

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

August 16, 2021

3:00 p.m.

A meeting of the Fort Wayne-Allen County Airport Authority Board was held in the Airport Authority Board Conference Room (N210), on August 16, 2021, at the Fort Wayne International Airport, 3801 W. Ferguson Rd., Fort Wayne, Indiana 46809, pursuant to proper legal notice. A quorum being present, Mr. Gregg Sengstack, Board Vice-President, called the meeting to order at 3:00 p.m.

ATTENDANCE:

AIRPORT AUTHORITY BOARD MEMBERS:

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

AIRPORT AUTHORITY STAFF & LEGAL COUNSEL PRESENT:

Scott Hinderman, Executive Director
Robin Strasser, Dir. Admin. & Finance
Joe Marana, Dir of Facilities and Operations
Mike Deam, Airport Authority Attorney
Tom Trent, Airport Authority Attorney
Patrick Dooley, Airport Development Director
Stephanie Veit, Airport Development Director
Doug Robertson, Controller
Mary Easterday, Administrative Asst.

CALL TO ORDER:

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

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

Mr. Scott Hinderman indicated staff had a change to the posted agenda and would be adding one item for consideration and approval to the Bid Consent Agenda. Mr. Hinderman also indicated he would have one item to present to the board under Other Business. Mr. Timothy Haffner made a motion to approve the August 16, 2021, Board Agenda as posted. Mr. Jerry Henry seconded the motion; the motion unanimously carried.

Mr. Timothy Haffner made a motion to approve the Consent Agenda as amended and presented below:

ADMINISTRATIVE CONSENT AGENDA:

- Approval of Board Minutes – 07.19.2021
- Review & Approval of Claims #21-08
- Accounts Receivable Report

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BID CONSENT AGENDA:

1. Bid Results: AF21-02, Air Trade Center and Fuel Farm Pavement Improvements

Airport staff solicited bids for the construction of a new asphalt driveway with drainage improvements at the Air Trade Center from Global Drive. There was also an additive bid consisting of asphalt and concrete improvements to W. Perimeter Road and the Fuel Farm. In response to the solicitation, staff received two bids.

Airport staff reviewed the bids received and recommended that the Board make an award for the base bid only to Wayne Asphalt as the lowest responsive and responsible base bid in the total amount of \$199,999. Approval was also requested for the Executive Director of Airports to sign the contract documents.

2. Bid Results: AF21-01, Fort Wayne International Airport Site Improvement-Rebid

Airport staff solicited bids for concrete repairs and crack sealing, routing and cleaning at Skywest/Building 2003 ramp. In response to their solicitation, staff received two bids.

Airport staff reviewed the bids received and recommended that the Board make an award to Michael Kinder & Sons as the lowest responsive and responsible base bid in the total amount of \$249,201.00. Approval was also requested for the Executive Director of Airports to sign the contract documents.

CONTRACT CONSENT AGENDA:

1. Change Order Number 4 Terminal Apron Improvements-Phases 1 & 2 with Superior Construction, AIP 71,72

This final change order is a decrease in the amount of (\$352,510.73) to decrease the total contract amount with Superior Construction to \$11,849,399.07. The change order includes the following:

- Final as-built quantity adjustments
- Access Control work in the Overflow Parking lot
- Specification change cost impact
- Restoration of an irrigation control point
- Landscape additions
- Gate 1 frame replacement
- Gate 38 Time Delay Relay
- Addition of supplemental biometric reader
- Add erosion control fabric for soil stabilization

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

2. Authorization to Add TSA Funded Contingency to the Final Guaranteed Price Amendment to the Construction Manager as Constructor (CMc) Agreement with Michael Kinder & Sons (MKS) for the Checked Baggage Inspection System (CBIS)

The Board previously awarded the Final Guaranteed Price Amendment (FGMP) for the Construction Manager as Constructor (CMc) Agreement to Michael Kinder & Sons (MKS) for the checked Baggage Inspection System (CBIS) in the amount of \$8,435,581.95. The Authority received funding from the Transportation Security Administration (TSA) to pay a major portion of this cost. TSA included a construction contingency in the amount of \$297,005 as part of their allocable funding. At the time the initial award was presented to the Board, Airport staff was not aware that this contingency amount would be included in the Other Transaction Agreement (OTA) with TSA.

