

**BLOOMINGTON – NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
TUESDAY, APRIL 12, 2016
4:30 PM**

I. CALL TO ORDER

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

II. PUBLIC COMMENTS

No public comment.

III. APPROVAL OF MEETING MINUTES

- A. **March Board Meeting Minutes** - Commissioner Allen made a motion to approve the March meeting minutes, with the correction for the new Dallas Flight. That service began March 3rd. 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** – No reason to meet. No report.
- B. **General Aviation Committee** – No reason to meet. No report.
- C. **Personnel Committee** – No reason to meet. No report.
- D. **Public Policy Committee** – No reason to meet. No report.

VI. NEW BUSINESS

- A. **Approval of March Financial Statements** – Diane Andes Finney noted that there were no unusual expenditures/expenses in the month of March. The overall cash position of the Airport Authority continues to be strong and Staff anticipates receiving the FAA/IDA reimbursement for the recent land acquisition project in the near future. It was reported the general fund currently has a net bottom line exceeding original budget projections, due largely to the more mild winter

conditions the airport experienced. Payments have been received on the delinquent accounts. Staff is waiting on signed agreements from Image Air. Commissioner Kannaday inquired about the status of Image Air's account. A discussion ensued as to the importance of not only resolving this matter, but to also ending the long cycle of delinquent payments. Carl Olson was asked what response options might be open to the Airport Authority, including legal actions if needed. Following this explanation Carl was directed to place this item on the May agenda for further consideration.

Commissioner Bock made a motion to approve the March Financial Statements. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

- B. Authorize Award of New Farming Agreement** – The farmer under contract to farm Airport Authority property chose not to exercise the option for a third year of the agreement. Since that time Staff has prepared/released a public/competitive bid package with an eye toward awarding a new farming agreement in time to plant yet this season. To that end, late last month Staff received five (5) bid proposals ranging in price between \$260 and \$316 cash rent per acre/yr. Following the bid opening, there was an auction which pushed the final price up to \$322/acre, with the winning bid being offered by Mr. David Black. The new contract will be for two years with an option for a 1 year renewal.

Anticipating a decrease in farming revenue over the near term, Staff reduced the proposed budget figure in the new budget to reflect a cash rent value of \$365/acre. While the final \$322/acre figure does represent an approximate \$30,000 shortfall from the tentatively approved budget figure, the value of this new amount represents less than 1% of the total general fund revenue for the coming fiscal year. It was also noted that according to the University of Illinois, cash rent for excellent land has gone from \$350 an acre in 2014 to \$275 an acre in 2015. CIRA's land is considered average/good with the U of I report advising rent for this level of property has decreased from \$300 an acre in 2014 to \$250 in 2015. The Authority's 8 year average for cash rent is almost \$400 an acre.

Commissioner Sender made a motion to award the new farming agreement to Mr. David Black for up to 3 years at \$322.00 an acre. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

- C. Authorize Professional Services Agreement with Premier Agriculture Consulting** – The Airport Authority has previously worked with Premier Agriculture Consulting in the past to help Staff begin the soil chemistry and management program. Premier Agriculture Consulting is a business owned by Dr. Shalamar Armstrong who is also an Assistant Professor of Agriculture at Illinois State University.

The new assignment involves a larger, more comprehensive engagement with Dr. Armstrong. The new scope of work will involve the development/assessment of a long-term soil fertility and nutrient management plan, plan/coordinate the details concerning fertilizer, lime, and nutrient applications both pre and post production, analyze soil samples and map results onto a flash drive to be shared with both the Airport Authority and the farmer, coordinate the delivery and application of materials, and provide assistance with the preparing/reviewing/awarding of future bid materials.

Understanding that at some point the Airport Authority's current staff member who has so successfully managed the farming program will be retiring, and recognizing the existing Administrative Staff's direct knowledge/experience isn't yet sufficient to properly assume these responsibilities to that same level, it was the recommendation of Staff that Dr. Armstrong be engaged for a three-year (3) agreement to help the Airport Authority transition, while keeping the farming program strong/vibrant. At the end of this period the Airport Authority would be in a better position to make needed revisions to the agreement or alter the farm management program.

Chairman Colee noted that he would like Dr. Armstrong to present to the board twice a year. Commissioner Hanson made a motion to approve a 1 year agreement with an option for 2, 1 year extensions, with exclusive board approval, with Dr. Armstrong, in addition to the data that will be gathered will belong to the Airport Authority, for a cost of \$23 an acre. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

D. Authorize Amendment to Concession Agreement with Tailwind Concessions, Inc. -

Tailwind Concessions first started business at CIRA in 2010 under the terms of a 10-year concession agreement, which the Board approved. Recognizing the dramatic changes in customer behaviors that continue to be driven by airline and TSA operating characteristics, Tailwind has expressed an interest in creating a new retail facility on the second level of the departure gate area. Explaining that customers now favor making purchases after clearing security and locating their departure gate, Mr. Jess Backhus from Tailwind was present at the meeting to report their experience from other Tailwind facilities with similar facilities and how each experienced immediate improvements in overall sales along with increased commissions for the airports served. Mr. Backhus also presented details of the proposed design, development schedule, location, and operating practices. In addition to typical gift/travel shops products, Tailwind will also provide fresh sandwich, snack, and beverage products offered in a 'grab and go' configuration which will also help alleviate the customer delays being experienced at peak times in their other airside restaurant facility. As a part of opening on the secured side, Tailwind requested authorization to close the existing gift shop located pre-screening.

