



Agenda
Indianapolis Airport Authority
October 17, 2014
8:30 AM

I. **Call to Order**

II. **Approval of Minutes of the Pre-Board and Regular Meeting of September 19, 2014**

III. **Ordinances, Resolutions and Public Hearings**

Consider, for approval/adoption, **Resolution No. 11-2014** pertaining to certain IAA Financial Policies (Debt Service Coverage, Cash & Liquidity, Asset Preservation & Capital Development, Cost Per Enplanement, and Airline Revenue Requirement)

IV. **Board Reports**

President's Report

V. **Official Actions**

Consider for approval the individual items listed on the IAA General Agenda, dated October 17, 2014.

VI. **Staff Reports**

Executive Director Report

VII. **Other Reports/Update**

VIII. **Board Communications**

Next Meeting: Friday, November 21, 2014 @ 8:30 a.m.

IX. **Adjourn**

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:32 a.m., September 19, 2014, in the Airport's Board Room at the Indianapolis International Airport.

Present at commencement of the meeting and comprising a quorum were:

Michael W. Wells, President
Kelly J. Flynn, Vice President
Alfred Bennett, Secretary
Jean Wojtowicz, Member
Jack T. Morton, Jr., Member
Karen Caswelch, Member
Dr. Philip C. Borst, Member

Rex M. Joseph, Jr., IAA Board Counsel

IAA executive staff attending:

Mario Rodriguez, Executive Director
Robert A. Duncan, Deputy Executive Director
Mike Medvescek, Sr. Director of Operations
Marsha Stone, Sr. Director of Commercial Enterprise
Joseph Heerens, General Counsel
Shannetta Griffin, Sr. Director of Planning & Development
Robert Thomson, Sr. Director of Finance
Jamie Leap, Sr. Administrative Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Mr. Flynn, seconded by Ms. Wojtowicz and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of August 15, 2014.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Wells described Resolution No. 10-2014, amending and replacing the existing Investment Policy. Upon a motion by Ms. Wojtowicz, seconded by Ms. Caswelch and unanimously passed, approval was given to Resolution No. 10-2014.

BOARD REPORTS

President's Report

None.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED September 19, 2014: President Wells introduced and then verbally described each of the individual items listed on the General Agenda, after which he asked for separate motions of approval, as follows:

BP2014-09-1. Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to BP2014-09-1.

BP2014-09-2. Upon a motion by Mr. Morton, seconded by Dr. Borst and unanimously passed, approval was given to BP2014-09-2.

BP2014-09-3. Upon a motion by Mr. Morton, seconded by Ms. Caswelch and unanimously passed, approval was given to BP2014-09-3.

BP2014-09-4. Upon a motion by Mr. Bennett, seconded by Ms. Wojtowicz and unanimously passed, approval was given to BP2014-09-4.

BP2014-09-5. Upon a motion by Mr. Morton, seconded by Dr. Borst and unanimously passed, approval was given to BP2014-09-5.

BP2014-09-6. Upon a motion by Ms. Wojtowicz, seconded by Mr. Flynn and unanimously passed, approval was given to BP2014-09-6.

STAFF REPORTS

Executive Director Report

Mr. Rodriguez recognized certain IAA employees who received the following Core Value Awards for the second quarter of 2014:

- Mr. Todd Ebbert from IAA Operations, for the core value of "Respect";
- Mr. Andrew Danner and Mr. Dayson Smith from the Airport Police Department, for the care value "Integrity";
- Ms. Vicki Hacker from Parking, for the core value of "Excellence";
- Ms. Mercedes Leon De La Fuente and Ms. Maria LaRosa from Terminal Services, for "Customer Service Excellence";
- Mr. Brian Gainey from the Airport Fire Department, as the "Unsung Hero"; and
- Mr. Dexter Salenda from Properties, for "Leadership Excellence".

