

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne-Allen County Airport Authority Board Meeting

A meeting of the Fort Wayne-Allen County Airport Authority Board was held in the Airport Authority Conference Room, Suite 210, 3801 W. Ferguson Road, Fort Wayne, Indiana 46809, pursuant to proper legal notice and was called to order on May 24, 2010 at 3:04 p.m. by Mr. Barry Sturges, Vice-President.

ATTENDANCE:

AIRPORT

AUTHORITY BOARD MEMBERS:

Michael S. Gouloff, President, absent
Richard B. (Barry) Sturges, Jr., VP, present
Timothy J. Haffner, Secretary, present
Cornelius B. "Neil" Hayes, absent
Jerome F. (Jerry) Henry, Jr., present
Benjamin "Ben" T. Johnston, present

AIRPORT AUTHORITY STAFF

& LEGAL COUNSEL PRESENT:

Tory Richardson, Director of Airports
Scott Hinderman, Director Ops. & Facilities
Ray Young, Human Resources Manager
Sheryl Kelly, Sr. Manager Eng. Services
Dave Young, Air Service Development
Patrick Dooley, VP Airport Development
Rebecca Ross, Property Manager
Tim O'Donnell, SMD Supervisor
Ronnie Portis, Controller/Treasurer
Sabrina Driver, Staff Accountant
Janice Lewis, Staff Accountant
Dennis Logan, Airport Authority Attorney
Mike Deam, Airport Authority Attorney

CALL TO ORDER:

Mr. Sturges, VP, called the meeting to order at 3:04 p.m.

CONSIDERATION & APPROVAL OF TODAY'S AGENDA:

Mr. Haffner made a motion to approve the May 24, 2010 Board Meeting Agenda with the following revision: Removal of the following *Agenda Items, under Item # 7 Leases Review and Approval:*

- *Agreement between Mark E and Rochelle N. Vachon & FWACAA to Purchase Real Estate*
- *First Amendment to Ramp Lease between FWACAA & Mercury Air Center Ft. Wayne, LLC a/k/a Atlantic Aviation, LLC*
- *Second Amendment to Standard Building Lease between FWACAA & Mercury Air Center Ft. Wayne, LLC a/k/a Atlantic Aviation, LLC*

Mr. Johnston seconded the motion; motion unanimously carried.

CONSIDERATION & APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

Mr. Haffner made a motion to approve the Administrative Consent Agenda as follows:

- Board Meeting Minutes: 04.19.10
- Claims #10-05
- Federally Funded Projects Summary
- Locally Funded Projects Summary
- Accounts Receivable Report

Mr. Henry seconded the motion; motion unanimously carried.

CONSIDERATION & APPROVAL OF CONTRACT CONSENT AGENDA (WITH EXECUTIVE DIRECTOR'S AUTHORITY TO EXECUTE): PRSA, R.W. Armstrong, Addendum No. 4 - Amendment No. 2, Northwest Perimeter Road Reconstruction and Extension Design, Bid and Construction Phase Services – Additional Design Phase Services.

Amendment No. 2 to Addendum No. 4 provides for Additional Design Phase services for the Northwest Perimeter Road Reconstruction and Extension project, to expedite the approval for the design of the storm water drainage and detention design.

Mr. Haffner made a motion to approve Amendment No. 2 to Addendum No. 4, which provides for Additional Design Phase services for the Northwest Perimeter Road Reconstruction and Extension project, to expedite the approval for the design of the storm water drainage and detention design. Motion includes signature authority for the Executive Director of Airports:

Mr. Henry seconded the motion, motion unanimously carried.

CONSIDERATION & APPROVAL OF PROPERTY/LIABILITY & WORKERS' COMPENSATION INSURANCE RENEWAL:

Mr. Richardson introduced Mr. Bill Niezer, representative of Wells Fargo Insurance. Mr. Niezer presented the property, liability and workers' compensation insurance renewal proposal(s) to the Board for consideration.

Mr. Niezer reported a very favorable renewal for the 2010/2011 policy term. The annual premium has been reduced by \$43,800 or 12%.

There have been sixteen workers compensation claims the last three years; no reported claims this year.

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- Property: Although our property values have increased by 2.7%, our expense went down 8%. The current average insurance industry figures are trending at a 2.9% reduction over last year at this time.
- Auto: Even with the addition of the new ARFF vehicle, snow broom and end loader (total new purchase cost of \$825,537 thus increasing the value of our fleet), our auto premium is down 2% from last year.
- Workers Compensation: We are down 10% over last year's cost. Industry wide it is trending 2% lower than last year. This can be attributed to staff efforts to identify potential safety issues and train on those categories. Furthermore, the staff is vigilant on safety and strives to keep injuries down – we had no workers compensation claims in the last claim cycle.
- Liability: We are down 28% over last year's costs. This is due to two factors: we have had only a few claims and we have not paid any, plus this exposure is based on estimated enplanements for the coverage period. The current trend is a 4.4% reduction over that year.

Our levels of coverage and deductibles have remained the same between the two insurance premium periods.

Mr. Niezer praised Ms. Ross and Mr. Young for their proactive, hard work which has helped to keep the rates down.

No formal board action required.

ACTIVITY REPORT:

Mr. Young stated figures are up ten percent (10%) compared to the same time last year. The Myrtle Beach flight is doing well and business travel has increased. Load factor is 86%.

Mr. Richardson noted that aircraft operations figures in the Activity Report are not accurate until the FAA provides the final data 30-45 days after the month of activity.

