

**BLOOMINGTON - NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
TUESDAY, NOVEMBER 12, 2019
4:30 PM**

I. Call To Order

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

II. Public Comments

No Public Comment

III. Approval of October Board Meeting Minutes

Commissioner Hanson made a motion to approve the October Board meeting minutes. The motion was seconded by Commissioner Moran and upon a unanimous vote, the motion carried.

IV. Approval of Public Hearing Minutes

Commissioner Sender made a motion to approve the October 7, 2019 public hearing minutes. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

V. Old Business

There was no old business.

VI. Committee Reports

- A. **Administration and Governance Committee** – Met on November 8th. The Committee reviewed the Authority's insurance package renewal. That item appears later on the agenda.
- B. **Audit/Finance Committee** – No report
- C. **Personnel Committee** – No report.

- D. **Property and Facilities Committee** – Met on November 7th to discuss the minimum standards application received from Byerly Aviation and to review the TIPs program. Those items will appear later on the agenda.

VII. New Business

- A. **Approval of October Financial Statements** – Ms. Paulette Hurd reported the Authority is at the halfway point of the fiscal year. The General Fund revenue and expenses are trending favorable to budget. Staff is projecting that revenues will exceed the budgeted amount by about \$200,000 dollars, however, Staff is also projecting that expenditures may exceed budget. The Authority should still finish the year with a positive bottom line. Ms. Hurd discussed the items having a significant impact on the General Fund budget. The Capital Fund did receive almost a million dollars in reimbursements from the State. The CFC Fund revenues for October are trending favorable to budget. Expenditures are just slightly ahead of budget. The PFC revenue for October is 13% higher than October 2018. Staff is projecting that the PFC revenues will be ahead of budget.

Ms. Hurd also reported that the Disadvantaged Business Enterprise program was filed and approved by the FAA.

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

- B. **Approve Assignment of Ground Lease and Authorize Execution of Lease Amendment** - Carl welcomed Ms. Kathy Devine and Mr. Steve Kaufmann, from OSF Aviation and Mr. Tom Swearingen from GROWMARK. As previously reported, GROWMARK purchased a larger aircraft earlier in the year. This led to conversations with the Authority on what options were available for GROWMARK in terms of how the Authority can accommodate them. Staff looked at purchasing the hangar from GROWMARK but found this was not the right fit for the Authority. In the meantime, OSF had reached out to the Authority about creating a base for their air ambulance helicopter at CIRA. Subsequently, Staff introduced OSF Aviation and GROWMARK. The 2 parties were able to reach an agreement whereby GROWMARK would sell the aircraft hangar to OSF Aviation. At which point, OSF would create a new base of operation in the community for their air ambulance helicopter at CIRA. In order to administer the sale, GROWMARK has formally asked the Authority for their approval to assign the current ground lease to OSF Aviation. A lease amendment would then be executed with OSF Aviation to bring them into the relationship. The terms of the amendment would be a 30-year initial term with (2) five-year renewal periods. It would adjust the lease rate and rate adjustment methodology to compare with more contemporary agreements. It would also insert new TSA/FAA, environmental, and Title VI language into the agreement. The lease amendment would also manage the expectations and administration of the underground fuel system that is associated with the hangar.

Commissioner Sender made a motion to formally approve the assignment of the current ground lease with GROWMARK to OSF Aviation Inc. with approval being conditioned upon OSF Aviation agreeing to execute the lease amendment No. 2, as presented, with Airport Staff being authorized to execute the same amendment. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

C. **Approve Sub Lease and Authorize Execution of Commercial Aviation Services Agreement**

– As previously reported, the Rittenhouse Estate has approached the Authority with a request to authorize the sublease of their hangar facilities to PIA AvCenter LLC, d/b/a Byerly Aviation. At the same time, Byerly Aviation approached the Authority, through the Minimum Standards program, seeking authorization to engage in FBO services; to provide commercial aeronautical services and to execute a new FBO agreement with the Authority, using the Image Air facilities.

In line with this program, Byerly Aviation provided application materials along with making a presentation to the Properties and Facilities Committee this past week. Upon Staff's review of the materials, and the additional details provided to the Committee, it was determined that Byerly Aviation does meet the minimum standards required to provide commercial aviation services at CIRA. The services Byerly would like to provide are; aircraft maintenance, aircraft fuel, hangar and line services, avionics, aircraft charter, aircraft sales, aircraft management and airline maintenance/ground service equipment maintenance. The goal would be to start these services as soon as January 1, 2020.

