

**BLOOMINGTON - NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
TUESDAY, FEBRUARY 13, 2018
4:30 PM**

I. Call To Order

Chairman Allen called the meeting to order at 4:31 p.m. Commissioners Kannaday, Whisman, Denault, Groves, Sender and Hanson were present. A quorum was acknowledged.

II. Public Comments

Charlie Bates from EAA was present to update the Board on events happening in the Chapter. The Chapter is working toward hosting a Ford Trimotor the weekend of June 16th. They will have 3 or 4 days of rides and tours of the aircraft. This happens to be an open cockpit day for the Museum, as well as Father's day, so the EAA Chapter is talking with the Museum to have a combined event. Potentially the old gate area of the former terminal could be used for exhibits. Charlie has spoken with Carl in regards to the event and the airport stands ready to assist. The Chapter is also going to work on hosting monthly Young Eagles events.

III. Approval of January Meeting Minutes

Commissioner Groves made a motion to approve the January 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 report. They will be meeting on February 27th to review the draft budget.
- B. **General Aviation Committee** – No report.
- C. **Personnel Committee** – Met earlier in the day. An item appears on the agenda later in the meeting.
- D. **Public Policy Committee** – No report.

VI. New Business

- A. **Approval of January Financial Statements** – Paulette Hurd reported that the Authority is 9 months through the fiscal year. The General Fund revenues and expenses continue to trend favorable to budget. January did see more snow removal costs, but the budget remains in good shape. Revenues are 1.8% ahead of budget and expenses are 4.7% below budget. The corporate replacement taxes continue to fall behind and Ms. Hurd doesn't anticipate it will improve by the end of the year. The Hangar Fund continues to trend favorable to budget on both revenues and expenses. The Capital Fund didn't experience much activity for the month of January. Revenues in the CFC Fund are slightly behind budget, but expenses are also significantly below budget. Revenue in the PFC Fund is slightly behind budget, but up compared to January of last year.

The 2 problem accounts continue to be an issue. Staff did receive a phone call earlier in the day that a check would be coming on the 1 account. Commissioner Sender inquired as to what the next steps would be, if the check doesn't cure the default. It was explained the agreement contains terms/conditions which guide the administration of the default.

Commissioner Denault made a motion to approve the January financial statements. The motion was seconded and upon a unanimous vote, the motion carried.

- B. **Approve Revised Employee Salary Matrix** – The Airport Authority last completed a comprehensive salary study in 2009, with an update in 2012, after which there were no other updates. As a result of this, the Personnel Committee requested Staff to do a comprehensive salary study and report back on the results of the analysis, as well as to make a recommendation on proposed updates to the current matrix for 2018. The work was completed with the assistance of a consultant and shared with the members of the Personnel Committee.

Based on feedback from the Board members following the '09 study, Staff received direction from the members that the focus for the Authority should be to position the salaries in the range of the 50th percentile of the study. As such, the results of the current analysis revealed that for the most part, all the current salaries are within a small range of this mark. There were 15 positions in the study and those positions covered under a collective bargaining agreement were not part of the study. One key finding from the study revealed that the operations supervisor positions were below market, both in the starting salary and the salary range. Keeping in mind this position sees a high level of turnover, a discussion ensued with the consultant about creating a 2-tiered salary scale. There would be an entry level salary range and then once an individual could demonstrate proficiency in all aspects of airport operations, they would be able to step up to the 2nd level (Operations Specialist II). Additionally, the Personnel Committee recommended that Staff complete an annual update to the matrix in time for any refreshed numbers to come to the Board so they could be used in budget preparation for the coming fiscal year. The update would be a simple survey based on cost of labor in the community. The Committee also recommend that Staff should complete a more comprehensive refresh of the matrix every 3 to 5 years.

A motion was made by Commissioner Groves to approve the revised employee salary matrix as presented. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

- C. **Authorize Budget Amendment for 2012 Debt Service Fund** – This past December Airport Staff completed an analysis of the Airport Authority’s current bond indebtedness. That information was shared with the Audit/Finance Committee. As a part of this analysis, Staff identified the reserve account for the 2012 general obligation bond fund had generated a larger surplus/reserve than was needed. When the bond was established it was based upon a variable interest rate, which has produced lower than anticipated interest expense. Among the different methods identified for managing this surplus, Airport Staff is recommending this fund’s current budget be amended to allow for an additional principal payment of \$4,075,000.

