



Indianapolis Airport Authority

Agenda
Indianapolis Airport Authority
July 20, 2018
8:00 AM

I. **Call to Order**

II. **Approval of Minutes of the IAA Board's Regular Meeting of June 15, 2018**

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

- a) **Initial Public Hearing of General Ordinance No. 03-2018**, concerning the Indianapolis Airport Authority budget for 2019, as more particularly described in BP2018-07-01.
- b) **Consider, for approval, Resolution No. 07-2018**, the Finance and Audit Committee recommends the IAA Board consider for approval adoption of Resolution 07-2018, implementing IAA's proposed Debt Issuance Criteria Policy as more particularly described in BP2018-07-02.
- c) **Introduction of Bond Ordinance, General Ordinance No. 04-2018**, concerning approval to provide the authorizations necessary to manage Indianapolis Airport Authority's variable rate debt, as more particularly described in BP2018-07-03.
- d) **Consider, for approval, Resolution No. 08-2018**, the Human Resources Committee recommends the IAA Board consider for approval this policy for diversity and inclusion dated July 20, 2018 as more particularly described in BP2018-07-04.

IV. **Board Reports**

- a) Board President's Report

V. **Official Actions**

Consider, for approval, the individual items on the IAA General Agenda, dated July 20, 2018.

VI. **Staff Reports**

- a) **Executive Director's Report**
 - i. Vibenomics – Reid Goldsmith
 - ii. Overall Land Initiative – Marsha Stone / Eric Anderson

VII. Other Reports/Update

VIII. Board Communications

Next Meeting: Friday, August 17, 2018 @ 8:00 a.m.

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board was called to order at 8:43 a.m., on June 15, 2018, in the Airport's Board Room at Indianapolis International Airport.

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

Barbara Glass, President
Steve Dillinger, Vice President
Alfred Bennett, Secretary
Kurt Schleiter, Member
Jeffrey Gaither, Member
Toby McClamroch, Member
Mamon Powers III, Member
Brett Voorhies, Member
Lynn Gordon, Advisory Member
Brian Tuohy, IAA Board Counsel

IAA Executive Staff attending:

Mario Rodriguez, Executive Director
Mike Medvescek, Sr. Director of Operations & Public Safety
Marsha Stone, Sr. Director of Commercial Enterprise
Robert Thomson, Sr. Director of Finance
Jarod Klaas, Sr. Director, Engineering, Planning & Development
Jeff Mallamad, General Counsel
Lisa Bierman, Sr. Executive Assistant
Maria Wiley, Sr. Director of Audit, Compliance & Procurement
Reid Goldsmith, Sr. Director of Information Technology
Rachel Hernandez, Sr. Director of Human Resources
Bill Stinson, Sr. Director of Public Affairs

APPROVAL OF MINUTES

Upon a motion by Mr. Bennett, seconded by Mr. McClamroch and unanimously passed, approval was given to the Minutes of the Regular Meeting of May 18, 2018.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARING

President Glass introduced Mr. Robert Thomson, Sr. Director of Finance, who introduced General Ordinance No. 03-2018, concerning the Indianapolis Airport Authority budget for 2019, as more particularly described in BP2018-06-01. This is an introduction of the 2019 Budget and no vote is necessary at this meeting.

President Glass introduced Ms. Marsha Stone, Sr. Director of Commercial Enterprise, who explained Resolution No. 06-2018, the Building Lease Agreement with Allegiant Air LLC, as more particularly described in BP2018-06-02. Upon a motion by Mr. Gaither and seconded by Mr. Voorhies and unanimously passed, approval was given to Resolution No. 06-2018.

BOARD REPORTS

President Glass had no announcements.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED May 18, 2018: President Glass introduced and then verbally described each of the individual items listed on the General Agenda. Following a brief discussion of each listed item, President Glass asked for separate motions of approval. The following actions were then taken by the IAA Board:

BP2018-06-03. Upon a motion by Mr. Voorhies, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2018-06-03.

