

ST. JOSEPH COUNTY AIRPORT AUTHORITY DISTRICT BOARD

SEPTEMBER 26, 2019

THURSDAY

The Board meeting of the St. Joseph County Airport Authority District was called to order at 11:30 a.m. on Thursday, September 26, 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
Julie Curtis, Vice President of Marketing & Development
Aaron Kobb, Vice President Finance & Administration
Cliff Jenkins, Maintenance Manager
Kerianne Linn, Properties Manager
Tyler Miller, Operations Manager
Mike Ornat, Safety Chief
Karen Gorbitz, Staff Accountant
Melanie Roberson, Staff Accountant
Sue Oakley, Accounting/Purchasing Assistant
Michelle Reedy, Temporary HR Assistant

Richard Ives, Friend of the Authority

Dr. Asdell call to order the St. Joseph County Airport Authority District Board meeting at 11:30 a.m.

Dr. Asdell introduced the first item on the Agenda, approval of the Minutes from the August 29, 2019, Board meeting.

Mr. Botkin moved, and Mr. Sage seconded the motion to approve the Minutes from the Board meeting held on August 29, 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 September 6, 2019.

Mr. Sage moved, and Mr. Botkin seconded the motion to approve the Payroll Warrants dated September 6, 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 September 20, 2019.

Mr. Marcus moved, and Mr. Sage seconded the motion to approve the Payroll Warrants dated September 20, 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 September 26, 2019.

Mr. Sage moved, and Mr. Botkin seconded the motion to approve the Invoice Vouchers and Claim Payments as per the Schedule dated September 26, 2019.

Mr. Botkin questioned the payments to Ziolkowski Construction, Inc., for Material and Labor to Repair Water Damage to the Bus Station Counter in the Terminal Building, Check #9610 in the amount of \$6,480.68 and Material and Labor to Repair Water Damage in the Administration Area in the Terminal Building, Check #9649 in the amount of \$12,455.84.

Mr. Daigle stated that there were two (2) incidents of water damage in the Terminal Building. The first incident was in the Administration offices resulting from a ruptured heating line. Mr. Botkin questioned whether this was a roof problem. Mr. Daigle stated that the existing roof problem did not cause this water damage. The repairs to the existing roof problem will begin soon. The second incident was at the Greyhound bus line ticket counter area resulting from a frozen Fire Sprinkler pipe. Insurance claims have been submitted to the insurance company for the water damage at both locations.

Insurance claims have been submitted to the insurance company for the water damage.

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

Dr. Asdell introduced the next item on the Agenda.

FINANCIAL STATEMENT FOR THE MONTH OF JULY 2019.

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

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

Mr. Kobb commented we are now able to compare month to month the impact that the new American Airlines air service has had on enplanements and a direct increase in revenue.

Mr. Kobb remarked that Operating Revenues increased Year-to-Date \$594,724.68. Total Operating Expenses increased due to repairs taking place in the Concourse and the timing when

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invoices were received and then paid. Total Other Revenues increased in July. The Airport Authority received approval for AIP Grant 53 and will be reimbursed for approximately \$700,000.00.

Mr. Sage questioned Other Services increasing \$126,922.92 and it being a timing issue. Also, it has increased Year-To-Date \$277,987.77. Mr. Kobb stated there were also some projects that were budgeted for which caused the increase. Mr. Sage questioned if it would even out with the budget by the end of the year. Mr. Kobb explained it may and it may not. Mr. Marcus questioned Other Revenue. Mr. Kobb stated our tax distributions and our interest drives that. The way in which we have segregated our bank accounts, our interest on those accounts is doing very well. Mr. Daigle commented that our Federal Grant – LEO has also had a significant increase in July 2019. Mr. Kobb stated that the Other Revenue increase is also due to the water damage and insurance reimbursements.

There being no further questions, 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 RESOLUTION 2019-06, THE ST. JOSEPH COUNTY AIRPORT AUTHORITY 2020 BUDGET.

Mr. Sage moved, and Mr. Marcus seconded the motion to approve Resolution 2019-06, the St. Joseph County Airport Authority 2020 Budget.

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

Dr. Asdell introduced: CONSIDERATION FOR APPROVAL TO AWARD THE PUBLIC ADDRESS SYSTEM PROJECT TO ESCO COMMUNICATIONS IN THE AMOUNT OF \$155,317.00; AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO IMPLEMENT THE AWARD AND EXECUTE THE NECESSARY DOCUMENTATION.

