

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

**I. Call To Order**

Chairman Allen called the meeting to order at 4:30 p.m. Commissioners Kannaday, Moran, Groves and Sender were present. Commissioner Hanson was absent. A quorum was acknowledged. Commissioner Denault arrived at 4:34 p.m.

**II. Public Comments**

John Eckley from the Museum was present to update the members on events at the Museum. The heavy part of their season is over. They will close for January and February for maintenance inside the museum.

**III. Approval of October Board Meeting Minutes**

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

**IV. Old Business**

**V. Committee Reports**

- A. Audit/Finance Committee – No report.
- B. General Aviation Committee – The GA Committee met earlier in the day. That item will be covered under new business.
- C. Personnel Committee – No report.
- D. Public Policy Committee – No report.

**VI. New Business**

- A. Approval of October Financial Statements – Ms. Hurd reported that the Authority is halfway through the fiscal year with both the General Fund revenues and expenses being favorable to budget when the delayed start of the Avgas program is factored in; noting this program was

expected to be implemented by the end of the month. Ms. Hurd then discussed some of the items where budget variances have been noted. Overall Ms. Hurd reported CIRA is in a very strong financial position entering into the winter season. The report continued with a summary of the remaining funds noting those funds are also performing favorable to budget. Concluding her remarks, Ms. Hurd also updated the members on the status of the investment program which has been earning an average return of 2.38% so far for this year.

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

**B. Authorize License Agreement with Illinois State University and Approve Premises Design –**

This item was held over until the December meeting pending resolution of one final agreement provision.

**C. Authorize Award of Airport Authority Insurance Agreements – Erik Egeland, the Authority's insurance broker from Arthur J. Gallagher, was present to share his recommendations on the Authority's insurance renewal. Again this year, all lines of insurance will renew with favorable results in terms of coverage and premium. The total renewal premium with the expiring insurers is \$162,122, down from \$166,712, the Authority's insurance premiums have decreased almost 18% since 2014/2015.**

Following Mr. Egeland's presentation, the members asked questions and engaged in a discussion concerning current airport insurance trends, the carriers being quoted, their recent performance, the different premiums being quoted, and the level of coverage.

At the conclusion of the discussion, Commissioner Groves made a motion to authorize the award of the Airport Authority's insurance agreements as presented. The motion was seconded by Commissioner Denault and upon a unanimous vote, the motion carried.

**D. Discuss Development Proposals for Former Terminal Building – The members engaged in a discussion regarding the current and future uses of the former passenger terminal building. Staff reported that there are 5 parties who have expressed an interest, in varying degrees, to use the building. Four of them are restaurants, of which 3 are represented by realty firms and the last party is a local church who is looking for a different home.**

Following up on this, Carl then presented the members with a short report outlining the current use of the building, a summary of the current financial considerations, and some of the pending improvements which may need to be considered. At this point, Carl was asked what Staff's thoughts were regarding the future use of this site. In response, Carl advised that while Staff was prepared to implement any decision made by the members, it was important to remember the airport had very limited access for an immediate, large scale aviation development opportunity. The site of the former terminal building already possesses direct apron/airfield access, utilities, and vehicle access/parking. Using this site for an aviation purpose would save the Authority a substantial amount of money, well into seven figures. Carl also noted that a large scale aviation development is likely to take a longer time to materialize and that after removing the current structure the site may sit unused for a long period of time.

At this point a number of Commissioners expressed concern as to the viability of a stand-alone restaurant in this location.

Commissioner Denault noted the Board's decision should be looked at in the context of what the Authority's long term strategy is for the airport, with the main focus being on aviation uses. He also shared his belief that given the location and exiting infrastructure, the site of the former terminal building was best suited for a commercial aviation use.

Commissioner Kannaday commented one of her concerns as a member was to lookout for the good of the airport and aviation's needs over the long term with respect to the development of the airport as a resource serving the economic good of the community. Following up with questions for Staff involving how the site might be developed to benefit, not just the airport, but the rest of the community and which organizations might serve as project partners with the Authority.

Commissioner Sender noted that as there is no prospective aviation opportunity on the immediate horizon, that perhaps a short term lease for a tenant would be beneficial for all parties. Explaining that in the event a new business/businesses were successful at this site, and should the site be reprogrammed for an aviation purpose in the future, these tenants may be interested/able to transition to other Airport Authority property.

Chair Allen advised that upon listening to all of the discussion, he was of the opinion that keeping the Authority's options open until more information was available was a good path to follow. In conjunction with this, he also suggested a public, competitive solution be released in order to more fully understand the level of interest in the former restaurant space. After which the members may be in a position to make a more informed decision concerning the future use of the former passenger terminal building site. Closing his remarks, the Chair highlighted the importance this RFP contain specific terms/conditions which would allow the Authority the maximum amount of flexibility with respect to ending a lease agreement early in the event the site was needed for aeronautical purposes or opting not to make any award.

At the conclusion of the discussion, Airport Staff advised the members an RFP would be prepared/released in order to more acutely gauge commercial interest in the restaurant space. Concurrently, Staff would continue to compile information for a follow up discussion at a future meeting.

- E. Authorize Amendment to Ground Lease Agreement with Synergy Flight Center and Approve Sign Design** – The G.A. Committee met earlier in the day with representatives from Synergy Flight Center to discuss a free standing monument sign on the airfield side of their leasehold. The sign would be 20 feet long and about 6 to 7 feet high. The current ground lease states that the signage must be on the building. With the new improvements that Synergy is doing, a sign on the building would not be feasible, leading Synergy to approach the Authority asking for a waiver of this requirement. Following a thorough discussion at the GA Committee, the members recommended bringing the request to the full board for their approval. Going forward, Staff will begin to work on sign standards that can be incorporated in future and existing developments.

