

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

June 21, 2022

(Immediately Following June 21, 2022 3:00 p.m. Meeting of the Evaluation Committee)

A meeting of the Fort Wayne-Allen County Airport Authority Board was held on June 21, 2022 at the Fort Wayne Aero Center, 4401 Altitude Drive, Fort Wayne, Indiana, 46809, Conference Room, F203, pursuant to proper legal notice. A quorum being present, Mr. Barry Sturges, Board President, called the meeting to order at 3:08 p.m.

ATTENDANCE:

**AIRPORT AUTHORITY
BOARD MEMBERS:**

Richard B. (Barry) Sturges, Jr., President, present
Gregg C. Sengstack, Vice President, absent
Timothy J. Haffner, Secretary, present
Jerome F. (Jerry) Henry, Jr., present*
Kimberly M. Wagner, absent
Réna Bradley, present*

**electronic meeting participation*

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

Scott Hinderman, Executive Director
Robin Strasser, Dir. Admin. & Finance
Joe Marana, Dir of Operations and Facilities
Tom Trent, Airport Authority Attorney
Laura Hakes, Purchasing Manager
Stephanie Veit, Airport Development Director
Doug Robertson, Controller
Mary Easterday, Administrative Assistant

CALL TO ORDER:

A quorum being present, Mr. Sturges called the meeting to order at 3:08 p.m. Mr. Sturges noted that board members Mr. Jerry Henry and 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 bring before the board under “Other Business”. Mr. Tim Haffner made a motion to approve the June 21, 2022 Board Agenda as posted and the Consent Agendas 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 Wagner – Absent
Mr. Barry Sturges – Aye
Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Absent
The motion carried.

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ADMINISTRATIVE CONSENT AGENDA:

- Approval of Board Minutes – 05.16.2022
- Review & Approval of Claims #22-06
- Accounts Receivable Report

CONTRACT CONSENT AGENDA:

(1) Change Order authorization Number 1 – Fort Wayne International Airport West Terminal Expansion CBIS Construction with Michael Kinder & Sons – TB21-A

This change order is an increase in the amount of \$304,615.68 and includes the items below.

No.	Description	Amount
TSA-CO-	Electrical One-Line Revisions MDP-2	\$289,408.15
TSA-CO-	Additional Lights in Mech Room	\$13,758.36
TSA-CO-	Additional Roller Ball Table and Fab at Bag Screening	\$1,449.17
TOTAL		\$ 304,615.68

Staff recommended board ratification of this contingency change authorization with signature authorization for the Executive Director of Airports.

2. CHERRY BEKAERT, LLP 2021 AUDIT REVIEW

Ms. Robin Strasser informed board members that the financial statement audit for the year ended 12/31/2021 has been completed by Cherry Bekaert, LLP and that Ms. Lauren Strobe, Audit Partner from the Cherry Bekaert team would present and review the audit with the board. Ms. Strobe made a brief presentation to the board and announced that the 2021 audit was being presented with an unmodified (clean) opinion – the highest level that could be achieved.

3. ACTIVITY REPORT – MAY 2022

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

- May 2022 enplanements were reported at 32,280 up 12.29% compared to May 2021 enplanements and up 29.04% year-to-date
- May 2022 enplanements were up compared to April 2022 enplanements by over 12% and our monthly enplanement numbers continue to follow yearly trends
- May 2022 numbers surpassed May 2018 enplanements and had capacity in our market not dropped, Mr. Hinderman believes our May 2022 enplanements would have surpassed May 2019 enplanements

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- Mr. Hinderman indicated we will start to feel the effects of the pilot shortage moving forward
- Delta dropped capacity 16.8% at FWA during May 2022
- Our load factor remains high – 89% - we just don't have the capacity
- FWA may see an increase in leakage to other markets, however it is truly not leakage but spillage – those passengers flying out of other markets are doing so because we do not have the seats available
- Mr. Hinderman met with executive from the major airlines last week and both Delta and American confirmed the lack of pilots is a huge issue effecting capacity at FWA
- Board members asked when the pilot shortage may let up and Mr. Hinderman commented that realistically it may be in to 2026 before the situation begins to improve

4. COMMITTEE REPORTS: EVALUATION COMMITTEE

Mr. Hinderman informed board members the Evaluation Committee for the selection of a Construction Manager as Constructor met prior to today's board meeting to select a CMc and they would be bringing their recommendation to the board for consideration and approval later in the meeting.

