

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

Regular Session

August 22, 2022

3:00 p.m.

A meeting of the Fort Wayne-Allen County Airport Authority Board was held on August 22, 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 3:07 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. 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
Mike Deam, Airport Authority Attorney
Tom Trent, Airport Authority Attorney
Justin Treft, FBO General 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 3:07 p.m. Mr. Sturges noted that board members Ms. Réna Bradley and Mr. Timothy Haffner 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 August 22, 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 -Aye
The motion carried.

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ADMINISTRATIVE CONSENT AGENDA:

- Approval of Board Minutes – 07.18.2022
- Review & Approval of Claims #22-08
- Accounts Receivable Report

BID CONSENT AGENDA:

- (1) Consideration and Award of Proposals for the Purchase and Commissioning of a New Airfield Lighting Control and Monitoring System

Authority staff had solicited proposals for a new airfield lighting and control and monitoring system (ALCMS) for the Fort Wayne International Airport. The new ALCMS will control and monitor the status of the lighting system and send alarms to the ATCT as required. The system will monitor the percentage of lights out on a lighting system, provide automated insulation resistance meggering of the airfield lighting circuits, and monitor the status of the stand-by generator, the automatic transfer switches, and utility power.

In response to the Request for Proposals, the Authority received two submittals. One submittal was from Eaton Crouse Hinds and the other was from ADB Safegate. A team of four Authority personnel completed an evaluation of the proposals to include scoring criteria based on the firm's experience, acceptability of the system being proposed, training, plan for transition to the new system, system maintenance and price. Review of the proposals indicated that ADB meets the technical requirements contained in the proposal documents. ADB submitted an offer for all equipment in the amount of \$212,699.33 compared to Easton's offer of \$185,509.00.

Staff recommended that the Board award this purchase to ADB Safegate as the offer whose proposal has been determined to be the most advantageous to the Authority in the amount of \$212,699.33.

CONTRACT CONSENT AGENDA:

- (1) *Contingency Change Order Authorization Number 6 – Fort Wayne International Airport West Terminal Expansion with Michael Kinder & Sons (MKS) – AIP 77*

This increase is in the amount of \$255,355.21. This amount will come from the already approved owner's construction contingency in the MKS contract. This leaves a balance of \$1,987,011.57. The majority of the change order is an upgrade to our CUPPS system. An upgrade is necessary so that more gate capacity can be added to the system. Additional items include computer room racks, windowsill modifications, heavy floor prep costs, security power supplies, storm line in the clerestory, and costs relating to sealant.

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

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2. ACTIVITY REPORT – JULY 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:

- July 2022 enplanements were reported at 34,334 down 5.22% compared to July 2021 enplanements and up 15.82% year-to-date
- Capacity continues to decline with July 2022 capacity down 9.3% in flights and 11.8% in seats compared to July 2021
- Mr. Hinderman informed Board members that Delta had communicated with FWA that we would be losing our Detroit flight effective October 5, 2022; while this is a great disappointment it is not surprising; Delta has indicated that the flight could be reinstated in the summer of 2023
- Delta will also begin flying larger aircraft on the Minneapolis and Atlanta flights out of FWA – while we are losing the Detroit flight our total Delta capacity will be increasing; we anticipate an increase in Delta capacity of 54 seats a day with these changes
- Delta has indicated that a lag in demand in small markets, high operating costs along with the pilot shortage have contributed to the need to cut routes
- American has announced that beginning October 6th the Charlotte flight will add an additional flight a day and will be flying 3 flights daily between Charlotte and FWA
- Mr. Hinderman informed board members he continues to work with the Airlines to increase capacity at FWA

3. CONSIDERATION AND APPROVAL OF FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY 2023 BUDGET

Ms. Robin Strasser gave a presentation to the Board regarding the 2023 FWACAA Operating and Capital Budgets related to the Operating Fund, Debt Service Fund and the Cumulative Building Fund. Ms. Strasser reported to the Board that preparation for the 2023 budget began in March 2022 and the 2023 proposed budget was presented to the airlines on August 1, 2022.

The budget presentation and staff recommendations for the 2023 Budge were as follows.

Operating Fund Budget

Revenues	\$	56,858,676
Expenditures		
Personal Services	\$	8,491,443
Supplies	\$	5,423,430
Contractual Services	\$	5,727,675
Capital Outlays	\$	69,679,254
	\$	89,321,802
Property Tax Caps	\$	723,410
Operating Fund Budget Deficit	\$	(33,186,536)

Debt Service Fund Budget

Revenues	\$	1,521,263
Expenditures	\$	1,888,355
Debt Service Fund Deficit	\$	(367,092)

Cumulative Building Fund

Revenues	\$	590,426
Expenditures	\$	-
Cumulative Building Fund Surplus	\$	590,426

The 2023 budget will see an \$35M increase in revenues including \$27.5M increase in anticipated federal grants and \$1.5M increase in state grants for capital projects, \$900K increase in airline terminal rent, \$2M increase in parking lot revenue, and \$3.1M in various other revenue categories. Ms. Strasser noted the terminal rental rate will decrease in 2023 but because the square footage that each airline will be leasing will increase due to the terminal expansion, the result will be an increase in airline terminal rent.

Ms. Strasser also noted the large capital outlays outlined in the 2023 budget are a result of expenditures for the East Expansion Project, and the \$33,186,536 deficit in the operating budget will be made up with funds currently in cash reserves. Ms. Strasser also noted these deficits were anticipated and the Authority has been building its cash reserves for some time for that purpose.

Estimated tax rates per \$100 of assessed valuation associated with these budgets were reported as follows:

Operating fund = \$0.0326

Debt Service Funds (combined total) = \$0.0111

Cumulative Building Fund = \$0.0033

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Ms. Strasser informed board members that staff anticipates presenting the budget to the County Council on September 22, 2022 with the council set to adopt the budget on October 20, 2022.

Mr. Timothy Haffner made a motion to approve the 2023 Fort Wayne-Allen County Airport Authority budge as present by authority staff. 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 -Aye
The motion carried.

4. NEW BUSINESS

Mr. Hinderman indicated staff had one additional item which would need to come before the board for consideration and approval.

Mr. Hinderman informed board members that staff have executed a purchase agreement from Baer Field, LLC regarding the purchase of two separate parcels totaling 45.7 acres (former Baer Field Race Track). The purchase price for the two parcels is \$700,000. Authority staff have requested a title search and updated survey on the two parcels.

Mr. Hinderman requested a ratification of the purchase agreement, and approval from the board to support the purchase of the property located at 4331 Winters Road for \$700,000. Mr. Hinderman noted that staff anticipate closing on the property purchase within the next 30 days.

Mr. Tim Haffner moved that the board ratify the purchase agreement for the property located at 4331 Winters Road (formerly known as the Baer Field Race Track) and provide approval for staff to move forward with the purchase of the property with a purchase price of \$700,000. 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 -Aye
The motion carried.

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

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5. ADJOURNMENT

Mr. Haffner moved to adjourn the August 22, 2022, Regular Session Board Meeting at 3:31 p.m.
Mr. Sturges adjourned the meeting.

EXECUTIVE SESSION:

An Executive Session was held prior to the regular session board meeting on August 22, 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; present

Timothy T. Haffner, Secretary; present*

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

Kimberly Wagner; present*

Réna Bradley; present*

Mr. Mike Deam; 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

**electronic meeting participation*

By signing the minutes of the August 22, 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