



Agenda  
Indianapolis Airport Authority  
June 18, 2010  
9:00 a.m.

- I. Call to Order
- II. Approval of Minutes of the Regular Meeting of May 21, 2010
- III. Ordinances, Resolutions and Public Hearings
  - a) Introduction of **General Ordinance No. 1-2010** concerning the 2011 Indianapolis Airport Authority Budget. Initial Hearing to be held July 16, 2010.
- IV. Board Reports
  - a) President's Report
  - b) HR Committee – *Alex M. Azar II, Committee Chair*
  - c) Reliever Airports Committee – *Al Bennett, Committee Chair*
    - i. The Reliever Airports Committee recommends that the Board consider for approval adoption of **Resolution 9-2010** concerning a name change of Mount Comfort Airport to Indianapolis Regional Airport. The airport's FAA location identifier, MQJ, would remain the same.
  - d) Finance & Audit Committee – *Jean Wojtowicz, Committee Chair*
    - i. The Finance and Audit Committee recommends that the Board consider for approval adoption of Resolution 10-2010 amending the existing Investment Policy. The amendment will allow for the purchase of municipal securities.
- V. Official Actions
  - a) Introduction of the IAA Consent Calendar dated June 18, 2010.
  - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated June 18, 2010.



Indianapolis Airport Authority

VI. Staff Reports

- a) CEO Report – *John D. Clark, III*
- b) Financial Report – *Marsha Stone*

VII. Other Reports/Update

- a) IAA Land Use & Development Strategy Update - Landrum & Brown Inc.

VIII. Adjourn

The Regular Meeting of the Indianapolis Airport Authority Board of Directors was called to order at 8:35 a.m., May 21, 2010, in the Authority's Board Room at Indianapolis International Airport.

**Present and comprising a quorum were:**

Michael Stayton, President  
Lacy Johnson, Vice President  
Alfred R. Bennett, Secretary  
Alex M. Azar II, Member  
Andrew Miller, Member  
Jean Wojtowicz, Member  
Kelly Flynn, Member  
Mary Moses Cochran, Member

Advisory Members attending:

Jack Morton  
Lynn Gordon

Rex Joseph, IAA Counsel

IAA Executive Staff attending:

John D. Clark III, Executive Director/CEO  
Marsha Stone, Chief Financial Officer  
Mike Medvescek, Chief Operating Officer  
Patzetta Trice, Chief Communications Officer  
Joseph Heerens, General Counsel  
Beverly Terlaje, Executive Assistant/Recording Secretary

**APPROVAL OF MINUTES**

Upon a motion by Ms. Wojtowicz, seconded by Mr. Flynn and unanimously passed, approval was given to the Minutes of the Regular Meeting of April 16, 2010.

## **BOARD REPORTS**

### **President's Report**

President Stayton stated that he had no reports and turned the table over to Mr. Morton, who announced that last month Mount Comfort Airport hosted 300 boy scouts at an aviation campout where they learned about aerodynamics, avionics, and careers in aviation. Mr. Morton conveyed to Mr. Medvescek and Mr. Ebbing that the boy scouts expressed their appreciation to them for helping to make it a successful weekend and presented them with a plaque. Mr. Morton stated that we had a chance to make a great impression for both the airport system and particularly with Mount Comfort for the participants and thanked both Mr. Medvescek and Mr. Ebbing.

### **Human Resources Committee**

HRC Chair Alex Azar II, announced that the committee met in March and again today and stated that based on the HRC Charter that was approved in March, the committee has a full agenda to get through in terms of processes and systems for the Airport Authority in 2010. The committee approved a scope of work to look at an incentive base compensation for the IAA's officers as a first step to implementing a performance based system regarding variable compensation and will seek consulting services with respect to this process.

The committee also reviewed Mr. Clark's 2009 performance and discussed with him the performances according to the objectives that the Board set in 2009. The HRC also set the 2010 goals in terms of Mr. Clark's personal performance in line with the Board's strategic agenda for the Authority with concrete measurable objectives on each element that the Board would like achieved in 2010. The committee further discussed Mr. Clark's compensation package for 2010, and Committee Chair Azar stated that although Mr. Clark came to IAA under the terms of his agreement and eligible, he commended Mr. Clark for voluntarily suggesting that his base pay remain flat and that he not be eligible for any type of bonus or incentive pay in 2010 (to include IAA's contribution into his retirement program), in light of the state of the economy, the financial issues the Authority is dealing with, and the many sacrifices that the Authority has been asking many of its employees to make. Committee Chair Azar publicly commended Mr. Clark on his leadership.

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## **OFFICIAL ACTIONS**

**APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY CONSENT CALENDAR DATED May 21, 2010:** Upon a motion by Mr. Azar II, seconded by Ms. Bennett and passed by a majority vote, approval was given to the Consent Calendar dated May 21, 2010.

**APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY CONSENT CALENDAR DATED May 21, 2010:**

Upon a motion by Mr. Bennett, seconded by Mr. Johnson and passed by a majority vote, approval was given to accept the individual items listed on the Consent Calendar dated May 21, 2010.

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## **STAFF REPORTS**

### **CEO REPORT**

Mr. Clark had no reports, but asked Mr. Heerens, IAA's new General Counsel, to provide a brief update and overview on the Office of General Counsel.

Mr. Heerens stated that he has been in office for one month and has four (4) key objectives that he wants to accomplish in his first 60 days with the Airport Authority: (1) Develop a comprehensive understanding of the organization and how it functions; (2) Get to know the individual employees, starting with the senior team members and continuing with the directors and managers (i.e. roles, responsibilities and personalities); (3) Analyze the legal operation companywide, including how it functions, and then identify areas that are working well and those that need improvement or changes to enhance efficiency and effectiveness; and (4) Keep the day-to-day legal work flowing through this transition period. Mr. Heerens also stated that, among other things, he is looking at implementing a project management system (or software solution) for the Legal Department as well as potentially bringing in a law clerk for the summer from a local law school who may want to gain experience in a corporate legal environment. Mr. Heerens stated that by the end of the 60 day period he will be in a much better position to identify, recommend and discuss the changes that he believes would be appropriate to the organization's legal operation.

President Stayton also asked Mr. Heerens, since he is new to the organization, to provide a brief background.

## **CFO REPORT**

### **Financial Report**

Ms. Stone provided a brief update on Air Service for April 2010 and year to date. Ms. Stone was pleased to announce that April passenger results had a 6% increase over the same period for prior year and hopes that this is the start of a new trend in terms of passenger growth. Ms. Stone also provided a brief update on the Financial Report for March 2010.

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### **Greater Indianapolis Foreign Trade Zone (GIFTZ) – Presentation**

Mr. Kent Ebbing, General Manager for the Foreign Trade Zone, presented a plaque to Mr. Kelly Flynn on behalf of the GIFTZ Board in recognition of his years of service on the GIFTZ board. Mr. Ebbing also provided a brief presentation about the GIFTZ program.

### **Update on the Advisory Committee – LUAC**

Ms. Patzetta Trice provided a brief update on the advisory committee as it relates to the land use and focused on the outreach component of the land use study.

### **OTHER BUSINESS**

President Stayton recognized Kent Ray, Jason Zoch, Jeff Seifert, Greg Seiler and Renée D. Watson of Wells Fargo Advisors and thanked them for hosting today's refreshments.

### **ADJOURN**

There being no further business, the meeting was adjourned at 9:05 a.m.

INDIANAPOLIS AIRPORT AUTHORITY\*

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Michael B. Stayton, President

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Alfred R. Bennett, Secretary

Date: \_\_\_\_\_

\*Signed under authority of IAA Board Resolution 10-2009



## Board Memo – 2011 Budget Ordinance 1-2010

To: IAA Board  
From: Marsha Stone, Chief Financial Officer  
Date: May 28, 2010  
Board Date: June 18, 2010  
Subject: 2011 Budget Ordinance 1-2010

Attached is the draft template of the 2011 Budget Ordinance 1-2010. At this time staffs are still working through the final details of the 2011 Budget. This Budget Ordinance when adopted will set the maximum appropriation (expenditure) levels for 2011.

The budget process requires an Introduction, an Initial Hearing and presentation, and the Final Hearing and adoption of the Budget before August 31, 2010. The June 18, 2010 Board meeting will be the verbal Introduction of the Ordinance. The Ordinance is simply verbally introduced and no detail is discussed or presented.

The 2011 Capital Improvement Fund Budget assumptions will be reviewed in detail with the Finance and Audit Committee on June 18, 2010 at a meeting directly following the Board meeting. The Airport System Fund Budget (which includes the Operating Budget) will be reviewed in detail with the Finance and Audit Committee on June 24, 2010. Both of these budget review meetings occur in advance of the Initial Public Hearing on the Budget, which is scheduled for the July 16, 2010 Board meeting. The Final Hearing on the 2011 Budget will be held on August 20, 2010, at which time the Board will vote to accept or reject the 2011 Budget Ordinance.