5. CONSIDERATION AND APPROVAL OF CONSTRUCTION MANAGER AS CONSTRUCTOR (CMc) FOR EAST TERMINAL EXPANSION PROJECT

Mr. Scott Hinderman reported that the Evaluation Committee (whose members included Laura Hakes, Joe Marana, and Scott Hinderman) met earlier in the day to select a CMc for the East Terminal Expansion and Renovation Project. The committee would be bringing their recommendation to the board for their approval.

Mr. Joe Marana reported to the board that the Airport Authority had issued Request for Proposals to select a Construction Manager as Constructor (CMc) for the East Terminal Expansion Project. Mr. Marana explained that in the CMc process, the selected firm serves as a team member during detailed design to provide input regarding value engineering opportunities and construction efficiencies. The CMc will also oversee the letting and award of bids for the subcontracting of various construction trades.

In response to the Authority's solicitation, the Authority received four proposals. The Evaluation Committee reviewed the proposals and conducted workshops/interviews with each of the firms submitting. Mr. Marana informed board members that the Evaluation Committee is recommending Mortenson as the firm that they believe to be most advantageous to the Authority to perform these services and construct the East Terminal Expansion Project. Mr. Marana requested a motion from the board to approve the selection of Mortenson as the choice for CMc and also the selection of Clayco as an alternative should final negotiations with Mortenson fail to result in a signed contract.

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Board members inquired as to the location of Mortenson and Mr. Marana indicated they had offices throughout the country and the Chicago office would most likely be servicing our contract.

Mr. Tim Haffner made the following motion: Based on the Evaluation Committee's selection of Mortenson as the choice for CMC and the selection of Clayco as an alternative should final negotiations with Mortenson fail to result in a contract, the board of directors of the Fort Wayne-Allen County Airport Authority authorize staff to negotiate and execute a contract with Mortenson to serve as Construction Manager as Constructor for the East Terminal Expansion and Renovation project and if negotiations fail to result in a contract to negotiate and execute with Clayco for CMC or to issue another RPF at staff discretion. Ms. Réna Bradley seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

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

6. CONSIDERATION AND APPROVAL OF 2023 HOLIDAY SCHEDULE AND THE 2023 BOARD MEETING SCHEDULE

Mr. Scott Hinderman informed the board that every year the holiday schedule for airport authority employees is presented to the board for their approval. The 2023 holiday schedule will include 11 named holidays along with one floating holiday. The 2023 holiday schedule will include the same holidays that were recognized during 2022. Staff recommended approval of the holiday schedule.

Mr. Hinderman also presented the 2023 Board Meeting Schedule for approval.

Mr. Tim Haffner made a motion to approve the 2023 Holiday Schedule and the 2023 Board Meeting Schedule 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 Wagner – Absent
Mr. Barry Sturges – Aye
Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Absent
The motion carried.

The 2023 Holiday Schedule will be as follows:

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2023		
Administration and Maintenance Departments		
1	New Year's Day	Monday, January 2
2	Martin Luther King Day	Monday, January 16
3	Memorial Day	Monday, May 29
4	Juneteenth	Monday, June 19
5	Independence Day	Tuesday, July 4
6	Labor Day	Monday, September 4
7	Thanksgiving Day	Thursday, November 23
8	Day After Thanksgiving	Friday, November 24
9	Christmas Eve	Friday, December 22
10	Christmas Day	Monday, December 25
11	New Year's Eve	Friday, December 29
12	Floating Holiday	To be Requested by Employee
2023		
Custodial, Operations, Smith Field and Fort Wayne Aero Center		
1	New Year's Day*	Sunday, January 1
2	Martin Luther King Day	Monday, January 16
3	Memorial Day	Monday, May 29
4	Juneteenth	Monday, June 19
5	Independence Day	Tuesday, July 4
6	Labor Day	Monday, September 4
7	Thanksgiving Day	Thursday, November 23
8	Day After Thanksgiving	Friday, November 24
9	Christmas Eve*	Sunday, December 24
10	Christmas Day	Monday, December 25
11	New Year's Eve*	Sunday, December 31
12	Floating Holiday	To be Requested by Employee
*Different day than Admin and Maintenance Holiday Schedule		

The 2023 Board Meeting Schedule will be as follows:

Following is the schedule for Year 2023 meetings of the Fort Wayne-Allen County Airport Authority Board of Directors. All meetings will begin at 3:00 p.m. in the F203 Conference Room of the Fort Wayne Aero Center, 4401 Altitude Drive, Fort Wayne, Indiana 46809, unless otherwise noted. Meetings and location of meeting are subject to change.

