

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

I. CALL TO ORDER

Chairman Colee called the meeting to order at 4:30 p.m. Commissioners Hanson, Whisman, Denault and Kannaday were present. Commissioner Allen arrived at 4:40 p.m. and Commissioner Sender was absent. A quorum was acknowledged.

II. PUBLIC COMMENTS

No public comment

III. APPROVAL OF NOVEMBER BOARD MEETING MINUTES

Commissioner Denault made a motion to approve the November 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 Committee met in November to discuss the vision and dental insurance renewal. That item is on the agenda under Regular Business.
- D. **Public Policy Committee** – No report.

VI. NEW BUSINESS

- A. **Adopt Ordinance No. 189-16, an Ordinance Conditionally Abating Property Tax for Rivian Automotive** - Mr. Jim Thomas from Rivian Automotive and Mr. Mark Peterson from the Town of Normal were present to update the board on the Rivian Automotive project. Mr. Peterson gave a brief background on the Mitsubishi plant. He noted that if not for Rivian Automotive, the company that currently owns the building, was ready to auction off the contents

and disassemble the building for scrap. Mr. Peterson introduced Mr. Jim Thomas, the CFO for Rivian Automotive. He briefly explained to the Board the history of Rivian Automotive and the plans for the former Mitsubishi plant. Rivian expects a slow ramp up and while they anticipate beginning manufacturing work to begin in 2019, they don't expect full production until 2021. They will manufacture electric vehicles from the plant and looking to the future of the automotive industry from car sharing to being a part of the community with community partnerships. Mr. Thomas also told the Board that they are working with the State of Illinois for incentives as well. Rivian's home office is in Michigan, in addition to their IT staff having an office in the San Francisco bay area. Rivian is also working towards having some suppliers located directly in the plant.

Mr. Peterson explained there are safe guards in the agreement that if Rivian doesn't meet the thresholds they will not benefit from the tax abatement. Some of those thresholds include, buying the plant in year one, in year two they must invest \$10 million dollars in real plant improvements and have 35 employees, in year three 75 employees and another \$22 million dollars in improvements, by year 4 they will have to have 500 jobs. EDC will monitor the thresholds and report the results to all the taxing bodies.

Commissioner Hanson made a motion to approve Ordinance No. 189-16, an ordinance conditionally abating the property tax for Rivian Automotive for the tax year beginning 2017. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

- B. Report on CY2016 Farming Activities** - Dr. Shalamar Armstrong from Premier Agriculture Consulting was present to update the Board on the farming activities for the fall of 2016. The overall goal for Premier Agriculture is to develop a long-term soil fertility build up and management plan for all of the Authority's tillable land. Premier is also assisting the Authority with nutrient and agro-chemical applications to help achieve the long-term management plan and to assess the plan's progress. Soil samples were taken with a focus on the soil's PH, phosphorus and potassium. From this it was determined there were a number of areas showing improvement while a few areas still needed some additional attention. The idea is to protect/enhance the soil fertility, while also providing prospective bidders with quality bid preparation information; in turn supporting higher yields and stronger revenues. Dr. Armstrong and his team will be out in the spring to collect follow-up soil samples for comparison to the earlier samples to determine what changes have occurred. Based on that information, the management plan would be adjusted to reflect any changes that were needed.
- C. Report on New Website** – This past July the Board approved a professional services agreement with The Quotient Group for the development of a new website that would be introduced before the end of the year. This work has been completed and Ms. Fran Strebing walked the Board briefly through the new site. The site was launched with a quiet introduction on December 8th to test the site and identify/resolve final adjustments. Fran thanked the Ad Hoc Committee for the selection of The Quotient Group; they were excellent to work with and really helped with getting through the project. The Quotient Group did take some new photos of the airport to be used on the site. Staff will be doing training next week on how to update the website, which will be much more user friendly. Fran also shared with the Board the backend analytics that she can now get with the new website. The project came in under budget and launched early.

Commissioner Kannaday left the meeting at 5:25 p.m.

D. Approval of November Financial Statements - Ms. Diane Andes Finney updated the Board on the November financials. The Authority's total net results for the end of November increased fund balance by about \$650,000. That is \$200,000 better than what was reported for October. The Capital fund did receive the \$331,000 reimbursement from TSA on the baggage project. Diane and Terry Reid are working very hard on securing the final \$1 million dollar release of project retainage from the TSA. General Fund bottom line was \$156,000 for the month with revenues continuing to be slightly above budget as expenditures are below budget by about 8%. The Hangar Fund had a bottom line improvement of about \$6,000. There was little or no activity in the Capital Fund for the month. The AR accounts have both made their payments and are up to date, with the December payment.