The Indianapolis City-County Council (Council) requires the Board to accept the 2011 Budget Ordinance by August 31, 2010. The Council Municipal Corporations Committee will hold a hearing on October 11, 2010 to review the 2011 Budget and the Council will approve the budget on October 25, 2010.

BUDGET SUBMISSION LETTER AND CERTIFICATE

TO THE AUDITOR OF MARION COUNTY, INDIANA:

The undersigned herewith submits two copies of the Budget adopted by the Board of the Indianapolis Airport Authority for the year ending December 31, 2011, for filing and presentation to the County Tax Adjustment Board.

I certify that said copies are true and exact copies of the Budget approved by the Board on August 20, 2010, fixing the appropriations and tax levies for said year.

Dated this 20th day of August, 2010

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Michael B. Stayton  
President of the Board  
Indianapolis Airport Authority

Attest:

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Jeremiah Wise  
Treasurer  
Indianapolis Airport Authority

STATE OF INDIANA, MARION COUNTY  
INDIANAPOLIS AIRPORT AUTHORITY

I, Jeremiah Wise, Treasurer of the Indianapolis Airport Authority, do hereby certify the above and foregoing is a full, true and complete copy of General Ordinance 1-2010, that said Ordinance was passed by the Board of the Indianapolis Airport Authority on the 20th day of August, 2010, and now remains on file and record in the Airport offices.

WITNESS my hand and the Official Seal of  
the Indianapolis Airport Authority this 20th  
day of August, 2010

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Jeremiah Wise  
Treasurer  
Indianapolis Airport Authority

INDIANAPOLIS AIRPORT AUTHORITY

ORDINANCE NO. 1-2010

An Ordinance appropriating monies for the purpose of defraying the expenses of the Indianapolis Airport Authority, Marion County, Indiana, for the calendar year of 2011, including all outstanding claims and obligations, and fixing a time when the same shall take effect.

Section I - Be it ordained by the Board of the Indianapolis Airport Authority, Marion County, Indiana, that for the calendar year of 2011, the following sums of money are hereby appropriated and ordered set apart out of the funds herein named and for the purpose herein specified, subject to the laws governing the same, and subject also to the conditions provided in this Ordinance. Such sums appropriated shall be held to be made during the year, unless otherwise expressly stipulated and provided by law.

Section II - That for said calendar year there is hereby appropriated out of the Airport System Fund of said Indianapolis Airport Authority the following:

Personal Services	\$ 29,202,000
Supplies & Materials	4,278,000
Other Services and Charges	166,301,000
Capital Outlay	<u>219,000</u>
Total Airport System Fund	\$200,000,000

*NOTE: represents estimates as of 6/18/10; final numbers will be inserted in advance of 7/16/10 meeting*

That for said calendar year, there is hereby appropriated out of the Capital Improvement Fund of said Indianapolis Airport Authority the following:

Total Capital Improvement Fund	\$ 29,723,000
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*NOTE: represents estimates as of 6/18/10; final numbers will be inserted in advance of 7/16/10 meeting*

That for said calendar year, disbursements from the appropriations of the Indianapolis Airport Authority may be transferred by the Board of the Indianapolis Airport Authority from one major budget classification to another, at any regular meeting without prior notice and without approval from the State Board of Tax Commissioners, provided such transfer does not necessitate expenditure of more money than was set out in detail in the published budget.

Section III - Said moneys appropriated shall be derived from the following sources:

Airport System Funds on Hand	\$	tbd
Capital Improvement Funds on Hand		tbd
Airport Revenues		tbd
Federal and State Grants		tbd
Transfers		tbd
Interest/Federal Payments/Other		tbd
Financing		tbd
	\$	tbd

*NOTE: still finalizing amounts, Funds on Hand will be based on balances as of 6/30/10 which are not available for the 6/18/10 meeting; amounts will be inserted in advance of 7/16/10 meeting*

This Ordinance shall be in full force and effect after its passage. Enacted by the Board, August 20, 2010.

INDIANAPOLIS AIRPORT AUTHORITY\*

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Michael B. Stayton, President

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Alfred R. Bennett, Secretary

\*Signed under authority provided in Board Resolution 10-2009.



## Board Memo Change Name of Mount Comfort Airport

To: IAA Board of Directors

From: Alfred R. Bennett, Reliever Committee Chair

Date: May 28, 2010

Board Date: June 18, 2010

Subject: Change Name of Mount Comfort Airport to Indianapolis Regional Airport

### Background

The Reliever Committee received a request from Mr. Bob Palmer, co-owner of Indy Jet, the fixed base operator of Mount Comfort Airport, to consider renaming Mount Comfort Airport to Indianapolis Regional Airport to better recognize its regional role, and increase its marketability and connection to Indianapolis. Representatives from Indy Jet attended the National Business Aircraft Association (NBAA) Annual Schedulers and Dispatchers Conference and identified that the #1 issue facing their marketing efforts is that people from outside the Indianapolis area do not know that Mount Comfort is near Indianapolis.

Mr. Jack Morton has briefed the Hancock County Commissioners on the proposed name change to Indianapolis Regional Airport and there is no opposition. He also met with Mr. Dennis Maloy, Executive Director of Hancock County Economic Development Council and he supports the name change.

The Federal Aviation Administration (FAA) process to change the name of an airport involves:

- Official action by the Indianapolis Airport Authority as owner to change the name.
- Submission of a FAA Form 7480, per FAA Chicago Airports District Office request, to provide notice of the desired name change.
- FAA processing of the name change including revisions to the aeronautical publications with the new name. Since the airport has instrument approach procedures, it could take up to 18-24 months for the FAA to complete all actions to update the aeronautical publications.

- FAA completion of all actions and identification of the effective date for the new name, at which time the airport entrance sign will be updated and a request will be made to INDOT and Hancock County to update roadway signs providing direction to the airport.

With an anticipated long process time by the FAA, the Reliever Committee directed IAA staff to move forward with the paperwork necessary to apply for the name change from Mount Comfort Airport to Indianapolis Regional Airport. (See attached letter.)

#### Anticipated Costs

The anticipated cost to the IAA for the name change is to replace the sign at the entrance to the airport. INDOT bears the costs of the revisions to the highway signs.

#### Recommendation

The IAA Reliever Committee recommends that the Board consider for approval Resolution 9-2010, changing the name of Mount Comfort Airport to Indianapolis Regional Airport. The airport's FAA location identifier, MQJ, would remain the same.



Indianapolis Airport Authority

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Indianapolis, Indiana 46241  
office 317.487.9594  
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May 24, 2010

Mr. Kevin Rector, Manager  
INDOT, Office of Aviation  
100 North Senate Avenue, Room N955  
Indianapolis, IN 46204

RE: Request for Name Change  
Mount Comfort Airport

Dear Mr. Rector:

The Reliever Committee on behalf of the Indianapolis Airport Authority (IAA) respectfully requests that the name of Mount Comfort Airport be changed to Indianapolis Regional Airport to better reflect this airport's relationship to and role in the metropolitan area. Please find attached the minutes from the IAA Board's Reliever Committee meeting on May 21, 2010 approving renaming Mount Comfort Airport to Indianapolis Regional Airport.

We recognize that the Federal Aviation Administration (FAA) process to update the aeronautical publications with the new name will set the schedule for the actual name change. However, with the Super Bowl to be held in Indianapolis on February 5, 2012, it would be ideal if this change could be expedited to occur well in advance of that event to avoid any confusion.

Also enclosed is a completed copy of the FAA Form 7480, identifying the name change. If you have any questions or need additional information, please contact Susan Zellers, Airport Planner, at 317.487.5130 or szellers@indianapolisairport.com. Thank you for your assistance in this process.

Sincerely,

A handwritten signature in black ink that reads "Michael Medvescek".

Michael Medvescek  
Chief Operating Officer

enc

cc w/ enc: Melanie Myers, FAA



RESOLUTION 9-2010

WHEREAS, the Indianapolis Airport Authority is the owner of Mount Comfort Airport; and

WHEREAS, Mount Comfort Airport serves the Indianapolis metropolitan airport as a reliever airport; and

WHEREAS, with its airfield facilities Mount Comfort Airport attracts transient aircraft from outside the Indianapolis area; and

WHEREAS, to better recognize the role and connection of Mount Comfort Airport to the Indianapolis area.

NOW, THEREFORE, BE IT RESOLVED by the Indianapolis Airport Authority Board of Directors that:

1. The name of Mount Comfort Airport is changed to Indianapolis Regional Airport, subject to regulatory approval.
2. The request to change the name be provided to and processed by the Federal Aviation Administration and Indiana Department of Transportation, Office of Aviation.
3. The effective date for the name change shall take place upon final action by the Federal Aviation Administration.

Adopted this 18<sup>th</sup> day of June 2010.

INDIANAPOLIS AIRPORT AUTHORITY\*

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Michael B. Stayton, President

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Alfred R. Bennett, Secretary

\*Signed under authority provided in 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 9-2010 adopted by the Indianapolis Airport Authority Board on the 18<sup>th</sup> day of June 2010.

