

**BLOOMINGTON - NORMAL AIRPORT AUTHORITY  
BOARD OF COMMISSIONERS  
REGULAR MEETING MINUTES  
TUESDAY, AUGUST 14, 2018  
4:30 PM**

**I. Call To Order**

Chairman Allen called the meeting to order at 4:30 p.m. Commissioners Kannaday, Denault, and Sender were present. Commissioners Groves and Hanson were present via telephone. A quorum was acknowledged.

**II. Public Comments**

John Eckley from the Museum was present to update the board on events at the Museum. The open cockpit day for July was very successful, despite the heat. July also saw a lot of tours at the Museum. The small touring helicopter was at McKid's Day on August 9<sup>th</sup>. Work is continuing in the airpark with a focus on the T33 cockpit and working on the engines for the F-14 and the A7. The B17 is here this week and PAM volunteers are helping with tours and rides. The August open cockpit day is scheduled for Saturday, August 18<sup>th</sup>.

**III. Approval of July Meeting Minutes**

Commissioner Sender made a motion to approve the July board meeting minutes. The motion was seconded by Commissioner Denault and upon a unanimous vote, the motion carried.

**IV. Old Business**

**V. Committee Reports**

- A. **Audit/Finance Committee** – No report, but the Committee will be meeting on August 27<sup>th</sup> to review the audit.
- B. **General Aviation Committee** – No report.
- C. **Personnel Committee** – No report.
- D. **Public Policy Committee** – No report.

## VI. New Business

- A. **Authorize Renewal of Employee Health/Life Insurance Agreements** – David Underkoffler, the Authority’s insurance broker from Clemens and Associates, was present to brief the Board on the health and life insurance renewals. Renewal rates came back with a little over a 5% increase overall. Blue Cross Blue Shield made some minor changes to the plans, adding a \$250 copay for expensive drugs on the drug cards and changing the deductible on some of the plans. After reviewing the current plans being offered, David suggested adding a bronze level plan for those employees wanting minimum coverage with a lower premium cost. David also suggested keeping the HMO plan, which has the most employee participation, the small and large PPO network plan and the HSA plan with a higher deductible. The HMO plan renewal came back with a 5.52% increase. The small PPO network renewal came back with a 4.89% increase. The large PPO network renewal came back with a 1.73% increase. The HSA plan renewal came back with a 9% increase. Commissioner Denault noted that the renewal is very reasonable and within the trend.

The Authority currently pays for life insurance for each full-time employee through Dearborn National Life Insurance and that did not see an increase this year.

Commissioner Denault made a motion to accept the renewal of the group health insurance with Blue Cross Blue Shield as presented and to accept the renewal of the life insurance with Dearborn as presented. The motion was carried by Commissioner Kannaday and upon a unanimous vote, the motion carried.

- B. **Approval of July Financial Statements** – Ms. Paulette Hurd reported to the Board that the Authority is three months into the fiscal year. Revenues in the General Fund are right on budget and expenditures are about 12% below budget. The Hangar Fund July revenue is just slightly below budget, expenses are also below budget, resulting in a positive net bottom line. The Capital fund made some significant payments on the pavement project in July. Staff is awaiting reimbursement from the IDA. The CFC fund and the PFC fund are trending favorable to budget.

The audit is complete and will be presented to the Audit/Finance Committee on August 27<sup>th</sup>. Final reports will be presented to the entire board at the September meeting.

Commissioner Kannaday made a motion to approve the July financial statements. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- C. **Adopt Ordinance No. 201-18, The Annual Tax Levy Ordinance for 2018** – This ordinance establishes the Airport Authority’s tax levy for CY2018 which will generate tax revenue that will be received in CY2019 and programmed into the FY2020 budget.

The ordinance projects a corporate levy of \$1,104,441 compared to the \$1,072,273 levied last year due to an increase in the EAV. In addition, the total special levies are projected at \$381,000 compared to the \$137,813 levied last year. Last year, the special levies were decreased, as the Authority had built up reserves that could only be used for these items. Because the proposed levies represent an increase of greater than 5% from the prior year, a publication/public hearing are required under the Truth in Taxation Law. The required notice was published in the Pantagraph on August 2<sup>nd</sup> and a public hearing was held prior to today’s meeting.

As described in the notice, the proposed corporate and special levies represent an increase of \$275,355 or 23%. However, the projected bond/interest levy will decrease by \$767,020 or 39%. The Authority's total levy is a decrease of \$491,665 or 15%.

Commissioner Denault made a motion to adopt Ordinance No. 201-18, the annual tax levy for 2018. The motion was seconded by Commissioner Kannaday and upon a roll call vote; Commissioner Kannaday – aye, Commissioner Denault – aye, Commissioner Hanson – aye, Commissioner Sender – aye, Chairman Allen – aye and Commissioner Groves – aye, the motion carried

- D. Authorize Award of Construction Agreement with Rowe Construction** – Bids were received for Phase III of the pavement rehab project on June 27<sup>th</sup>. There was only 1 bidder, Rowe Construction in the amount of \$2,241,022. As reported last month, Staff encountered some challenges because the bid came in higher than the engineer's estimate. There were also some questions from the FAA on some components of the project in regard to eligibility. Staff has spent the last few weeks getting all the issues resolved and are now ready to move forward with the award.