- Monday January 23, 2023
- Monday February 20, 2023
- Monday March 20, 2023
- Monday April 17, 2023
- Monday May 15, 2023
- Monday June 12, 2023
- Monday July 17, 2023

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Monday	August 21, 2023
Monday	September 18, 2023
Monday	October 16, 2023
Monday	November 13, 2023
Monday	December 18, 2023

7. LEASE REVIEW AND CONSIDERATION: HANGAR LEASE WITH SWEET AVIATION, LLC FOR USE OF BUILDING 828 LOCATED AT SMD

Mr. Hinderman reported to the board that Authority Staff have been in negotiations with Sweet Aviation, LLC for use of building 828 located at SMD. Mr. Hinderman summarized the lease agreement for board members as follows:

LEASE SUMMARY

FACILITY: 828 West Ludwig Road
Building 828 – at SMD Airport
Fort Wayne, IN

Building 828 = 3,600 square feet

TENANT: Sweet Aviation, LLC
USE OF PREMISES: Aircraft maintenance, aircraft storage and storage of equipment and materials associated with such uses

LEASE TERM: Three (3) Year Term:
June 1, 2022 – May 31, 2025

RENTAL RATE: \$865.00 per month (\$2.88 per square foot) – year one of lease term
Rental rate for each year following the initial year will be calculated based on the increase in CPI – All Urban Index for the month of April

OPTION TO RENEW: Tenant shall have no option to renew this lease

UTILITIES: Tenant will be responsible for arranging and paying all utilities

IMPROVEMENTS / RENT CREDITS:

- Tenant will be installing a Schweiss drawbar style auto latch system to the bifold door of hangar 828
- Tenant to pay for total cost of improvements estimated to be \$5,800
- Rent credits to be awarded will not exceed \$2,900 (or 50% of the total cost of improvements, whichever is lower) over the term of the lease agreement

Rent credits shall be applied at a rate not to exceed \$80.56 of minimum

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monthly rent over the term of the lease agreement

OTHER INFORMATION REGARDING THE LEASE

- Previous lease agreement with Sweet Aviation, LLC for the use of Bldg. 828 was a one year lease agreement (June 1, 2022 – May 31, 2022)
- Rent from previous agreement = \$865.00 per month
- Items listed in Exhibit “H” must be completed before May 31,2025 – to include:
 - Replace gas meter for building 828
 - Run all gas lines to heating units
 - Ensure both rezone heaters work properly
 - Ensure the heat setting works correctly
 - Replace any burnt out bulbs
 - Clean, scrub and remove stains as reasonably possible

Mr. Tim Haffner made a motion to approve the lease with Sweet Aviation, LLC for lease of building 828 at SMD 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 Wagner – Absent

Mr. Barry Sturges – Aye

Mr. Tim Haffner – Aye

Ms. Réna Bradley – Aye

Mr. Gregg Sengstack -Absent

The motion carried.

8. CONSIDERATION AND APPROVAL OF SPECIAL PROCUREMENT AMENDMENT RELATED TO THE DEICER CONTRACT

Mr. Joe Marana explained to board members that we had entered into a 3 year contract with our current supplier of deicer and that we are 2 years in to the contract. Our supplier has asked for a contract modification which includes a price increase. In 2020, we received bids for an award period of 3 winter seasons. At that time, we only received one bid and entered into contract with that company. Mr. Marana further explained that last fall we knew of airports getting force majeure letters from their suppliers resulting in price increases. We however did not get one and our supplier honored the price in the contract. This past spring, our supplier warned us of price increases, and we increased our inventory to capacity in an attempt to avoid having to purchase additional deicer at a higher price. Our supplier is now requiring a price increase and staff has analyzed the proposed increase against actual numbers of recent bids at other facilities. Mr. Marana indicated he believes these increases are reasonable and recommended approval of the amendment to the deicer contract which will account for this price adjustment.

Mr. Tim Haffner made a motion to approve the amendment to the deicer contract and allow staff to pay increase in price for deicer this season. Ms. Réna Bradley seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

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

9. PUBLIC HEARING ADOPTION OF ORDINANCE 22-01: ADDITIONAL APPROPRIATIONS ORDINANCE

Mr. Hinderman informed the board that Ordinance No. 22-01 had been introduced at the May 16, 2022 board meeting and that a public hearing would be held on this particular ordinance.