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Alfred R. Bennett, Secretary  
INDIANAPOLIS AIRPORT AUTHORITY



## Board Memo Investment Policy

To: IAA Board of Directors  
From: Jean Wojtowicz, Finance Committee  
Date: June 11, 2010  
Board Date: June 18, 2010  
Subject: IAA Investment Policy - Amendment

### Background

On September 18, 2009, the IAA Board adopted Resolution 12-2009; an investment policy that detailed the Authority's permitted investments. These investments are consistent with Indiana Code 5-13-9. As part of the 2010 session, the Indiana General Assembly passed HEA1336 which modifies permitted investments under IC 5-13-9.

### Current Status

As of July 1, 2010, HEA1336 will allow the Authority to invest in municipal bonds issued by Indiana-based issuers (e.g. municipalities) so long as the issuer has not defaulted within the past twenty (20) years.

The ability to invest in this product will help the Authority to (1) increase its expected interest earnings and (2) better diversify the Authority's investment portfolio.

### Recommendation

The Finance and Audit Committee recommends that the Board adopt Resolution 10-2010 amending the existing Investment Policy. The amendment will allow for the purchase of municipal securities.

RESOLUTION NO. 10-2010  
INDIANAPOLIS AIRPORT AUTHORITY INVESTMENT POLICY

WHEREAS, the Indianapolis Airport Authority ("Authority") is authorized to appoint a Treasurer under Indiana Code section 8-22-3-20; and

WHEREAS, Indiana Code section 8-22-3-20 directs the Treasurer to deposit money in accordance with Indiana Code chapter 5-13-6 and allows investments in accordance with Indiana Code chapter 5-13-9; and

WHEREAS, the Authority desires to have deposits invested according to an investment policy that will be managed by the Treasurer; and

WHEREAS, the Authority is authorized to employ a Treasurer under Indiana Code section 8-22-3-11(11) to carry out the duties, functions, and powers of the board; and

WHEREAS, the Authority has previously adopted Resolution 13-2009 on September 18, 2009 which adopted the Indianapolis Investment Policy ("Policy"); and

WHEREAS, Indiana Code 5-13-9 ("Code") was subsequently amended by the Indiana General Assembly; and

WHEREAS, the Authority desires to replace the Policy with an amended and restated investment policy to reflect the changes to the Code; and

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

- (1) Adopt the Indianapolis Airport Authority Investment Policy ("Policy"), dated June 18, 2010, which is attached hereto as Attachment I and incorporated by reference; and

APPROVED this 18th day of June, 2010 at the regularly convened meeting of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY\*

By \_\_\_\_\_  
Michael B. Stayton, 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 the Resolution adopted by the Indianapolis Airport Authority Board on the 18th day of June, 2010.

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Alfred R. Bennett, Secretary

# Indianapolis Airport Authority

## Investment Policy

### 1.0 Policy:

It is the policy of the Indianapolis Airport Authority ("Authority") to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and conforming to all state/local statutes governing the investment of public funds. In general, Authority investments must comply with IC 5-13-9 and Indiana Statute overrides any conflicting information in this policy.

### 2.0 Scope:

This Investment Policy Statement applies to the investment of all public funds by the Treasurer of the Authority or a designated representative. These funds are accounted for in the Authority Comprehensive Annual Financial Report and include:

1. Unrestricted balances
2. Restricted balances

### 3.0 Prudence:

Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion and intelligence acting in a similar capacity exercise in the management of funds for a similar type organization.

### 4.0 Objective:

The primary objectives, in priority order, of the Authority investment activities shall be:

1. Preservation of assets
2. Liquidity
3. Yield

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

4.2 Liquidity: The Authority investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated.

4.3 Return on Investments: The Authority investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Authority investment risk constraints and the cash flow characteristics of the portfolio.

#### 5.0 Delegation of Authority:

Authority shall manage Authority investments per IC 8-22-3-20 and IC 5-13-9. Management shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Responsibility for the investment program is hereby delegated to:

1. Authority Board-Appointed Treasurer
2. Authority Board-Appointed Assistant Treasurer

#### 6.0 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

#### 7.0 Authorized Financial Dealers and Institutions:

No public deposit shall be made except in a qualified public depository as established by state laws. The Treasurer will maintain a list of such qualified institutions.

Prior to making an initial deposit with a qualified institution, the Treasurer will obtain the institution's most recent Tier 1 risked-base capital ratio report. The Authority will not make an initial deposit with an institution whose Tier 1 risked-based capital ratio is less than 6%.

The Treasurer also will maintain a list of financial institutions authorized to provide investment services and a list of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Indiana. These may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following: proof of National Association of Security Dealers certification, proof of state registration, and certification of having read entity's investment policy and depository contracts.

An annual review of qualified firms will be conducted by the Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the Authority invests funds. The Treasurer will obtain Tier 1 risk-based capital ratio reports from all depositories with whom the Authority has deposits no less than quarterly. The Treasurer will report to the Finance Committee if any institution's ratio falls below 6%.

8.0 Authorized & Suitable Investments:

The Authority is empowered by statute to enter into the following types of investments per IC 5-13-9.

8.1 Securities: The Authority is empowered by statute to invest funds per IC 5-13-9 in the following types of securities:

(1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:

- (A) The United States Treasury.
- (B) A federal agency.
- (C) A federal instrumentality.
- (D) A federal government sponsored enterprise.

(2) Securities fully guaranteed and issued by any of the following:

- (A) A federal agency.
- (B) A federal instrumentality.
- (C) A federal government sponsored enterprise.
- (D) International Bank for Reconstruction and Redevelopment.
- (E) African Development Bank.

(3) Investments commonly known as money market mutual funds that are in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(A) Such investments may not exceed fifty percent (50%) of the funds held by the Authority and available for investment.

(B) Such investments shall be made through depositories designated by the State Board of Depositories as depositories for state deposits under IC 5-13-9.5.

(C) The portfolio of such investments must be limited to the following:

(1) Direct obligations of the United States.

(2) Obligations issued by any of the following:

- (a) A federal agency.
- (b) A federal instrumentality.
- (c) A federal government sponsored enterprise.

(3) Repurchase agreements fully collateralized by obligations described in subdivision (1) or (2).

(D) the form of securities in such investments must be rated either:

(1) AAAM, or its equivalent, by Standard and Poor's Corporation or its successor.

(2) Aaa, or its equivalent, by Moody's Investors Service, Inc. or its successor.

(4) Funds may be invested in deposit accounts offered by a designated depository approved by the State Board of Depositories, or fully collateralized repurchase or resale agreements with such approved depositories. (IC 5-13-4-7)

(5) Municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase.

Certificates of Deposit: Per IC 5-13-9-4, the investing officer making a deposit in a certificate of deposit shall obtain quotes of the specific rates of interest for the term of that certificate of deposit that each designated depository (any financial institution designated by the State Board of Depositories as depositories for state funds per IC 5-13-9.5) will pay on the certificate of deposit. Quotes may be solicited and taken by telephone. A memorandum of all quotes solicited and taken shall be retained by the investing officer as a public record of the political subdivision under IC 5-14-3. A deposit made under this subsection shall be placed in the designated depository quoting the highest rate of interest. If more than one (1) depository submits a quote of the highest interest rate quoted for the investment, the deposit may be placed in any or all of the designated depositories quoting the highest rate in the amount or amounts determined by the investing officer, in the investing officer's discretion.

If all of the designated depositories of a political subdivision decline to issue or receive any deposit account, or to issue or receive the deposit account at a rate of interest equal to the highest rate being offered other investors, investments may be made in the deposit accounts of any financial institution designated for state deposits as a depository by the State Board of Depositories under IC 5-13-9.5.

8.3 Repurchase Agreements: Repurchase agreements, including standing repurchase agreements, commonly known as sweep accounts, must be with depositories designated by the State Board of Depositories as depositories for state funds per IC 5-13-9.5. A repurchase agreement may only be for securities

which are issued or fully insured or guaranteed by the United States, a United States government agency, an instrumentality of the United States, or a federal sponsored enterprise. The depository shall determine daily that the repurchase agreements are fully collateralized base on the market value of securities, and the depository shall deliver additional securities to make the agreement collateralized to the required level.

8.4 Securities Lending: The Authority is authorized by IC 5-13-9-3.5(c) to lend securities provided that such an agreement is collateralized by either cash or interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United States government, a federal instrumentality, or a federal government sponsored enterprise in excess of the total market value of the loaned securities. Notwithstanding section 8.4, the Treasurer shall notify the Finance Committee (as established by the Authority Board) prior to engaging in securities lending.

8.5 Joint Investment Funds and Investment Pools: The Authority may invest in a joint investment fund with one or more political subdivisions located within the county by entering into a written master agreement that defines the rights and obligations of the participating political subdivisions per IC 5-13-9-10. The Authority must have the investing officer serve on the administering board of the fund. The administrator of the investment fund must be registered as an investment adviser with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (15 U.S.C. 80a-9 et seq.), with public funds under management in the amount of at least one hundred million dollars (\$100,000,000).