Mr. Sage moved, and Mr. Botkin seconded the motion to table this approval to award the Public Address System project to Esco Communications in the amount of \$155,317.00.

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 LEASE AGREEMENT WITH SKYWEST FOR OVERFLOW PARKING IN THE ERA LOT.

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Mr. Botkin moved, and Mr. Marcus seconded the motion to approve a one (1) year extension to the lease agreement with SkyWest for Overflow Parking in the ERA Lot.

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 LEASE AGREEMENT WITH DELTA AIRLINES FOR GLYCOL STORAGE.

Mr. Marcus moved, and Mr. Sage seconded the motion to approve a one (1) year extension to the lease agreement with Delta Airlines for Glycol Storage.

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

Dr. Asdell introduced: CONSIDERATION TO APPROVE THE USE OF THE TAX REVENUE FUND NO. 18 IN THE AMOUNT OF \$2,307,713.00 FOR THE DESIGN AND CONSTRUCTION OF THE NEW PAID PARKING LOT EXPANSION AND ROADWAY PROJECT.

Mr. Marcus moved, and Mr. Botkin seconded the motion to approve the use of the Tax Revenue Fund No. 18 in the amount of \$2,307,713.00 for the design and construction of the new Paid Parking Lot Expansion and Roadway Project.

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

Dr. Asdell introduced: CONSIDERATION TO APPROVE THE USE OF THE CUSTOMER FACILITY CHARGE FUND NO. 15 IN THE AMOUNT OF \$1,954.793.00 FOR THE DESIGN, RECONSTRUCTION, AND EXPANSION OF THE RENTAL CAR PARKING LOT PROJECT.

Mr. Sage moved, and Mr. Marcus seconded the motion to approve the use of the Customer Facility Charge Fund No. 15 in the amount of \$1,954.793.00 for the design, reconstruction, and expansion of the Rental Car Parking Lot Project.

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

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 July 31, 2019. Please refer to the attached 2019 Composite Statistic Chart.

There has been an increase of 15.72% in Enplanements for the month of July 2019, and Year-to-Date an increase of 21.00% in Enplanements. Aircraft Landed Weight also increased 49,306,912 pounds year-to-date. Aircraft Operations was down for the first time this year 4.10%. Aviation Fuel Flowage increased, Car Rental Sales, Restaurant/Gift Shop and Republic Parking Gross Sales all increased due to increased Enplanements. There continues to be a decline in South Shore Passengers and they are down across the entire line. Bus Passengers

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declined again as a result of un-reliable service. International Flights substantially increased in July. August and September also saw increased activity in International Flights – GAF, which will be reported later.

Mr. Daigle announced that on October 26, 2019, the Airport Authority will be hosting an Aviation Education Day on the northside of the Airport. It will be open to the public and we will also be working with the Boy Scouts to assist the Scouts in getting their Aviation Merit Badges.

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. Sage and seconded by Mr. Botkin to adjourn the meeting.
The Board meeting was adjourned at 11:50 a.m.

ST. JOSEPH COUNTY AIRPORT AUTHORITY DISTRICT BOARD

By:



Abraham Marcus, Assistant Secretary

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

St. Joseph County Airport Authority
 Revenues, Disbursements, and Activity (Cash Basis) - SUMMARY
 For the Seven Months Ending Wednesday, July 31, 2019

