

**BLOOMINGTON – NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
TUESDAY, MAY 10, 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 Museum to update the Board. The first open cock pit day is May 21st. April was a good month for the Museum.

III. APPROVAL OF MEETING MINUTES

- A. April Board Meeting Minutes - Commissioner Hanson made a motion to approve the April board 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 – No reason to meet. No report.
- B. General Aviation Committee – No reason to meet. No report.
- C. Personnel Committee – The Personnel Committee met on Monday, May 9th to review the collective bargaining agreement.
- D. Public Policy Committee – No reason to meet. No report.

VI. NEW BUSINESS

- A. Approval of April Financial Statements – Diane Andes Finney reminded the board that the April financials are preliminary, adjustments will be made as Staff prepares for the audit, which begins on May 11th. Overall the Airport Authority experienced another strong financial year as fund balance increased and all of the operating funds finished with positive bottom lines at or

beyond budget, except for the Capital fund, which by its nature is meant to administer project expenditures. The bond debt decreased by \$1.5 million and increased the non-referendum debt margin from \$5.9 million to \$6.8 million. The PFC collections increased about 3% over last year, though as projected, the total amount was shy of the required debt service level thereby requiring the use of reserve funds. Two payments have been received from CJ's. One check has been received and processed from Image Air and Staff is expecting another check next week.

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

- B. Approve Officers for Fiscal Year 2017** – In accordance with the Airport Authority's By-Laws the May meeting has been designated as the Airport Authority's Annual Meeting. The slate of officers for FY17 were presented as follows:

David Colee	Chairman
Jay Allen	Vice Chairman
Alan Sender	Secretary
Elizabeth Whisman	Treasurer
John Hanson	Assistant Secretary/Treasurer

Commissioner Allen made a motion to approve the slate of officers as presented. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

- C. Approve Committee Memberships for Fiscal Year 2017** – The Airport Authority maintains four standing committees comprised of two Board members. The Audit and Finance Committee, the General Aviation Committee, the Personnel Committee, and the Public Policy Committee. Based upon feedback from the members the committee memberships were presented as follows:

Audit and Finance Committee	Kurt Bock, Chairman Colleen Kannaday
General Aviation Committee	Jay Allen, Chairman John Hanson
Personnel Committee	Elizabeth Whisman, Chairman David Colee
Public Policy Committee	Alan Sender, Chairman John Hanson

Commissioner Whisman made a motion to approve the committee memberships as presented for FY17. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

- D. Adopt Ordinance No. 184-16; The Annual Budget Ordinance for Fiscal Year 2017** - This item was tabled until the June meeting.

- E. **Authorize Execution of Ground Lease with CC Services, Inc.** - As previously reported, Airport Staff has been working with representatives from the Flight Department of COUNTRY Financial to accommodate their request to lease property upon which they could build/operate an aircraft hangar. Staff has been working with COUNTRY officials, Crawford, Murphy & Tilly and an engineering team to find the right location. The environmental review has been completed and a positive determination has been received from the FAA. Both preliminary air space studies have been accepted, with the final ones having been submitted to the FAA. The terms and conditions of the agreement are similar to the Airport Authority's other aeronautical ground leases with a total term of 40 years, 30 year original with two, 5-year extensions and an initial lease rate of 28 cents/square foot/year. In line with the Airport Authority's existing agreements, this rate is subject to adjustment on a fixed interval basis via appraisal and later in the agreement via CPI. Additionally, at the end of this agreement the structure and the remaining improvements shall become the property of the Airport Authority.

Commissioner Allen made a motion to authorize the execution of a ground lease with CC Services, Inc. as presented, subject to final legal review and approval. The motion was seconded by Commissioner Kannaday and upon a vote, the motion carried. Commissioner Bock abstained from voting.

- F. **Approve Design of New Aircraft Hangar** - Carl reviewed the hangar drawing with the Board. The proposed hangar location is immediately east of the old passenger terminal building and adjacent the airfield electrical vault building and the G.A. apron. It will be approximately 15,000 square feet in size. The facility will be separated into a 12,000 sq.ft. hangar bay and a 3,000 sq.ft. office and lobby space with sufficient exterior vehicle parking. The site was selected after a very long/thorough review of potential locations; focusing on areas which accommodated existing apron access, utilities, and vehicle access.

Staff is awaiting the final airspace determinations for construction related activities after resubmitting the construction related airspace studies following a modest design revision. Concurrent with this, COUNTRY's design team will be coordinating and securing final City of Bloomington approvals.

Commissioner Hanson made a motion to approve the design of the new aircraft hangar for CC Services, Inc. The motion was seconded by Commissioner Allen and upon a vote, the motion carried. Commissioner Bock abstained from voting.

- G. **Authorize Execution of New Collective Bargaining Agreement** - Beginning in 2005 the Airport Authority's airport maintenance staff, excluding the Maintenance Supervisor, began to be represented by Local 649 of the AFL/CIO's International Union of Operating Engineers. Their most recent three-year collective bargaining agreement with the Airport Authority expired on April 30th. In preparation for replacing this agreement, Airport Staff began discussions with the local in early March in order to complete a new agreement. Following a positive vote by the union membership on May 2nd, Airport Staff met with the Personnel Committee on Monday, May 9th to review/discuss the final draft agreement. Following their discussion, it was the recommendation of the Committee the final language be presented to the Board for approval. Overall the new agreement calls for a 7.75 percent increase in wages for the coming three year period (FY17 - 2.75%, FY18 - 2.5% and FY 19- 2.5% vs. 7.5% in the expiring agreement). The new agreement also included language revisions related to both wage and non-wage provisions.

Commissioner Kannaday made a motion to authorize the execution of the new 3-year collective bargaining agreement, retroactive to May 1, 2016 as presented. The motion was seconded by Commissioner Whisman and upon a unanimous vote, the motion carried.