The Authority may invest in a local government investment pool established within the office of the treasurer of state per IC 5-13-9-11 and administered by the treasurer of state or another local government investment pool established under IC 36-1-7.

8.6 Other Investments: The Authority is authorized to make any other investment permitted by IC 5-13-9. Notwithstanding section 8.6, the Treasurer shall notify the Finance Committee prior to investing in any investment not specifically allowed in sections 8.1, 8.2, 8.3, and 8.5.

#### 9.0 Safekeeping and Custody:

All security transactions, including collateral for repurchase agreements, entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by monthly statement.

#### 10.0 Diversification:

Maturities shall be time diversified over a schedule determined by known liabilities and/or to achieve a target duration or weighted average maturity for the portfolio based on the judgment of the Treasurer.

The Authority may invest available deposits subject to the following restrictions:

<i>Security</i>	<i>Percent of Portfolio Eligible</i>
Deposit Accounts	100%
U.S. Treasuries	100%
Government Agencies	100%
Government Sponsored Enterprises	100%
<i>No more than 50% in a single GSE</i>	
Money Market Mutual Funds	50%
<i>No more than 25% in a single fund</i>	
Certificates of Deposit	25%
Repurchase Agreements	100%
Investment Pools	25%
Municipal Securities	100%
<i>No more than 15% in a single issuer</i>	
<i>No more than 5% aggregately with:</i>	
<i>(1) issuers that are unrated or</i>	
<i>(2) issuers that are rated below investment grade</i>	

#### 11.0 Maximum Maturities:

To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. The Authority will not directly invest in securities maturing more than two years from the date of purchase per IC 5-13-9-5.6.

#### 12.0 Reporting and Record Keeping:

The Treasurer or the highest ranking Authority staff person acting in a Treasury capacity shall provide quarterly investment reports, which provide a clear picture of the status of the current investment portfolio. The management report should include investment performance, comments on the fixed income markets and economic conditions, compliance issues, possible changes in the portfolio structure and thoughts on investment strategies.

Schedules in the quarterly report should include the following:

1. A listing of individual securities held at the end of the reporting period
2. Average life and final maturity of all investments
3. Coupon, discount or earnings rate
4. Par value, Amortized Book Value and Market Value
5. Percentage of the Portfolio represented by each investment category

The Authority should keep thorough records of all investment activity, including monthly interest reports, trade data, and account statements and maintain such records in accordance with Indiana records retention requirements.

The Treasurer shall submit an annual investment report to the Marion County Board of Finance per IC 5-13-7-7.

### 13.0 Definitions

*Government Agency* is an institution established by and controlled by the Federal Government of the United States. Examples of an agencies are: the Tennessee Valley Authority, Government National Mortgage Association (Ginnie Mae), Small Business Administration, and United States Agency for International Development.

*Government Instrumentality* is, for purposes of this policy, the same as a Government Sponsored Enterprise.

*Government Sponsored Enterprise* is a privately held corporation with public purposes created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy. Examples of GSEs for purposes of this policy include: Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), Federal Agricultural Mortgage Corporation (Farmer Mac), Federal Farm Credit Bank, and the Resolution Funding Corporation.

*This Investment Policy for the Indianapolis Airport Authority is effective as of the 18<sup>th</sup> of June 2010.*

Signed: \_\_\_\_\_

**Jeremiah Wise, Treasurer**

IAA Board Meeting  
Consent Calendar Agenda  
June 18, 2010

Consider for approval:

A) General Business

**BP2010-06-1** The Termination Agreement of the Land Lease Agreement with IndyCar Aviation, LLC.

B) Capital Program

**BP2010-06-2** The extension of an Agreement with Siemens Logistics & Assembly Systems (Siemens) during the 1<sup>st</sup> option period, commencing October 1, 2010 and terminating September 30, 2012. The total amount for this two-year option period will be \$2,176,117.

**BP2010-06-3** Approve the purchases of Snow Removal Equipment Vehicles and Equipment for a total of \$932,546 as indicated in the board memo.

**BP2010-06-4** An award of contract for Betterment Project #B-03F – Stormwater Drainage Improvements to Scenic Construction Services, Inc. in an amount not-to-exceed \$231,330.60 (Base Bid, Alternate #1 and Alternate #2) plus a 3% construction reserve of \$6,939. Scenic Construction Services, Inc. was the lowest responsive and responsible bidder. MBE 16.12% (Major Engineering & Land Surveying Inc. and Baldazo Construction), and WBE 5.10% (Bunny Trucking Inc., B & R Services and Erosion Resources & Supply Inc.).

**BP2010-06-5** An award of contract H-09-045, Hangar Rehabilitation, Phase 3 (Elevator) - Heliport to Evans Development Company, Inc. in an amount not-to-exceed \$160,500. Evans Development Company, Inc. was the lowest responsive and responsible bidder. DBE 10.85% (Electrical Mechanical Services, Inc.), MBE 10.85% (Electrical Mechanical Services, Inc.), and WBE 0%

**BP2010-06-6** Plans and Specifications for CIP/Project # H-10-023 – Heliport Ramp Rehabilitation, as prepared by Butler, Fairman & Seufert Inc., and authorize the public bidding process.

**BP2010-06-7** Plans and Specifications for CIP/Project # I-10-006 – Firehouse #2 Refurbishment, as prepared by the etica group, inc., and authorize the public bidding process.

IAA Board Meeting  
Consent Calendar Agenda  
June 18, 2010

BP2010-06-8

A change order with Evans Development Co., Inc. for Project # I-09-016 in an amount not-to-exceed \$26,740.

B) Real Estate

BP2010-06-9

The purchase of property per the attached schedule.



## Board Memo – Termination Agreement

To: IAA Board of Directors  
From: Marsha Stone, Chief Financial Officer  
Date: May 26, 2010  
Board Date: June 18, 2010  
Subject: Termination Agreement of the Land Lease Agreement (Agreement) with IndyCar Aviation, LLC for Hangar #76

### Background

IndyCar Aviation, LLC (IndyCar) currently has two (2) Land Lease Agreements (Land Lease) with the IAA. Both Land Leases contain hangar facilities (Hangar #75 and Hangar #76) that were built by Conesco, Inc. and then assigned to IndyCar on August 1, 2003.

Hangar #75's Land Lease expired on February 28, 2010, with IndyCar operating on a month-to-month basis and Hangar #76 is scheduled to expire on June 30, 2014. IndyCar has been reducing their corporate aircraft flying and desires to consolidate their operation into one (1) hangar facility. IndyCar has requested to remain in Hangar #75 and to be released from their lease obligations of Hangar #76. The IAA agreed to this request under the following conditions:

1. IndyCar execute a new Land and Building Lease Agreement for Hangar #75; incorporating a rental structure based on a percentage of appraised value of the land and building.
2. The IAA secured a new tenant for Hangar #76, with the new tenant executing a Land and Building Lease Agreement in conjunction with this Agreement.

The IAA has negotiated a new Land and Building Lease Agreement with IndyCar for Hangar #75 consisting of a one (1) year term and four (4) option terms of one (1) year each. Rental will increase from \$66,699.07 to \$103,505 annually.

Additionally, the IAA has secured Bindley Capital Partners (Bindley) as a new tenant for Hangar #76. Bindley has agreed to a five (5) year term, with two (2) option terms of five (5) years each. The rental will increase from \$83,121.91 (under the IndyCar lease) to \$96,061 annually.

Scope

This Agreement provides for the termination of the Land Lease for Hangar #76 and the releasing of the hangar to Bindley. The Agreement is effective retroactive to June 14, 2010, with the new Land and Building Lease Agreements for both IndyCar and Bindley being effective June 15, 2010.

Schedule

June 18, 2010: Execution of Termination Agreement of the Land Lease Agreement with IndyCar Aviation, LLC.

Revenue and/or Operating Cost Implications

Revenue:

Current rental for Hangar #75 is \$66,699.07 and increasing to \$103,505 annually under the new Land and Building Lease Agreement. Annual scheduled rental increases will occur during three (3) of the four (4) option terms.

Current rental for Hangar #76 is \$83,121.91 (under the IndyCar lease) and increasing to \$96,061 annually under the new Land and Building Lease with Bindley. Annual scheduled rental increases will occur during three (3) of the four (4) years, of the primary term. Rental for the option terms will be established by the Leased Premises being appraised and the tenant paying 10% of appraised value.

Net annual revenue increase for both new Land and Building Lease Agreements; is \$49,745.02.

Operating Costs:

There are no operating costs associated with this Agreement.

Supplier Diversity Participation

Not applicable.