COMMITTEE REPORT:

The Real Estate and Airport Development Committee met May 24, 2010 (just prior to today's Board Meeting). Minutes will be in next month's board packet.

The lease that comes before the Board with Committee and Staff recommendation for approval along with signature authorization for the Executive Director of Airports was presented under the Agenda item: "*Lease Review and Approval*".

LEASE: CONSIDERATION & APPROVAL:

First Amendment to Standard Building Lease between FWACAA & Ivy Tech Community College: Lease of the School Building at 902 W. Ludwig Road at Smith Field Airport:

The amendment is the First Amendment to the Standard Building Lease between Ivy Tech Community College and the Authority regarding lease of the school building at 902 W. Ludwig Road at Smith Field Airport.

The amendment comes before the board with Staff and Real Estate Committee recommendation for Board approval, with Executive Director's signature authority.

Mr. Haffner made a motion to approve the First Amendment to the Standard Building Lease between the Fort Wayne-Allen County Airport Authority & Ivy Tech Community College: Lease of the School Building at 902 W. Ludwig Road at Smith Field Airport, to include signature authorization for the Executive Director of Airports. The amendment extends the lease term through January 31, 2011. After that and until July 31, 2011, the terms shall be on a month-to-month basis with either party having the right to terminate upon thirty days notice to the other. All other terms of the lease remain in effect. Mr. Johnston seconded the motion, motion unanimously carried.

CONSIDERATION & APPROVAL OF AMENDMENT TO TRAFFIC & REVENUE IMPROVEMENT PROGRAM (TRIP):

Mr. Richardson explained that The Traffic & Revenue Improvement Plan (TRIP) is designed to financially reward the airlines for making decisions that would increase passenger traffic at Fort Wayne International Airport (FWA). The plan has been in place since 2007. The changes staff is seeking approval for would allow staff some flexibility to allow TRIP to address small service providers (regional carriers) that may come and go from our market based on what the coding carrier desires. As an example, United may actually have a number of regional carriers operating to/from FWA for the United service. We would not want to incentivize United or the regional carriers for substituting service back and forth between providers (net gain and/or loss is zero). However, we may choose to offer TRIP to the regional carrier if they chose to operate the trip at their financial risk and/or assuming the coding carrier decided it no longer wanted to serve that market. This would allow us to continue to have service or to add a new service with an existing carrier.

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Mr. Richardson gave hypothetical examples regarding utilization of the financial incentives. Mr. Haffner commented that TRIP is not unlike an abatement.

Staff supports the revisions and has worked with legal counsel on the appropriate changes. TRIP is promoted to the airlines and has been successful at enhancing Minneapolis service, Allegiant's service, and American's service to Dallas.

Mr. Haffner made a motion to approve the Amendment to the Traffic & Revenue Improvement Program (TRIP), with signature authorization for the Executive Director of Airports. The term will of TRIP will expire no later than June 30, 2011. Mr. Henry seconded the motion, motion unanimously carried.

CONSIDERATION & APPROVAL OF 2011 BOARD MEETING SCHEDULE:

For scheduling purposes, board members have indicated that they appreciate receiving board meeting dates early in the year. The 2011 Board Meeting Schedule was presented for consideration and approval.

Mr. Haffner made a motion to approve the 2011 Board Meeting Schedule. Mr. Johnston seconded the motion; motion unanimously carried.

CONSIDERATION & APPROVAL OF 2011 HOLIDAY SCHEDULE:

The 2011 Holiday Schedule was presented for consideration and approval.

There are two different holiday schedules. Each list has the same number of holidays; but departments that work seven days a week are realizing some of the holidays when they actually happen as opposed to the Administrative Staff who work five days a week.

Mr. Haffner made a motion to approve the 2011 Holiday Schedule. Mr. Henry seconded the motion; motion carried.

OTHER BUSINESS:

GFOA CAFR Award – Mr. Richardson explained that each year the requirements for financial reporting change. The Authority's Accounting Department has managed to stay on top of these changes and produce an outstanding Comprehensive Annual Financial Report (CAFR). Since 1989, this is the 20th consecutive year that the Accounting Department has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This award is for the significant accomplishment of completing the Comprehensive Annual Financial Report – December 31, 2008.

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The Government Finance Officers Association is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL and Washington D.C.

Mr. Richardson recognized the following staff members for their dedicated work and congratulated them on their accomplishment:

- Craig Williams, A.A.E., Director Administration & Finance
- Ronnie Portis, CPA, Controller & Treasurer
- Sabrina Driver, Staff Accountant
- Janice Lewis, Staff Accountant

The Board thanked and praised the Accounting Staff for a job well done. Mr. Haffner stated that there will be a press release regarding the award.

Intern – Mr. Logan introduced Brendan Murphy, a Senior at Canterbury High School. Brendan is interning at Rothberg, Logan & Warsco, LLP, Law Firm. He will attend Dartmouth in the fall.

Long Drive Competition – The competition will be held May 26, 2010 from 3:00 p.m. until 7:00 p.m. at the Air Trade Center. All money received from the participants (\$10 donation) will be donated to Riley Hospital for Children and United Way of Allen County.

ADJOURNMENT:

Mr. Haffner made a motion to adjourn the May 24, 2010 Board meeting at 3:30 p.m.

SIGNATURES ARE ON FILE

Barry B. Sturges
Board VP

Timothy J. Haffner
Board Secretary