



Agenda  
Indianapolis Airport Authority  
July 16, 2010  
8:30 a.m.

- I. Call to Order
- II. Approval of Minutes of the Pre-Board and Regular Meeting of June 18, 2010
- III. Ordinances, Resolutions and Public Hearings
  - a) Public Hearing on General Ordinance No. 1-2010 approving the 2011 Indianapolis Airport Authority Budget. Final Hearing to be held August 20, 2010.
    - i. Presentation of 2011 Budget – *Marsha Stone*
- IV. Board Reports
  - a) President's Report
- V. Official Actions
  - a) Introduction of the IAA Consent Calendar dated July 16, 2010.
  - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated July 16, 2010.
- VI. Staff Reports
  - a) CEO Report – *John D. Clark, III*
  - b) Financial Report – *Marsha Stone*
  - c) Diversity Update – *Corey Wilson*
- VII. Other Reports/Update
- VIII. Adjourn

## MINUTES OF PRE-BOARD MEETING

The Pre-Board Meeting of the Indianapolis Airport Authority Board took place at 8:20 A.M. on Friday, June 18, 2010, in the new Indianapolis Airport Colonel H. Weir Cook Terminal Building, fourth floor. The following members of the Indianapolis Airport Authority Board were present:

Michael B. Stayton  
Alfred R. Bennett  
Kelly J. Flynn  
Jean L. Wojtowicz  
Alex M. Azar, II  
Mary Moses Cochran

Also present were Advisory Board members Lynn Gordon and Jack Morton.

President Stayton indicated that he would like to see the Pre-Board Minutes sent to the Board and Advisory Board for their review and approval by the entire Board in the future.

Jack Morton briefed the Board on the fact that he was now a part-time flight instructor at Indy Aero, LLC, a tenant of the Indianapolis Airport Authority, and that a legal opinion had been written by Rex M. Joseph, Jr., Board Counsel, and Joseph R. Heerens, General Counsel, which indicated their belief that such part-time work will not interfere with him serving as a member of the Advisory Board for the Airport Authority, but that he would need to sustain from participation on any matter which might come before the Board directly or indirectly with respect to Indy Aero, LLC. (The legal opinion is attached hereto).

Kelly J. Flynn moved, and Jean L. Wojtowicz seconded, a motion which was approved unanimously by the Airport Authority confirming the 2011 Airport Authority's

Goals and Objectives with the addition under paragraph one of an additional subparagraph which would read as follows:

- (e) Implement 2011 action plans arising from Land Use Study as adopted by the IAA. (See attached)

The Airport Authority Board heard a presentation from Mark Hedegard on Advertising and Sponsorship Policy Review, which was followed by a presentation by Maxwell Anderson, the C.E.O. of the Indianapolis Art Museum.

Alex M. Azar, II, indicated that he had a potential conflict relative to his employer, Eli Lilly and Company, advertising in the baggage claim section through Clear Channel, and therefore asked not to participate in the vote which was thereafter taken.

Kelly J. Flynn moved, and Alfred R. Bennett seconded, a motion to approve the IAA Advertising and Sponsorship Policy as amended to read as follows:

1. Providing targeted venues and locations which deliver maximum review opportunity in IAA controlled facilities/land.
2. Preserving the integrity of the Airport's overall design, architecture and customer experience.
3. Allowing for visually integrated advertising in targeted venue areas of the Airport terminal and campus.
4. Developing an integrated, multi-media platform which can be utilized to promote Airport strategic goals.

The motion was unanimously passed.

The Airport Authority Board concluded its Pre-Board Meeting at 9:06 A.M.

ALL OF WHICH IS STATED THIS \_\_\_ DAY OF JULY, 2010.

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MICHAEL B. STAYTON, President

**MINUTES**  
**Board of Directors Meeting**  
**Indianapolis Airport Authority**

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 9:05 a.m., June 18, 2010, in the Airport Board Room at Indianapolis International Airport.

**Present and comprising a quorum were:**

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

**Advisory Members attending:**

Jack Morton  
Lynn Gordon

Rex Joseph, IAA Counsel

**IAA staff attending:**

John D. Clark III, Executive Director/CEO  
Marsha Stone, Chief Financial Officer  
Al Stanley, Chief Information Officer  
Joseph Heerens, General Counsel  
Robert Duncan, Special Advisor to the CEO  
Beverly Terlaje, Executive Assistant/Recording Secretary

**APPROVAL OF MINUTES**

Upon a motion by Ms. Wojtowicz, seconded by Mr. Azar and unanimously passed, approval was given to the Minutes of the Regular Meeting of May 21, 2010.

**ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS**

President Stayton introduced General Ordinance No. 1-2010 concerning the 2011 Indianapolis Airport Authority Budget. Public Hearing will be held on July 16, 2010, with the Final Hearing on August 20, 2010.

