

**BLOOMINGTON - NORMAL AIRPORT AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
THURSDAY, NOVEMBER 16, 2023**

4:30 PM

I. Call To Order

Commissioner Sender called the meeting to order at 4:31 p.m. Commissioners Swearingen, Moran, and Groves were present physically. Commissioners Allen and Hanson were present telephonically. A quorum was acknowledged. Commissioner Roth physically joined the meeting at 4:34 p.m.

II. Public Comments

No public comment.

III. Approval of October Meeting Minutes

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

IV. Old Business

There was no old business.

V. New Business

- A. **Approval of October Financial Statements** – Ms. Hurd reported that the Authority is halfway through the fiscal year. Both revenues and expenses in the General Fund continue to trend favorable to budget. The General Fund did receive a large payment from the insurance company on the water damage from last December. In the Capital Fund, the third pay estimate for the GA construction was paid. Ms. Hurd noted she is seeing movement and some improvement in the rate of reimbursements. The CFC Fund revenue continues to trend favorable to budget. The PFC revenue was up 12% compared to last year. Ms. Hurd noted that one of the airline's numbers seemed off and may be subject to correction in a future month.

Commissioner Moran made a motion to approve the October Financial Statements. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

- B. Approve 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. Mr. Egeland was present to review and discuss the quotes with the Administration and Governance Committee during their meeting on November 13th.

Overall, the Authority’s lines of coverage experienced an annual premium increase of approximately 10% (vs. an overall 9% increase last year) which was offset by a nearly 40% decrease in Workers Compensation coverage. The outlier this year was the Authority’s property insurance which increased \$80,494 – largely driven by the continuing increase in construction costs and the recent steps the Authority took to increase replacement cost values to better reflect current market conditions.

To help offset the significant increase in property coverage, Mr. Egeland suggested options for increasing the property policy’s deductible above the current \$5,000 amount. After discussion with the committee members, it was determined the best option was to increase the deductible to \$25,000 in exchange for a \$22,201 reduction in premium expense. With this adjustment, the proposed total cost for the annual premium is \$293,378 (a 21% increase over the expiring cost).

At the conclusion of the discussion the committee voted to recommend the renewals with the recommended insurers, coverage, and deductibles be presented to the full Board for review and approval.

Commissioner Roth made a motion to approve the award of the Airport Authority Insurance agreements. The motion was seconded by Commissioner Moran and upon a unanimous vote, the motion carried.

- C. Authorize Purchase Award of New Accounting Software** – Following the purchase and transition to new accounting software in 2010, Airport staff has been able to reliably use this software with the assistance of periodic program updates. Ahead of the expected end of program updates and service, Airport Staff began to research new accounting software. Based upon this effort a formal Request for Proposal (RFP) was prepared and released this past August. In response, Staff received six submissions with the majority of them deemed incomplete or inaccurate. After rejecting all submissions and reissuing the RFP, the same six proponents provided updated submissions which Staff ultimately shortlisted down to two for further review/analysis; BS&A Software, with a 5-year cost totaling \$127,162 and Harris Local Government, with a 5-year cost of \$100,089. After completing thorough reference checks and receiving in depth demonstrations of each software product, Staff determined the software and service offered by BS&A was a better match for the Airport Authority.

Commissioner Groves made a motion to authorize the purchase of new accounting software with BS&A Software. The motion was seconded by Commissioner Roth and upon a unanimous vote, the motion carried.

- D. Authorize Execution of New Intergovernmental Agreement with McLean County Sheriff’s Department** – The current relationship between the Airport Authority and McLean County Sheriff’s department dates back to 2005, when they took over the LEO responsibilities at the checkpoint. Last year, the Board approved a 1-year extension to the existing agreement. In preparation for the agreement expiring at the end of the year, Airport Staff and the Sheriff’s

Dept. initiated conversations aimed at reaching a tentative agreement on the terms/conditions for a new LEO agreement. The new agreement would be for 1 year, with 2, 1-year options mutually approved by both entities. The hourly rate is updated to reflect the new collective bargaining agreement the deputies are under. It also allows for a rate increase in years 2 and 3, capped at a 3% increase or whatever the Sheriff's department collective bargaining agreement goes for. The biggest change is to the schedule, which will now allow coverage on Saturdays and Sundays.