By completing the additional payment, the Authority would accelerate the final maturity of the bonds, while also reducing overall interest and associated finance fees. By amending the current budget for the fund to allow for this additional principal payment the Authority would be able to advance the final bond maturity by three (3) years (FY25, FY26, and FY27). Additionally, this action would also generate lower interest expense going forward, along with reduced remarketing/credit facility costs while positioning the Authority to abate some of the future tax levies for these bonds. This proposal was presented to the Authority’s bond counsel for their review and was approved.

Commissioner Hanson made a motion to authorize an amendment to the current budget for the 2012 Bond Debt Service Fund to allow for an additional principal payment of \$4,075,000. The motion was seconded by Commissioner Denault and upon a unanimous vote, the motion carried.

VII. Staff Reports

- A. **Executive Director's Report** – Carl reported that building on the momentum created in December, the January numbers are up compared to January 2017. Overall passenger traffic was up 5% over last year and enplanements were up over 4%, which is against a slight decrease in capacity. Leisure traffic continues to be strong and business traffic is still experiencing some softness. Allegiant had another especially strong month for Orlando/Sanford. The traffic to Tampa/St. Pete was also up strongly over January 2017. The Dallas service on American had another strong month largely by increased capacity provide by the larger aircraft. Chicago experienced some difficulties in January that were tied to both winter O’Hare weather and a small reduction in seasonal seat capacity. Atlanta activity was also down with this decrease driven by the downsizing of aircraft from the B717 to the CRJ 900. Conversely, the traffic for Minneapolis was up while enjoying a small increase in yr. over yr. capacity. Fuel sales were up almost 9% for the month with aircraft operations being up substantially. Fed Ex continued their strong performance. They were up 18% for January which represented their 4th consecutive month of double digit increases.

As design work for the third/final phase of the Authority’s pavement rehab project gets underway, it was reported that Staff is in the process of substantially expanding the scope and cost of the project. The reason for this increase is research into the conditions of certain taxiways revealed that a more comprehensive rehabilitation will be needed, including a mill/overlay and replacement of some pavement panels. It was also explained that by increasing the scope of this third phase, the Authority could anticipate attracting lower project costs while also eliminating the need to create a new, fourth phase in the future. Preliminarily approved by the members with an estimated project cost of \$1.0 million dollars, the revised price is expected

to now exceed \$2.0 million dollars. The required funds for this expanded scope will be programmed from existing FAA AIP grant monies and Airport Authority bond proceeds previously identified for AIP projects.

Carl is continuing discussions with CVB. A new 4 year term has been offered, but he has not heard back from CVB.

It was also reported that CIRA will be hosting another TSA Pre-check March 5th - 9th. More information and appointment scheduling has been posted on the airport's website.

- B. Deputy Director of Facilities and Operations** – Mr. Javier Centeno was present to update the Board. The RFP for the aviation fuel supplier for 100 low lead was released. Proposals are due February 23rd. There is a pre-proposal meeting set for Friday, February 16th. Staff has received notice of intent from 2 vendors so far.

The construction portion of Phase II of the pavement rehab project is starting to ramp up for the coming season. A pre-construction meeting is scheduled for February 14th with the IDA, FAA, airport staff and airport tenants participating.

Javier met earlier in the month with Chief Heffner from the Bloomington Police Department to begin discussions aimed at enhancing current LEO coordination at CIRA. It was noted the Airport Authority enjoys a very strong relationship with the Sheriff's Department and the Bloomington Police and these conversations are expected to further advance coordination efforts.

It was reported that Ms. Cindy Howland has accepted a new position at Caterpillar. The open position has been posted and Staff is working on getting it filled as quickly as possible. With Ms. Howland's departure, Javier will take on the ASD role, with the operations staff being trained to serve as the Alternate ASDs. The annual TSA inspection is scheduled for March. Staff has also begun to work on rewriting the Security Plan.


Javier recently attended the Crosswinds monthly meeting and shared with them the Authority's Snow and Ice Control Plan. He will be attending the EAA meeting on February 14th to share the same information.

Commissioner Groves thanked Staff for all their help with their recent search for a new vice-president. ISU used CIRA's conference rooms for 2 days in January.

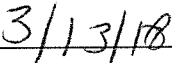
Chairman Allen extended an invitation to the Commissioners in regards to the upcoming Boyd Conference in August this year. If anyone is interested in going, please let Mr. Allen or Carl know.

VIII. Adjournment

There being no other business to come before the Board, upon a motion being made, seconded and approved, the February 13, 2018 meeting of the Bloomington-Normal Airport Authority adjourned at 5:42 p.m.



Secretary



Date