President Stayton stated there is a great deal of work that goes into the budget process not only at staff level (pulling both the capital and operating budget for Board review) but also by the Board and its Finance and Audit Committee. Additionally, the airlines would also be involved as part of the process. President Stayton stated this is a lengthy and detailed process and the introduction of General Ordinance No. 1-2010 will be advertised at a maximum level. Ms. Stone stated the advertisement process will take place to meet all the legal requirements prior to the meeting in July. Ms. Stone further stated that she will make a public presentation in terms of the proposed 2011 Budget at the initial hearing on July 16, 2010, which would be reviewed in advance by the Finance & Audit Committee.

## **BOARD REPORTS**

### **President's Report**

President Stayton stated that he had no reports other than the budget process, and asked Mr. Clark to introduce the guest from Delta Air Lines.

Mr. Clark introduced and welcomed Mr. David Hamm, Director of Real Estate for Delta Air Lines. Mr. Clark stated that, with respect to the Airline Use Agreement currently under negotiation, Delta Air Lines is the lead representative for the airlines. President Stayton stated that the IAA looks forward to Delta's continued support of IND.

President Stayton also shared a letter he received from Ms. Nancy Cooper Pit, recognizing Mr. Hafedh Azeszi, a shuttle driver, for providing exceptional service to passengers at IND. President Stayton indicated that Mr. Azeszi's efforts serve as an example of the superior customer service that the IAA is trying to achieve.

### **Human Resources Committee**

HRC Chair Alex Azar announced that the full Board has approved the IAA's 2011 Objectives which was for the basis of the 2011 budget planning as well as the performance plans from an HR perspective in 2011.

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### **Reliever Airports Committee**

RAC Chair Al Bennett stated at the last committee meeting that Mr. Bob Palmer (co-owner of Indy Jet/FBO for Mount Comfort Airport) provided a presentation and asked that the Board consider a name change of Mount Comfort Airport to "Indianapolis Regional Airport". Committee Chair Bennett stated that Mr. Palmer's reasons for the name change included the fact that it would be more marketable and that this new name would make it easier for pilots and travelers living outside of Indiana (who are unfamiliar with the Indianapolis metropolitan area and its reliever airports) to associate or "connect" this particular reliever airport with the City of Indianapolis. Committee Chair Bennett recognized Mr.

Jack Morton on his communications with the Hancock County Commissioners and the Executive Director of Economic Development, who were in agreement with this name change.

Mr. Azar asked what the implications were for the other reliever airports if they also wanted to be named Indianapolis Regional Airport. Mr. Bennett responded that he has been advised by IAA staff that FAA would control the name process.

The RAC 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, MQI, would remain the same.

Upon a motion by Mr. Flynn, seconded by Ms. Cochran and unanimously passed, approval was given to the adoption of Resolution 9-2010 concerning a name change of Mount Comfort Airport to "Indianapolis Regional Airport".

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### **Finance & Audit Committee**

FAC Chair Jean Wojtowicz stated at the last Finance & Audit Committee Meeting that the committee reviewed the IAA Investment Policy and, as a result of actions taken by the Indiana General Assembly at its 2010 session, there have been modifications to Indiana law with respect to permitted investments. Committee Chair Wojtowicz further stated that, in order to have IAA's Investment Policy be consistent with and updated to reflect the new investment opportunities allowed by this change in law by the Indiana Legislature, the FAC made recommended changes to the IAA's Investment Policy.

The FAC recommends that the Board consider for approval adoption of Resolution 10-2010 amending the existing IAA Investment Policy, which will now allow for the purchase of municipal securities.

Upon a motion by Mr. Azar, seconded by Mr. Flynn and unanimously passed, approval was given to the adoption of Resolution 10-2010 amending the IAA's existing Investment Policy.

### **OFFICIAL ACTIONS**

**APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED June 18, 2010:** Upon a motion by Ms. Wojtowicz, seconded by Ms. Bennett and unanimously passed, approval was given to the Consent Calendar, dated June 18, 2010.

**APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED June 18, 2010:**

Upon a motion by Mr. Azar, seconded by Mr. Flynn and unanimously passed, approval was given to accept each of the individual items listed on the Consent Calendar, dated June 18, 2010.

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## **STAFF REPORTS**

### **CEO REPORT**

Mr. Clark had no reports.

### **CFO REPORT**

#### **Financial Report**

Ms. Stone provided a brief update on Air Service for May 2010 and year to date. Ms. Stone was pleased to announce that May passenger results had a .09% increase in enplanements vs. prior year, which is now the second consecutive month of increases (following the 6% increase in April, 2010) and hopefully the beginning of a new trend. Ms. Stone also provided a brief update on the Financial Report for the year.

