

**BLOOMINGTON - NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
TUESDAY, MAY 14, 2019
4:30 PM**

I. Call To Order

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

II. Public Comments

Mr. John Eckley was present to update the Board on the events/activities at the Prairie Aviation Museum. Mr. Eckley introduced Mr. Jeff Eisenburg, who is the vice president of the Museum. Mr. Eisenburg will fill in whenever Mr. Eckley can't be at the meetings. Mr. Eckley shared a flyer with the open cockpit dates for the summer. The first open cockpit is Saturday, May 19th. There is a new ultra-lite display in the air park.

Mr. Jason Shawd, who is a hangar tenant, was present to discuss the condition of the taxiway and ramp areas in the T-hangar area. Mr. Shawd expressed concern for the potential for damage to aircraft and the difficulty with the pavement in front of the hangars that has settled. Mr. Shawd wanted to know if there are any plans to improve the pavement. Chairman Allen shared that the members are aware of the condition of the pavement in those areas and it was being addressed. He noted that any work being done would be a short/mid-term solution, as plans are being prepared for the future development of a new G.A. apron/hangar facility. Chairman Allen thanked Mr. Shawd for sharing the information.

Charlie Bates, from EAA Chapter 129, was present to update the Board. It was reported that Saturday, June 8th is EAA's National Young Eagles day. Locally, Chapter 129 will be participating with volunteer pilots providing children from 8 to 18 their first airplane ride for free. They have 8 volunteer pilots and they are hoping to fly 40 to 50 kids. EAA has been working with Javier on the security plan and logistics for the event.

III. Approval of April Board Meeting Minutes

It was requested by Staff the minutes be revised to reflect that discussions were with AT & T, not Verizon, for use of 3 CIRA light poles. Commissioner Groves made a motion to approve the April Board meeting minutes, as amended. The motion was seconded by Commissioner Moran and upon a unanimous vote, the motion carried.

IV. Old Business

There was no old business.

V. Committee Reports

- A. Audit/Finance Committee – No report.
- B. General Aviation Committee – No report.
- C. Personnel Committee – No report.
- D. Public Policy Committee – No report.

VI. New Business

- A. Approval of April Financial Statements – Ms. Hurd reminded the Members that even though the financial statements are through the end of April, the numbers are still preliminary as final invoices come in and final adjustments are made. The General Fund should finish the year positive. Ms. Hurd highlighted the larger variances in the budget. The Hangar fund should also finish the year with a positive bottom line. There are several projects that didn't finish up in FY19 so those have been moved to the FY20 budget. The PFC fund revenues are 16% higher than April 2018.

Ms. Hurd also reported that the new audit team from Sikich was on site May 8th and 9th for preliminary work on the audit. They are scheduled to be back the last week of June to complete the audit.

Commissioner Sender made a motion to approve the April Financial Statements. The motion was seconded by Commissioner Groves and upon a unanimous vote, the motion carried.

- B. Adopt Ordinance No. 207-19, The Annual Budget Ordinance for Fiscal Year 2020 – During the April meeting the Board adopted the draft budget for FY20. Consequently, the budget has been on a display for 30 days and a public hearing was held. The final budget remains the same except for the 2019 Bond Project Fund and Capital Fund Budget. With respect to the 2019 Bond Project Fund a change was made to increase the proposed bond proceeds from \$5.0 to \$5.5 million dollars to reflect the final bond structure. Concerning the changes to the Capital Fund Budget, as additional progress was made toward completing the proposed bond sale, more details became available, which allowed Staff to identify specific projects with accompanying cost estimates.

Commissioner Groves made a motion to adopt ordinance No. 207-19, the Annual Budget Ordinance for Fiscal Year 2020. The motion was seconded by Commissioner Moran and upon a roll call vote; Commissioner Kannaday – aye, Commissioner Moran – aye, Commissioner Denault – absent, Commissioner Groves – ayes, Commissioner Sender – aye, Commissioner Hanson – absent and Chairman Allen – aye, the motion carried.