ADJOURNMENT

President Wells announced that the next IAA Board meeting is scheduled for October 17, 2014. There being no further business, the meeting was adjourned at 8:39 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Michael W. Wells, President

DATED: _____

By: _____
Alfred R. Bennett, Secretary

* Signed under authority of IAA Board Resolution #6-2013



BOARD MEMO - FINANCIAL POLICIES

To: IAA Board of Directors
From: Jean Wojtowicz, Finance and Audit Committee Chair
Date: October 7, 2014
Board Date: October 17, 2014
Subject: Financial Policies

Background

On August 15, 2014 the Finance department of Indianapolis Airport Authority (“IAA”) proposed a group of independent, but by intention, related financial policies to the Finance and Audit Committee (“Committee”) for consideration. The policies were developed through evaluation of IAA’s current situation compared to other similarly situated airports. Additional data, analysis and refinements to the policy were requested and on September 19, 2014 the policies were again reviewed, discussed and approved for recommendation to the Board of Indianapolis Airport Authority. The Committee expects the policies as recommended for adoption will provide IAA staff with clear direction in areas of financial management and strategic focus in decision making.

Recommendation

The Finance and Audit Committee have reviewed the Financial Policies and the Committee Chair requests that the Board adopt Resolution No. 11-2014.

RESOLUTION NO. 11-2014

INDIANAPOLIS AIRPORT AUTHORITY

FINANCIAL POLICIES

WHEREAS, the Indianapolis Airport Authority (the "IAA" or the "Authority") is a municipal corporation organized under Indiana Code §8-22-3, with authority to exercise executive and legislative functions; and

WHEREAS, Indiana Code §8-22-3-9 and 8-22-3-11 permit the Authority's board of directors (the "Board") to adopt a system of rules and procedures, and supervise its internal affairs and employ personnel, necessary to carry out the duties, functions, and powers of the Board; and

WHEREAS, the Board's Finance & Audit Committee reviewed and recommend for adoption the proposed financial policies at its September 19, 2014 meeting; and

WHEREAS, the Board considers it appropriate and efficient to approve and adopt policies that assist the financial management of the Indianapolis Airport Authority.

NOW, THEREFORE, BE IT RESOLVED, that the Authority does hereby:

Adopt the Financial Policies (the "Financial Policies") which are attached hereto as "Exhibit A" and incorporated herein by reference.

APPROVED this 17th day of October, 2014 at the regularly convened meeting of the Board of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Michael W. Wells, President

By _____
Alfred R. Bennett, Secretary

*Signed under authority of IAA Board Resolution 10-2009

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, Secretary of the Indianapolis Airport Authority Board of Directors, hereby certify that the foregoing is a true and correct copy of Resolution No. 11-2014 adopted by the Indianapolis Airport Authority Board on the 17th day of October, 2014.

Alfred R. Bennett, Secretary

Indianapolis Airport Authority

Financial Policies

September 16, 2014

The policies below must be considered with relation to one another, together they will assist with the financial management of the Airport in a focused manner:

Debt Service Coverage Management seeks to maintain Senior Lien Bond cash coverage (also referred to as net revenue coverage) of at least 95% of the Residual airport average coverage as stated in Moody's Medians dated November 1, 2013 (2012 data), this results in minimum cash coverage of 1.18x. As a result of targeting minimum cash coverage at this level, it is anticipated Senior Lien Bond rolling debt service coverage of an acceptable level according to the Authority's Bond Ordinance will be maintained along with a Residual airline rate-setting methodology. Per the Authority's Bond Ordinance a minimum rolling coverage amount of 1.25x is required.

Cash and Liquidity Management seeks to achieve and separately maintain a minimum 400 days (targeted 500 days) cash on hand to support operating and capital needs and a minimum cash on hand level of 365 days for maximum annual future debt service. Maintaining a higher level of days cash on hand will enable the Authority to handle unanticipated and extraordinary needs should they arise. Minimum balances should be achieved prior to utilizing operating cash to retire additional debt beyond required annual debt service.