Staff recommended that the Authority Board make a motion to authorize the addition of the TSA funded construction contingency in the amount of \$297,005 to the FGMP Amendment to the CMc agreement with MKS for the CBIS.

Ms. Réna Bradley seconded the motion; the motion unanimously carried.

2. ACTIVITY REPORT – JULY 2021

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

- FWA passenger growth continues to increase and our COVID recovery continues to look attractive
- Enplanements in July 2021 were reported at 36,226 up 99.05% compared to July 2020
- July 2021 enplanements feel short by 55 passengers of beating the July 2019 enplanement numbers
- Year-to-date enplanements in 2021 are up by 46.92% compared to enplanements year-to-date 2020
- We have lost some capacity with the end of the Allegiant Myrtle Beach and Phoenix flights – the Phoenix flight will be returning in October
- American will add an additional Dallas flight beginning August 17th
- Delta's second daily flight to Minneapolis will be extended through the winter months
- We remain optimistic that American's Philadelphia flight will return in November 2021
- Business travel continues to lag behind leisure travel

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- Leisure travel has started to fall back a bit now that most local school systems have resumed

3. INTRODUCTION OF ORDINANCE 21-02: ORDINANCE OF THE FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY, AUTHORIZING DECLARATION OF SURPLUS LAND AND THE DISPOSITION OF REAL ESTATE

Ordinance 21-02 was introduced by Mr. Timothy Haffner. A Public Hearing on Ordinance 21-02: Ordinance of the Fort Wayne-Allen County Airport Authority, Authorizing Declaration of Surplus Land and the Disposition of Real Estate will be held at the September 20, 2021 board meeting.

4. CONSIDERATION AND APPROVAL OF THE 2022 FWACAA BUDGET

Ms. Robin Strasser gave a presentation to the Board regarding the 2022 FWACAA Operating and Capital Budgets related to the Operating Fund, Debt Service Fund and the Cumulative Building Fund. Ms. Strasser was happy to report to the Board that preparation for the 2022 budget began in March 2021 and the 2022 proposed budget was presented to the airlines on August 4, 2021. The airlines had favorable comments regarding the proposed 2022 budget which included a proposed decrease in landing fees and apron fees and also an increase in terminal rental rate per square foot.

2022 Budget Summary is as follows:

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| Fort Wayne-Allen County Airport Authority 2022 Budget Summary | | | |
|--|----------------|---------------|-------------|
| | 2021B | 2022B | % Change |
| Operating Fund | | | |
| Revenues | \$ 39,064,823 | \$ 21,833,868 | -44.1% |
| Expenditures | | | |
| Personal Services | 7,202,419 | 7,711,351 | 7.1% |
| Supplies | 3,008,339 | 3,167,920 | 5.3% |
| Contractual Services | 4,963,415 | 5,045,623 | 1.7% |
| | 15,174,173 | 15,924,894 | 4.9% |
| Capital Outlays | 22,777,000 | 5,065,164 | -77.8% |
| Property Tax Caps (reduction in revenue) | 579,490 | 572,400 | -1.2% |
| Total Expenditures | 38,530,663 | 21,562,458 | -44.0% |
| Operating Fund - Budget Surplus (Deficit) | \$ 534,160 | \$ 271,410 | -49.2% |
| Debt Service Funds (3) - Combined Total | | | |
| Revenues | \$ 2,129,929 | \$ 867,915 | -59.3% |
| Expenditures | | | |
| Bond Principal and Interest | 2,301,508 | 1,728,747 | -24.9% |
| Debt Service Funds - Budget Surplus (Deficit) | \$ (171,579) | \$ (860,832) | -401.7% |
| Cumulative Building Fund | | | |
| Revenues | \$ 572,805 | \$ 613,221 | 7.1% |
| Expenditures | 10,000,000 | - | -100.0% |
| CBF - Budget Surplus (Deficit) | \$ (9,427,195) | \$ 613,221 | 106.5% |
| Summary - All Funds | | | |
| Revenues | \$ 41,767,557 | \$ 23,315,004 | -44.2% |
| Expenditures | 50,832,171 | 23,291,205 | -54.2% |
| All Funds - Budget Surplus (Deficit) | \$ (9,064,614) | \$ 23,799 | 100.3% |

