

ST. JOSEPH COUNTY AIRPORT AUTHORITY DISTRICT BOARD

MARCH 26, 2020

THURSDAY

The Board meeting of the St. Joseph County Airport Authority District was called to order at 11:30 a.m. on Thursday, March 26, 2020, by President Bernard J. Asdell. Per guidelines set forth by Governor Holcomb, this Board meeting was held via teleconference.

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
Aaron Kobb, Vice President Finance & Administration

Dr. Asdell called 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, Tabled and Unfinished Business which there was none and Continuing Business which there was none.

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

NEW BUSINESS

Dr. Asdell introduced: CONSIDERATION TO APPROVE RESOLUTION 2020-02 EMPLOYEE PAY AND ALLOWANCES RESULTING FROM THE CORONAVIRUS PANDEMIC.

Mr. Sage moved, and Mr. Marcus seconded the motion to approve Resolution 2020-02 (attached).

Mr. Sage asked how the meeting with staff was received. Mr. Daigle stated that while not all staff members were pleased, they understood the measures being taken and overall, it was positive.

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 BETWEEN THE ST. JOSEPH COUNTY AIRPORT AUTHORITY AND THE TRANSPORTATION SECURITY ADMINISTRATION (TSA) FOR SPACE AT THE AIR COMMERCE CENTER (ACC) FROM JANUARY 1, 2020 TO APRIL 30, 2020.

Mr. Botkin moved, and Mr. Marcus seconded the motion to approve the extension to the lease agreement.

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Dr. Asdell asked what the delay was regarding the construction of the new TSA offices in the Terminal Building. Mr. Daigle stated the project is continuing to move forward through the various approvals.

Dr. Asdell introduced: CONSIDERATION TO APPROVE A 120 DAY EXTENSION TO THE AGREEMENT BETWEEN THE ST. JOSEPH COUNTY AIRPORT AUTHORITY AND PERFORMANCE PLUS FOR JANITORIAL SERVICES AT THE AIRPORT

Mr. Sage moved, and Mr. Botkin seconded the motion to approve the 120-day extension.

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

Dr. Asdell introduced: CONSIDERATION TO APPROVE THE RECOMMENDATION TO AWARD THE BASE BID PLUS OPTION 1 AND OPTION 2 FOR RECONSTRUCTION OF TAXIWAY B AND THE TERMINAL APRON TO REITH RILEY CONSTRUCTION CO., INC. IN THE AMOUNT NOT TO EXCEED \$18,082,000; AND STAFF REQUESTS AUTHORIZATION FOR THE CEO & EXECUTIVE DIRECTOR TO IMPLEMENT THE AWARD AND EXECUTE THE NECESSARY DOCUMENTATION.

BIDDER	BASE BID ONLY TOTAL BID PRICE (RANK)	BASE BID + OPTION 1 TOTAL BID PRICE (RANK)	BASE BID + OPTION 1 + OPTION 2 TOTAL BID PRICE (RANK)
Rieth-Riley Construction Co., Inc.	\$7,830,418.00 (1)	\$12,281,391.00 (1)	\$18,082,000.00 (1)
Walsh & Kelly, Inc.	\$8,659,700.00 (2)	\$13,426,200.00 (2)	\$20,329,500.00 (2)
A/E Estimate	\$8,483,345.60	\$13,095,161.60	\$19,548,326.20
Low Bid +/- Estimate	-7.69%	-6.21%	-7.50%

Mr. Botkin moved, and Mr. Marcus seconded the motion approving the recommendation to award and authorizing the CEO and Executive Director to implement the award and execute the necessary documentation.

Mr. Daigle stated this project would be funded 90% through the Federal AIP program, 5% by the State and 5% local Airport share. Dr. Asdell asked what the timeline for this project is. Mr. Daigle stated the bids are held for 120 days but there is currently no timetable for the project. Mr. Botkin asked if this \$18M bid represents the entire project. Mr. Daigle stated no, the total project cost is estimated at \$50M over 3 years.

Dr. Asdell introduced the Executive Director's Report.

THE EXECUTIVE DIRECTOR'S REPORT

Mr. Daigle updated the Board with the following information:

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We are working reduced schedules, and all appears to be functioning. Not getting all the work we want done, but the essentials are working and getting done. We met in small groups with each department, where possible went through the email and time of and use of PTO. While not all were happy at the end of the day it is in place right now. I am very proud of the team we have.