Asset Preservation and Capital Development Management seeks to maintain and preserve the Authority's infrastructure to ensure maximum utilization of Authority owned assets and invest in financially prudent and justifiable capital development to accommodate future demand. Adequate capital and operating funds shall be identified and budgeted to implement an asset preservation plan and capital improvement program which will maximize benefit from the Authority's infrastructure investments.

Cost Per Enplanement ("CPE") The above-mentioned financial policies will be goals for the continued financial health of the Authority that will be achieved with passenger airline CPE in mind. Cost per Enplaned passenger is a metric by which the Authority is measured and the Authority will put effort into continuing to maintain a reasonable and acceptable level of costs as compared to other airports similarly situated and that have completed major capital improvement programs.

Airline Revenue Requirement In addition to CPE, overall airline rates and charges (terminal rental, apron rental and landing fee per 1,000lbs of landed weight) will continue to be monitored. As the Authority seeks to achieve the goals in the financial policies above, it will be with the continued focus on maintaining all airline rates at a reasonable level as compared to other airports similarly situated and that have completed major capital improvement programs.

IAA Board Meeting
General Agenda
October 17, 2014

General:

BP2014-10-1

Consider for approval the election of Meredith Carter, David Holt, Cinda Kelley-Hutchings, and Jack Morton to the GIFTZ Board of Directors for an additional term of three years, commencing January 1, 2015

Capital Program:

BP2014-10-2

Consider for approval Plans and Specifications for Project # H-15-036, Heliport HVAC Replacement at the Downtown Indianapolis Heliport, as prepared by CMID, Inc., and authorize the public bidding process



BOARD MEMO – GIFTZ BOARD MEMBER

To: IAA Board of Directors
From: Alfred R. Bennett, GIFTZ Chairman
Date: September 30, 2014
Board Date: October 17, 2014
Subject: GIFTZ Board Members

Background

The Indianapolis Airport Authority (IAA) is the Foreign Trade Zone (FTZ) “grantee” representing Central Indiana communities. In 1980, the IAA created a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6), to administer the FTZ program. Members seated on the GIFTZ Board are either appointed or elected by the IAA Board of Directors.

The GIFTZ By-laws allow 5-15 members to be seated on the GIFTZ Board. Two of the GIFTZ Board Members consist of the Operating Director and one IAA Board Member that have no assigned term and are appointed positions by the IAA. All other GIFTZ Board Members are elected by the IAA Board and serve a three year term. The attachment to this Board Memo notes the GIFTZ Board Members along with their length of term.

Currently, the GIFTZ Board is comprised of nine individuals from various industry backgrounds that volunteer their time and expertise. It is a strategic goal to staff the GIFTZ Board with individuals that can support the marketing and business networking efforts to reach out to businesses located in 41 central Indiana counties served by the FTZ program. GIFTZ Board Members actively promote the use of the FTZ program; which in turn assists Indiana companies grow, retain jobs, and promote a balanced approach to global trade.

Scope

It is recommended that the IAA consider for approval the renewal of the following individuals to the GIFTZ Board of Directors:

- Dr. Meredith L. Carter, Retired Chancellor, Ivy Tech Indianapolis
- Mr. David Holt, Vice President of Operations and Business Development, Conexus Indiana
- Ms. Cinda Kelley-Hutchings, Executive Director, Hendricks County Economic Development Partnerships
- Mr. Jack Morton, IAA Board Member

Schedule

October 17, 2014: IAA approval of term extension for four GIFTZ Board Members, effective January 1, 2015.

Revenue and/or Operating Cost Implications

Revenue:

Not applicable.

Operating Costs:

Not applicable.

Supplier Diversity Participation

Not applicable.

Recommendation

The IAA staff recommends the IAA Board consider for approval the election of Meredith Carter, David Holt, Cinda Kelley-Hutchings, and Jack Morton to the GIFTZ Board of Directors for an additional term of three years, commencing January 1, 2015.