BP2018-06-04. Upon a motion by Mr. McClamroch, seconded by Mr. Gaither and unanimously passed, approval was given to BP2018-06-04.

BP2018-06-05. Upon a motion by Mr. Bennett, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2018-06-05. There was a brief discussion.

STAFF REPORTS

Executive Director's Report

Mr. Rodriguez introduced the 2018 1st Quarter IAA Core Value Winners. The honored recipients are Courtney Kasper, Procurement, Core Value of Respect; Jennifer Blake, Fire Department, Core Value of Integrity; Katie Norman, Public Affairs, Core Value of Trust; Matthew Anders, IT, Core Value of Excellence; Maria LaRosa, Terminal Services, Unsung Hero; Jonathan Allison, Airfield, Customer Service Excellence; Blake Burcham, Airfield, Customer Service Excellence.

Next, Mr. Rodriguez announced that the Indianapolis International Airport won ACI/ASQ Best Airport in North America Award for the 6th year in a row.

Next, Mr. Rodriguez introduced Mr. Jarod Klaas, Sr. Director of Planning and Development, to give a brief update on Fed Ex.

Next, Mr. Rodriguez introduced Mr. Bill Stinson, Sr. Director of Public Affairs and Megan Gish Carrico, Manager of Communications, to give a brief presentation on activities and events that occurred at the airport during the month of May.

ADJOURNMENT

President Glass announced that the next IAA Board meeting is scheduled for July 20, 2018. There being no further business, the meeting was adjourned at 9:08 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____

Barbara Glass, President

DATED: _____

By: _____

Alfred R. Bennett, Secretary

* Signed under authority of IAA Board Resolution #13-2017

DRAFT



BOARD MEMO – 2019 BUDGET ORDINANCE

To: IAA Board of Directors

From: Robert Thomson, Sr. Director of Finance/Treasurer

Date: July 3, 2018

Board Date: July 20, 2018

Subject: 2019 Budget Ordinance

Attached is the draft template of the 2019 Budget Ordinance No. 3-2018. This Budget Ordinance when adopted will set the maximum appropriation (expenditure) levels for 2019.

The budget process requires an Introduction, an Initial Hearing and presentation, and the Final Hearing and adoption of the Budget by August 31, 2018. The July 20, 2018 Board meeting will be the initial Public Hearing of the Budget. The 2019 Budget Appropriation Support documentation is included.

The 2019 Airport System Fund Budget (which includes the Operating Budget) and Capital Improvement Fund Budget assumptions were reviewed in detail with the Finance and Audit Committee on June 15, 2018. The Final Hearing on the 2019 Budget will be held on August 17, 2018, at which time the Board will be asked to accept or reject the 2019 Budget Ordinance.

The Indianapolis City-County Council (Council) requires the Board to accept the 2019 Budget Ordinance by August 31, 2018. The Council Municipal Corporations Committee will hold a hearing in September 2018 to review the 2019 Budget and the Council will approve the budget on October 8, 2018.



BOARD MEMO – DEBT ISSUANCE CRITERIA POLICY

To: IAA Board of Directors

From: Robert Thomson, Sr. Director of Finance/Treasurer

Date: July 5, 2018

Board Date: July 20, 2018

Subject: Debt Issuance Criteria Policy

Background

The debt issuance policy has been created to establish an objective planning guideline for consideration of new money debt to finance capital improvements.

The policy establishes criteria related to project useful life, project value, and specific funding sources to determine projects eligible to be funded with new money debt.

On June 15, 2018, the Finance and Audit Committee (“FAC”) reviewed and recommended for consideration and approval by the Board the proposed policy.

Recommendation

The Finance and Audit Committee recommends the IAA Board consider for approval adoption of Resolution 07-2018, implementing IAA’s proposed Debt Issuance Criteria Policy.



