

**BLOOMINGTON – NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
TUESDAY, SEPTEMBER 13, 2016
4:30 PM**

I. CALL TO ORDER

Chairman Colee called the meeting to order at 4:32 p.m. Commissioners Hanson, Whisman, Bock, Sender and Allen were present. A quorum was acknowledged. Commissioner Kannaday arrived at 4:36.

II. PUBLIC COMMENTS

Steve Schmidt was present from the Museum to update the Board. August was a great month for the Museum with over 550 guests. September 17 is an open cockpit day. The Convair 880 cockpit simulator will be on display that day. The Naval Air Museum gave PAM an engine that, with or without the afterburner, was the engine for the A7 or the original engine for the F14. The engine will be on display between the aircraft. They also offered the Museum an EA6 Prowler, but the Museum declined.

III. APPROVAL OF MEETING MINUTES

- A. August Meeting Minutes - Commissioner Allen made a motion to approve the August Meeting Minutes. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

IV. OLD BUSINESS

V. COMMITTEE REPORTS

- A. Audit/Finance Committee – The committee met on August 29 to review and receive the annual audit. That will be covered later in the meeting.
- B. General Aviation Committee – No reason to meet. No report.
- C. Personnel Committee – The Personnel Committee met on September 6 to review and recommend the health and life insurance renewal. Those items will be covered later in the meeting.
- D. Public Policy Committee – No reason to meet. No report.

VI. NEW BUSINESS

- A. **Authorize Award of Employee Health Insurance Agreement** – Earlier this summer Airport Staff and the Personnel Committee learned the Authority was no longer eligible to keep the existing health insurance plans and needed to move to the ACA metallic plans. Working in conjunction with Clemens and Associates, the Airport Authority’s consultant for employee benefits, a number of options were considered. The Committee identified a broader array of cost effective programs, including a large and small PPO network with either a \$500 or \$1,000 deductible, an HMO plan, as well as a high deductible plan. In total five different plans were offered to employees during 2 employee meetings. The end result is a slight cost savings for both the employees and the Authority. The plans offered are through Blue Cross/Blue Shield and are a composite rate, instead of an age based rate. The Authority will continue to pay 75% of single coverage and 50% of family coverage.

Commissioner Whisman made a motion to authorize the award of the employee health insurance contract to Blue Cross/Blue Shield as presented. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

- B. **Authorize Renewal of Employee Life Insurance Agreement** – Included in the Airport Authority employee benefits program, the Airport Authority provides a \$25,000 life insurance policy, with AD & D, for each full time employee. The current contract for this product is held by Dearborn National through Blue Cross/Blue Shield and currently expires at the end of the month.

After a 2 year rate lock, the renewal rate came back with a 2 cent increase per \$1,000 on the life insurance, with the rate for the AD & D staying the same. The increase will result in a monthly increase of \$13.65. The Authority currently pays 100% of the premium.

Commissioner Kannaday made a motion to authorize the renewal of employee life insurance with Dearborn National for an additional \$13.65 a month. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- C. **Approval of August Financial Statements** – Diane Andes Finney reported that the Authority is 1/3 of the way through the fiscal year, and to this point, net assets, liquidity, and revenues are all tracking positively while expenses are coming in below projections. Recognizing winter typically represents the most costly season for operating expenses, Diane reported cash balances are in a strong position ahead of the winter months. The most note worthy expenditure for the month was the pavement repairs in the general aviation area which were funded via the hangar fund. The cash balance in the capital fund has dropped slightly to \$650,000. This is a timing issue with reimbursements pending from the TSA. Terry Reid and Diane are working on the final reimbursement for the CBIS project, as well as the retainage for the project. Diane also noted that the interest rate on the 2012 variable rate bond is creeping upwards; noting that most recently the rate had increased up to 74 basis points. It was also noted that Image Air’s account was current and staff had reached out to CJ’s for their payment.

Commissioner Allen made a motion to approve the August Financial Statement. The motion was seconded by Commissioner Bock and upon a unanimous vote, the motion carried.

