

ST. JOSEPH COUNTY AIRPORT AUTHORITY DISTRICT BOARD

MAY 23, 2019

THURSDAY

The Board meeting of the St. Joseph County Airport Authority District was called to order at 11:30 a.m. on Thursday, May 23, 2019, by President Bernard J. Asdell.

Present: Bernard J. Asdell, President
Thomas S. Botkin, Vice President
Abraham Marcus, Treasurer/Assistant Secretary
David R. Sage, Secretary

Comprising a quorum of the St. Joseph County Airport Authority District Board; also present at the meeting were:

Mike Daigle, CEO & Executive Director
Mitch Heppenheimer, Attorney
Tim O'Donnell, Vice President Operations & Maintenance
Aaron Kobb, Vice President Finance & Administration
Julie Curtis, Vice President of Marketing & Development
Lisa Jump, Vice President of Human Resources
Cliff Jenkins, Maintenance Manager
Tyler Miller, Operations Manager
Kerianne Linn, Properties Manager
Mike Ornat, Safety Chief
Karen Gorbitz, Staff Accountant
Melanie Roberson, Staff Accountant
Sue Oakley, Accounting/Purchasing Assistant
Allie Schmidt, Marketing Intern
Sandy Schick, Administrative Assistant/Recording Secretary

Richard Ives, Friend of the Authority

Dr. Asdell introduced the first item on the Agenda, approval of the Minutes from the April 25, 2019, Board meeting.

Mr. Sage moved, and Mr. Botkin seconded the motion to approve the Minutes from the Board meeting held on April 25, 2019.

There being no comments, questions, or discussion, with a unanimous vote, the motion carried.

The next item on the Agenda is approval of the Payroll Warrants dated May 3, 2019.

Mr. Botkin moved, and Mr. Marcus seconded the motion to approve the Payroll Warrants dated May 3, 2019.

There being no comments, questions, or discussion, with a unanimous vote, the motion carried.

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The next item on the Agenda is approval of the Payroll Warrants dated May 17, 2019.

Mr. Sage moved, and Mr. Marcus seconded the motion to approve the Payroll Warrants dated May 17, 2019.

There being no comments, questions, or discussion, with a unanimous vote, the motion carried.

The next item on the Agenda is the approval of the Invoice Vouchers and Claim Payments per the Schedule dated May 23, 2019.

Mr. Marcus moved, and Mr. Botkin seconded the motion to approve the Invoice Vouchers and Claim Payments as per the Schedule dated May 23, 2019.

Mr. Botkin questioned the payment to the Hertz Corporation, Check #9044 in the amount of \$146.00 for a refund for an overpayment of concession fees for 2017 – 2018. Mr. Daigle stated they overpaid the concession fees. It was an error on their part.

Mr. Botkin questioned who VSBM is regarding the payment to Gibson-Lewis, LLC, Check #9099 in the amount of \$15,372.00 for material and labor for improvements to the VSBM Visitors Center in the Terminal Building. Ms. Curtis explained that VSBM is the South Bend-Mishawaka Convention & Visitors Bureau or Visit South Bend-Mishawaka.

There being no further questions, comments, or discussion, the motion carried. Mr. Sage abstained from voting.

Dr. Asdell introduced the next item on the Agenda.

FINANCIAL STATEMENT FOR THE MONTH OF MARCH 2019.

Mr. Sage moved, and Mr. Botkin seconded the motion to accept the Financial Statement report for the month of March 2019.

Mr. Kobb referred to the Statement of Revenue Disbursements and Activity (Cash Basis) for the period ending March 31, 2019. Refer to the attached report.

Mr. Kobb remarked that the Total Operating Revenues continue to increase. Total Operating Expenses were relative to a timing issue when the invoices were received and paid.

There being no questions, comments, or discussion, with a unanimous vote, the motion carried to accept the report.

FINANCIAL STATEMENT (STATEMENT OF NET POSITION) FOR THE PERIOD ENDING MARCH 31, 2019.

Mr. Botkin moved, and Mr. Marcus seconded the motion to accept the Financial Statement (Statement of Net Position) report for the period ending March 31, 2019.