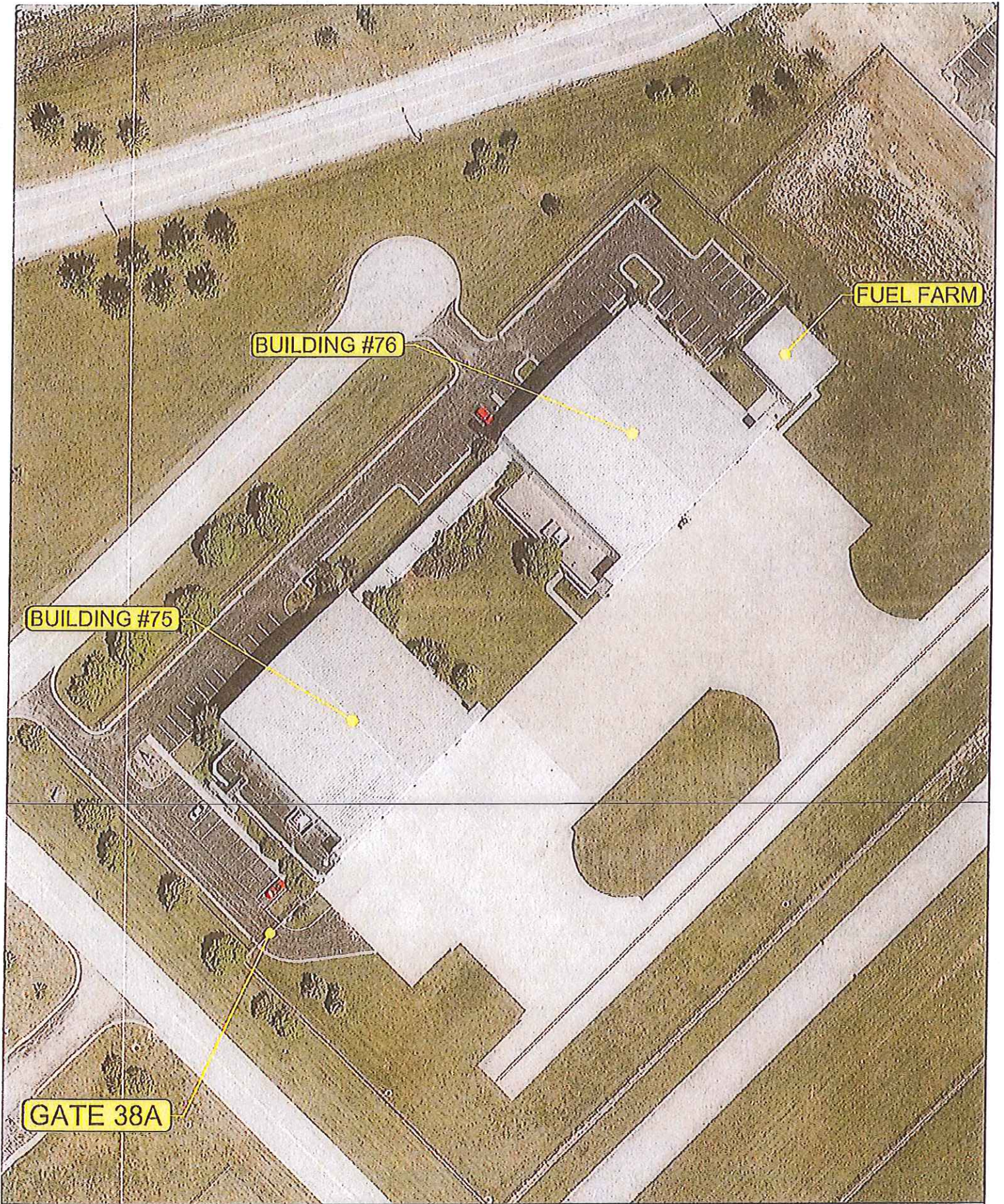
Recommendation

IAA staff recommends that the Board consider for approval the Termination Agreement of the Land Lease Agreement with IndyCar Aviation, LLC.

Attachments: Buildings 75 & 76 Area Exhibit

Bindley Capital Partners Term and Rental Structure Comparison

IndyCar Aviation, LLC Term and Rental Structure Comparison



INDIANAPOLIS INTERNATIONAL AIRPORT  
BUILDINGS 75 & 76 AREA EXHIBIT

**Bindley Capital Partners**  
**Hangar #76**  
**Term and Rental Structure Comparison**

Original Agreement (IndyCar)		Details		New Agreement (Bindley)		Details		Variance
Term		20 years		Term		5 years		
Rent Commencement Date		7/1/1994		Rent Commencement Date		6/15/2010		
*Option Term		10 years		Option Term		10 years		
Square Footage / Land		143,312.40		Square Footage / Building		18,700		
Net Rental Rate P.S.F. / Land		\$0.58		Net Rental Rate P.S.F. / Building		\$5,1369		
Annual Net Land Value Last Yr. of Term		\$83,121		Annual Net Value Year 1		\$96,061		\$12,940
Annual Tenant Improvement Rent Credit		\$0		Annual Tenant Improvement Rent Credit		\$0		
Total Net Primary Term Value (1994-2004)		\$450,609		Total Net Primary Term Value		\$497,886		
Total Net Option Term Value (2004-2010)		\$483,524		*Total Net Option Term Value		TBD		
				2010 Original Budget		\$83,124		
Required Investment		\$0		Required Investment		\$0		
Broker Commission		\$0		Broker Commission		\$0		

\*IndyCar terminating lease prior to lease expiration.

\*Option term rental to be established at 10% of appraised value.

**IndyCar Aviation, LLC**  
**Building #75**  
**Term and Rental Structure Comparison**

Original Agreement	Details	New Agreement	Details	Variance
Term	20 years	Term	1 year	
Rent Commencement Date	1/1/1990	Rent Commencement Date	6/15/2010	
Option Term	10 years	*Option Term	4 years	
Square Footage / Land	114,998.40	Square Footage / Building	18,277	
Net Rental Rate P.S.F. / Land	\$0.58	Net Rental Rate P.S.F. / Building	\$5,6631	
Annual Net Land Value Last Yr. of Term	\$66,699	Annual Net Value Year 1	\$103,505	\$36,806
Annual Tenant Improvement Rent Credit	\$0	Annual Tenant Improvement Rent Credit	\$0	
Total Net Primary Term Value (1990-2000)	\$255,672	Total Net Primary Term Value	\$103,505	
Total Net Option Term Value (2000-2010)	\$578,059	Total Net Option Term Value	\$431,800	
		2010 Original Budget	\$66,696	
Required Investment	\$0	Required Investment	\$0	
Broker Commission	\$0	Broker Commission	\$0	

\* Option term is four terms of one year each.



Indianapolis Airport Authority

## Board Memo

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: May 20, 2010

Board Date: June 18, 2010

Subject: Approval of Agreement with Siemens Logistics & Assembly Systems (Siemens) for Operation and Maintenance of the Baggage Handling System

### Background

On July 18, 2008, the Board approved a two (2) year agreement with Siemens in the amount of \$3,958,500 for the operation and maintenance of the Airport's baggage system ("Agreement"). The initial term of this Agreement commenced on October 1, 2008 and terminates on September 30, 2010; and there are four (4) options to extend this Agreement for periods of two (2) years each upon terms and conditions acceptable and negotiated by the parties.

One of the Airport Operations and Maintenance Department's ("OMD") objectives in the Strategic Plan is to reduce operation costs. In connection therewith, OMD recently began negotiating with Siemens over the financial terms that would be applicable during the first (1<sup>st</sup>) option period. During negotiations, the parties collaborated and discovered the following:

- Through increased efficiencies, Siemens can lower costs going forward.
- By continually evaluating the system's capacity requirements, savings can be realized for the IAA's benefit.

To date, Siemens has provided the IAA with extraordinary service in the operation and maintenance of the Airport's baggage system. Siemens has maintained a professional relationship with the IAA, TSA, and the airlines, and has met all regulatory requirements that TSA has implemented.

As a result of these negotiations, the IAA will now realize significant savings and reduce its costs under this Agreement by more than forty percent (40%). Siemens is willing to extend this Agreement for an additional two (2) year period, for the reduced amount of \$2,176,117 (which represents savings of \$1,782,383 to IAA). A key factor in reducing

the contract amount is that the baggage system has proven very efficient and reliable since it commenced operations in 2008.

Scope

Siemens will continue to be responsible for operation and maintenance of the system, including preventive maintenance tasks, nonscheduled repair maintenance tasks, responding to and rectifying all fault conditions, specified outbound and inbound systems in their entirety, procurement of tools and equipment required to perform maintenance, its employees, providing status reports, and cooperating in all aspects with the IAA, its representatives and/or consortium groups. Preventive maintenance and nonscheduled maintenance tasks shall be coordinated with and scheduled around the requirements of the user airline's operation.

Supplier Diversity Participation

The Director of Supplier Diversity has determined that, due to the nature of scope of work, there will be no D/M/WBE participation on this Agreement.

Recommendation

The IAA staff recommends that the Board consider for approval the extension of this Agreement with Siemens Logistics & Assembly Systems (Siemens) during the 1<sup>st</sup> option period, commencing October 1, 2010 and terminating September 30, 2012. The total amount for this two-year option period will be \$2,176,117.



