

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

May 15, 2023

3:00pm

A meeting of the Fort Wayne-Allen County Airport Authority Board was held on May 15, 2023, at the Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Barry Sturges, President, called the meeting to order at 3:04 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, absent
Réna Bradley, present*
**electronic meeting participation*

AIRPORT AUTHORITY STAFF & LEGAL COUNSEL PRESENT:

Scott Hinderman, Executive Dir. Of Airports
Joe Marana, Dir. Facilities & Operations
Mike Deam, Airport Authority Attorney
Tom Trent, Airport Authority Attorney
Doug Robertson, Controller
Laura Hakes, Purchasing Manager
Justin Treft, FBO Manager
Ryan Bauer, Interim Airport Dev. And Prop. Manager
Mary Easterday, Administrative Assistant

CALL TO ORDER:

A quorum being present, Mr. Sturges called the meeting to order at 3:04 p.m. Mr. Sturges noted that board members Ms. Réna Bradley would be attending the meeting electronically and so all votes taken would be by roll call.

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

Mr. Scott Hinderman indicated staff would have one item to add to the agenda and would be considered under other business. Mr. Timothy Haffner made a motion to approve the May 15, 2023 Board Agenda as amended and the Consent Agenda as presented below. Mr. Jerry Henry seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Jerry Henry – Aye
Ms. Kimberly Grannan – absent
Mr. Barry Sturges – Aye
Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Aye
The motion carried.

BOARD MEETING MINUTES

May 15, 2023

Page 2 of 7

A. ADMINISTRATIVE CONSENT AGENDA:

- Approval of Board Minutes – 04.17.2023
- Approval of Board Minutes – 05.03.2023
- Review & Approval of Claims #23-05
- Accounts Receivable Report

B. CONTRACT CONSENT AGENDA:

1. Contingency Change Order Authorization Number 14 – Fort Wayne International Airport West Terminal Expansion with Michael Kinder & Sons (MKS) – AIP 77

This increase is in the amount of \$256,945.52. This amount will come from the already approved owner's construction contingency in the MKS contract. This leaves a contingency balance of \$553,773.47. Included in this change order were the items listed below. Staff also recommended approval of this change order with signature authorization for the Executive Director of Airports.

RFCO-02	Delay and Claim Due to Decking Revision
RFCO-234	Additional Furniture Moving Charges - CREDIT
RFCO-235	L&B Parking lot fiber repair - CREDIT
RFCO-228	Aerobridge back charge to JBT
RFCO-232	RFI 684 Existing Downspouts
RFCO-236	VFP yearly recertification due to FA issues - CREDIT
RFCO-237	Replacement of height pole at rental car - CREDIT
RFCO-238	RFI 290 Transition Between the Storefront and Thin-Set Limestone Part 2 (Vest 152, B115A, D102A, and D115A)
RFCO-230	3M Trizact on new Terrazzo Floor
RFCP-086 R2.2	TSA IT Space Change/Upgrades Part 2 (Mechanical Only)
RFCO-147	Hydronic Lines in Stair Towers 2-104 and 2-115 - CREDIT
RFCO-217	Gates 5&6 Game Changer Cable Plenum and Labor
RFCO-165	Rental Lot Sign EF1 – Double Payment – CREDIT

BOARD MEETING MINUTES

May 15, 2023

Page 3 of 7

2. ACTIVITY REPORT – APRIL 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:

- Enplanements for April 2023 were reported at 29,326 up 2.28% compared to April 2022 enplanements and up 5.29% year to date
- We anticipate enplanements to continue to increase compared to 2022 as we get ready to head into the summer travel season
- May 8th Delta added an extra flight to Atlanta on a CRJ 900 which will add extra seats and capacity
- American Airlines also started a third flight to Dallas in May; this additional flight will only be on the schedule through September 2023
- In August we anticipate American upgrading one of the flights to Charlotte from a CRJ 200 to a CRJ 700 which will add more seats and capacity in this specific market
- May 31st will be the last flight to Philadelphia; we do not anticipate this flight to come back and will most likely be removed from the schedule permanently; lose of this flight is most likely due to the pilot shortage and the fact that this flight is flown on a smaller aircraft
- Board members inquired if the current market share of Allegiant at FWA (currently over 35%) is skewed due to heavy spring travel; Mr. Hinderman noted that American Airlines held the primary market share in 2022 and anticipates Allegiant dropping off in the fall; Mr. Hinderman noted it is a bit of a concern when your leader in market share provides less than daily service

3. CONSIDERATION AND APPROVAL OF PROPERTY / LIABILITY AND WORKER'S COMPENSATION INSURANCE RENEWAL

Mr. Hinderman introduced staff member Ms. Laura Hakes to board members and indicated that Ms. Hakes would be the staff member handling all insurance matters in the interim. Mr. Hinderman then proceeded to introduce Mr. CJ Mills representing USI Insurance, the Authority's insurance broker, to board members and indicated Mr. Mills, would be presenting the property, liability and workers' compensation insurance renewal proposals to the board for consideration and approval. New policies would go into effect in June 2023.

Mr. Mills reported, that there are good things to celebrate with this year's renewal and the operation of the airport as a whole. Mr. Mills reported that our workers comp rate is the lowest it has historically been. Mr. Mills reported that property rates have been on the increase over the last few years, mostly due to catastrophic weather events which typically do not hit the mid-west. Mr. Mills reported the Airport Authority faced an above-average number of claims in 2022, primarily due to the June 2022 derecho weather event and the extensive property damage that resulted from that one storm. Mr. Mills reported that the Airport Authority's loss in excess of \$5,000,000 basically wipes out decades of profitability for our property carrier. Mr. Mills also

BOARD MEETING MINUTES

May 15, 2023

Page 4 of 7

pointed out that there is reduced capacity in the market place which drives the increase in insurance rates. Despite these facts Travelers did provide the airport authority with a renewal with under market rates.