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Mr. Kobb referred to the Financial Statement (Statement of Net Position) for the period ending March 31, 2019. Refer to the attached report.

Mr. Kobb commented that Cash and Cash Equivalents were up slightly for the first quarter of 2019. Total Current Assets are up significantly for the first quarter of 2019 and the Total Net Position is down slightly for the first quarter of 2019.

There being no, comments, or discussion, with a unanimous vote, the motion carried to accept the report.

Dr. Asdell introduced the next two (2) items on the Agenda, Tabled and Unfinished Business, which there is none and Continuing Business, which there is none.

Dr. Asdell introduced the next item on the Agenda, New Business.

NEW BUSINESS

Dr. Asdell introduced: CONSIDERATION TO APPROVE A ONE (1) YEAR EXTENSION TO THE OPERATING PERMIT BETWEEN THE ST. JOSEPH COUNTY AIRPORT AUTHORITY AND CHAMPION COACH, A CHARTER BUS GROUND TRANSPORTATION COMPANY.

Mr. Sage moved, and Mr. Marcus seconded the motion to approve a one (1) year extension to the operating permit between the St. Joseph County Airport Authority and Champion Coach, a Charter Bus ground transportation company.

There being no questions, comments, or discussion, with a unanimous vote, the motion carried.

Dr. Asdell introduced: CONSIDERATION TO APPROVE A ONE (1) YEAR EXTENSION TO THE OPERATING PERMIT BETWEEN THE ST. JOSEPH COUNTY AIRPORT AUTHORITY AND ROYAL EXCURSION, A CHARTER BUS GROUND TRANSPORTATION COMPANY.

Mr. Botkin moved, and Mr. Sage seconded the motion to approve a one (1) year extension to the operating permit between the St. Joseph County Airport Authority and Royal Excursion, a Charter Bus ground transportation company.

There being no questions, comments, or discussion, with a unanimous vote, the motion carried.

Dr. Asdell introduced: CONSIDERATION TO APPROVE AN EXTENSION TO THE LEASE AGREEMENT WITH TSA FOR SPACE AT THE AIR COMMERCE CENTER (ACC) TO DECEMBER 31, 2019.

Mr. Marcus moved, and Mr. Botkin seconded the motion to approve an extension to the lease agreement with TSA for space at the Air Commerce Center (ACC) to December 31, 2019.

There being no questions, comments, or discussion, with a unanimous vote, the motion carried.

ST. JOSEPH COUNTY AIRPORT AUTHORITY DISTRICT BOARD

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Dr. Asdell introduced the Executive Director's Report.

THE EXECUTIVE DIRECTOR'S REPORT

Mr. Daigle referred to the 2019 Composite Statistic Chart for the period ending March 31, 2019. Please refer to the attached 2019 Composite Statistic Chart. Mr. Daigle commented that every airline reported an increase in enplanements for the month of March 2019. The total enplanements for the month were 40,371. Mr. Daigle indicated that the last time the Airport Authority reported 40,000 plus enplanements for one month was October of 2000. The increased air service has contributed to the increase in Aircraft Landed Weight, Aircraft Operations, Aviation Fuel Flowage, Car Rental Sales, Restaurant/Gift Shop Sales, and Republic Parking Gross Sales month after month.

Mr. Daigle stated the South Shore is down about 5,600 passengers for the year and the bus passengers are down about 5,300 for the year as a result of not being able to support the established bus schedules to the Chicago airports. It also appears more passengers are now flying directly from South Bend.

Mr. Daigle congratulated Lisa Jump, Vice President of Human Resources, for completing her master's degree in Human Resources from Columbia Southern University.

Dr. Asdell introduced: PRIVILEGE OF THE FLOOR

There were no comments from the floor.

Dr. Asdell introduced: ADJOURNMENT

Dr. Asdell asked for a motion to adjourn the meeting.
There was a motion by Mr. Marcus and seconded by Mr. Botkin to adjourn the meeting.
The Board meeting was adjourned at 11:43 a.m.