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### **IAA Land Use & Development Strategy Update**

Ms. Berta Fernandez and Mr. Jim Walsh of Landrum & Brown, Inc., provided a brief update on the Land Use & Development Strategy.

## **ADJOURN**

There being no further business, the meeting was adjourned at 9:40 a.m.

INDIANAPOLIS AIRPORT AUTHORITY\*

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Lacy Johnson, Vice President

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Alfred R. Bennett, Secretary

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

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

IAA Board Meeting  
Consent Calendar Agenda  
July 16, 2010

Consider for approval:

A) Capital Program

- BP2010-07-1      An award of contract for CIP/Project#I-10-006 Firehouse #2 Refurbishment to F.A. Wilhelm Construction Co., Inc. in an amount not-to-exceed \$183,000 plus a 3% construction reserve of \$5,490 for a total of \$188,490. F.A. Wilhelm Construction Co., Inc. was the lowest responsive and responsible bidder. DBE 26.78% (Sexson Mechanical Corporation), MBE 26.78% (Sexson Mechanical Corporation), and WBE 3.06% (White Security)
- BP2010-07-2      A Change Order with R. E. Griesemer, Inc. for Project #I-08-043-B in an amount not-to-exceed \$818 and a 79 calendar day contract extension.
- BP2010-07-3      A Change Order with Culy Construction Company for Project #I-09-033-A in an amount not-to-exceed \$8,232.50 and a 151 calendar day contract extension.



## Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: June 22, 2010

Board Date: July 16, 2010

Subject: Award of Bid Package No. I-10-006 to F.A. Wilhelm Construction Co., Inc.

### Background

Firehouse #2 will continue to be used as a Firehouse for the foreseeable future. The facility 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 FAA 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.

On December 8, 2009, this project was approved for implementation by the Executive Management Team.

On June 18, 2010, the Board approved plans & specifications for CIP/Project # I-10-006 – Firehouse #2 Refurbishment and authorized the public bidding process.

On June 18, 2010, the IAA staff received seven (7) bids ranging from \$183,000 to \$282,500.

F.A. Wilhelm Construction Co., Inc. was the lowest responsive and responsible bidder in the amount of \$183,000.

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 replacement of the roof and five (5) rooftop HVAC units at Firehouse #2.

Budget

This contract is within the overall project budget of \$484,836. The total bid plus 3% construction reserve is \$188,490.

Project Budget

Contract Amount (including 3% reserve)	\$188,490
Other project costs include:	
Design and Soft Costs	\$ 64,300
Replace Generator (November 2010)	\$175,000
Unforeseen Conditions	<u>\$ 57,046</u>
Budget Amount	\$484,836

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. Board action to approve this contract will qualify the project for FAA discretionary funding.

Schedule

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

Supplier Diversity Participation

The Director of Supplier Diversity approved the following DBE/MBE/WBE participation on June 22, 2010:

FIRM	CLASSIFICATION	AMOUNT	%
Sexson Mechanical Corp	DBE/MBE	\$49,000	26.78
White Security	WBE	\$ 5,600	3.06
Totals	DBE	\$49,000	26.78
	MBE	\$49,000	26.78
	WBE	\$5,600	3.06

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for CIP/Project#I-10-006 Firehouse #2 Refurbishment to F.A. Wilhelm Construction Co., Inc. in an amount not-to-exceed \$183,000 plus a 3% construction reserve of \$5,490 for a total of \$188,490. F.A. Wilhelm Construction Co., Inc. was the lowest responsive and responsible bidder. DBE 26.78% (Sexson Mechanical Corporation), MBE 26.78% (Sexson Mechanical Corporation), and WBE 3.06% (White Security)



## Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: June 23, 2010

Board Date: July 16, 2010

Subject: Change Order #3 & Final for Project # I-08-043B for Updates to Program Office - HVAC

### Background

The Program Office, located at 2349 Aviation Drive, is the former US Airways Reservations Center. According to the original construction documents, the plans and specifications were approved by the Airport Authority Board in September 1990. US Airways vacated the building in January 2002; and it was unoccupied until 2003 when it became the New IND Program Office.

Due to the age of the building and the fact that no major mechanical upgrades were made before or since the New IND tenants moved in, the facility was in need of roof replacement, Heating, Ventilating, and Air Conditioning unit replacements, and replacement of the Uninterruptible Power Supply (UPS) for emergency circuitry. The project was split into Roof, HVAC, and UPS packages

The contract for the package to replace the HVAC equipment was approved by the Board on August 21, 2009.