- D. **Authorize Acceptance of the Annual Audit Report**- Jim Salvio, from Sikich LLP, presented the annual audit to the Audit/Finance Committee on August 29th. Commissioner Bock reviewed highlights with the Board. The audits are complete with a clean and unmodified opinion. Again this year Sikich completed 2 audits, the single audit which is required by statute because of the grant funds the Airport Authority receives and the overall annual audit of the Authority's financial statements. Commissioner Bock noted this year's report represented yet another very strong audit. At the conclusion of this meeting it was the recommendation of the Committee this report should be presented to, and accepted by, the full Board of Commissioners.

Commissioner Bock made a motion to authorize the acceptance and filing of the annual audit report. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried. Commissioner Bock left at this point in the meeting.

- E. **Authorize Amendment to Construction Services Agreement** – In August 2013, the Board approved a construction services agreement with P.J. Hoerr to construct the terminal expansion and installation of a new baggage screening system. In the process of completing this project the TSA again directed additional work to be completed while allowing their grant funds to be programmed to cover the cost of most of this work.

The request, which represents Change Order No. 8 for the project, would increase the total contract value to \$7,626,807.97. Approximately 89% of the additional \$44,424.59 cost will be borne by the TSA. At this time project/contract closeout activities are nearing completion. As such, this change order represents the final revision to the agreement with P.J. Hoerr.

Commissioner Sender made a motion to authorize the amendment to the construction services agreement with P.J. Hoerr for \$44,424.59. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

- F. **Adopt Resolution No. 2016-2, A Resolution Reappointing Mr. John Zeunik to McLean County Public Building Commission** – Commissioner Hanson made a motion to adopt Resolution 2016-2 to reappoint Mr. John Zeunik to the McLean County Public Building Commission, as the Airport Authority's representative. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- G. **Authorize Professional Services Agreement with Crawford, Murphy and Tilly, Inc.** - As the aviation fuel farm project prepared to transition into the construction phase, Airport Staff requested CMT to propose a scope of work/fees for their firm to provide construction inspection/administration services. Upon reviewing the initial proposal, and after some conversation, it was the consensus of the two offices that a full time resident engineer wasn't needed for a project of this scale; thereby allowing for some reduction in hours/fees. After revisiting the proposed scope/fees, CMT provided a revised proposal calling for a not to exceed cost of \$79,500. Of the \$79,500, approximately \$32,000 is for Stan Tech, which is the special design firm that designed the fuel farm.

Commissioner Allen made a motion to authorize the execution of a professional services agreement with Crawford, Murphy, and Tilly, Inc. to provide construction inspection/administration services related to the aviation fuel farm project for a not to exceed

figure of \$79,500. The motion was seconded by Commissioner Whisman and upon a unanimous vote, the motion carried.

- H. **Authorize Amendment to Professional Services Agreement with Crawford, Murphy & Tilly Inc.** - In June 2013 the Board approved a 'cost plus fixed fee' professional services agreement with CMT to provide design/bid services related to the aviation fuel farm project. The approved value of this agreement was \$144,000.

In the process of completing this work the project experienced some changed conditions, added design work, and reduced administrative efforts which resulted in a change in the approved fee structure. As a result, CMT requested an amendment to this agreement to increase the total not to exceed price by an additional \$3,940 (+2.74%). This revised figure stems from receiving a \$3,470 credit related to bid services, a \$7,105 credit related to environmental review work, and additional design work totaling \$14,515.

Commissioner Sender made a motion to amend the Professional Services Agreement with Crawford, Murphy & Tilly, Inc for \$3,940 for a new not to exceed contract amount of \$147,940 for work associated with the design/bid services for the fuel farm project. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

VII. STAFF REPORTS

- A. **Executive Director's Report** – Carl reported that enplanements for the month of August are relatively even compared to August of last year, despite American's 14 flight cancellations during the month. YTD enplanements are down 2.3%. At Commissioner Sender's request last month, Staff is currently projecting year end numbers in the range of -3 to plus 1%. This would be in comparison to a -8% from last year. Springfield and Peoria have had their Orlando/Sanford service suspended until November. It was also reported that fuel sales are up 8.4% for the month.

