

**BLOOMINGTON – NORMAL AIRPORT AUTHORITY  
BOARD OF COMMISSIONERS  
REGULAR MEETING MINUTES  
TUESDAY, FEBRUARY 9, 2016  
4:30 PM**

**I. CALL TO ORDER**

Chairman Colee called the meeting to order at 4:30 p.m. Commissioners Kannaday, Hanson, Whisman, Sender and Allen were present. Commissioner Bock was absent. A quorum was acknowledged.

**II. PUBLIC COMMENTS**

Steve Schmidt was present from the Prairie Aviation Museum. The Museum is closed for the month of February for updating and cleaning. He noted that there will only be 2 more social dinners this year, February and March. It was also shared the Museum may have some additional positive news next month.

**III. APPROVAL OF MEETING MINUTES**

- A. **January Board Meeting Minutes** - Commissioner Kannaday made a motion to approve the January meeting minutes. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

**IV. OLD BUSINESS**

**V. COMMITTEE REPORTS**

- A. **Audit/Finance Committee** – No reason to meet, no report. The Committee will be meeting on February 12, 2016.
- B. **General Aviation Committee** – No reason to meet, no report.
- C. **Personnel Committee** – The Committee met on January 29 and went over the items that were discussed at the Executive Session in December with Carl. Refined goals/objectives have been submitted and are being reviewed. Once they have been finalized, they will be shared with the entire board.
- D. **Public Policy Committee** – No reason to meet, no report.

## VI. NEW BUSINESS

- A. **Approval of January Financial Statements** – Diane Andes Finney reported that revenue in the General Fund as of the end of January was \$391,000 to the positive with a \$1.5 million cash balance. This January's expenditures compared to the last 7 years are about 11% lower than the average of the previous 7 years. The mild winter is a huge contributing factor. If the weather continues to hold and there are not unforeseen large expenditures, the General Fund should be \$350,000 to the positive of unrestricted funds. As part of the Finance/Audit Committee meeting scheduled for this coming Friday, the members will begin discussing the structure and programming of reserve accounts. Year to date, expenditures in the General Fund are about 7% below budget. Hangar fund is status quo. For the month, the CFC fund saw a slight loss due to a heater replacement in one of the car wash bays, but the bottom line is \$53,000 to the positive, which is \$10,000 better than budget. PFC collections were low, but what Staff expected. Two checks were received from each of the troublesome accounts. Progress is being made with those. Commissioner Sender inquired if progress is truly being made or are each of the accounts maintaining. Diane reported that progress is being made. Repayment agreements are anticipated to be signed within the coming weeks.

Commissioner Whisman made a motion to approve the January Financial statements. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

- B. **Authorize Execution of First Amendment to Settlement Agreement with State Farm Automobile Insurance Company** – In response to concerns and actions taken by State Farm involving the correct assessment levels of their properties, negotiations between State Farm and local taxing bodies resulted in a negotiated settlement in 2010. The compromise was to freeze the assessed value of all of State Farm's property for 5 years, at the current rate with a cap not to increase more than 1% per year. If the assessed valuation went up more than 1%, the difference would be abated back to State Farm. Ahead of the pending expiration of this agreement, State Farm requested the taxing bodies for an extension in the form of a second five (5) year term, under the same terms and conditions.

During discussion, Commissioner Sender raised a question if all taxing bodies would be executing the same agreement with the same 1% cap. Carl Olson responded that to the best of his knowledge, and based upon what was previously approved in 2010, yes that was the case. In response it was discussed if the Board was inclined to approve the execution of this amendment, their approval could be conditioned upon no other taxing body receiving a higher annual cap.

Accordingly, Commissioner Kannaday made a motion to authorize the execution of the First Amendment to Settlement Agreement with State Farm, contingent that the language remains the same as the current agreement and that should another taxing body change/modify the language in the amendment, this agreement would have to come back to the Board for approval. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

## VII. STAFF REPORTS

- A. **Executive Director's Report** - Carl reported that the numbers were just recently received and Staff hasn't had much of a change to go through them. January traffic is down significantly January '16 vs. January '15. Factoring out the Frontier figures from last year, traffic is still down about 11%. Aside from the increases in the Atlanta traffic because of the increased capacity, traffic to the other markets was soft. Staff doesn't have a good inside on what might be the cause of the numbers. As with February and September, January is typically one of the slower months of the year. Staff has reached out to the airlines for information on flight cancellations which may have impacted some of the traffic results.

