

**BLOOMINGTON – NORMAL AIRPORT AUTHORITY  
BOARD OF COMMISSIONERS  
REGULAR MEETING MINUTES  
TUESDAY, MARCH 8, 2016  
4:30 PM**

**I. CALL TO ORDER**

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

**II. PUBLIC COMMENTS**

Steve Schmidt was present from the Prairie Aviation Museum. He shared good news that the Museum has paid off the debt associated with the Challenger Learning Center.

Kyle Hamm from the Economic Development Council was present to introduce the EDC's new Transportation Committee which has as one of its aims to support the Airport Authority and our economic development and air service development efforts. Mr. Hamm explained that competitive communities rally around their airports because they are an important component to the community's economic engine. Through this Committee, the EDC has organized a business air travel survey with more than 100 responses being submitted so far. They are not just talking to businesses in the Bloomington/Normal area, but they are also talking to businesses an hour and a half to a two hours radius around Bloomington/Normal. Conversations have also been started with ISU's Smacc Lab, which is a social media analytics and commands center. It is a start of the art resource that allows for real time social media feedback from plug names. This allows for a better understanding of what is being said about the airport and how people view it, along with a more targeted market of users of the airport. The Committee has also been looking at research for data opportunities. Some of this includes kiosks or identifying avenues for purchasing data that is available in real time without the lag associated with U.S. DOT data. Kyle also thanked the Board for their support with the BN Advantage initiative.

**III. APPROVAL OF MEETING MINUTES**

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

**IV. OLD BUSINESS**

**V. COMMITTEE REPORTS**

- A. **Audit/Finance Committee** – The Committee met on February 12 to review the draft budget. That will be discussed under new business.
- B. **General Aviation Committee** – The Committee didn't meet, but Commissioner Allen participated in the kick off meeting for the GA study.
- C. **Personnel Committee** – The Committee didn't meet. It was noted that the Board retreat is scheduled for May 14th. More information will follow at a later date.
- D. **Public Policy Committee** – Public Policy Committee didn't meet, but Commissioner Sender shared more information on the Transportation Committee with the Board. The goal of the Transportation Committee is to break down the different organizational silos involved with transportation in the community while also working to incorporate the engagement of the business community to help support the airport, transit, rail, and surface transportation.

During this discussion, Commissioner Sender shared some of his thoughts concerning areas the EDC's committee may become involved in supporting the Airport Authority's air service development efforts. It was also suggested the Airport Authority appropriate operating funds to help support these efforts. In response, Chairman Colee highlighted that caution needed to be taken with respect to providing airport funds to be programmed/spent outside the bounds of the Airport Authority, due to strict federal compliance and grant assurance requirements. During this same discussion, Commissioner Bock noted that while BN Advantage is a very positive initiative, it is not a legal entity and the Airport Authority must be careful to co-mingle funds and efforts that could be viewed as the Airport Authority was abrogating it's legal and operational obligations. Commissioner Bock also noted that air service development is a bigger part of what the Board is trying to accomplish and that it should be addressed at the upcoming strategic planning session in May. Finally noting that good governance of the Board is of key importance.

## VI. NEW BUSINESS

- A. **Approval of February Financial Statements** – Diane Andes Finney reported that CIRA has finished 10 months of the fiscal year and the financial results continue to progress well. All of the funds, except for the Capital fund, are at or above budget. Should the weather continue to be mild, Staff anticipates a \$70,000 benefit to the bottom line of the General Fund. The General Fund has a bottom line of about \$304,000 above budget. As long as there are no extra ordinary expenditures the General Fund bottom line should be about \$325,000.00 at the end of the fiscal year. The unrestricted cash is about \$2.6 million. It is down because of capital expenditures that CIRA hasn't been reimbursed for yet. The PFC fund is flowing with enplanements and coming in about where budgeted. Two repayment agreements have been sent out on the two delinquent accounts. One has been signed and returned along with the two payments that were required. The 2nd executed agreement is expected before the week is over. Diane is optimistic that there shouldn't be any consideration made for doubtful accounts. Commissioner Bock noted that liquidity and cash reserves are something that should be talked about at the strategic planning session in May.

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

- B. Authorize Renewal of Line of Credit with Northern Trust Related to the Series 2012 Variable Rate Bonds** – As previously approved by the Board of Commissioners in March 2014, this credit facility is a required component of the Series 2012 variable rate bond program. The purpose of this line of credit is to ensure funds are available in a timely manner to support the remarketing of the bonds, in the event the holder of these bonds decides to sell them at a time when there isn't an immediate corresponding buyer available. In this instance, the funds available from the line of credit would be used to purchase the bonds until such time as a new buyer becomes available.

Similar to the term of the expiring line of credit, the new term would also be 24 months. However, after experiencing a rate reduction in 2014 on account of the Airport Authority's stronger bond rating, Northern Trust advised Staff they will be increasing the rate for this renewal up to 97 basis points. Based upon the \$8.275 million dollar outstanding value, this rate increase will raise the upcoming fee from \$66,200 upward to \$80,268 which will be funded through the debt service fund. It should be noted the amount of this annual fee will decrease each year as the value of the outstanding bonds value are reduced. Northern Trust attributed the rate increase to higher capital requirements imposed on the bank by the Basel III liquidity standards.

