott Hinderman informed the board that a resolution to appoint a Treasurer comes before the board for their consideration and approval in January every year. Mr. Hinderman reminded the board that this annual agenda item designates one individual to sign checks, issue stop payment orders, and make electronic funds transfers on behalf of the Fort Wayne-Allen County Airport Authority. Mr. Hinderman also reminded board members that he had been appointed to serve as the Treasurer upon the resignation of Ms. Robin Strasser in April 2023.

Mr. Hinderman explained that Resolution 24-01 would appoint FWACAA Controller Doug Robertson as Treasurer and along with staff controller job responsibilities would serve the board in the Treasurer capacity.

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Mr. Tim Haffner made a motion to approve Resolution No. 24-01; appointing Mr. Douglas Robertson as Treasurer. Ms. Réna Bradley seconded the motion, the motion unanimously carried.

4. CONSIDERATION AND APPROVAL OF GROUND LEASE AGREEMENT WITH SWEETAVIATION HOLDINGS, LLC

Mr. Scott Hinderman informed board members that staff have been working with SweetAviation Holdings, LLC regarding the construction of a hangar on Airport Authority property. SweetAviation Holdings, LLC is looking to construct a hangar on Airport Authority property at the former site of Building 2017. Staff has negotiated, along with legal counsel, the terms of a ground lease. Mr. Ryan Bauer presented a summary of the lease agreement as follows:

Tenant: SweetAviation Holdings, LLC

Leased Premises: Southeast corner of Altitude and West Perimeter where
Building 2017 was located
Will be designated as Building 2023

Lease Type: Ground Lease - Aeronautical

Leased Area: Approximately 3 acres of land. Legal description of area to
be completed after construction is completed.

Lease Term: 30 – year lease with two, 5-year options to extend

Base Rent: \$0.32/ square foot. Approx. \$41,817.60/year; pending survey
completion. Annual CPI increases capped at 5%.

Improvements:

- ~40,000 SF Hangar
- ~40,000 SF Aircraft Ramp
- ~3,500 SF Office Space
- ~35 parking spaces
- Airport to review/approve building plans

Other Notes Regarding Lease:

- Aircraft hangar storage subletting allowed with approved SASO
- Ownership reverts to Airport at end of term
- Utilities, maintenance, and infrastructure connections the responsibility of tenant

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Mr. Timothy Haffner made a motion to approve the ground lease agreement with SweetAviation Holdings, LLC for the construction of a corporate hangar on the former site of Building 2017 and also provided approval for the Executive Director to finalize the lease documents based on final results of the survey. Mr. Gregg Sengstack seconded the motion; the motion unanimously carried.

5. CONSIDERATION AND APPROVAL FOR STAFF TO ACCEPT ALL FEDERAL AND STATE GRANTS FOR 2024 FOR FORT WAYNE INTERNATIONAL AIRPORT AND SMITH FIELD AIRPORT WITH EXECUTIVE DIRECTOR SIGNATURE AUTHORITY

Mr. Scott Hinderman reported that Airport Authority staff continue to work with the Federal Aviation Administration and the Indiana Department of Transportation – Office of Aviation for funding for eligible capital improvement projects. Staff anticipates several FAA and State grants for project which we have already applied and been approved, however throughout the year opportunities may come available for additional projects and federal funding for those projects. If these projects are favorably received, the grant turn-around time to accommodate the FAA will be limited.

Mr. Hinderman requested approval from the Board to authorize the Executive Director of Airports to sign and accept any Federal and or Indiana Department of Transportation grant and any other grant funding that the Fort Wayne-Allen County Airport Authority may be awarded in calendar year 2024. Mr. Hinderman also noted that this approval will assist staff to expedite stringent grant acceptance timeframes frequently imposed by the FAA.

Mr. Tim Haffner made a motion to authorize the Executive Director of Airport to sign and accept any grant funding that the Fort Wayne-Allen County Airport Authority may be awarded in 2024. Ms. Kimberly Grannan seconded the motion, the motion unanimously carried.