	July 2018	July 2019	Incr/(Decr)	2018 YTD	2019 YTD	Incr/(Decr)
Operating revenues:						
Airfield	\$61,109.58	\$78,924.03	\$17,814.45	\$454,038.77	\$492,720.90	\$38,682.13
Terminal - Aviation	154,964.61	161,711.72	6,747.11	1,028,122.90	1,128,007.83	99,884.93
Terminal - Nonaviation	17,116.72	19,202.97	2,086.25	111,356.02	130,724.30	19,368.28
Concessions	173,229.72	189,115.32	15,885.60	873,321.91	965,324.00	92,002.09
Parking	267,903.39	272,658.03	4,754.64	1,657,673.07	2,015,284.55	357,611.48
FBO	40,391.83	42,684.95	2,293.12	301,604.52	283,778.26	(17,826.26)
Building and Land Rents	38,064.67	37,417.70	(646.97)	341,146.98	346,149.01	5,002.03
Other	0.00	0.00	0.00	13,000.00	13,000.00	0.00
Total Operating Revenues	\$752,780.52	\$801,714.72	\$48,934.20	\$4,780,264.17	\$5,374,988.85	\$594,724.68
Operating expenses:						
Employee Expenses	\$492,200.56	\$417,854.47	(\$74,346.09)	\$3,040,029.93	\$3,023,556.36	(\$16,473.57)
Supplies	83,687.59	91,339.21	7,651.62	535,659.44	533,715.49	(1,943.95)
Repairs	54,562.31	145,208.40	90,646.09	291,567.14	564,349.88	272,782.74
Service Contracts	5,191.84	8,656.39	3,464.55	50,635.42	72,635.14	21,999.72
Marketing/Advertising	27,954.46	45,205.78	17,251.32	281,413.10	239,731.97	(41,681.13)
Utilities (Gas, Water, Elec)	56,809.61	49,528.22	(7,281.39)	437,352.12	406,807.68	(30,544.44)
Other Services and Charges	319,694.17	446,617.09	126,922.92	806,751.64	1,084,739.41	277,987.77
Total Operating Expenses	\$1,040,100.54	\$1,204,409.56	\$164,309.02	\$5,443,408.79	\$5,925,535.93	\$482,127.14
Operating income	(\$287,320.02)	(\$402,694.84)	(\$115,374.82)	(\$663,144.62)	(\$550,547.08)	\$112,597.54
Other revenues:						
Property taxes	\$0.00	\$0.00	\$0.00	\$1,128,713.50	\$1,311,568.87	\$182,855.37
Other tax distributions	26,370.83	34,362.08	7,991.25	331,423.83	373,943.01	42,519.18
Interest & investment revenue	18,954.56	29,156.94	10,202.38	112,253.84	188,273.35	76,019.51
Federal grant - LEO	9,902.00	19,575.40	9,673.40	41,312.20	82,191.80	40,879.60
Other revenue	712.14	57,521.49	56,809.35	12,895.83	101,665.74	88,769.91
Total Other Revenues	\$5,939.53	140,615.91	84,676.38	1,626,599.20	2,057,642.77	431,043.57
Total Income	(\$231,380.49)	(\$262,078.93)	(\$30,698.44)	\$963,454.58	\$1,507,095.69	\$543,641.11
Capital Activity						
Capital Grants	\$97,094.34	\$0.00	(\$97,094.34)	\$484,397.34	\$1,647,263.28	\$1,162,865.94
Capital Spending	34,684.35	(107,293.68)	(141,978.03)	(1,235,386.26)	(1,717,315.02)	(481,928.76)
Net Activity	\$131,778.69	(\$107,293.68)	(\$239,072.37)	(\$750,988.92)	(\$70,051.74)	\$680,937.18
Debt Service Activity						
Tax Revenue/Interest	\$1,975.17	\$5,298.40	\$3,323.23	\$1,061,205.94	\$33,297.47	(\$1,027,908.47)
Passenger Facility Charge Revenue	237,073.37	290,365.96	53,292.59	911,075.74	1,135,189.46	224,113.72
Bond Principle Payment	(650,000.00)	0.00	650,000.00	(650,000.00)	(660,000.00)	(10,000.00)
Bond Interest Exp. & Fees	(207,178.13)	0.00	207,178.13	(208,028.13)	(193,068.75)	14,959.38
Net Activity	(\$618,129.59)	\$295,664.36	\$913,793.95	\$1,114,253.55	\$315,418.18	(\$798,835.37)
Cum Building Activity						
Airline Revenue Guarantee-AA	\$0.00	\$0.00	\$0.00	\$0.00	(\$867,992.00)	(\$867,992.00)
State Grant Revenue - AA	0.00	0.00	0.00	0.00	291,780.00	291,780.00
Tax Revenue/Interest	\$5,167.20	\$5,273.46	\$106.26	\$153,032.19	\$187,075.69	\$34,043.50
Net Activity	\$5,167.20	\$5,273.46	\$106.26	\$153,032.19	(\$389,136.31)	(\$542,168.50)