Board Memo – Introduction of Bond Ordinance

To: IAA Board of Directors

From: Robert B. Thomson, Sr. Director of Finance/Treasurer

Date: July 5, 2018

Board Date: July 20, 2018

Subject: Introduction of General Ordinance No. 4-2018

The Indianapolis Airport Authority is hereby introducing General Ordinance No. 4-2018 ("Ordinance").

IAA's Finance and Audit Committee has recommended the Ordinance for approval to provide the authorizations necessary to manage IAA's variable rate debt.

General Ordinance No. 4-2018 is a supplement to the IAA's Master Bond Ordinance (5-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Refunding Revenue Bonds" to refund a portion of the Authority's outstanding revenue bonds and/or to remarket one or more series, and to fund other amounts related to the transaction. IAA will use the Indianapolis Local Public Improvement Bond Bank as the conduit issuer.

The TEFRA (Tax Equity and Fiscal Responsibility Act) hearing and the final public hearing on the adoption of the above-referenced Ordinance will be conducted as a combined hearing at the August 17, 2018 IAA Board meeting.



Board Memo – Diversity and Inclusion Policy

To: The Indianapolis Airport Authority Board of Directors

From: Rachel Hernandez-Stevens, Senior Director, Human Resources

Date: July 20, 2018

Board Date: July 20, 2018

Subject: Diversity and Inclusion Policy

Background

The Indianapolis Airport Authority (IAA) is committed to investing in the community that we serve. This commitment to responsible business is not only limited to our bottom line, but helps create public value that benefits our community.

Aligning and assisting with the Indianapolis region's broader economic goals will allow the Authority to continue to build public value.

In order to maintain a culture that can support the local community the Authority must have access to, or cultivate the right workforce. Women, minority groups, and other diverse populations have historically been under-represented in the aviation profession. Over the last several decades, progress has been made through awareness and education on diversity and inclusion but more effort is needed to reach the goal of complete diversity and full inclusion. Additionally, the aviation profession, in our opinion, does not do enough to develop and promote from within and there are talent shortages of skilled aviation professionals.

Complete diversity, and full inclusion of all people is strategically fundamental to the sustainability of the aviation profession. Population trends indicate U.S. demographics are changing and the future workforce pool will be increasingly diverse. In order to attract the best and brightest to the field of aviation we must appeal to an increasingly diverse population.

Policy

The Indianapolis Airport Authority (IAA) supports and encourages a diverse, inclusive and equitable opportunity for all people to participate within the airport/aviation profession without



regard to an individual's personal characteristics, such as gender or gender identity, race, national origin, ethnicity, religion, age, sexual orientation, disability, political affiliation, veteran status, or family, marital, or economic status. The IAA will promulgate and implement programs designed to advance the profession by promoting an inclusive climate in the profession.

In order to do this, the IAA must take a sustainable approach to talent management by developing a pipeline of candidates, creating entry level opportunities, planning for attrition, creating development initiatives and succession planning.

To promote the goals of the Indianapolis Airport Authority, the Board of Directors has adopted this official Policy Statement on creating equitable access to entry level and successive employment opportunities while intentionally engaging individual differences to create a high performing culture that fosters world-class service to enhance our community and public value.

Recommendation

The Human Resources Committee of the IAA Board of Directors recommends the IAA Board consider for approval this policy for diversity and inclusion dated July 20, 2018 as previously discussed and approved by the Human Resources Committee on June 15, 2018.

**IAA Board Meeting
General Agenda
July 20, 2018**

General:

None

Capital:

BP2018-07-05

Consider, for approval, a professional services contract with Vic Thompson Company, Inc. dba VTC for the IND BHS Recapitalization project at Indianapolis International Airport in an amount not-to-exceed \$332,783.00, \$130,286.00 of which is to be reimbursed by TSA. Supplier diversity participation is DBE 100% (VTC) and WBE 100% (VTC).



BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: July 10, 2018

Board Date: July 20, 2018

Subject: Approval of Professional Services Contract with Vic Thompson Company, Inc. dba VTC for the IND BHS Recapitalization project at Indianapolis International Airport (Project No. I-16-064)

Background

The Transportation Security Administration (TSA) has determined the existing baggage screening equipment within the Baggage Handling System (BHS) at Indianapolis International Airport is obsolete and must be replaced. The mandatory replacement of the obsolete equipment, which will be funded in part by TSA's Recapitalization program, will improve system performance, detection level screening, increase efficiency, enhance safety and security, and reduce operating costs.

On October 26, 2016, the IAA staff issued a Request for Qualifications for Professional On-Call Services for the Baggage Handling System to assist the Indianapolis Airport Authority (IAA) with the evaluation of the BHS and implementation of potential renovation and rehabilitation projects associated with the system. On November 17, 2016, IAA staff received six responses. Vic Thompson Company, Inc. dba VTC was determined by the evaluation committee to be the most qualified respondent and was awarded an on-call contract.

Via the on-call contract VTC has:

1. Evaluated the IND BHS and provided the necessary technical data to evaluate TSA's proposed recapitalization project and demonstrate the impact of TSA's project on the BHS system - resulting in a modified project scope, the cost of which will be shared by the TSA in order to ensure appropriate performance of the overall system.
2. Performed computer modeling of, and developed solutions for, the existing and proposed system to identify likely conflicts the new machines would cause in the BHS system.
3. Provided on-site observation of the baseline stress testing of the BHS system by TSA, resulting in strategic discussion and negotiation with TSA over project scope and share of federal funding.

As a result of this work, the IAA and TSA executed an OTA agreement dated June 27, 2018 which outlines the responsibilities and cost share regarding design services for the BHS Recapitalization project. This contract engages VTC to perform such professional design services.

After the TSA approves the design documents and issues a second OTA for the construction portion of the project, an amendment to VTC’s contract is anticipated to align with the approved construction phase.

Scope

The scope of this contract includes design and bidding/negotiation professional services for the BHS Recapitalization project. BHS Recapitalization includes replacement of the Explosive Detection System (EDS) machines, addition of one EDS machine to add capacity and redundancy at the highest utilized baggage conveyor, modification of conveyors immediately before and after each EDS machine, programming and controls modifications, and changes to the Checked Baggage Resolution Area (CBRA) to increase capacity and efficiency.

The scope of the construction phase will be informed by the outcome of the design phase; therefore, construction phase services are not included within this contract. The cost for design and construction will be partially reimbursed by TSA as described in the Budget section below.

Budget

This contract for design phase professional services is \$332,783.00, which is within the reforecasted Capital Budget for IND BHS Recapitalization. We anticipate the TSA will fund \$130,286.00 of the total contract amount.

The project is being undertaken to rehabilitate existing infrastructure integral to the continued safe operations of the airport and is anticipated to be partially reimbursed by TSA through an OTA. As a result of the critical nature of the repairs and the anticipated TSA OTA funding, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

Contract award anticipated July 20, 2018 with a contract expiration date of June 30, 2020, to allow time for development of design and construction documents, bidding and bid negotiations for the project, as well as negotiation of the Construction Phase OTA with TSA.

Supplier Diversity Participation

VTC is a Disadvantaged Business Enterprise, certified through the Indiana Department of Transportation; therefore, the Director of Supplier Diversity has approved the following:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
VTC	\$ 332,783.00	\$ -	\$ 332,783.00	\$ -	100.00%	0.00%	100.00%	0.00%
	\$ 332,783.00	\$ -	\$ 332,783.00	\$ -	100.00%	0.00%	100.00%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval a professional services contract with Vic Thompson Company, Inc. dba VTC for the IND BHS Recapitalization project at Indianapolis International Airport in an amount not-to-exceed \$332,783.00, \$130,286.00 of which is to be reimbursed by TSA. Supplier diversity participation is DBE 100% (VTC) and WBE 100% (VTC).