### 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.

Unforeseen circumstances resulted in the need for this Change Order. Concealed ductwork in the kitchen of the building was not connected or routed as shown on the

original construction documents, upon which the plan details were based. The ductwork going to the kitchen was connected to a non-operating heat pump that was not shown on the drawings. New ductwork had to be installed from a different heat pump in order to heat and cool the kitchen.

Project Budget

Original Contract Amount	\$825,000
Previous Change Orders Amount	\$ 5,406 (0.66% of Contract)
Current Change Order	\$ 818 (0.10% of Contract)
New Contract Total	\$831,224

The new contract amount including this Change Order #3 and Final totals \$831,224. The "Upgrades to Program Office" project budget is \$1,155,328. The total expenditure from this budget is \$1,132,563 which includes all soft and hard costs for HVAC, UPS, and roofing systems. The project is complete.

Schedule

After the scheduled work was completed and the temperatures outside began to increase, the occupants noticed that the kitchen was too warm. An investigation revealed the need for additional work. A time only extension of 79 days to the contract is required. The Contract Work is now complete.

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 %
PKS Construction Company	WBE	\$10,000	1.21%	\$1,900	0.23%
Crew Technical Services	WBE	\$13,000	1.58%	\$17,550	2.11%
Totals	MBE	\$0.00	0.00%	\$0.00	0.00%
	WBE	\$23,000	2.79%	\$19,450	2.34%

This information was approved by the Director of Supplier Diversity on June 22, 2010.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with R. E. Griesemer, Inc. for Project #I-08-043-B in an amount not-to-exceed \$818 and a 79 calendar day contract extension.



## Board Memo – Change Order

To: IAA Board of Directors  
From: Mike Medvescek, Chief Operating Officer  
Date: June 22, 2010  
Board Date: July 16, 2010  
Subject: Change Order #2 & Final for Project # I-09-033-A for Belly Cargo/GSE Maintenance Building – Grading Package

### Background

The Belly Cargo/GSE Maintenance Building project provides for the construction of a facility that will house belly cargo for the airlines and airline ground support equipment maintenance operations. The facility will address Federal Aviation Administration (FAA) concerns about extensive airline transport of cargo on the airfield from their existing facilities near the old terminal and will increase efficiency of the airlines at the new terminal.

The project has two (2) phases: The first phase is site development and the second is infrastructure and building construction. The project is scheduled for completion late summer 2010. This change order is to the contract for Culy Construction for the first phase, site development.

The Culy Construction contract was approved by the Board on September 18, 2009.

### Change Order Summary

Typically, contract changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope.

This Change Order includes:

- Costs for winterization at the site at the Owner's request (e.g., winter mulch, deduction on hydro-seeding) related to a wet autumn and IAA's interest in keeping the project on schedule to ensure that FAA's concerns on airfield safety are addressed expeditiously and the delivery date of the facility to the airlines is met.
- Adjustments for Final and Balancing of the Contract (includes adjustment to arrangements for hauling clean stone at the owner's request between the first phase contractor Culy and the second phase contractor Brandt Construction to minimize overall costs).

- Time Only Extension of 151 days related to stoppage of final work for the winter and completion of work in the spring. The work is now complete.

Project Budget – Grading Package

Original Contract Amount	\$216,920.00
Previous Change Orders Amount	\$ 45,950.96 (21.18% of Contract)
Current Change Order	\$ 8,232.50 ( 3.60% of Contract)
New Contract Total	\$271,103.46

The previous Change Orders totaling \$45,950.96 primarily dealt with the need to address unforeseen circumstances and to maintain the project schedule. The wet autumn prevented the use of available soil materials to stabilize the base for the building pad. Instead, IAA authorized the use of lime stabilization in order to avoid delay of the building pad until this spring.

The new contract amount including this Change Order #2 and Final totals \$271,103.46. The Belly Cargo/GSE Maintenance Building – Grading Package project budget is \$275,000. The total expenditures from this budget are \$271,103.46. This phase of the project is complete.

Schedule

Work was discontinued in December 2009 and resumed in March 2010. A time only extension of 151 days to the contract is required. The contract work is now complete.

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 %
VS Engineering	MBE	\$2,690	1.24%	\$0.00	0.0%
Henry Trucking	MBE	\$18,000	8.30%	\$22,072	8.14%
Slusser's Green Thumb	WBE	\$13,000	5.99%	\$0	0.0%
Hometown Engineering	WBE	\$0.00	0.0%	\$4,450	1.64%
Totals	MBE	\$20,690	9.54%	\$22,072	8.14%
	WBE	\$13,000	5.99%	\$4,450	1.64%

This information was approved by the Director of Supplier Diversity on June 22, 2010.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Culy Construction Company for Project #1-09-033-A in an amount not-to-exceed \$8,232.50 and a 151 calendar day contract extension.