Public Hearing – Mr. Tom Trent opened the Public Hearing for Ordinance No. 22-01 Additional Appropriations Ordinance. Mr. Trent 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 – Ms. Robin Strasser explained to the board that in accordance with State Code, if we spend more money than what is approved in our current budget, staff must seek approval from County Council for the additional spending. Ms. Strasser further explained that we have had a fair amount of unforeseen expenses in this year's current budget and in order these expenditures can be finalized and paid an additional appropriations ordinance is necessary. Ms. Strasser explained that approval of this ordinance will allow staff to adjust the 2022 budget by a total of \$9,633,583. This budget adjustment will allow staff to satisfy certain Authority obligations for the following Capital Outlay budget appropriation items: Facility Construction (\$5,190,588) to fund the Project Gateway East Design Contract; to fund a pre-construction services contract with a CMc (\$300,000) for the Project Gateway East; and to construct a new corporate hangar (\$3,500,000).

In addition, the budget adjustment will allow staff to satisfy obligations for the SMD Taxiway A & Runway 31 construction project (\$381,650) which the Authority has applied to receive AIP Grant funding to reimburse at least 95% of the total cost. Finally, (\$261,345) is needed to fund the design of the Taxiway C Rehabilitation / C2 Relocation project.

Ms. Strasser emphasized that this ordinance is not requesting additional funding, the Airport Authority has the funds available, we just need to be able to add these items to our budget and need the approval to spend the additional funds. Ms. Strasser also added that upon adoption of this ordinance, Airport Authority staff would then seek approval from the County Council for this additional appropriation spending.

Board Comments – Board members had no questions or comments regarding the proposed ordinance.

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Public comments – Mr. Trent asked if any member of the public cared to comment about Ordinance 22-01: Additional Appropriations Ordinance.

No member of the public came forward to comment about Ordinance No. 22-01.

Closure of Public Hearing – Hearing no further requests for comment, Mr. Trent closed the Public Hearing for Ordinance No. 22-01.

Board Action - Mr. Timothy Haffner made a motion to adopt Ordinance No. 22-01. 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 Wagner – Absent
Mr. Barry Sturges – Aye
Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Absent
The motion carried.

10. NEW BUSINESS

Mr. Hinderman indicated staff had one additional item which would need to come before the board for consideration and approval. Ms. Robin Strasser explained that the Fort Wayne International Airport sustained significant damage as a result of the derecho weather event which took place on June 13, 2022. This event created impacts to the operations of the Airport which had to be restored to ensure compliance with security and safety requirements as well as the ability to resume normal operations. To expeditiously restore normal operations as quickly as possible, Ms. Strasser explained that is necessary that staff be able to bypass certain purchasing and procurement policies and procedures. Ms. Strasser requested that the board make a motion to adopt the following emergency declaration:

An emergency is declared for the repair of damages sustained as a result of the derecho that occurred on June 13, 2022. Cleanup of grounds and restoration of airport facilities and operations as a result of this event may occur under one of the following procedures as applicable to the specific procurement:

- As a special procurement as permitted by IC 5-22-10-4 or IC-5-22-10-9 and IC 36-1-12-4.9
- As an emergency as permitted by IC 36-1-12-9

Mr. Tim Haffner moved that the board approve the declaration as requested and presented by Airport Authority staff. Ms. Réna Bradley seconded the motion. Mr. Sturges called for a roll call vote. Below is a tally of the votes:

Mr. Jerry Henry – Aye
Ms. Kimberly Wagner – Absent
Mr. Barry Sturges – Aye

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Mr. Tim Haffner – Aye
Ms. Réna Bradley – Aye
Mr. Gregg Sengstack -Absent
The motion carried.

Mr. Hinderman indicated staff had no additional business to bring before the board at this time.

11. ADJOURNMENT

Mr. Haffner moved to adjourn the June 21, 2022, Regular Session Board Meeting at 3:46 p.m.
Mr. Sturges adjourned the meeting.

EXECUTIVE SESSION:

An Executive Session was held prior to the regular session board meeting on June 21, 2022 at 2:00 p.m. at the Fort Wayne Aero Center, 4401 Altitude Drive, Fort Wayne, Indiana, 46809, Conference Room, F203, 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; absent
Timothy T. Haffner, Secretary; present
Jerome F. (Jerry) Henry, Jr.; present*
Kimberly Wagner; absent
Réna Bradley; present*
Mr. Tom Trent; present
Mr. Scott Hinderman; present
Mr. Joe Marana; present
Ms. Robin Strasser; present
Ms. Stephanie Veit; present
Ms. Mary Easterday; present

By signing the minutes of the June 21, 2022, 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