Commissioner Denault made a motion to formally approve the sublease of the Image Air facilities to PIA AVCenter LLC d/b/a Byerly Aviation per the current terms/conditions of the current ground lease. Also, a motion was made to formally approve awarding commercial aviation operating privileges to Byerly Aviation as presented, along with authorizing the execution of a new commercial aviation services agreement with PIA AVCenter LLC d/b/a Byerly Aviation. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

D. **Authorize Award of Airport Authority Insurance Agreements**– In preparation for the expiration of the Airport Authority's current insurance agreements later this month, Mr. Erik Egeland from Arthur J. Gallagher & Company researched renewal quotes on the Authority's behalf and presented his recommendations to the Administration and Governance Committee on November 8th. At the conclusion of that meeting, the Committee made a motion to recommend the suggested proposal be presented to the full Board for their approval.

Against a very challenging aviation insurance environment, the renewals came back with only a 2.7% increase over the previous year's insurance. Mr. Egeland recommended renewing with the current insurance providers. It was noted that the Authority is in the last year of a three-year rate lock on the liability insurance. The worker's compensation came down slightly, with the other lines seeing only a slight increase.

Commissioner Groves made a motion to approve the Airport Authority insurance program with the current providers for an annual premium of \$165,106. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

E. **Adopt Ordinance No. 213-19, An Ordinance Authorizing the Issuance of Not to Exceed \$8,500,000 Bloomington Normal Airport Authority of McLean County, Illinois General Obligation Refunding Bonds (PFC Alternate Revenue Source), Series 2019 (AMT)** - This parameters ordinance is the last step needed to allow Staff to proceed with the issuance of bonds as previously discussed to refund the Series 2009 bonds. The parameters ordinance sets boundaries for the execution of the transaction by Staff to allow for changing market conditions between now and the actual closing date. Final closing is anticipated in the first half of December. Based upon current projections, Staff is anticipating final numbers to reflect a

borrowing of \$6,725,000 with a 5% coupon and a yield of 2.5%. Using these figures, Staff expects this program to save taxpayers an additional \$1.2 million dollars (or \$950,000 npv). The maturity for this new issuance will be December 2030 with a December 2027 call date which would allow Staff to pay this issuance off early.

Commissioner Hanson made a motion to adopt Ordinance No. 213-19, an ordinance authorizing the Issuance of Not to Exceed \$8,500,000 Bloomington Normal Airport Authority of McLean County, Illinois General Obligation Refunding Bonds (PFC Alternate Revenue Source, Series 2019 (AMT)). The motion was seconded by Commissioner Denault and upon a roll call vote; Commissioner Kannaday, aye, Commissioner Moran – aye, Commissioner Denault - aye, Commissioner Groves – aye, Commissioner Sender – aye, Commissioner Hanson – aye, Chairman Allen – aye, the motion carried.

F. Authorize Execution of Lease Amendment for the Transportation Security Administration-

At the October board meeting, the Board approved lease amendment No. 9 for the TSA/GSA lease which added space in the new terminal building, as the TSA staff moved out of the old terminal building. Amendment No. 10 is the corresponding amendment that will reduce the lease amount by 1,895 square feet for the space in the old terminal building. The current lease will expire in August of 2020.

Commissioner Denault made a motion to authorize the execution of Lease Amendment No. 10 for the Transportation Security Administration. The motion was seconded by Commissioner Sender and upon a unanimous vote, the motion carried.

G. Authorize Purchase of New Terminal Advertising Fixtures –

At the October meeting, the Board approved a new terminal advertising concession agreement with Airport Interactive Media, out of Indiana. As a follow up, Staff worked with Airport Interactive Media to identify the types and placement of new replacement advertising fixtures. After which, prices for video boards and illuminated tension banners were solicited from multiple companies. Based upon this work, it was determined the lowest price for the video boards came from a firm named NanoLumens from Atlanta, GA at a cost of \$51,140. The best price presented for the illuminated banners was \$25,296 from a firm named Moss from Elk Grove Village, IL, for a combined installed price of \$76,436. As a precaution, Staff requested a 10% contingency be added to the purchase authorization. Funding for this work is programmed using the proceeds from the Series 2019 G.O. bond sale and administered through the currently approved capital project, budgeted at \$200,000.