6. CONSIDERATION AND APPROVAL OF 2023 ENCUMBERED APPROPRIATIONS (TO BE ADDED TO THE 2024 BUDGET APPROPRIATIONS)

Mr. Mike Zawahri reported to the board that the following encumbered amounts were committed by the Authority in 2023 with either an approved purchase order or contract:

Appropriation Number	Budget Classification	Amount
4100	Personal Services	\$ 15,715.88
4200	Supplies	411,118.45
4300	Other Services and Charges	997,899.07
4400	Capital Outlay	78,354,208.88
	Total Encumbrances	<u>\$ 79,778,942.28</u>

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Because goods and services had not been delivered or completed by the end of 2023, a payment could not be made, and accounts payable could not be recorded for these commitments. Mr. Zawahri informed the Board that staff is therefore requesting Board approval to add these amounts to the appropriated balances in the 2024 budget. Staff will then have the authority to pay for these commitments in 2024 once goods and services are delivered. Mr. Zawahri pointed out that the majority of Capital Outlay expenses were in conjunction with the Terminal Expansion Project.

Mr. Tim Haffner made a motion to approve the 2023 encumbered appropriations to be added to the 2024 budget. Ms. Kimberly Grannan seconded the motion, the motion unanimously carried.

7. OTHER BUSINESS

Mr. Hinderman reported, Resolution 24-02: 2024 Salary Resolution Amended would be brought before the board for consideration and approval.

Mr. Hinderman reminded board member that the 2024 Salary Resolution was approved in November 2023. Mr. Hinderman explained that Resolution 24-02 was being presented for consideration and approval and would increase the amount of shift differential pay for hourly employees. Mr. Hinderman explained that shift differential pay, is provided to all hourly employees' rate of pay when the hours they work are between the hours of 5:00 pm – 8:00 am. Hours worked during this time frame are eligible for shift differential pay rates. Currently, the shift differential rate is set at \$0.50 an hour and an employees' hourly rate of pay is currently increased by \$0.50 an hour for all hours worked during the shift differential time frame. Approval of Resolution 24-02 would increase this rate to \$1.00 per hour. Mr. Hinderman also noted that no additional changes to the 2024 Salary Resolution would be made and the change in the shift differential rate of pay would be effective January 14, 2024 (the start of a current pay period).

Mr. Jerry Henry made a motion to approve the shift differential rate of pay from \$0.50 to \$1.00 and hour and approve the passing of Resolution 24-02: 2024 Salary Resolution Amended as presented. Mr. Tim Haffner seconded the motion, the motion unanimously carried.

Mr. Hinderman indicated he had two announcements, to make – none of which would require board action.

Mr. Hinderman announced that recently, The Airport Authority Director of Operations and Facilities, Joe Marana was awarded the 2023 Top 40 Under 40 Aviation Industry's Best Young Professionals Award. This award showcases the most innovative emerging leaders in the aviation industry across the entire United States. Mr. Hinderman explained that 100s of nominations across North America were received from all facets of the aviation industry and Joe's winning of this award speaks highly to his commitment, drive and accomplishments throughout his aviation career.

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Mr. Hinderman further acknowledged that Joe embodies the work ethic and culture which the Airport Authority promotes and his dedication and leadership to our organization is appreciated and highly respected. Board members offered their congratulations to Mr. Marana and commended him for all his efforts on behalf of the Airport Authority.

Mr. Hinderman also announced that we were recently notified that the Airport Authority had achieved a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending December 31, 2022. Mr. Hinderman indicated that this award presented by the Government Finance Officers Association is the highest form of recognition in governmental accounting and financial reporting and its attainment represent a significant accomplishment by a governmental unit and its management. Mr. Hinderman noted that this is the 34th consecutive year the Airport Authority has received this award and been recognized for our outstanding financial achievements. Mr. Hinderman praised the outstanding work done by our Controller Doug Robertson and the entire accounting department to achieve this prestigious award.

8. ADJOURNMENT

Mr. Haffner moved to adjourn the January 22, 2024 Regular Session Board Meeting at 3:18 p.m. Mr. Sturges adjourned the meeting.

EXECUTIVE SESSION:

An Executive Session was held prior to the regular session board meeting on January 22, 2024 at 2:00 p.m. at the Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, 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 Grannan; present

Réna Bradley; present

Mr. Mike Deam; present

Mr. Tim Trent; present

Mr. Scott Hinderman; present

Mr. Joe Marana; present

Mr. Mike Zawahri; present

Mr. Ryan Bauer; present

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Mr. Doug Robertson, present

Ms. Mary Easterday; present

**electronic participation*

By signing the minutes of the January 22, 2024, 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. Timothy Haffner
Board Secretary