There were two specific line items which were primarily responsible for the larger than expected bid. The first of these involved the type of product specified for use on the air carrier apron. The sub-contractor doing that work hasn't had any experience working with this material causing them to pad that line to protect their budget. Through further discussions with the contractor, the project team is confident this figure can be managed lower once the work is underway. The second area of concern involved a type of aggregate needed for some of the taxiway paving work. Given the product specifications required by the FAA, and noting this product was not available here in Central Illinois, these materials will need to be trucked down from a quarry in the Quad Cities area; thereby significantly and justifiably increasing project costs.

Commissioner Denault made a motion to authorize the award of the construction contract with Rowe Construction in the amount of \$2,241,011 for Phase III of the Pavement Rehab project. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

- E. Authorize Award of Purchase Agreement for New Airfield Snow Removal Equipment** – Included in this year's approved capital program is the purchase of two new pieces of airfield snow removal equipment. The pieces being purchased are high-speed runway brooms. As a part of this purchase Airport Staff anticipates trading in an older broom first placed into service in 1999.

Staff released competitive bid specifications with an August 10<sup>th</sup> submission deadline. In response to a request for additional time from a perspective bidder, and to help ensure multiple bids, Staff extended the deadline to August 13<sup>th</sup>. Two bids were received; MB Companies \$1,091,926.00 for two units and Temco \$1,228,000.00 for two units. MB Companies was determined to be the most responsive/responsible bidder. The contract is for 270 days from the date of award

Commissioner Denault made a motion to authorize the award of a purchase agreement with MB Companies for two new pieces of snow removal equipment. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- F. **Authorize Acceptance/Execution of FAA/IDA Grant and Project Agreements for Current Capital Projects** - In support of the financing/administration of the two contracts just authorized, Airport Staff requested to program FAA AIP monies to fund 90% of these projects total cost. The projects are not eligible for a state share, as the State does not participate in equipment projects or maintenance projects. As such, the remaining 10% of the project costs will be funded via existing BNAA capital funds. While all of the required materials have been submitted to the FAA, Staff doesn't anticipate receiving the formal grant offers until later this month. With an eye toward the fast approaching end of the federal fiscal year, Airport Staff requested 'pre-approval' to accept and execute the two grant offers. At this time Staff and the FAA are working to finalize the exact/final grant amounts, however, it is anticipated the grant offer for the pavement project will be close to \$2.44 million dollars and the grant amount for the equipment purchase will be between \$900,000 and \$1.0 million dollars.

Additionally, as part of the projects administration, Airport Staff asked for authorization to execute two Agency Agreements with the IDA. These agreements outline the responsibilities/processes required for the IDA to administer the Airport Authority's federal funds for these projects. Understanding the IDA's preparation of these agreements is contingent upon receiving final figures from the FAA, Staff expects to receive these agreements at a later date.

Commissioner Sender made a motion to authorize the acceptance/execution of FAA/IDA grant and project agreements for current capital projects. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

## VII. Staff Reports

- A. **Executive Director's Report** – Carl reported that Phase II of the pavement rehab project has been completed – ahead of schedule. The project went smoothly with no delays or safety concerns. There was one change order to the project valued at \$12,000 for additional joint seal material which represented 2.6% of the contract cost. The final inspection was done on August 1, 2018. Carl thanked Javier, Operations and Maintenance staff for doing a fantastic job of coordination during the project.

Carl reported that Ms. Dianne Fazio will be joining the Authority team on August 15<sup>th</sup>. Ms. Fazio will be filling the accountant role that was open after Ms Cyndy King relocated to Arizona. She comes from the City of Bloomington where she was an accountant. Prior to that, Ms. Fazio worked for Unit 5.

Carl has been having conversations with OSF regarding staging one of their EC-145 air ambulance helicopters here at CIRA. Conversations are geared toward them moving into an existing facility, with the opportunity to possibly build their own hangar at a later date.

Staff has been contacted by the 182<sup>nd</sup> Air Lift Wing out of the Peoria airport, to see if CIRA can accommodate them for training while the Peoria airport undergoes a lighting project. The training would involve closing one runway during the hour-long training of precision landings.

Carl and Paulette will be bringing a surplus item policy to the Board in September.

- B. Deputy Director of Marketing** – Ms. Fran Strebing reported that July numbers were strong. Despite Allegiant having fewer flights and smaller aircraft, they are out performing the system wide load factors. American also had a very strong month supported in part by no cancellations for DFW and only 2 cancellations for ORD. The late Chicago departure has also been corrected back to a 4:40 departure which is also contributing to much stronger results. Delta had 2 fewer flights to Atlanta this year versus last year, with smaller aircraft, but numbers continue to be especially strong. For the month of July, total seat capacity is down 11.4% but passenger traffic was up 7.5%. Fuel sales are up significantly for the month, as well as year to date. FedEx enplaned cargo is up 33% for the month of July while also continuing to generate significant YTD increases.

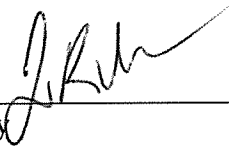
Since the June 19<sup>th</sup> announcement of Frontier, Fran has been working on getting ready for the new flights. Staff has been working with Frontier to get moved into the building, getting new employees trained/badged, and helping to get ground handlers organized. Marketing efforts have been focused on social media, as well as the traditional marketing. Staff did get confirmation that Denver is going to be seasonal. Orlando will be year-round. Denver is in the schedule until November 13<sup>th</sup> and will be back in the spring.

The TSA pre-check in July was very successful. Look for another pop up enrollment center in October.

### VIII. Adjournment

There being no other business to come before the Board, upon a motion being made, seconded and approved, the August 14, 2018 meeting of the Bloomington-Normal Airport Authority adjourned at 5:29 p.m.

Secretary



Date