- H. Authorize the Purchase of a New Tractor** - As part of the FY17 tentative capital budget, Staff has budgeted the purchase of a new tractor. As previously reported, this tractor will be used for airfield mowing, grounds/drain tile maintenance and snow/ice removal. The new unit will replace a 2000 John Deere 6410 tractor with approximately 6,500 hours which has become both difficult and expensive to maintain.

In the process of shopping prices and equipment, Staff identified a new Case Farmall 125A tractor that is a 2014 model year being sold new with a full manufacturer's warranty. The tractor, which is the last 2014 in stock, is available from Birkey's Farm Store in Bloomington. Following a \$19,000 trade-in allowance from Birkey's, the purchase price for this new tractor would be \$37,100.

For comparison purposes, prior to the \$19,000 trade-in allowance which was also offered by two other vendors, Nord Equipment offered a 2015 Kubota M6-111DTC for \$66,595, Martin Sullivan offered a 2015 John Deere 6130M for \$95,683, and Birkey's offered a 2015 Farmall 110 for \$65,500 versus the 2014 Farmall 125A for \$56,100.

Commissioner Bock made a motion to authorize the trade-in of a 2000 John Deere 6410 tractor as a part of purchasing a new, 2014 Farmall 125A tractor from Birkey's Farm Store, Inc. in Bloomington for a not to exceed price of \$37,100 following a \$19,000 trade in allowance. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried. The tractor will be paid for in June, after the FY17 budget is formally adopted.

VII. STAFF REPORTS

- A. Executive Director's Report** - Carl reported that the Allegiant services continue to perform well with good seasonal loads. The Orlando numbers are lower this April versus April 2015 due to additional flights in 2015 ahead of Frontier's departure to the Orlando market. American's Dallas service continues to perform very well, due in large part to the connectivity in Dallas. Chicago service continues to show weakness. As previously reported, Staff has identified a connection with the softer Chicago results to a schedule change implemented by American that severely limits the connectivity/effectiveness of the evening Chicago flight. Carl reported this item is going to be discussed with American during an upcoming meeting in mid June. Along similar lines, following Delta's decision to revise their Detroit schedule, traffic for the first month of the new schedule increased by 24% with a corresponding increase in the load factor. Delta's service to Minneapolis also benefited from an improved schedule with both traffic and load factors increasing. Overall, Carl reported that traffic for the month was down 4%, noting that without the April '15 Frontier numbers, traffic would have been flat.

Carl and Fran attended the Allegiant Airport conference earlier in the month where they received very positive feedback from Allegiant for their strong operational and financial performance at CIRA. It was also noted that Allegiant made a special point of talking about the low operating costs and the beneficial impact of the Airport Authority's ongoing marketing efforts. Of the 115

airports that have Allegiant service, CIRA is in the lowest 25% for cost and of those 25% there are a number of airports that charge nothing.

Carl also reported that Tailwind recently submitted the first set of draft drawings for their new retail space on the secured side. The goal is to have it in place before the end of June.

Subject to further action by the IDA, it was reported that Staff has been working to coordinate pre-construction activities in order to facilitate the start of construction for the new service road project. While May 16th has been identified as the projected start date, the IDA has not yet issued their formal notice to proceed authorizing Stark to begin mobilizing on site.

The new fuel farm project is moving along. Plans and specs are scheduled to be released for competitive bid next week, with the goal of presenting a recommendation of award to the Board during the June meeting.

Because of some staffing issues at the State, the pavement rehab project missed the April bid letting schedule. Staff is currently regrouping with an eye toward having this project placed on the state's July bid schedule. Adding a cautionary note, Carl reported a similar bid schedule last year ultimately caused the construction phase of the service road project to be postponed until the spring of this year.

Staff has met with David Underkoffler from Clemens and Associates in regards to the health insurance renewal. David shared with staff the Airport Authority will once again be permitted to have our existing employee health insurance benefit program grandfathered which will allow the Authority one additional year before transitioning to the ACA program requirements. Renewal rates are expected in July.

Commissioner Sender inquired about air service and if Staff talked with Allegiant about any additional service. Carl responded by explaining this subject was discussed with Allegiant during the recent meetings. At that time Staff was advised that Allegiant's network capability didn't have sufficient aircraft/crew capacity to increase their schedule in the short/near term. At the same time they reported their performance/market characteristics being experienced at CIRA did position the Airport Authority for future consideration.

- B. Deputy Director of Operations and Facilities** – Adam Baxmeyer was present to update the board. Adam reported that Mr. David Schmillen has joined the operations team to fill a position that was recently and unexpectedly vacated.

Last month was the end of session snow meeting. The feedback was positive from the tenants and air traffic control.

The tri-annual drill is scheduled for July 30th with an EOC exercise on August 10th. The tri-annual drill will be the first drill that will use an actual aircraft fuselage. Staff is also working with the theater department from ISU to help with "victims" for the drill.

Adam and Carl met the new FAA Tech Operations manager last week. Tech Ops is the group that is responsible for the navigational equipment at the airport. She reported that CIRA will be getting a new weather system, switching from an AWIS to an ASOS later this summer.

VIII. EXECUTIVE SESSION

Commissioner Hanson made a motion, at 5:48 to recess for a couple of minutes and reconvene in Executive session for a pending legal matter. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

IX. RETURN TO OPEN SESSION

The board reconvened in regular session at 6:26 p.m. All Commissioners were present, along with Carl Olson and Bill Wetzel.

X. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the May 10, 2016 meeting of the Bloomington-Normal Airport Authority adjourned at 6:27 p.m.

Alan Smart
Secretary

JUNE 14 2016
Date