ST. JOSEPH COUNTY AIRPORT AUTHORITY DISTRICT BOARD

By:  A.S.
David R. Sage, Secretary

Written By: Michael A. Daigle, A.A.E

St. Joseph County Airport Authority
 Revenues, Disbursements, and Activity (Cash Basis) - SUMMARY
 For the Three Months Ending Sunday, March 31, 2019

	March 2018	March 2019	Incr/(Decr)	2018 YTD	2019 YTD	Incr/(Decr)
Operating revenues:						
Airfield	\$70,464.91	\$76,490.40	\$6,025.49	\$188,159.23	\$202,996.58	\$14,837.35
Terminal - Aviation	144,128.03	163,668.21	19,540.18	427,669.84	481,213.05	53,543.21
Terminal - Nonaviation	15,656.22	17,397.69	1,741.47	48,023.10	52,255.68	4,232.58
Concessions	127,231.58	132,002.64	4,771.06	313,905.89	341,989.64	28,083.75
Parking	263,566.69	329,812.51	66,245.82	680,195.91	826,208.34	146,012.43
FBO	47,311.62	40,601.30	(6,710.32)	142,225.64	120,204.35	(22,021.29)
Building and Land Rents	35,250.08	36,462.56	1,212.48	116,964.01	171,529.66	54,565.65
Other	0.00	0.00	0.00	10,000.00	10,000.00	0.00
Total Operating Revenues	\$703,609.13	\$796,435.31	\$92,826.18	\$1,927,143.62	\$2,206,397.30	\$279,253.68
Operating expenses:						
Employee Expenses	\$379,839.08	\$406,674.05	\$26,834.97	\$1,238,332.06	\$1,251,294.51	\$12,962.45
Supplies	85,818.44	92,771.49	6,953.05	248,016.47	293,130.03	45,113.56
Repairs	53,499.94	38,478.18	(15,021.76)	120,568.28	200,737.21	80,168.93
Service Contracts	954.21	9,301.78	8,347.57	14,745.91	25,466.64	10,720.73
Marketing/Advertising	31,337.58	47,892.33	16,554.75	119,966.67	116,037.09	(3,929.58)
Utilities (Gas, Water, Elec)	67,187.55	71,059.65	3,872.10	212,215.33	195,795.55	(16,419.78)
Other Services and Charges	130,254.94	144,090.87	13,835.93	219,247.07	407,526.53	188,279.46
Total Operating Expenses	\$748,891.74	\$810,268.35	\$61,376.61	\$2,173,091.79	\$2,489,987.56	\$316,895.77
Operating income	(\$45,282.61)	(\$13,833.04)	\$31,449.57	(\$245,948.17)	(\$283,590.26)	(\$37,642.09)
Other revenues:						
Property taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other tax distributions	26,370.83	34,362.08	7,991.25	79,112.49	103,086.24	23,973.75
Interest & investment revenue	13,176.03	25,602.06	12,426.03	44,515.77	76,797.98	32,282.21
Federal grant - LEO	4,706.80	24,292.60	19,585.80	13,590.20	24,292.60	10,702.40
Other revenue	807.17	11,054.86	10,247.69	4,433.49	11,358.36	6,924.87
Total Other Revenues	45,060.83	95,311.60	50,250.77	141,651.95	215,535.18	73,883.23
Total Income	(\$221.78)	\$81,478.56	\$81,700.34	(\$104,296.22)	(\$68,055.08)	\$36,241.14
Capital Activity						
Capital Grants	\$69,438.00	\$297,549.57	\$228,111.57	\$284,947.00	\$1,071,204.57	\$786,257.57
Capital Spending	(123,964.37)	(395,581.38)	(271,617.01)	(459,227.77)	(759,538.39)	(300,310.62)
Net Activity	(\$54,526.37)	(\$98,031.81)	(\$43,505.44)	(\$174,280.77)	\$311,666.18	\$485,946.95
Debt Service Activity						
Tax Revenue/Interest	\$1,473.24	\$3,380.42	\$1,907.18	\$2,148.70	\$12,153.89	\$10,005.19
Passenger Facility Charge Revenue	987.09	162,395.63	161,408.54	272,977.30	395,692.05	122,714.75
Bond Principle Payment	0.00	0.00	0.00	0.00	0.00	0.00
Bond Interest Exp. & Fees	0.00	0.00	0.00	(850.00)	(1,050.00)	(200.00)
Net Activity	\$2,460.33	\$165,776.05	\$163,315.72	\$274,276.00	\$406,795.94	\$132,519.94
Cum Building Activity						
Airline Revenue Guarantee-AA	\$0.00	\$0.00	\$0.00	\$0.00	(\$284,432.00)	(\$284,432.00)
State Grant Revenue - AA	0.00	0.00	0.00	0.00	291,780.00	291,780.00
Tax Revenue/Interest	\$3,855.67	\$6,743.51	\$2,887.84	\$11,932.48	\$21,263.20	\$9,330.72
Net Activity	\$3,855.67	\$6,743.51	\$2,887.84	\$11,932.48	\$28,611.20	\$16,678.72