## Board Memo

To: IAA Board of Directors  
From: Mike Medvescek, Chief Operating Officer  
Date: May 24, 2010  
Board Date: June 18, 2010  
Subject: Approval to purchase Snow Removal Equipment Vehicles and Equipment

### Background

The Snow Removal Equipment Replacement Program consists of two 2010 CIP Projects; #I-10-005-2196-A Snow Equipment Replacement Program and #I-10-028-2156-A Replace Snow Truck at Mt. Comfort. The CIP Projects include the purchase of the following vehicles and equipment:

- (1) Tandem Axle Tractor Truck and Lo Boy with Attachments
- (1) Single Axle Dump Truck with Attachments
- (2) Tandem Axle Dump Truck with Attachments

This equipment is for the replacement of a 15 year old (1995) tractor truck and a 31 year old (1979) lo boy, a 15 year old (1995) tandem axle dump truck; and two 10 year old salt trucks, a (2000) tandem axle dump truck and a (2000) single axle dump truck.

This equipment allows us to maintain the status quo with FAA recommendations to manage an effective and efficient snow removal operation according to AC 150/5200-30A Winter Operations. This equipment is used to remain in compliance with FAA Part 139 regulations.

On July 17, 2009 the Board approved the 2010 capital appropriations which included this equipment. The MII approvals for the Mt. Comfort truck were received in August 2009 under the condition that the new truck would stay at International and that one of the older trucks at International would be sent to Mt. Comfort. The CIP Projects were approved to move forward by Senior Management Staff on January 26, 2010 and has a budget of \$1,102,000.

For the benefits in pricing the (2010) Snow Equipment Replacement Program and Replace Snow Truck (Mt. Comfort) were combined. The Invitation for Bid was issued on April 30, 2010 and on May 20, 2010, IAA Staff received four (4) bids with one (1) of those being a no bid response.

Scope

This project is for the replacement of four (4) snow removal vehicles including equipment. One of the IAA's existing snow removal trucks located at the Indianapolis Airport will be sent to Mt. Comfort when the new equipment is received.

Schedule

Specifications were released for bid on April 30, 2010 and bids were opened on May 20, 2010. Upon notice to proceed, the expected delivery time of the completed vehicle will be 1st quarter of 2011.

Revenue and/or Operating Cost Implications

Revenue:

There is no expected revenue from this vehicle replacement project.

Operating Costs:

Maintenance costs and down time will be reduced due to warranties.

Supplier Diversity Participation

0% MBE, 0% WBE, 0% DBE

Recommendation

The IAA staff has reviewed the four (4) bids received and recommends that the Board approve the following purchases for a total of \$932,546:

- Consider for approval the issuance of a purchase order to Indy Truck Sales in a not-to-exceed amount of \$730,708. Indy Truck Sales was the lowest responsive and responsible bidder. DBE 0%, MBE 0%, and WBE 0%
- Consider for approval the issuance of a purchase order to Wiers International Trucks in a not-to-exceed amount of \$201,838. Wiers International Trucks was the most responsive and responsible bidder. A lower bid was received from Team Cruiser Conversion Company Inc (\$200,234); however the bid did not meet a total of 18 specification criteria. DBE 0%, MBE 0% and WBE 0%.



## Board Memo – Bid Award

To: IAA Board of Directors  
From: Mike Medvescek, Chief Operating Officer  
Date: May 24, 2010  
Board Date: June 18, 2010  
Subject: Award of Bid Package No. #B-03F – Stormwater Drainage Improvements to Scenic Construction Services, Inc.

### Background

On April 17, 2009, the Board approved miscellaneous projects for the betterment of the New Indianapolis Airport. That approval included Stormwater Drainage Improvements to address erosion control responsibilities under state and federal environmental permits. Stormwater drainage issues were identified at a number of locations within the new Terminal site.

During 2009, a portion of the stormwater drainage improvements were completed addressing areas near the hotel tunnel, near the North Security Identification Display Area (SIDA) gate [within Airport Operations Area (AOA)], and along the main entry road. Additional work is under contract and will be completed this year in an area near a fuel vault east of the apron.

During 2010, several areas remain to be improved as part of the betterment project. This project B-03F addresses the area along the Employee Lot, an area near the North SIDA gate (non-AOA) and near the Quick Turnaround (QTA) facility and an area along West Perimeter Road. These improvements will help prevent further soil erosion, prevent harm to the pavement in the Employee Lot and to the roadways and ensure compliance with erosion control and stormwater permit responsibilities.

On April 16 2010, the Board approved plans & specifications for CIP/Project # B-03F – Stormwater Drainage Improvements to Scenic Construction Services Inc. and authorized the public bidding process.

On May 20, 2010, the IAA staff received eight (8) bids ranging from \$213,951.71 to \$363,479.97. The lowest bid was submitted by Ski Landscape Corporation but they failed to submit a signed Contract Signature Page as stipulated in the Bid Package which made them non-responsive. Scenic Construction Services, Inc. had the lowest responsive and responsible bid in the amount of \$123,234.10 (base bid), \$42,326.50 (Alternate #1), and \$65,770.00 (Alternate #2) for a total bid of \$231,330.60.

In addition to the contract amount, IAA will be requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board and successfully implemented for the Midfield Terminal project to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

Scope

This package provides for the completion of the stormwater drainage improvements with improvements at the employee lot, the North Security Identification Display area and along West Perimeter Road. The project includes the base bid (Employee Lot), Alternate #1 (the area near the north SIDA gate and near the QTA) and Alternate #2 (along W. Perimeter Road).

Budget

The budget for drainage improvements is \$330,401. A prior drainage project was approved for \$92,130 leaving a balance of \$238,271. The total bid plus 3% construction reserve is \$238,270.

Schedule

Work is expected to start July 2010 with a substantial completion date of October 2010.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following MBE/WBE participation:

FIRM	CLASSIFICATION	AMOUNT	%
Bunny Trucking Inc.	WBE	\$5,750	2.49
B&R Services	WBE	\$240	0.10
Erosion Resources & Supply Inc.	WBE	\$5,800	2.51
Major Engineering & Land Surveying Inc.	MBE	\$2,300	0.99
Baldazo Construction	MBE	\$35,000	15.13
Totals	MBE	\$37,300	16.12
	WBE	\$11,790	5.10

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for Betterment Project #B-03F – Stormwater Drainage Improvements to Scenic Construction Services, Inc. in an amount not-to-exceed \$231,330.60 (Base Bid, Alternate #1 and Alternate #2) plus a 3% construction reserve of \$6,939. Scenic Construction Services, Inc. was the lowest responsive and responsible bidder. MBE 16.12% (Major Engineering & Land Surveying Inc. and Baldazo Construction), and WBE 5.10% (Bunny Trucking Inc., B & R Services and Erosion Resources & Supply Inc.).



## Board Memo – Bid Award

To: IAA Board of Directors  
From: Mike Medvescek, Chief Operating Officer  
Date: May 17, 2010  
Board Date: June 18, 2010  
Subject: Award of CIP/Project # H-09-045 to Evans Development Co., Inc.

### Background

The present elevator at the Indianapolis Downtown Heliport, located at 51 South New Jersey Street, was put into service in 1985 to serve the four (4) floors of the building. Due to the age of the equipment, it is not possible to get spare parts for this elevator. This has led to outages and inconveniences for the tenants of the building. The elevator does not meet current building code or ADA Guidelines.

On March 19, 2010, the Board approved plans & specifications for CIP/Project #H-09-045 and authorized the public bidding process.

On April 22, 2010, the IAA staff received two (2) bids ranging from \$160,500 to \$164,900. Evans Development Company, Inc. was the lowest responsive and responsible bidder in the amount of \$160,500.

This project was approved for implementation by the IAA Board of Directors on February 20, 2009.

### Scope

This package provides for the replacement of major components of the elevator, cab, and the elevator's equipment and controls.

### Budget

This contract is within the overall project budget of \$290,177.

The funding for this project will be from the Federal Aviation Administration's 2010/2011 Non-Primary Entitlement program that provides General Aviation Facilities \$150,000 per year in guaranteed funding for eligible projects.

### Schedule

Work is expected to start June 28, 2010 with substantial completion date of December 2010.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following DBE/MBE/WBE participation:

FIRM	CLASSIFICATION	AMOUNT	%
Electrical Mechanical Services	DBE/MBE	\$17,414.00	10.85
Totals	DBE	\$17,414.00	10.85
	MBE	\$17,414.00	10.85
	WBE	0	0

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract H-09-045, Hangar Rehabilitation, Phase 3 (Elevator) - Heliport to Evans Development Company, Inc. in an amount not-to-exceed \$160,500. Evans Development Company, Inc. was the lowest responsive and responsible bidder. DBE 10.85% (Electrical Mechanical Services, Inc.), MBE 10.85% (Electrical Mechanical Services, Inc.), and WBE 0%



## Board Memo - Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: May 17, 2010

Board Date: June 18, 2010

Subject: Approval of Plans and Specifications for CIP/Project # H-10-023 - Heliport Ramp Rehabilitation, and Authorize the Public Bidding Process

### Background

This pavement is used by several tenants and is in need of rehabilitation to insure the ramp remains serviceable. Although constructed in 1978, the pavement is in reasonably good condition; however, the pavement requires preventive maintenance such as joint sealing and minor pavement repair in order to remain serviceable. Since its construction, no major maintenance has been done to the apron. The sealing of the joints will help preserve the pavement by preventing water from filtering down to the base of the concrete and into the sub grade supporting the concrete. The existing joint material, due to its age, is missing or severely deteriorated. Deteriorated material will be removed and replaced with a joint material specifically made for concrete airfield pavements. There are also several areas of concrete pavement that need partial depth concrete repair work. This project will also reduce the chance of Foreign Object Debris (FOD) caused by deteriorating pavement. The Heliport has three (3) based helicopters operated by local television channels as well as Lifeline and IMPD Tactical Support.