Commissioner Groves made a motion to approve the sign design as presented and to amend the current ground lease with Synergy Flight to reflect the change in language. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- F. **Approve Revision to Transportation Improvement Program** – In preparation for presenting the suggested revision to the TIPs program, Airport Staff first reviewed the airport’s current planning documents, evaluated a number of possible funding plans, and met with the FAA to discuss future funding scenarios. After which, a final draft was prepared and reviewed with representatives from the FAA and IDA prior to finalizing these materials. In line with the currently approved program, the projects outlined in the program are largely the same as the materials approved last November.

Building upon and advancing the currently approved program, the project schedule being presented has been updated to reflect projected costs and implementation schedules. The program continues to focus on three major projects eligible for FAA AIP funding; 1) the development of a new G.A. apron facility, 2) the refurbishment of the airfield’s lighting/electrical system, and, 3) the start of the rehabilitation of the vehicle parking lots adjoining the terminal building. In addition to these core projects, Airport Staff also recommended that efforts continue to upgrade the airport’s fleet of fire fighting and snow removal equipment.

The proposed TIPs program continues to align with the Authority’s philosophy of maximizing the use of federal and state funds; while at the same time minimizing debt and avoiding any impact on the Authority’s competitive rate structure.

Commissioner Denault made a motion to approve the revision to the Transportation Improvement Program as presented. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- G. **Authorize Amendment to FY19 Capital Fund and Hangar Fund Budgets** – When the FY19 Capital Fund and Hangar Fund budgets were adopted Staff had just encountered a problem with a number of fire hydrants on airport property. An initial dollar figure of \$10,000 was put in each of the budgets as a place holder. After which Staff received quotes from Stark and Gildner Inc. which were significantly higher than Staff was anticipating. Without knowing how deep into the ground the piping was placed, firm prices were not available. Recognizing the life safety issues involved, Staff opted to award the work to Gildner by virtue of their lower initial estimate. In the process of completing this work it became evident the initial value of \$20,000 was very inadequate. The depth of the excavation and the need to replace piping and the lack of replacement parts for some units led to a substantially higher project cost than was approved. This work has since been completed with the final cost to the capital fund being \$19,190 and the final cost to the hangar fund being \$20,241.

Commissioner Sender made a motion to amend the Capital Fund and Hangar Fund budgets to reflect the correct dollar figure for the project. The motion was seconded by Commissioner Denault and upon a unanimous vote, the motion carried.

- H. **Authorize Amendment to FY19 Hangar Fund Budget** – In 2017, Staff approached the Board with a request to craft/execute a memorandum of understanding between the Airport Authority and Synergy Flight Center to reach an agreement on repaving the vehicle parking lot near Synergy, the vehicle parking lot adjacent to Synergy and the entrance road near the EAA hangar. The agreement was that Synergy would pay for the pavement in their lease premises and the Authority would pay for the pavement outside of the lease premise. Earlier this fall that work was completed. At the time the budget was prepared, final figures were not available for the

project, as this project was to be completed after Synergy had completed their heavy construction on their hangars. An invoice has been received for the Authority's share of the cost of \$41,905.00.

Commissioner Denault made a motion to authorize the amendment to the FY19 Hangar Fund Budget to reflect the \$41,905. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- I. **Approve Appointments to the Personnel Committee** – Commissioner Sender made a motion to formally approve Commissioner Moran to serve on the Personnel Committee, with Commissioner Denault becoming the committee Chair through April 30, 2019. 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 aviation operating results for the month of October were very strong for air carrier, air cargo and fuel sales. Passenger enplanements for the month were up almost 29% compared to October of 2017 following a 13% increase in capacity. Year to date traffic is up almost 8% through October. Air cargo continued its strong performance despite slowing down some of its recent double-digit increases. Given the coming holiday season, Staff anticipates an increase in deplaned weights over the coming months. Fuel sales also continued to perform very strongly. Overall sales for October were up 33% helping to push the YTD increase up to 21%.

Carl also reported the Airport Authority recently earned another perfect FAA certification inspection earlier in the month. This accomplishment marked the Authority's 7<sup>th</sup> perfect inspection in the past 9 years. Noting that airfield safety and compliance are the Authority's core focus, Carl thanked Javier and his entire staff for all their hard work!

All winter preparations have been completed and all the equipment is ready to go.

Another TSA Pre-Check event has been scheduled for the week of December 3<sup>rd</sup> – 7<sup>th</sup>.

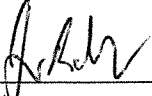
The Gold Star Family Christmas tree dedication has been scheduled for November 28<sup>th</sup> at 10:00 a.m.

## VIII. Executive Session

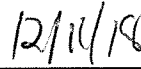
Commissioner Denault made a motion at 5:48 p.m. to adjourn the regular session and reconvene in Executive session in a couple of minutes, for a personnel matter. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

## IX. Adjournment

Commissioners Moran, Denault, Sender and Chairman Allen reconvened in regular session at 6:11 p.m. There being no other business to come before the Board, upon a motion being made, seconded and approved, the November 13, 2018 meeting of the Bloomington-Normal Airport Authority adjourned at 6:12 p.m.



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Secretary



\_\_\_\_\_  
Date