- C. **Adopt Ordinance No. 208-19, An Ordinance Authorizing the Sale of Series 2019 General Obligation Bonds** – As previously discussed, Airport Staff has been preparing to enter the bond market to sell \$5.5 million dollars of Airport Authority general obligation bonds. These Series 2019 bonds will consist of three issuances; AMT, non-AMT, and taxable. This series represents the first new money since 2012. Staff is anticipating the series to be privately placed with just a five (5) year maturity and a fixed interest rate, with a June 5th closing date.

In line with the materials previously presented, the projects included in the taxable issuance totaling \$1.3 million dollars include the demolition/site restoration of the former terminal building and preliminary property development activities. Those projects funded through non-AMT bond proceeds will total \$2.0 million dollars and include the demolition/site restoration of the former fuel farm, the purchase of new vehicles, and the non-federal share of AIP funded projects. Lastly, the AMT issuance will total \$2.2 million dollars to fund projects focused on terminal improvements (escalator/elevator renovations, new chillers/controls, new vestibule doors, new terrazzo floor, new lighting controls, new advertising units, and a new telephone system).

Commissioner Sender made a motion to Adopt Ordinance No. 208-19, an Ordinance authorizing the Sale of Series 2019 General Obligation Bonds as presented. The motion was seconded by Commissioner Groves and upon a roll call vote; Commissioner Kannaday – aye, Commissioner Moran – abstained, Commissioner Denault – absent, Commissioner Groves – aye, Commissioner Sender – aye, Commissioner Hanson – absent and Chairman Allen – aye, the motion carried.

- D. **Authorize the Write-Off of Uncollectable Accounts Receivable** – During the past year, Staff created a doubtful account for the money owed by the former CJ's Restaurant owner. Recognizing the Authority is unlikely to recover any of the past due amount, Staff requested permission to remove this account from the books. This will not affect the fiscal year 2019 financial statements because the allowance was established last year.

Additionally, there are two other account balances that Staff would like to also write-off. The first involves Envoy Air which is a wholly owned subsidiary of American Airlines and who has an outstanding invoice in the amount of \$2,690.82 from April 2013. From discussions with Envoy they have advised these charges were resolved as a part of their bankruptcy filing and settlement. The final charge is from Allegiant Travel in the amount of \$2.70 from June/July of 2014. Staff has resubmitted invoices for this amount and it has gone unpaid. Due to the small amount involved Staff does not believe further pursuit would be cost effective.

Commissioner Groves made a motion to write off uncollectable accounts receivable in the total amount of \$72,443.63. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

- E. **Authorize the Purchase of Furniture/Finishes for the Airport Lounge Project** – In moving forward with the two new lounge spaces in the terminal, the final component of the project is to award the furniture/finishes contract. Initially the items were not competitively shopped. Staff went back and asked that the items be competitively shopped. As a result, prices came down 21% over the initial bid. Staff is still in the process of carving more costs out of the project, but at the same time, would like to move forward with the project.

Commissioner Moran made a motion to authorize the purchase of furniture/finishes for the terminal lounge project for a not to exceed \$64,617.00. The motion was seconded by Commissioner Groves and upon a unanimous vote, the motion carried.

- F. **Authorize Award of Fuel Farm Decommissioning Construction Agreement** – Previously the members approved a contract with the Farnsworth Group for the design/administration of the demolition/site restoration of the old fuel farm. Plans and specs were completed and the project was put out on the street for bid. The project was sent to 6 bidders. Only one bidder responded, Seneca Companies, in the amount of \$281,915.00, which was 7% higher than the engineer’s estimate. The funds for the project will come from the 2019 Bond proceeds. There are some variables in the bid price created by unknowns involving the possibility/quantity of contaminated soil and/or a small amount of residual fuel/water in the tanks. Commissioner Sender expressed a concern with only one bidder submitting a bid. Staff will follow up with Farnsworth for feedback and will invite them to the June meeting to report their findings if needed.

Commissioner Groves made a motion to authorize the award of the Fuel Farm Decommissioning Construction agreement with Seneca Companies for \$281,915.00. The motion was seconded by Commissioner Kannaday and upon a unanimous vote, the motion carried.