**2014 Greater Indianapolis
Foreign Trade Zone Board**

IAA Appointed Members (2)

Mr. Eric Anderson

Term commencement: 11/13/08
Term expires: Perpetual

Property Director
Indianapolis Airport Authority

Mr. Alfred Bennett

Term commencement: 1/1/10
Term: Perpetual

IAA Board Member

IAA Elected Members (7)

Mr. Daniel Brackemyre

Term commencement: 1/1/13
Term expires: 12/31/15

Manager of Business Development
Circle City Group LLC

Dr. Meredith L. Carter

Term commencement: 1/1/12
Term expires: 12/31/14

Retired, Chancellor of Ivy Tech
Indianapolis Campus

Mr. Stephen Dutton

Term commencement: 1/1/14
Term expires: 12/31/16

Attorney at Law
Barnes & Thornburg

Mr. David Holt

Term commencement: 11/18/11
Term expires: 12/31/14

Vice President of Operations and Business
Development
Conexus Indiana

Ms. Cinda Kelley-Hutchings

Term commencement: 11/18/11
Term expires: 12/31/14

Executive Director
Hendricks County Economic Development
Partnership.

Mr. Jack Morton

Term commencement: 11/18/11
Term expires: 12/31/14

IAA Board Member

Mr. Andrew Reinke

Term commencement: 1/1/13
Term expires: 12/31/15

President
Foreign Targets, Inc.



BOARD MEMO – PLANS & SPECIFICATIONS APPROVAL

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: September 19, 2014

Board Date: October 17, 2014

Subject: Approval of Plans and Specifications for Project # H-15-036, Heliport HVAC Replacement at the Downtown Indianapolis Heliport, and Authorize the Public Bidding Process

Background

The Downtown Indianapolis Heliport opened in 1969 as a private use heliport under the name Beeline Heliport and in December 1978 became a public use facility. In 1983 the Federal Aviation Administration (FAA) selected the heliport to be part of its National Prototype Demonstration Heliport Program, and as a result it received considerable funding for improvements and expansion.

The existing heating, ventilation, and air conditioning (HVAC) systems were installed during that expansion. The systems have received regular maintenance since then, but they are no longer able to provide adequate heating and cooling to the tenant spaces. Temperatures in the building during the 2013-14 winter season were sometimes in the low 60s; in the summer the temperatures were often in the 80s. These indoor temperatures are outside of the parameters of the lease agreements with each tenant.

CMID, Inc. prepared the plans and specifications for this project.

Scope

The scope of work includes the full replacement of the HVAC units, installation of zone controls where needed, replacement or repair of damaged insulation on ductwork, floors, and on exterior walls, and venting of restrooms.

Budget

The construction package is estimated between \$500,000.00 and \$1,000,000.00. The range is established per Federal Acquisition Regulation Subpart 36.2.

This project is included in the reforecast 2014 spend as reviewed in the approved 2015 Capital Budget. Funding for this project will be 100% Airport cash funded.

This project is being undertaken to repair critical infrastructure at an existing facility. As such, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

Advertisement of Opportunity to Bid: October 17, 2014, and October 24, 2014
Pre-Bid Meeting: October 30, 2014 2:00 pm 51 South New Jersey Street
Bid Opening: November 6, 2014 2:30 pm Building 60, Conference Room 1

Est. Bid Award: November 21, 2014

Contract award anticipated November 2014 and the substantial completion date is expected to be February 2015.

Supplier Diversity Participation

The Director of Supplier Diversity established the following participation goals:
MBE 18%, WBE 5%, and VBE 3%

Recommendation

The IAA staff recommends that the Board consider for approval Plans and Specifications for Project # H-15-036, Heliport HVAC Replacement at the Downtown Indianapolis Heliport, as prepared by CMID, Inc., and authorize the public bidding process.