

**BLOOMINGTON-NORMAL AIRPORT AUTHORITY
AUDIT/FINANCE COMMITTEE MEETING REPORT
TUESDAY, February 27, 2018
2:30 p.m.**

Commissioner Kannaday called the meeting to order at 2:30 p.m. Commissioner Hanson, Executive Director Carl Olson, CFO Paulette Hurd and Executive Assistant Lynnette Hindman were present. A quorum was acknowledged.

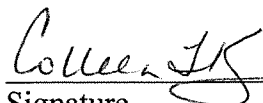
Ms. Paulette Hurd shared information on the bond restructuring. The information was prepared by Mesirow Financial. At the February meeting the Board approved making an additional payment on the 2012 bonds. With those bonds there is a letter of credit facility that renews every couple of years. That facility is up and the bank (Northern Trust) who has the letter of credit is no longer wanting to be in that line of business. Staff began discussions with Mesirow Financial to find out what options the Authority has in regards to the bonds. Mesirow suggested that the Authority refund both the 2008A bonds and the remainder of the 2012 bonds with 1 private placement bond. A private placement would not require going to the bond rating agencies, so the process would be expedited. The new bond value would be \$6.7 million, with a fixed interest rate and a 6 year maturity. Staff also discussed escalating the maturity to 5 years. The Committee made a motion for Staff to proceed with the refinancing of the 2008A and the 2012 bonds into a single private issuance. The motion was seconded and upon a unanimous vote, the motion carried.

Staff shared the draft 2019 budget with the Committee. The bonds, PFC's and CFC's are set by ordinance or agreement. The General Fund budget is again a conservative budget. The revenues are flat with a continuation of the agreements that are in place, with no fee increases and expenses are managed tightly with realistic expectations. Ms. Hurd reminded the Committee that some of the special tax levies experienced a surplus of funds so no taxes were levied for this year. There was a discussion in regards to folding the Hangar Fund into the General Fund. This would be one less fund to manage. The detail will be in the General Fund. Staff will incorporate this change with the draft budget. The Capital Fund budget includes projects that were on the TIPS program, as well as some software upgrades and terminal refurbishment. The Authority has a very strong liquidity level. Staff noted that since the budget process is early this year, there will be opportunity to fine tune the numbers, once more data is available, before it is formally adopted in April. A motion was made to present the draft budget to the Board for tentative approval at the March Board meeting. The motion was seconded and upon a unanimous vote, the motion carried.

The Committee approved the meeting report from the September 6, 2017 meeting.

Ms. Hurd asked for the Committee's permission to write off 2 bad hangar accounts, as well as making an allowance account for CJ's. The Committee agreed this was the proper steps to take.

There being no other business to come before the Committee the meeting adjourned at 3:05 p.m.



Signature

8-27-18
Date