The November board meeting falls on election day this year. There was a discussion of changing the meeting to November 14th. That change will be on the October meeting for formal approval.

The first FAA grant for the snow equipment was received on Friday, September 9th. It was executed and forwarded to the IDA for further administration. As a result Staff is moving forward with the award of the contract to MB Companies for the snow removal equipment. The 2nd FAA grant is forthcoming and should be in the office on September 14th.

Except for punch list items and top soil/seeding the service road project is completed. Stark was waiting until September 15 to complete the top soil/seeding.

The Emergency Communications project is moving along. This project is to update the crash phone system that is in place. Adam is in the process of getting bid specifications together for a public bid. The cost of the project has decreased significantly and will be done as a local only project with no grant funds involved. It appears at this time, the new system will be a cellular based system, rather than a hard wired phone system.

The fuel farm project is making good progress. Site work and concrete work are moving forward. The contractor is maintaining the schedule that was provided. Staff is waiting on concrete acceptance testing results.

Tailwind is completely out of the retail facility on the public side. Customer feedback has been very positive on the new location. Tailwind is extremely happy with the sales increase. Commissioner Sender inquired about the vacant space. Carl reported that while a number of varied commercial uses have been considered, it is difficult for airports to change customer behavior to come to the terminal building on a regular basis to engage in non-travel related business. Mr. Sender suggested Staff consider engaging a commercial real estate agent to help find a tenant for the space.

Carl also shared that Staff is currently working to acquire price quotes/options for the replacement of the carpeting in the terminal's ticketing and baggage claim areas.

- B. Deputy Director of Marketing** – Fran Strebing updated the Board on current projects/events involving marketing and air service efforts. Following up on some ideas generated through the EDC's Transportation Committee, Staff has initiated discussions with representatives from ISU's Social Media Analytics Center to outline a scope of work/fees related to their research using social media information to help the Airport Authority identify new data to support the retention/expansion of air service, while assisting overall marketing efforts. Similarly, Staff is also exploring the use of a marketing kiosk for inside the terminal and researching the use of a consultant to help introduce CIRA to potential new business customers.

Fran will be attending the Boyd Conference in Reno Nevada, September 18 through the 20th. The agenda includes workshops on Sunday afternoon regarding air service strategic planning, airline/airport customer service collaboration and discussion on the next generation of regional air service, as well as two full days of presentations by many of the major domestic and international airlines. There will be opportunities to visit and network with the airlines and other participants.

Staff has worked with Congressman LaHood's office on 2 press releases related to FAA grant awards in the past few weeks with very positive feedback being generated from Mr. LaHood's office.

The web site development is well underway. The site map work has already been completed and The Quotient Group is now in the design phase.

Fran also reported that looking into November and the first quarter of 2017, American's Chicago schedule finally adjusts back to a more convenient departure time. However, the third Dallas flight will be suspended into the slower business travel months. Additionally, conversations continue with Delta concerning new marketing efforts/materials for specific markets.

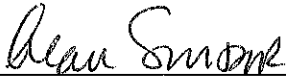
Fran also advised new 15 and thirty second television spots have been created which features CIRA's service to Florida. Focusing on promotions, Fran reported she recently finished a successful promotion partnering with Allegiant in the Champaign market using live television with an 'at-home' component. Additionally, a recent promotion partnering with both Allegiant and the Corn Belters honoring a local veteran and his family was also very successful.

CIRA will be hosting a flu clinic on Thursday, September 15th. All are welcome!

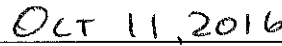
Commissioner Sender inquired if there has been any feedback in regards to airfare out of CIRA relative to fares offered in Chicago. Fran explained that the airlines at CIRA won't compete with the lower cost airfares out of Midway and their impact on fares at O'Hare.

VIII. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the September 13, 2016 meeting of the Bloomington-Normal Airport Authority adjourned at 5:48 p.m.



Secretary



Date