

**BLOOMINGTON-NORMAL AIRPORT AUTHORITY  
AUDIT/FINANCE COMMITTEE MEETING REPORT**

**Thursday, March 25, 2021**

**9:00 a.m.**

Consistent with 5 ILCS 120/7(e), due to renewed concerns with the COVID-19 pandemic, the meeting was held virtually, via GoToMeeting, with a call-in number of (312)757-3121 and a Meeting ID of 522-607-765. Public comments were to be submitted to Lynnette Hindman at [lynnette@cira.com](mailto:lynnette@cira.com) no later than 2:00 p.m. on Wednesday, March 24, 2021.

Commissioner Kannaday called the meeting to order at 9:02 a.m. Commissioner Sender, Executive Director Carl Olson, CFO Paulette Hurd, Accountant Dianne Fazio, were present, along with Executive Assistant Lynnette Hindman. A quorum was acknowledged.

There was no public comment.

The Committee approved the meeting report from the August 20, 2020 meeting.

The Committee reviewed the tentative draft FY22 budget. The budget was developed using known information from contract rates and leases along with historical experience; however, due to the impact of COVID-19 pandemic, recent historical information is not a good indicator of future results.

The General fund presented showed no fee increases. Airline revenue reflects a full year of Frontier fees. Ms. Hurd did remind the Committee that in April and May of 2020, the Authority waived most all fees for the airlines and car rental agencies. Car rental commissions are based on straight percentages rather than Minimum Annual Guarantee (MAG) amounts, as with the significant decline in traffic, the MAG's could not be supported. Revenue estimates assume activity at 50% to 75% of FY20 levels. Depending on actual results, those numbers might need to be revised up or down. Terminal concession levels are based on the level of activity in the building, which is hard to predict because of the uncertainty around airline recovery. The budget includes a transfer in from the COVID Relief fund for \$944,796. This will offset reduced revenue due to the pandemic and includes funds to be distributed to concessionaires as relief. It was noted that Staff would like to change the fund name from CAREs fund to COVID Relief fund to better reflect the additional aid/award of monies.

Expenses in the General fund reflect funding for a contract sales person and modest salary increases and rate increases covered by the collective bargaining agreement for the maintenance staff. Changes to minimum wage have been incorporated. Some recurring expenditures previously reported in the Capital fund have been moved to the General fund this year. The budget includes \$43,900.08 in grants to the concessionaires. Funding for this is provided by the CRRSA Act.

The Capital fund includes both FAA/IDA AIP grand funded projects and locally funded projects using bond proceeds programmed from the 2019 Bond Project Fund as needed. The program is

very aggressive with 15 projects planned, six of the suggested projects involve the passenger terminal building, another 4 involve fleet items. Three projects involve upgrading airfield-oriented systems. The final 2 projects involve professional services.

The CFC fund was hard to project, with revenues projected at 50% to 75% of 2020. Expenditures are straight forward. There are 2 capital projects planned for FY21. The first involves the rehabilitation of the ready/return parking lot and upgrading the lighting. The 2<sup>nd</sup> involves design work associated with constructing a new rental car service facility.

The PFC fund revenue projections are conservative based on 135,200 enplanements. Enplanements at this level are not adequate to fund the PFC debt service; however Federal COVID Relief funds will be utilized to make up the shortfall.

The bond funds are established by the bond documents. All of the Authority's current bonds will be paid in full by 2030.

Upon a motion being made, seconded and approved, the Committee recommended the tentative budget be presented to the full board for their approval at the April meeting.

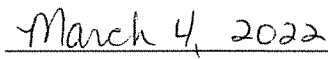
Staff also shared an updated Investment Policy for the Committee's review. Ms. Hurd noted that the new policy has refreshed language that is in line with the State statutes that the Authority is governed by. The policy has been written very broadly to allow maximum flexibility to utilize any of the investment instruments that are allowed under the State statutes. Legal counsel has reviewed the policy. It has also been shared with the audit partner.

Upon a motion being made, seconded and approved, the Committee recommended that the Board adopt the updated Investment Policy as presented.

Ms. Hurd shared that the new accounting standard GASB 87, regarding accounting for leases, has been extended deadline for implementation. It was Staff's original thought to implement the new standard this year, but with the impact of the pandemic, Staff would like to defer the implementation of the standard another year. The Committee was fine with Staff deferring for another year.

There being no other business to come before the Committee the meeting adjourned at 10:00 a.m.

  
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Signature

  
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Date