- G. **Approve Officers for Fiscal Year 2020** – Commissioner Sender made a motion to approve the current slate of officers for Fiscal Year 2020 for a 2-year term. The motion was seconded by Commissioner Moran and upon a unanimous vote, the motion carried. The slate of officers are:

Jay Allen – Chair
John Hanson – Vice Chair
Jay Groves – Secretary
CFO – Ex Officio – Treasurer
Executive Assistant – Ex Officio – Assistant Secretary

- H. **Adopt Resolutions No. 2019-2 and 2019-3, Resolutions Approving the Creation of the Administration and Governance Committee and the Properties and Facilities Committee.** With a goal of enhancing the Authority’s oversight and coordination efforts, and in coordination with the Chair, Airport Staff proposed two new member committees be created to replace the existing G.A. Committee and the Public Policy Committee.

The first new committee would be titled the Properties and Facilities Committee, which would assume the existing responsibilities of the G.A. Committee, while also expanding its scope to include guidance, oversight, and assistance with the Authority’s land use and facilities planning activities. The second new committee would be titled the Administration and Governance Committee and it would assume the current responsibilities of the Public Policy Committee, in addition to expanding its scope to include assistance and oversight with the selection of legal counsel, property/liability insurance renewals, and community related issues.

Commissioner Groves made a motion to adopt Resolutions No. 2019-2 and 2019-3, approving the creation of the Administration and Governance Committee and the Properties and Facilities Committee. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

VII. Staff Reports

- A. **Executive Director's Report** – Carl reported the previous issue involving the concrete formula needed to complete Phase III of the airfield pavement rehab project has been successfully resolved. Staff is still waiting on one final FAA determination before the Notice to Proceed can be issued. Concurrently, Staff has had discussions with the contractor and advised that they should start their mobilization efforts. Once the formal notice is issued, the contractor will only have 10 days to mobilize and begin construction activities.

Staff has been having conversations with Atlas Air for a potential military charter on June 7th. The aircraft would be a 767-300 that would stop in Bloomington to pick up additional passengers and then fly on to Pittsburg.

The Air National Guard will begin tactical training at CIRA this evening and should continue through the summer.

The ISU art gallery construction contract has been awarded to Associated Constructors and Staff should be having a pre-construction meeting with them in the near future. Staff is also working with ISU's Stevenson Center for a new economic impact study and the goal is to have the project kick off meeting later in the month.

As part of the new asset management policy, Staff recently disposed of small hand held, gas operated tools (leave blowers, weed eaters, etc.), Airport 12, which was the 2006 Mitsubishi Endeavor, and a riding lawn mower. All items were below the \$20,000 policy threshold.

- B. **Deputy Director of Marketing** – Fran Strebing was present to update the Board on marketing and air service activities. Enplanements are up 19.2% for the month of April compared to April of 2018. April is the 4th consecutive month for double digit increases. Overall YTD traffic has increased 17% on just an 8% increase in capacity. Business travel is showing some continued strength with leisure travel remaining very strong. Frontier restored their non-stop Denver service on April 30th. Additionally, fuel sales were also up along with local aircraft operations. Air cargo activities also remained strong.

Ms. Elana Roth has joined CIRA as the marketing intern for the summer. Elana is working on her master's degree in communications at ISU. She has great experience working at ISU as a social media intern, a marketing intern and a marketing graduate assistant. Fran shared that Ms. Roth has already been making contributions and is working on some very creative ideas.

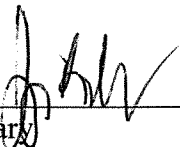
Marketing efforts are continuing to target a specific demographic to boost particularly Orlando and Denver service. Staff is doing a lot of digital marketing including on-line media and key word searches, along with also doing premium TV ads and digital media on demand, which will appear on any streaming device.

Fran also shared a copy of the Annual report with the members. The annual report will serve as a historical document, as well as a marketing tool that shares the highlights of 2018.

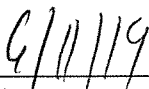
Fran and Carl will be attending the Jump Start air conference in June.

VIII. Adjournment

There being no other business to come before the Board, upon a motion being made, seconded and approved, the May 14, 2019 meeting of the Bloomington-Normal Airport Authority adjourned at 5:52 p.m.



Secretary



Date