Commissioner Whisman made a motion to approve the November Financial Statements. The motion was seconded by Commissioner Denault and upon a unanimous vote, the motion carried.

E. Adopt Ordinance No. 187-16 and 188-16, Ordinance Authorizing the Abatement of Taxes Related to the Series 2009 and 2011 Sale of General Obligation Bonds - Similar to previous abatements adopted by the Board of Commissioners this time of year, these ordinances pertain to the alternate revenue component of the restructured PFC bond program. As a part of the program the Airport Authority annually determines if there is sufficient PFC revenues to fund the coming years debt service payments, if sufficient funds are available, as they are again for FY2018, the Airport Authority will then abate that portion of the coming year's tax levy, which would have otherwise been programmed toward the PFC debt service expense. If these funds had been needed in this instance, the CY2016 levy would have generated funds that would be received in CY2017 for the Airport Authority's FY2018 principal/interest payments.

Recognizing there are sufficient funds for the scheduled debt service payments, Airport Staff recommended the Authority abate \$458,762.50 related to the Series 2009 bond program and \$617,500 related to the Series 2011 bond program.

Commissioner Allen made a motion to adopt Ordinance No. 187-16 and 188-16 authorizing the abatement of taxes related to the Series 2009 and 2011 Sale of General Obligation Bonds. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

F. Authorize Renewal of Employee Vision and Dental Insurance – The current two-year agreements with VSP for employee vision and Delta Dental for dental insurance, expire at the end of December. In preparation for this, Airport Staff engaged Mr. David Underkoffler from Clemens and Associates to secure/review price quotes for the coming two year period. In response, renewal rates came back from Delta Dental with no increase from the current rates. The vision renewal rates came back with a 2.6% increase. The Personnel Committee met on November 13th to review the vision and dental insurance renewal and they recommended that the renewals be brought to the full Board.

Commissioner Denault made a motion to authorize the renewal of the employee vision insurance with VSP for a 2.6% increase and to renew the employee dental insurance with Delta Dental for no increase for the coming 2 year period. 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 to the board that November enplanements were flat compared to November of 2015. That is against a 4% reduction in capacity. With the exception of Delta's Atlanta service, all markets saw an increase in load factor. Year to date enplanements are up 1.3%.

Last month the Board authorized the purchase of new carpet for parts of the terminal building. Carl shared 3 carpet samples with the Board for them to choose from. Following this selection, the carpet manufacturer will prepare color suggestions to compliment the interior finishes. Installation of the new carpeting is expected the end of February to mid March.

The annual FAA Certification inspection started Monday, December 12 and is still ongoing. Feedback has been positive.

Carl reported on a recent meeting with Tailwinds' Director of Operations during which they expressed their appreciation and positive feedback for their business relationship with the Authority. Tailwinds also reported their retail sales (non food/beverage) for the first couple of months on the secured side were up over 70% as overall concession revenue on both sides is up 26%.

The new City of Bloomington agreements for the fire station/fire services are done. They will be going to the Public Policy Committee for review and discussion and brought to the full Board in January. Both agreements are co-terminus with an initial 30 year lease with a 10 year option, for a total of 40 years. The agreements will be brought to the City Council at their January 9th meeting. There is no transfer of funds, rent for the land will be the same as the expense for fire training services.

The fuel farm project is moving ahead. The final concrete pour was completed this past Tuesday with early lab/test results showing strong results. The contractor is also working on finishing the piping and dress work for the GA. Tank. The second Jet-A tank (the replacement tank) is expected to arrive the week of December 26th.

The manufacturing/assembly of the two new pieces of snow removal equipment are moving ahead of schedule and delivery may occur as soon as early January. Carl also reported that two Airport Maintenance staff members will be traveling to Wisconsin next week to inspect the assembly and verify equipment specifications.

Lastly, it was reported the Authority recently received from the IDA the final/executed grant materials for the runway rehab project. While the state has not yet awarded the actual construction contract, they have extended the bid award schedule in order to maintain the contractor/price. Airport Staff will continue to closely monitor this matter in order to help expedite the construction phase in the spring.

VIII. ADJOURNMENT

There being no other business to come before the Board, upon a motion being made, seconded and approved, the December 13, 2016 meeting of the Bloomington-Normal Airport Authority adjourned at 6:10 p.m.

Alan Swone

Secretary

1/10/2017

Date