Similar to all of the improvements and costs associated with creating their concession spaces at CIRA, Tailwind again committed to fund 100% of the design, construction, and installation cost to create the new space. It was noted the newest initiative represents the fourth separate investment Tailwind has made at CIRA in 5 years. Recognizing the value of this investment, Tailwind also requested a five (5) year extension to their current concession agreement.

Commissioner Bock made a motion to amend the current concession agreement with Tailwind Concessions, Inc. to allow for the development of a new post-screening retail facility, closing the pre-screening gift shop and adding an additional five years to the term of the agreement. The motion was seconded by Commissioner Allen and upon a unanimous vote the motion carried.

VII. STAFF REPORTS

A. Executive Director's Report - Carl requested Fran Strebing share a brief analysis of the March traffic figures. It was reported that following Delta's increased seat capacity in March vs. March '15, Delta reported an 11% increase in passengers. In addition to noting the Atlanta loads have

gotten a bit stronger, the new Detroit schedule seems well positioned to capture stronger business loads. Similarly, the second daily Minneapolis flight is still expected to enter service on June 9th. Looking at the American results, the 3rd Dallas flight seems to have gotten off to a strong start. At the same time, the continuing schedule challenges being experienced by CIRA's Chicago service are still having a dampening effect on traffic. The most recent conversations with American suggest the schedule isn't expected to change until the July timeframe. Allegiant had fewer Orlando flights this March versus March 2015, but they did give CIRA more Tampa/St. Pete flights. Allegiant initiated new service to a number of larger communities earlier this year which has had the effect of reducing the number of available aircraft/crews available for capacity increases at existing stations. Lastly, Fed Ex had a good month with increased cargo of about 30%. Local aircraft operations were down due to wind and weather.

Carl reported to the Board that Staff would be meeting with Mr. David Underkoffler, from Clemens and Associates on Thursday to start conversations on the upcoming health insurance renewal which comes due in October.

Carl also shared with the Board that a local resident had filed a complaint with the Attorney General's office raising the concern that the Authority was in violation of the Open Meetings Act on 2 instances. The first question involved whether or not the Airport Authority was properly posting public meetings and the second involved the absence of meeting materials on the Airport Authority's website. In response, Staff engaged Mr. John Redlingshafer, an attorney with Heyl Royster, to respond on the Authority's behalf. Subsequent conversations with Mr. Redlingshafer revealed that the language in the act was wrongly interpreted. Recognizing there was an error, and prior to a new website being developed, Staff will be working to 'shoe-horn' in that level of meeting materials, which can be accommodated by the current website without threatening the rest of the website content. It was noted the current website is being operated by a software system which is materially outdated and can no longer be supported. With respect to the concern raised about the posting of notices, Staff has been advised that what is currently being done is appropriate. Mr. Redlingshafer has asked the Attorney General's office for any feedback or suggestions if there is something more that can be done. It was noted there was no timeframe given for when the Attorney General's office may respond to the request for follow up. It was also noted the tentatively approved budget materials for FY17 contained appropriations for the development/introduction of a new website with enhanced administrative reporting capabilities.

Lastly, Carl reported the new draft fire services agreement was received from the City of Bloomington and it was being reviewed by legal counsel. At the same time, Airport Staff was awaiting comment from the City concerning language in the new draft ground lease agreements.

- B. Deputy Director of Security and Special Projects** – Don Schneider reported to the Board the TSA recently provided the Airport Authority's new baggage screening system a classification of commissioned/accepted with minor design modifications. These modifications involve software programming and have been shared with the contractor for final action. Additionally, it was reported the City of Bloomington has also issued a formal Certificate of Occupancy for this new space.

Don also reported that work toward the start of construction activities for the service road project continues to move forward. In addition to finalizing the pre-construction meeting and associated final documents, the contractors have nearly completed all of their required security training and badging requirements. An early May start for construction is still being anticipated.

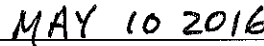
Lastly, Don shared that work continues with the TSA on completing a site vulnerability assessment meant to identify potential insider security threats to CIRA from airport-wide badged employees. To date, three site visits have been completed and Don reported CIRA is working ahead of schedule. Staff has also been working with the TSA in Washington to secure a new operating agreement for the reimbursement for the LEO expenses. Once completed, Staff's focus will then turn to conversations with the Sheriff's Department to secure a new LEO agreement.

VIII. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the April 12, 2016 meeting of the Bloomington-Normal Airport Authority adjourned at 5:50 p.m.



Secretary



Date