Commissioner Kannaday made a motion to authorize the purchase of new terminal advertising fixtures as presented for a not to exceed price of \$84,000. The motion was seconded by Commissioner Moran and upon a unanimous vote, the motion carried.

H. Approve Revision to Transportation Improvement Program –

Every November Staff brings forward the TIPs program for the upcoming 6 years. In preparation, Staff reviewed the Airport's current planning documents, and evaluated a number of alternative projects, schedules, and funding plans. Staff then conferred with FAA and IDA representatives to review the projects and future funding scenarios. Based upon this work, and with some updates, the project program presented largely follows the currently approved program. At the conclusion of the recent Properties and Facilities Committee meeting, the members voted to recommend this item be presented to the full Board for consideration and approval.

Overall the (3) major projects for the TIP's program remain consistent with the current program and include; 1) the design and construction of a new GA apron facility, 2) the design and construction of airfield lighting rehab project which will include new cabling, new home-run circuits, a new vault building and some new lighting fixtures and cabling, and, 3) the design and rehabilitation of the airport parking lots on the public side of the terminal building.

In addition to these continuing projects Airport Staff is also recommending the development of three new public side roadway projects. The first involves the rehabilitation of the main terminal entrance/egress road which is beginning to experience more rapid deterioration, largely due to air cargo truck traffic. The second two projects would involve creating a new air cargo road with an accompanying circulator roadway to accommodate truck and airport support traffic. In the event funding for these new roadway projects cannot be secured, the balance of the TIP's program would continue to be administered.

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

VIII. Staff Reports

- A. **Executive Director's Report** – Carl Olson reported that the new lounge projects are expected to be completed in the next couple of weeks.

The new parking lot shuttle bus has been delivered and is in the process of getting a vehicle wrap. It should be on property later in the week and will be in service shortly thereafter.

The elevator rehab project has been completed. Carl thanked Javier and his staff for a smooth project that finished ahead of schedule. The airlines and passengers were complimentary.

The replacement relax/recharge furniture for the departure area will be delivered on Monday, November 18th.

The new emergency alert system is continuing to move forward. Everything has been delivered and installed and moving into the testing phase. Once the testing phase is complete, there will be a slow, redundant cutover to the new system and the old one will be taken out of service.

Staff is working on putting specifications together for landside snow removal equipment. The goal is to bring a recommendation to the Board at the December meeting. This equipment wouldn't be put in service until spring.

- B. **Deputy Director of Marketing** – Ms. Fran Strebing reported that October '19 enplanements were up again vs. October '18 generating a 2.9% increase. In turn bringing the CY19 YTD increase to 15.1%. For the month, Allegiant had 4 additional flights to Orlando/Sanford compared to October 2018, while also enjoying strong load factors for both Orlando/Sanford and Tampa/Clearwater. Similarly, traffic and load factors were equally strong for American, Delta, and Frontier. Fran also noted that in October, CIRA's carriers offered more than 4,300 non-stop seats to the Orlando market.

Fran also shared the McLean County Disaster Council will be having a 50th anniversary open house on Thursday, November 14th at the old terminal from 4 to 6 p.m. The Disaster Council is very active in assisting the Airport with the disaster drill that needs to be held every 3 years.

Additionally, on Monday, November 18th the Fallen Heroes Tree of Honor will be lit. The dedication ceremony will be a little lower key this year.

Lastly, it was reported that Elena Roth, the marketing intern will be with CIRA until the 20th of December. Fran is currently working on getting a new intern for the spring semester.

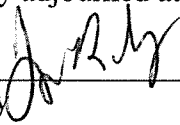
IX. Executive Session

A motion was made at 5:48 p.m. to recess for a couple of minutes and reconvene in Executive Session under 5 ILCS 120/2c1. The motion was seconded and upon a unanimous vote the motion carried.

X. Adjournment

Commissioners Kannaday, Denault, Groves, Sender, Hanson and Chairman Allen reconvened in regular session at 6:20 p.m. There being no other business to come before the Board, upon a motion being made, seconded and approved, the November 12, 2019 meeting of the Bloomington-Normal Airport Authority adjourned at 6:22 p.m.

Secretary



Date

12/10/19