St. Joseph County Airport Authority
STATEMENT OF NET POSITION

	3/31/2018	3/31/2019
Assets		
Current Assets:		
Unrestricted:		
Cash and cash equivalents	\$4,105,451.78	\$4,633,670.54
Tax Revenue	3,005,236.43	3,073,662.24
Accounts Receivable (net of allowance)	947,710.53	1,105,429.45
Intergovernmental Receivable	(1.06)	(1.06)
Air Commerce Center - Other	(0.16)	(0.16)
Total Unrestricted Current Assets	\$8,058,397.52	\$8,812,761.01
Restricted:		
Cash and cash equivalents:		
Construction Funds	\$2,031,309.69	\$2,031,309.69
Passenger Facility Charge Fund	992,366.79	1,547,402.37
Customer Facility Charge Fund	1,046,002.54	1,600,847.54
Debt Service Reserve	500,000.00	500,000.00
Bond and Interest Fund	1,170,076.37	1,134,315.82
PFC Bond Reserve	0.00	1,421,012.50
Cumulative Building Fund	1,136,112.16	972,075.64
Rainy Day Fund	434,321.35	472,357.52
Excess Levy fund	214.52	214.52
Other Funds	81,409.28	97,053.73
Total restricted current assets	\$7,391,812.70	\$9,776,589.33
Total current assets	\$15,450,210.22	\$18,589,350.34
Noncurrent Assets:		
Capital assets:		
Land	\$36,016,101.39	\$36,016,101.39
Buildings (net of accumulated depreciation)	43,636,956.53	42,111,737.33
Airfield (net of accumulated depreciation)	5,998,750.32	5,153,803.32
Equipment (net of accumulated depreciation)	1,452,725.78	1,113,320.57
Total capital assets	\$87,104,534.02	\$84,394,962.61
Total assets	\$102,554,744.24	\$102,984,312.95
Deferred outflows of resources:		
Deferred Outflows	\$925,855.50	\$925,855.50
Total Assets and Deferred Outflows	\$103,480,599.74	\$103,910,168.45