Commissioner Hanson made a motion to authorize the renewal of the line of credit with Northern Trust bank as related to the 2012 Variable Rate bonds, as presented. The motion was seconded by Commissioner Whisman and upon a unanimous vote the motion carried.

- C. Approval of Tentative Budget Materials for Fiscal Year 2017** – As previously reported, the budget materials being presented for tentative approval accomplish all the Airport Authority's objectives for the coming year to properly fund and operate the facility. The budget covers all debt service and continues to invest in new infrastructure and equipment, along with keeping rates and charges competitive. Among the changes being proposed the General Fund budget involves an increase in the car rental revenue. Specifically, Staff is proposing a 4% increase in the lease rate for car rental terminal space and a 5% increase in the ready/return parking rates. Both of which are in line with language in the current car rental concession agreement. Additionally, Staff is recommending an increase in the monthly car rental overflow parking rate from \$5.00 up to \$10. The budget for the General Fund being proposed represents a net revenue over expenses of \$100,000.

Commissioner Kannaday made a motion to tentatively approve the budget for Fiscal Year 2017 and place it on display for 30 days. The motion was seconded by Commissioner Bock and upon a unanimous vote, the motion carried.

## VII. STAFF REPORTS

- A. Executive Director's Report** - Carl reported that the February numbers are down 8.9%, but that includes Frontier traffic. If the Frontier traffic is removed and compared to current providers this year versus last year, traffic is only down 2.6%. There were approximately a dozen cancellations from hub airports during the month of February. Allegiant for the combined markets is up slightly over last year. Carl noted that Allegiant didn't break out the 2 markets last year so the

numbers do look a little odd. American Dallas results were almost flat with last year. They also had a cancellation in the month. Chicago was off 11%, with 9 O'Hare cancellations. Delta Atlanta service was flat. Detroit service started to perform a bit better in the second half of the month. This could be due to a schedule change.

Carl reported that his recent One Voice trip with the EDC was successful.

Congressman LaHood came to visit CIRA on February 5th. Chairman Colee and Commissioner Sender were also at the meeting. It was a very positive, engaging meeting. There was a very constructive conversations on FAA reauthorization, the concerns for CIRA as well as some thoughts on the industry going forward.

Carl and Adam continue to meet with organizations in the community concerning unmanned aerial systems (UASs or drones). They are working with the organizations such as ISU and aerial photographers to come up with language for an agreement that basically is easy for all parties to fill out and coordinate with the airport.

The GA facility study had a kick-off meeting on February 26th. Commissioner Allen was able to attend. It was a great meeting, looking at the scope of the project along with the schedule and where the Airport Authority would best invest new funds in general aviation facilities, specifically aprons.

**B. Deputy Director of Marketing** – Fran Strebing was present to update the board on marketing efforts. The new Dallas flight started Thursday, March 3rd. CIRA was fortunate to get a lot of media coverage that day. WEEK and WHOI were both out, as well as WMBD. The local radio stations and the Pantagraph also covered it, as well as Staff doing fun things on social media. The new flight comes in at 12:09 and goes back out at 1:05. The third flight is going out at 3:31. The schedule will change in May with the 3rd departure being later in the day. The new flight is 7 days a week. The Chicago schedule will adjust in June with the last departure of the day leaving at 5 instead of 6:30.

The 717 for Delta's Atlanta service came into the schedule in January but they pulled it back out for a bit. It will be back in the schedule in April. CIRA is also getting a 2nd Minneapolis flight in June. The new flight will be a 6:55 a.m. departure. Staff has also highlighted their concerns to Delta with the Detroit flight. That flight was adjusted from a 1:00 p.m. departure to an overnight that goes out in the morning. That continues through the summer. Allegiant has given CIRA several additional flights during the month of March for spring break/Easter.

The marketing plan has been updated and it will be looking strategically at different areas and where the new capacity can be promoted. For example, Delta with the additional capacity to Minneapolis and more consistency with Detroit, there are areas to the East that once had Delta service that Staff wants to make sure they know there are plenty of seats and availability on Delta. Staff is also looking north and east to promote the Allegiant service. Carl and Fran have meetings scheduled with Allegiant at their annual invitation only conference in April. They have agreed to work with Staff on a few promotions. Discussions with all 3 carriers are ongoing. All 3 airlines require that any marketing pieces must go through them for approval first.

Social media has been a bit more active. CIRA is paying for a few spots on Facebook and those have given a great return on engagement. Demographics on Facebook show that 32% of those

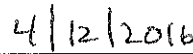
that like the page are from the Bloomington Normal area, then Champaign Urbana area, Springfield and then Chicago, Clinton, Decatur, Peoria, Lincoln, Streator and Pontiac. Commissioner Kannaday inquired about whether Fran buys ads on Google. Fran replied that CIRA does a retargeting campaign on Google, based on certain key word searches and with the help of Comcast the short commercial rolls are being used on Google.

### VIII. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the March 8, 2016 meeting of the Bloomington-Normal Airport Authority adjourned at 5:50 p.m.



Secretary



Date