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%
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%
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%
Apr	23,877	25,440	33,159	6,719	25.41%	38,725,078	38,592,178	49,157,940	10,565,762	27.38%	1,874,776	1,717,205	2,033,219	316,014	18.40%
May	24,522	27,042	33,646	6,604	24.42%	38,246,493	40,158,989	48,752,498	8,593,509	21.40%	2,074,980	2,069,079	2,414,023	344,944	16.67%
Jun	25,310	31,349	35,982	4,633	14.78%	38,511,352	47,137,609	48,069,984	932,375	1.98%	2,269,959	2,054,333	2,449,186	394,853	19.22%
Jul	24,798	32,358	37,445	5,087	15.72%	37,304,662	48,676,256	50,232,379	1,556,123	3.20%	1,766,312	1,850,470	2,344,420	493,950	26.69%
Aug	23,548	33,370				39,768,928	50,721,887				2,207,242	2,110,500			
Sep	24,188	32,843				38,900,636	50,567,236				2,036,532	2,207,003			
Oct	29,311	37,330				42,587,991	54,636,739				2,042,061	1,942,067			
Nov	26,675	35,608				40,074,807	52,171,472				1,989,084	1,825,215			
Dec	25,946	32,853				39,406,140	49,320,627				1,866,760	1,706,870			
Ann. Totals	305,491	368,877				469,065,610	547,909,002				23,764,379	22,952,222			
YTD	175,823	196,673	238,212	41,339	21.00%	268,327,108	290,491,041	339,797,953	49,306,912	16.97%	13,622,700	13,160,567	14,664,424	1,523,857	11.58%
											38,308	40,100			
											20,663	21,975	23,629	1,654	7.53%

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.	%
Jan	409,200	405,970	508,391	102,421	25.23%	\$551,344	\$567,289	\$698,471	\$131,182	23.12%	\$136,403	\$148,963	\$168,895	\$19,932	13.88%
Feb	422,850	436,183	563,504	127,321	29.19%	\$556,406	\$695,332	\$682,397	\$87,065	14.62%	\$132,327	\$146,779	\$180,879	\$34,100	23.23%
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%
Apr	479,786	505,154	579,000	73,846	14.62%	\$772,959	\$778,450	\$1,003,632	\$225,182	28.93%	\$153,747	\$156,803	\$197,310	\$40,507	25.83%
May	475,368	496,824	565,763	68,939	13.88%	\$888,201	\$909,603	\$1,078,072	\$168,469	18.52%	\$137,831	\$162,292	\$210,096	\$47,804	29.46%
Jun	460,411	483,691	558,063	74,372	15.38%	\$652,879	\$1,001,124	\$1,060,068	58,944	5.89%	\$162,251	\$206,732	\$222,560	\$15,848	7.67%
Jul	487,983	552,415	615,989	63,574	11.51%	\$1,020,548	\$1,371,950	\$1,458,011	86,061	6.27%	\$170,922	\$206,437	\$238,848	\$32,411	15.70%
Aug	499,209	696,916				\$1,002,516	\$1,317,134				\$158,419	\$209,213			
Sep	576,969	901,028				\$948,835	\$1,234,325				\$165,255	\$206,175			
Oct	641,684	700,934				\$1,013,253	\$1,149,256				\$188,698	\$218,985			
Nov	505,764	668,753				\$784,073	\$1,008,292				\$162,142	\$211,669			
Dec	438,498	588,774				\$597,304	\$749,294				\$159,552	\$184,283			
Ann. Totals	5,858,555	6,973,242				\$9,676,748	\$11,477,178				\$1,901,187	\$2,253,076			
YTD	3,196,431	3,416,837	4,017,600	600,763	17.58%	5,330,667	6,018,877	\$6,870,363	\$851,486	14.15%	1,067,121	1,222,751	\$1,457,861	\$235,110	19.23%
											\$3,169,055	\$3,658,473			
											1,931,266	2,094,135	\$2,462,966	\$368,831	17.61%

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	20,180	-329 -1.60%	200	182	194	12 6.59%	2,803	2,257	1,905	-352 -15.60%	0	7	7	0 0.00%
May	20,085	19,452	19,127	-325 -1.67%	208	185	183	-2 -1.08%	2,997	2,651	2,375	-276 -10.41%	0	13	12	-1 -7.69%
Jun	22,143	20,965	20,088	-877 -4.18%	202	181	182	1 0.55%	3,533	2,720	2,612	-108 -3.97%	1	13	8	-5 -38.46%
Jul	27,623	25,692	23,571	-2,121 -8.26%	206	209	190	-19 -9.09%	3,718	2,818	2,771	-47 -1.67%	7	7	13	6 85.71%
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	24,781	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	142,251	139,634	130,369	-9,265 -6.64%	1,420	1,331	1,298	-33 -2.48%	19,091	17,242	14,984	-2,258 -13.10%	8	69	64	-5 -7.25%

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