This project was approved for implementation by the Executive Management Team on December 8, 2009.

### Scope

The scope provides for joint sealing and pavement repairs.

### Budget

Construction package is estimated between \$100,000 and \$250,000.

The funding for this project is within the approved budget. Further budget details will be presented after public bids are opened.

The funding for this project will be from the Federal Aviation Administration's 2011/2012 Non-Primary Entitlement program that provides General Aviation Facilities \$150,000 per year in guaranteed funding for eligible projects.

Schedule

Pre-Bid Meeting: June 29, 2010 Time: 10:00 am Location: Program Office, CR 1  
Bid Opening: July 20, 2010 Time: 10:00 am Location: Program Office, CR 1

Est. Bid Award (Board Mtg) September 17, 2010

Work is expected to start in October 2010 and substantial completion date is expected to be December 2010.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following DBE/MBE/WBE Participation on May 25, 2010: DBE 14%, MBE 18%, and WBE 5%

Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for CIP/Project # H-10-023 – Heliport Ramp Rehabilitation, as prepared by Butler, Fairman & Seufert Inc., and authorize the public bidding process.



## Board Memo - Plans & Specifications Approval

To: IAA Board of Directors

From: Michael Medvescek, Chief Operating Officer

Date: May 17, 2010

Board Date: June 18, 2010

Subject: Approval of Plans and Specifications for CIP/Project # I-10-006 – Firehouse #2 Refurbishment, and Authorize the Public Bidding Process

### Background

Firehouse #2 will continue to be used as a Firehouse for the foreseeable future. The facility is located as shown on the attached access route map and enables the Airport Authority to meet the FAA requirements for emergency response at IND. The response time can be no more than three minutes from the time an alarm is sounded to the time the first piece of equipment arrives at midpoint of the farthest runway. Both firehouses are required to be kept operational in order for the Airport to retain its certification.

The Heating, Ventilating and Air Conditioning (HVAC) system requires increasing maintenance and is at the end of its useful life. The HVAC system components should be replaced with high efficiency components to save cost and improve air quality in the building. The roof needs to be replaced before it fails completely. If it fails during a heavy storm, it would result in significant interior damage. As it has aged, it has pulled away from the perimeter and is currently being patched on a regular basis to stop leaks.

This project was approved for implementation by the Executive Management Team on December 8, 2009.

### Scope

The scope of this project is to replace the roof and HVAC system at Firehouse #2.

### Budget

Construction package is estimated between \$250,000 and \$500,000.

The funding for this project is within the approved budget. Further budget details will be presented after public bids are opened.

IAA is actively seeking a Federal Aviation Administration (FAA) grant award. FAA has confirmed that this project is a very high priority and a strong candidate for discretionary funding. IAA needs bids in hand to qualify for a discretionary grant.

#### Schedule

The project has been fast-tracked in order to take advantage of Federal funding and meet FAA requirements to obtain discretionary dollars.

Pre-Bid Meeting: June 8, 2010 Time: 9:00 am Location: Program Office, CR 1  
Bid Opening: June 18, 2010 Time: 11:00 am Location: Program Office, CR 1

Est. Bid Award (Board Mtg) July 16, 2010

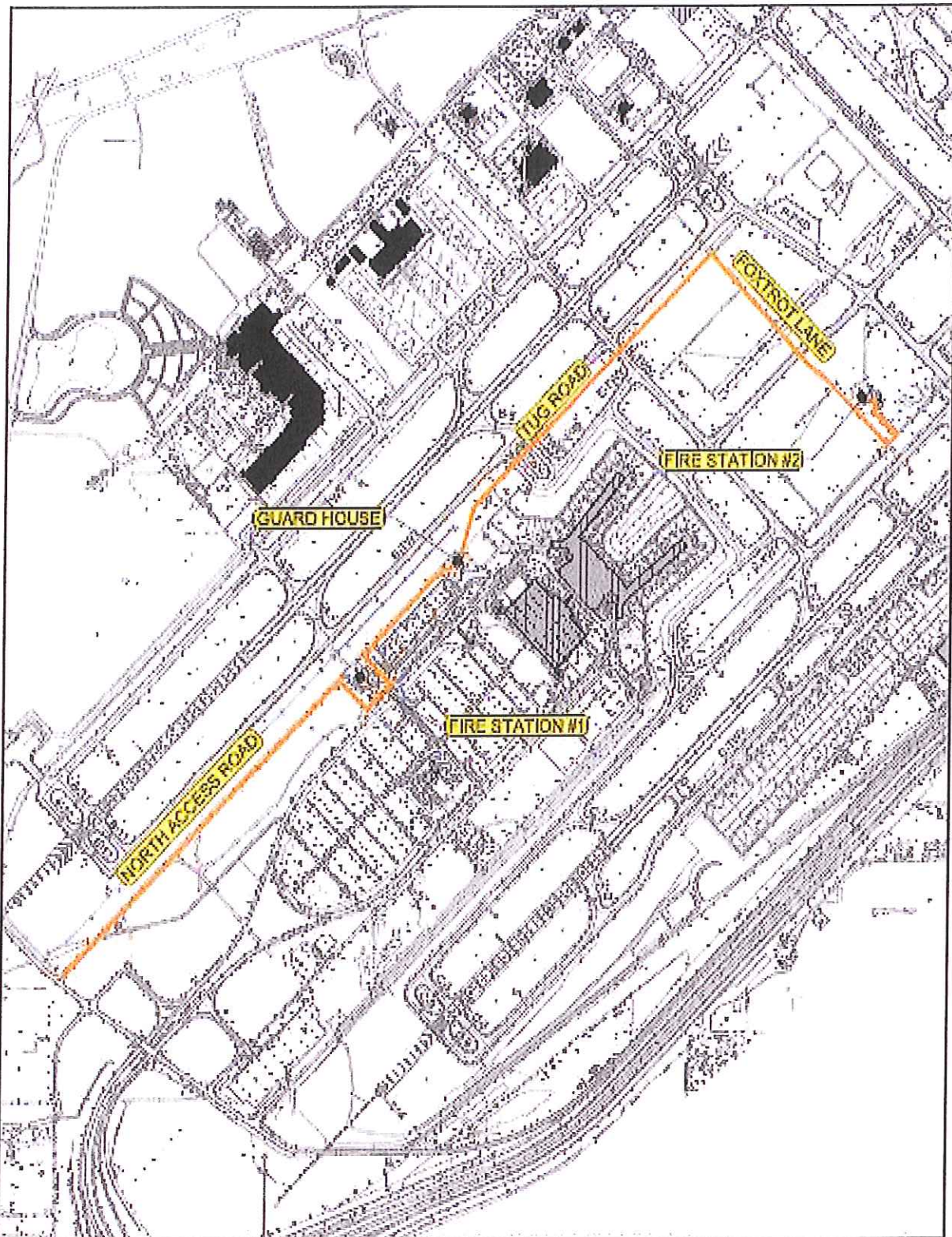
Work is expected to start in August 2010 and the substantial completion date is expected to be November, 2010.

#### Supplier Diversity Participation

The Director of Supplier Diversity approved the following DBE/MBE/WBE participation on May 25, 2010: DBE 14%, MBE 18%, and WBE 5%

#### Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for CIP/Project # I-10-006 – Firehouse #2 Refurbishment, as prepared by the Etica Group, Inc., and authorize the public bidding process.



INDIANAPOLIS INTERNATIONAL AIRPORT  
FIRE STATION #2 ACCESS ROUTE





## Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: May 27, 2010

Board Date: June 18, 2010

Subject: Change Order #2 for Project # I-09-016-3046 for 2009 Deicing Improvement Project

### Background

IAA constructed and operates Deicing Control Facilities to manage stormwater containing aircraft deicing fluid. These control structures are operated to maintain compliance with a National Pollutant Discharge Elimination System (NPDES) permit, regulate IAA's management of stormwater, and determine the levels that the airport can discharge into receiving streams. The IAA Deicing Control systems include stormwater basins at Mars Ditch and Seerley Creek, an Equalization Basin near the airfield, and a Terminal Diversion Structure with total capacity to hold 66M gallons (see attached diagram). Each structure collects a portion of aircraft apron stormwater where aircraft deicing is performed. The stormwater is discharged to the City's wastewater treatment plant or released to the creek if the levels meet permit limits.