The Airport Authority's recommendations for the 2022 budget included the following:

Operating Fund Revenue = \$21,833,868

Debt Service Fund Revenue = \$867,915

Cumulative Building Fund Revenue = \$613,221

Operating Fund Expenses = \$21,562,458 (net of \$572,400 estimated 2022 property tax cap credits)

Debt Service Fund Expenses = \$1,728,747

Cumulative Building Fund Expenses = \$0

Estimated tax rates per \$100 of assessed valuation associated with these budgets were reported as follows: Operating Fund - \$0.0333; Debt Service Funds (combined total) - \$0.0067; and Cumulative Building Fund - \$0.0033.

Authority staff anticipates presenting the budgets to the County Council on September 16, 2021 with the Council adopting the budget on October 21, 2021.

Mr. Timothy Haffner made a motion to approve the 2022 Fort Wayne-Allen County Airport Authority Budget as presented by Authority staff. Mr. Jerry Henry seconded the motion; the motion unanimously carried.

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5. OTHER BUSINESS

Mr. Hinderman informed board members that staff had one item to bring before the board under Other Business. Mr. Hinderman informed board members he would be asking for their consideration and approval to move forward with legal action to obtain Avigation Easements over two properties in the vicinity of Smith Field Airport.

Mr. Hinderman explained that the FAA has established the requirement for all airports to maintain obstruction free approach surfaces to all runways. Airport Authority staff have been working with the neighborhood just west of the approach end of Runway 5 at SMD for a couple of years to maintain an obstruction free approach. Mr. Hinderman reported that 15 total properties have been impacted. To date the Airport Authority has obtained avigation rights over 11 properties, clearance rights over one property and anticipate closing on an avigation easement on an additional property on August 17, 2021. Mr. Hinderman indicated he believes Airport Authority staff is at an impasse with the last two property owners. Mr. Hinderman also noted that formal notices of potential condemnation have been sent to the two property owners effected.

Staff requested approval from the board to pursue the use of Eminent Domain to acquire the Avigation Easements that supports the FAA FAR 77 approach surfaces for 1517 W Ludwig Road (property owned by Mr. Joe Tocci) and 1504 Ludwig Park Drive (property owed by Mr. Leo and Ms. Judy Herendeen).

Board members inquired how long staff had been working on obtaining the required easements and Mr. Hinderman indicated staff has been diligently working on this for over 2 years. Board members also commented that the general public supports the operation of SMD and the community wants to see SMD remain open; the acts of two individual property owners can not dictate the Airport Authority's ability to operate SMD.

Mr. Timothy Haffner made a motion to provide approval for Airport Authority staff to pursue negotiations and if necessary the use of Eminent Domain legal action to obtain Avigation Easements on the property defined as 1517 West Ludwig Road and the property defined as 1504 Ludwig Park Drive. Mr. Jerry Henry seconded the motion; the motion unanimously carried.

6. ADJOURNMENT

Mr. Timothy Haffner moved to adjourn the August 16, 2021, Regular Session Board Meeting at 3:26 p.m. Mr. Gregg Sengstack adjourned the meeting.

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EXECUTIVE SESSION:

An Executive Session was held prior to the regular session board meeting in the Airport Authority N210 Board Room, on August 16, 2021 at 2:30 p.m. at the 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)(7).

Attendance:

Richard B. (Barry) Sturges, Jr., President; absent

Gregg Sengstack, VP; present

Timothy T. Haffner, Secretary; present

Jerome F. (Jerry) Henry, Jr.; present

Kimberly Wagner; absent

Réna Bradley; present

Mr. Mike Deam; present

Mr. Tom Trent; present

Mr. Scott Hinderman; present

Mr. Joe Marana; present

Ms. Robin Strasser; present

Mr. Patrick Dooley; present

Ms. Stephanie Veit; present

Ms. Mary Easterday; present

By signing the minutes of the August 16, 2021, 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