St. Joseph County Airport Authority
STATEMENT OF NET POSITION

	3/31/2018	3/31/2019
Liabilities		
Current liabilities:		
Unrestricted:		
Accounts payable	\$159,126.39	\$556,344.45
Deferred revenue (rent pd in advance)	96,618.26	96,618.26
Compensated absences	232,658.71	0.00
Retainage Payable	56,999.90	56,999.90
Other current liabilities	7,900.70	7,964.11
Total unrestricted current liabilities	\$553,303.96	\$717,926.72
Restricted:		
General obligation bonds payable	\$1,305,000.00	\$1,305,000.00
Contracts payable	447,761.64	447,761.64
Customer Deposits	12,833.33	12,833.33
Total restricted current liabilities	\$1,765,594.97	\$1,765,594.97
Total current liabilities	\$2,318,898.93	\$2,483,521.69
Noncurrent liabilities:		
Unrestricted:		
Compensated absences	\$133,553.05	\$0.00
Net pension obligation	2,698,788.00	2,698,788.00
Total noncurrent unrestricted liabilities	\$2,832,341.05	\$2,698,788.00
Restricted:		
General obligation bonds payable (net of unamortized premiums and discounts)	9,509,073.39	9,509,073.39
Total noncurrent restricted liabilities	\$9,509,073.39	\$9,509,073.39
Total noncurrent liabilities	\$12,341,414.44	\$12,207,861.39
Total liabilities	\$14,660,313.37	\$14,691,383.08
Deferred Inflow of Resources		
Deferred pension inflow	\$274,945.00	\$274,945.00
Total Liabilities and Deferred Inflow of Resources	\$14,935,258.37	\$14,966,328.08
Net Position:		
Net investment in capital assets	\$78,439,020.93	\$75,729,449.52
Restricted for debt service	2,662,443.16	4,602,730.69
Restricted for capital assets	1,136,112.16	972,075.64
Unrestricted	6,307,765.12	7,639,584.52
Total net position	\$88,545,341.37	\$88,943,840.37

2019 COMPOSITE STATISTIC CHART



	Airline Enplanements			Aircraft Landed Weight			Air Cargo			Aircraft Operations										
	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%					
Jan	23,057	24,334	27,446	3,112	12.79%	36,170,333	37,338,558	45,119,355	7,780,797	20.84%	1,784,156	1,843,758	1,800,406	-43,352	-2.35%	1,976	2,090	2,469	379	18.13%
Feb	24,174	23,589	30,163	6,574	27.87%	35,332,224	34,116,427	43,915,750	9,799,323	28.72%	1,704,796	1,774,488	1,685,905	-88,583	-4.99%	2,635	2,564	2,905	341	13.30%
Mar	30,085	31,761	40,371	8,610	27.11%	44,036,966	44,471,024	54,550,047	10,079,023	22.66%	2,147,721	1,851,234	1,957,265	106,031	5.73%	2,601	3,405	3,443	38	1.12%
Apr	23,877	26,440				38,725,078	38,592,178				1,874,776	1,717,205				3,116	3,124			
May	24,522	27,042				38,246,453	40,158,989				2,074,980	2,069,079				3,400	3,241			
Jun	25,310	31,349				38,511,352	47,137,609				2,269,959	2,054,333				3,458	3,377			
Jul	24,798	32,358				37,304,662	48,676,256				1,766,312	1,850,470				3,477	4,174			
Aug	23,548	33,370				39,768,928	50,721,887				2,207,242	2,110,500				3,456	3,555			
Sep	24,188	32,843				38,900,636	50,567,236				2,036,532	2,207,003				4,132	4,654			
Oct	29,311	37,330				42,587,981	54,636,739				2,042,061	1,942,067				4,156	3,923			
Nov	26,675	35,608				40,074,807	52,171,472				1,989,064	1,825,215				3,623	3,103			
Dec	25,946	32,853				39,406,140	49,320,627				1,866,760	1,706,870				2,278	2,890			
Ann. Totals	305,491	368,877				469,065,610	547,905,002				23,764,379	22,952,222				38,308	40,100			
YTD	77,316	79,684	97,980	18,296	22.96%	115,539,523	115,926,009	143,585,152	27,659,143	23.86%	5,636,673	5,469,480	5,443,576	-25,904	-0.47%	7,212	8,059	8,817	758	9.41%

Comments: International - General Aviation first flight 6/30/2017
American Airlines - Service started 6/7/2018 to DFW & CLT, Twice Daily