CIP I-09-016 consists of several improvements to the IAA deicing control facilities in order to ensure regulatory compliance and contribute reduction in sewer utility fees. The main improvement includes the installation of equipment to pump water from the existing Seerley Creek stormwater basin to the existing Mars Ditch stormwater basin through existing structures. This improvement will ensure that IAA can utilize fully the 14M gallons of storage at the Mars Ditch Basin that served the old terminal facility. The storage is available only because total deicing activities have generally not increased with the transfer of activities from the old terminal to the new terminal. This additional use of Mars Ditch basin capacity will improve operational flexibility and assist in regulatory compliance.

On October 16, 2009, the Board awarded a contract for \$344,300 to Evans Development Company, Inc. for CIP Project I-09-016.

Change Order #1 was a time only extension that had no budgetary impact.

### Change Order Summary

Typically, contract changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances or additional owner requested scope. Typically, the cost of an error is paid by the designer since this requires redo of work that has been completed. Omissions are items that are corrected before work is done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer. The standard of care of errors/omissions items can range from 1 to 2 percent of the total construction cost.

This Change Order involves five changes needed to complete the project. Four (4) changes are considered omissions totaling \$20,907, and one change is considered an unforeseen circumstance totaling \$5,833. The estimated omission recovered cost would be \$3,136. On May 14, 2010, IAA sent an omissions notification letter to the Designer. The five changes follow:

- 1) Control Panel: Provide and install a new NEMA 4x Control Panel for the new pumps being installed at the Midfield underground deicing facility. Drawing 16DC.406 shows a new pump control panel but this is not identified in SP-1 Scope of Work nor is a technical specification provided. The Engineer had intended to clarify the installation of this panel by addendum during bidding but this was never issued. This is categorized an omission.
- 2) Check Valves: Provide and install two (2) check valves on the 2 discharge pumping lines at the Midfield Underground deicing pumps. These were not shown on the contract documents to be provided and the Engineer confirmed by RFI#7 response that these valves are required to prevent pumped fluid from backfeeding into the other chamber. This is categorized an omission.
- 3) Low Level Float: Provide and install one (1) low level float at the Midfield Underground deicing pumps. Only one (1) float was shown on the contract documents to be provided and the Engineer confirmed by RFI#6 response that two (2) are required, one for each pump. This is categorized an omission.
- 4) Disconnect Switch: Replace damaged existing 800A NEMA 3R 600V fused disconnect switch at Mars Basin Pump Station. The existing switch has a damaged handle that does not allow the power to be shut down which is a violation of the electrical code. The switch was not damaged by contractor. This is categorized unforeseen circumstances.
- 5) Pump Support Modifications: Due to an existing steel blind flange plate installed at the bottom of the pumping chamber, modifications are required to be made in order that the new pump can be installed. RFI#12 detailed the issue. This is categorized an omission.

Project Budget

Original Contract Amount	\$344,300.00
Previous Change Orders Amount	\$ 0 (Time Only Extension)
Current Change Order	\$ 26,740.00 (7.77% of Contract)
New Contract Total	\$371,040.00

The revised contract with the Change Order included is within the approved 2009 Deicing Control Facilities Improvements project budget of \$752,662.

Schedule

The Contract time will be extended to July 7, 2010.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will be affected in the following way.

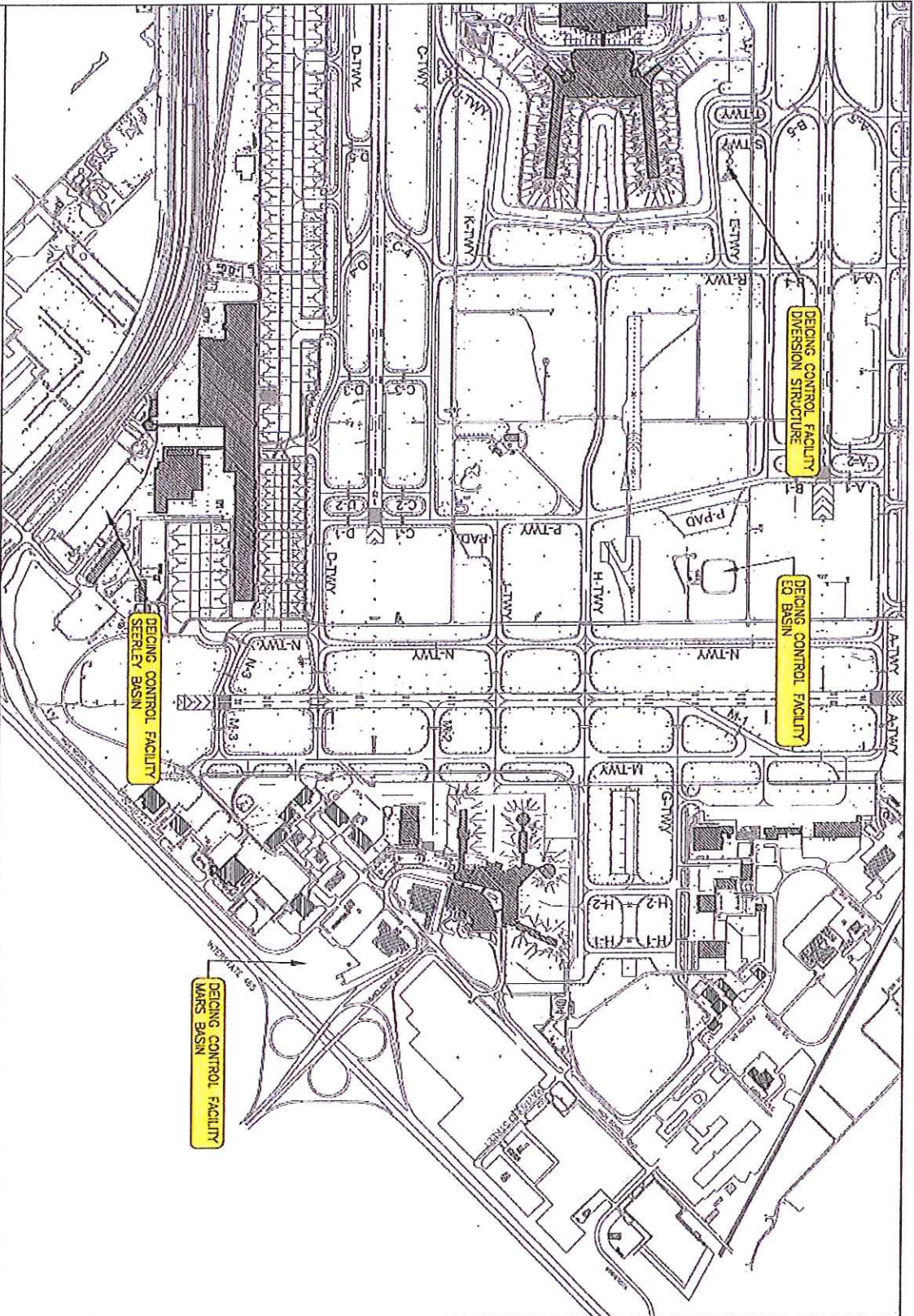
FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
Dmytryka Jacobs Engineers, Inc.	MBE	\$17,900	5.20%	\$17,900	4.82%
Goldman Electrical Contracting, Inc.	WBE	\$47,577	13.82%	\$61,651	16.62%
Totals	MBE	\$17,900	5.20%	\$17,900	4.82%
	WBE	\$47,577	13.82%	\$61,651	16.62%

This information was reviewed by the Director of Supplier Diversity on May 26, 2010.

Recommendation

The IAA staff has reviewed the change order and recommends that the Board consider for approval a change order with Evans Development Co., Inc. for Project # I-09-016 in an amount not-to-exceed \$26,740.

# INDIANAPOLIS INTERNATIONAL AIRPORT DEICING CONTROL FACILITIES LOCATION MAP







## Board Memo – Property Acquisition

To: IAA Board of Directors  
From: Robert A. Duncan, Special Advisor to CEO  
Date: May 26, 2010  
Board Date: June 18, 2010  
Subject: Property Acquisition

### Background

The Indianapolis Airport Authority has had an active land acquisition program since 1973. Between 1973 and 1987, the land program acquired the majority of the land which comprises the current Airport layout and footprint. In 1987, the Authority began its land acquisition program in support of its Part 150 Noise Compatibility Plan (NCP). Phase I of this program ran from 1987-1992, Phase II ran from 1992-1997, and Phase III was initiated in 1998 and also includes holdout property owners that are remaining from Phases I and II. In 1997, an additional program was added to acquire single family residences located within the Authority's Indiana Bat and Wetland Mitigation Area.

### Scope

The properties being considered for acquisition as shown on the attached schedule total \$325,000 (one of which is located in the Bat and Wetland Area for \$210,000 and the other is a holdout from the 1987 NCP program for \$115,000).

### Schedule

June 18, 2010 – Approve Purchase Agreements

### Funding

Each of these acquisitions is currently funded from the 2010 Capital Improvement Fund. Pursuant to the NCP, the property being acquired under Phase I is reimbursed in part with federal grants.

### Recommendation

The IAA Staff recommends the purchase of property as shown on the attached schedule.