Mr. Mills finally reported that our crime and cyber renewal did come in slightly under last year's rates and is something to be proud of.

Board members asked about the liability policy and what has fundamentally changed to cause the increase in this area. Mr. Mills responded that there are fewer carriers interested in providing coverage in the aviation market and this causes rates to go up. Our renewal increase is primarily driven by market conditions.

Mr. Mills reported that in spite of large claim pay out in 2022 and early 2023, policy negotiations had gone very well for the Airport Authority's renewal for 2023 - 2024. Mr. Mills commended the Airport Authority and staff for doing a phenomenal job in showcasing and running the airport. Mr. Mills also indicated that the aviation market is experiencing a "hardening" of the market – in general there are high claims activity and few carriers willing to take a risk and participate in the aviation space.

Mr. Mills reported a 23% increase in premiums for the 2023-2024 renewal driven primarily by increases in airport liability and property - replacement costs have gone up significantly along with property values in addition to the newly expanded space at FWA.

Mr. Tim Haffner made a motion to approve the Authority's negotiation of insurance rates for 2023-2024 as presented and to provide authorization for the Executive Director of Airports to sign the "Client Authorization to Bind" documents. Mr. Gregg Sengstack seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Jerry Henry – Aye
Ms. Kimberly Grannan – absent
Mr. Barry Sturges – Aye
Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Aye
The motion carried.

4. CONSIDERATION AND ADOPTION OF RESOLUTION 23-03: REAL ESTATE ACQUISITION PROCEDURES

Mr. Hinderman reported that Resolution 23-03 being presented would replace current Resolution 18-04. The proposed Resolution 23-03 spells out our procedures for acquiring real estate and would retain the Director of Administration & Finance as authorized to sign property acquisition and closing documents. Resolution 23-03 also removes reference to the Real Estate and Airport Development Committee, since the meeting of this committee has currently been suspended in

BOARD MEETING MINUTES

May 15, 2023

Page 5 of 7

perpetuity. Further more, Resolution 23-03 would establish that either the Administrative Services & Executive Committee or the full Airport Authority Board would have the ability to identify subject real estate as being within the real estate that should eventually be acquired for the use and benefit of the Airport Authority.

Board members inquired if the proposed resolution had gone through legal review, and Mr. Hinderman responded in the affirmative.

Mr. Tim Haffner made a motion to approve Resolution 23-02: Real Estate Acquisition Procedures as presented. Mr. Jerry Henry seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Jerry Henry – Aye

Ms. Kimberly Grannan – absent

Mr. Barry Sturges – Aye

Mr. Tim Haffner – Aye

Ms. Réna Bradley – Aye

Mr. Gregg Sengstack -Aye

The motion carried.

5. INTRODUCTION OF ORDINANCE 23-02: FWA RULES AND REGULATIONS ORDIANCNE

Ordinance 23-02 was introduced by Mr. Timothy Haffner. A Public Hearing on Ordinance 23-02: FWA Rules and Regulations Ordinance will be held at the June 20, 2023 board meeting.

6. OTHER BUSINESS

Mr. Hinderman indicated staff had one additional item to bring before the board for consideration and approval at this time.

Consideration and Award of Two Pre-Conditioned Air Units and Two Ground Power Units

Mr. Joe Marana reported that Airport Authority staff has received a bid for the purchase of two pre-conditioned air units (PCA) and two ground power units (GPU) to be installed as part of the East Terminal Expansion Project. The items being purchased in this bid are being submitted for funding under a Voluntary Airport Low Emissions Program (VALE) Grant. The Airport Authority recently received notification from the FAA that the VALE Grant has been awarded and so we have elected to award the bid for the purchase of the air and ground power units.

BOARD MEETING MINUTES

May 15, 2023

Page 6 of 7

Mr. Marana reported that in response to our solicitation, we received one bid. The only bid received was from JBT Aerotech Corporation in the base bid amount of \$315,374. This bid meets all the criteria and materially complies with the specifications contained in our bid documents.

Mr. Marana requested that the Board make a motion to approve and award the bid to JBT Aerotech Corporation as the lowest responsive and responsible bid in the amount of \$315,374.00.

Board members inquired if staff had experience working with the company and Mr. Marana confirmed we had done business with JBT Aerotech in the past with positive results.

Mr. Tim Haffner made a motion to approve the awarding of the bid for the purchase of two pre-conditioned air units and two ground power units to JBT Aerotech Corporation in the amount of \$315,374.00. Mr. Jerry Henry seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Jerry Henry – Aye
Ms. Kimberly Grannan – absent
Mr. Barry Sturges – Aye
Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Aye
The motion carried.

Mr. Hinderman reported, staff had no additional business to present to the board at this time.

7. ADJOURNMENT

Mr. Haffner moved to adjourn the May 15, 2023 Regular Session Board Meeting at 3:22 p.m. Mr. Sturges adjourned the meeting.

EXECUTIVE SESSION:

An Executive Session was held prior to the regular session board meeting on May 15, 2023 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).

BOARD MEETING MINUTES

May 15, 2023

Page 7 of 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; absent

Réna Bradley; present*

Mr. Mike Deam; present

Mr. Tom Trent; present

Mr. Scott Hinderman; present

Mr. Joe Marana; present

Mr. Ryan Bauer; present

Ms. Mary Easterday; present

**electronic participation*

By signing the minutes of the May 15, 2023, 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 Sturges
Board President

Mr. Timothy Haffner
Board Secretary