The CBIS project continues to make positive progress. The EDS machines have been removed from the lobby. The data testing results are coming in much more stable, much more positive and they are stabilizing in the acceptable range. The next steps are moving the ticket counters to their final locations. That work will begin the week of February 15th. That project should take a couple of weeks.

Draft budget materials have been provided to the members of the Audit and Finance Committee which will be meeting this coming Friday. The goal is to present the draft budget to the Board at the March meeting for tentative approval. The budget would then be on display for 30 days with final approval at the May meeting.

The EDC's new Transportation Committee met this morning. The Committee reviewed early responses to a business travel survey that the EDC developed and released. The Committee also discussed a possible partnership with ISU's School of Communications. The School of Communications has a social media analytics capability. They track social media hits. An initial meeting is set for Friday to discuss if there is a tie-in/partnership with ISU, to first track the social media context and also use it to help promote the airport and help with messaging and communications.

Carl reported his recent trip to Washington D.C. was tremendously positive. Carl met with representatives from Senator Durbin's office, Senator Kirk's office, Congressman LaHood, Kinsinger and Davis's office. Carl also had an opportunity for a one on one meeting with Congressman Kinsinger. In addition to highlighting developments and progresses at CIRA, the primary focus of the meetings was to discuss the pending FAA Reauthorization bill. During the meetings specific concerns were pinpointed along with offering suggestions for ways the bill could better support the development and operation of CIRA. Carl shared the feedback from each of the offices was quite positive and follow up has already commenced as congressional staff members have reached back to Carl for additional data and information now that the actual language has been released. Chairman Colee inquired how that would affect CIRA. Carl noted that at first glance, the proposed language accomplishes the Airport Authority's goals of continued/stable funding for contract air traffic control services at airports like CIRA as well as a increased grant funding and a longer term (6 year) funding cycle.

Commissioner Kannaday inquired as to what was likely behind CIRA's reduced traffic and what steps were being taken to reverse this course. Carl reported that decreased traffic was largely due to changes in the airline industry which reduced the number of carriers while forcing the remaining carriers to restructure their business models in order to compete. The net result being

fewer carriers, fewer flights, and fewer seats all helping to increase/sustain higher fares. Locally, the departure of AirTran and Frontier, both low cost airlines, also directly contributed to CIRA's reduced traffic as higher average ticket prices made it less attractive for travelers from outside the local market to fly from CIRA at the levels previously experienced. In terms of what steps Staff is taking to reverse this trend, Carl shared a number of new approaches being undertaken along with explaining what the expected outcomes would be. As a part of these new initiatives, Carl highlighted the new partnership with the EDC and the local business community while explaining some of what is being worked on with these groups.

- B. Deputy Director of Operations and Facilities** – Adam Baxmeyer was present to update the Board on the happenings in the Operations department. Snow ops are going well, there have only been 4 true winter operations events so far this year. The equipment is doing well, including the new broom trucks which had previously experienced some maintenance issues.

Adam is in the process of planning the tri-annual disaster drill which will be scheduled for July 20th. This drill takes place out in the field with coordination from the City, the Town, the County and the local hospitals. At a later date, probably 2 weeks after, an Emergency Operation Center drill will be conducted. That focus is more on what happens after the first 20 to 30 minutes of an incident. There is more value in splitting the 2 events as it allows Staff to participate in each event, since the airport will remain open during the tri-annual drill and regular day to day duties will still have to be done.

CIRA did have an aircraft make an emergency landing a few weeks ago. It was a Delta flight from Peoria to Detroit that had some trouble with an engine. CIRA was the closest airport. Within an hour and half of landing another aircraft arrived and the passengers were on their way to Detroit.

Adam reported that he and Carl recently attended a meeting hosted by the McLean County Regional Planning Commission in order to highlight a growing problem with construction cranes near the airport. Adam shared that more and more cranes are popping up near CIRA without any prior notice to the airport; thereby creating obstruction and air space and safety concerns. As a result of this meeting a solution was identified by the group which would require contractors/crane operators to contact airport operations during the early design stages of a project. In return, the Airport Authority would complete the required FAA airspace study for the contractor free of charge and on a timeframe which wasn't likely to impact project costs or schedules.

Commissioner Allen inquired as to how the new friction measuring equipment was performing. Adam reported that it's working very well and has actually been in place for 2 years now. He explained the process that the crew uses during a snow event and the importance of good documentation.

### VIII. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the February 9, 2016 meeting of the Bloomington-Normal Airport Authority adjourned at 5:21 p.m.

*Dean Smith*

Secretary

*3/8/2016*

Date