Approximately 2 weeks ago a weekly call was set up with the other 4 commercial airport directors in Indiana. We are conference calling to see what each is working on and planning. IND and EVV have gone to skeleton crew and are paying all their people their whole time. FWA is having people use their sick time. Those that can work remotely are doing so.

The Airline request for abatement or deferral of fees account for approximately \$145K a month: rental car counters are about \$4K a month

	Terminal Counter Rent	P.A.	Common Area	Security Fees
Allegiant	6,014	37	30,922	3,633
American	10,583	36	19,111	2,245
Delta	9,430	37	34,205	4,019
United	7,589	37	17,426	2,047
	33,616	147	101,664	11,944

Below is what some other airports are doing nationally regarding fees:

- **DEN** – rent & landing fees deferral (90 days)
- **HOU & IAH** - 6-month deferral of rents and landing fees beginning April, subject to city council approval, Pay back in 2021 over 12 months, with no interest
- **PHX** – deferral of April & May invoices, agreed to cut O&M by \$20M through June, considering a one-time credit or immediate rate reduction
- **DFW** - Waive April and May billing. Recollect July-Sept
- **BWI**- 90-day deferral on terminal rents, LF will not be adjusted.
- **SRQ** – 3-month abatement terminal rents until reconciliation Yr. 2
- **RSW** – defer April until July.
- **JAX** – rent deferral (90 days)
- **MYR** - 90 Day deferral of all invoices beginning March 23 through June 30. Billed July 1 and due July 30.
- **BTV** – rent & landing fees deferral (90 days)
- **LEX** – rent, fees & charges deferral (90 days)
- **SDF** – deferral of rents & charges with repayment in Jan-Jun 2021 (90 days)
- **ALB** – rent & landing fees waiver (30 days)
- **PWM** - Apr rent and LF payments deferred to May. Double payments in May given 30-day payment term; normal billing in June
- **SHV** - Four-month rolling deferral on rent. LF TBD
- **ECP** - Rent and LF payments deferred to July 1
- **FAT** - Rent and landing payments deferred to July 1. New rate making methodology will not go into effect on July 1

None of the Indiana airports have decided yet, but all are thinking about it.

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As of Tuesday, 2 days ago, 17 airports have agreed to some sort of deferral. About 4 or 5 are the size of SBN, almost all others are much larger. Many have done this for 90 days a few for 60 days.

Would the Board consider, allowing me to extend a 30-day deferral to the airlines and rental car agencies for their terminal rents only. We would then determine a timeframe where they must pay it back. We cannot take official action today, but I can communicate that information while we gather more information on projected savings and longer reduced revenues. Also, within that 30 days we will have more information idea on this virus possibly ending and people going back to work. The Board indicated that they are in favor, while this is not official action and will require an official action at our next Board meeting. Some discussion on cash reserves with Mr. Kobb indicating that we are good for a short while with our unrestricted cash reserves.

Senate bill has 10 billion aid for airports in it, do not know the details yet. Airline aid I also yet do not have the information available. After the house passes it and it is signed by the President, we hopefully will learn the details in it.

Thank you for doing this meeting today, it may not have been perfect, but we got required items completed and we were able to impart information to you. We will have documents for signature at our next in person meeting.

I know a lot of information today, are there any questions for the Airport Team.

Mr. Sage and Mr. Marcus both favored a deferral of fees but not abatement. Dr. Asdell favored this approach as well. Mr. Botkin favored this approach as well and asked if we had any information on the total impact this would have on Airport resources. Mr. Daigle said not at this time, it is still too early to know the impacts this will have short and long term.

Dr. Asdell introduced: PRIVILEGE OF THE FLOOR

There were no comments from the floor.

Dr. Asdell introduced: ADJOURNMENT

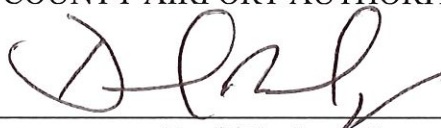
Dr. Asdell asked for a motion to adjourn the meeting.

There was a motion by Mr. Sage and seconded by Mr. Marcus to adjourn the meeting.

The Board meeting was adjourned at 11:48 a.m.

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By: _____



David R. Sage, Secretary

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