2019 COMPOSITE STATISTIC CHART



	Aviation Fuel Flowage - Gallons				Car Rental - Gross Sales				Restaurant/Gift Shop - Gross Sales				Republic Parking - Gross Sales							
	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%
Jan	409,200	405,970	508,391	102,421	25.23%	\$551,344	\$567,289	\$688,471	\$131,182	23.12%	\$136,403	\$148,963	\$168,895	\$19,932	13.36%	\$281,405	\$285,292	\$310,436	\$25,144	8.81%
Feb	422,850	436,183	563,504	127,321	29.19%	\$556,406	\$595,332	\$682,397	\$87,065	14.52%	\$132,327	\$146,779	\$180,879	\$34,100	23.23%	\$272,330	\$271,854	\$343,289	\$71,435	26.28%
Mar	460,833	536,600	626,890	90,290	16.83%	\$688,330	\$795,129	\$889,712	\$94,583	11.90%	\$173,640	\$194,745	\$239,253	\$44,508	22.85%	\$344,829	\$350,756	\$439,565	\$88,809	25.32%
Apr	479,786	505,154				\$772,959	\$778,450				\$153,747	\$156,803				\$298,071	\$317,946			
May	475,368	466,824				\$888,201	\$909,603				\$137,831	\$162,292				\$251,104	\$274,283			
Jun	460,411	483,691				\$852,879	\$1,001,124				\$162,251	\$206,732				\$252,216	\$296,506			
Jul	487,983	552,415				\$1,020,548	\$1,371,950				\$170,922	\$206,437				\$231,311	\$297,498			
Aug	499,209	696,916				\$1,002,616	\$1,317,134				\$158,419	\$209,213				\$227,856	\$296,295			
Sep	576,969	901,028				\$948,835	\$1,234,325				\$165,255	\$206,175				\$223,596	\$287,693			
Oct	641,684	700,954				\$1,013,253	\$1,145,256				\$188,698	\$218,985				\$290,328	\$359,033			
Nov	505,764	668,753				\$784,073	\$1,008,292				\$162,142	\$211,669				\$281,462	\$334,068			
Dec	438,498	588,774				\$597,304	\$749,294				\$159,552	\$184,283				\$234,547	\$287,249			
Ann. Totals	5,858,555	6,973,242				\$9,676,748	\$11,477,178				\$1,901,187	\$2,253,076				\$3,169,055	\$3,658,473			
YTD	1,292,883	1,378,763	1,698,785	320,032	23.21%	1,796,080	1,957,750	\$2,270,580	\$312,830	15.98%	442,370	490,487	\$589,027	\$88,540	20.09%	898,564	907,902	\$1,093,290	\$185,388	20.42%

Comments:
 International - General Aviation first flight 6/30/2017
 American Airlines - Service started 6/7/2018 to DFW & CLT, Twice Daily

2019 COMPOSITE STATISTIC CHART



	South Shore Passengers				South Shore Ops.				Bus Passengers				International Flights - GAF							
	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%	For Ref. 2017	2018	2019	Diff.	%
Jan	14,626	15,027	14,125	-902	-6.00%	207	195	186	-9	-4.62%	2,788	2,912	1,741	-1,171	-40.21%	0	10	6	4	-40.00%
Feb	16,499	16,778	12,881	-3,897	-23.23%	188	180	166	-14	-7.78%	2,060	1,889	1,792	-97	-5.13%	0	9	11	2	22.22%
Mar	18,235	21,211	20,397	-814	-3.84%	209	199	197	-2	-1.01%	1,192	1,995	1,788	-207	-10.38%	0	10	7	3	-30.00%
Apr	23,040	20,509				200	182				2,803	2,257				0	7			
May	20,085	19,452				208	185				2,997	2,651				0	13			
Jun	22,143	20,965				202	181				3,533	2,720				1	13			
Jul	27,623	25,692				206	209				3,718	2,818				7	7			
Aug	22,887	22,069				209	192				3,248	2,408				15	8			
Sep	23,618	20,944				200	190				2,892	1,483				10	12			
Oct	25,870	18,422				208	201				2,917	1,907				7	20			
Nov	21,387	22,997				201	193				2,528	1,921				7	16			
Dec	24,761	22,575				217	194				3,020	2,083				11	7			
Ann. Totals	260,794	246,641				2,455	2,301				33,696	27,044				58	132			
YTD	49,360	53,016	47,403	-5,613	-10.59%	604	574	549	-25	-4.36%	6,040	6,796	5,321	-1,475	-21.70%	0	29	24	5	-17.24%

Comments: International - General Aviation first flight 6/30/2017
American Airlines - Service started 6/7/2018 to DFW & CLT, Twice Daily