Commissioner Swearingen made a motion to authorize the execution of a New Intergovernmental Agreement with McLean County Sheriff's Department. The motion was seconded by Commissioner Allen and upon a unanimous vote, the motion carried.

- E. **Approve Revision to Transportation Improvement Program** – Having completed a review of the currently approved TIPs program earlier this summer Airport Staff met with FAA/IDA officials this past month to evaluate proposed changes, updated project costs, funding availability, and possible project schedules. Based upon the results of this work, Staff prepared program revisions for member consideration.

The resulting program being proposed this year is largely the same as approved last year which continues its focus on the same core projects while implementing some estimated cost and project schedule updates. The program maintains the Authority's philosophy of maximizing federal/state funding while also advancing projects aimed at keeping CIRA safe, vibrant, and competitive.

Prior to presenting this material to the Board, Staff first reviewed this information individually with the members of the Properties and Facilities Committee on October 30th and 31st. At the conclusion of these conversations the members individually provided their concurrence to present this program to the full Board for their review and approval.

Commissioner Allen made a motion to approve the revision to the Transportation Improvement Program. The motion was seconded by Commissioner Roth and upon a unanimous vote, the motion carried.

- F. **Authorize Professional Services Agreement with Farnsworth Group** – In response to receiving the state grant to help fund the introduction of municipal water/sanitary service to the 250 acres south of Ireland Grove Road, Staff requested a scope of work/fees from the Farnsworth Group to provide project design services. The scope of work would include the survey work, design work, all required permitting as well as the administration of the bid process and the recommendation of award. The proposed fee from Farnsworth for this work is \$224,400 which will be funded using existing Airport Authority funds. The proposed schedule calls for design work to begin immediately, with the project being bid this coming spring ahead of the summer 2024 construction season. Upon reviewing the proposal and confirming the scope was complete and the design fees were reasonable, Staff requested the Board approve the award as presented.

Commissioner Groves made a motion to authorize the Professional Services Agreement with Farnsworth Group for not to exceed \$224,400. The motion was seconded by Commissioner Hanson and upon a unanimous vote, the motion carried.

VI. Staff Reports

- A. **Executive Director's Report** – Carl reported that passenger traffic was down 6% compared to October last year, which is against a 7.25% decrease in capacity. The main contributor to the reduced capacity was the suspension of the seasonal Frontier service to Denver, which ended sooner in October than it did last year. However, beyond capacity, all of CIRA's routes performed very well. Excluding the seasonal service, all of the routes generated an increase in traffic year over year, with an average of 5% across the board. Load factors remain exceptionally strong. Overall aircraft operations continued strong, with local activity continuing to be the driving factor, with fuel sales remaining in line with last year. In line with the trend nationally, scheduled air cargo continues to be soft.

Carl also reported that Airport Staff had been invited by the EAA to participate in their upcoming monthly meeting to introduce and speak about CIRA's new GA facility and the transition into the new site.

It was also reported that in conjunction with the EDC, the Authority recently hosted a commercial developer for a site visit to CIRA to learn more about the Authority's proposed business/industrial park. The meeting was very positive and built upon the momentum created by an earlier visit to their facilities.

Carl closed out his report by providing the members with a brief update on the transition to the new airport authority. During his comments he highlighted a number of the many critical paths including financial/debt service matters, title transfer of property/assets, and federal/state regulatory issues including the need to secure a new airport operating certificate from the FAA.

VII. Commissioner Comments

Commissioner Sender noted that the McLean County board, at their meeting this evening, is expected to appoint their 3 new members to the Board of the new Central Illinois Regional Airport Authority. He also noted that the timing of all of the members is very crucial and a new operating certificate needs to be in order before the new entity can begin airline operations.

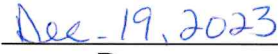
Commissioner Sender also noted that the tax levy will need to be set next month. The EAV is up significantly. Each entity in the community is doing something different. The Board will need to decide what the Authority's tax levy will look like. Should the levy be higher than 5% a public hearing will be required with notice being in the paper no more than 14 days, nor less than 7 days prior to the hearing.

It was also noted that the December meeting is moved to December 19th, not the 21st.

VIII. Adjournment

There being no other business to come before the Board, upon a motion being made, seconded and approved, the November 16, 2023 meeting of the Bloomington-Normal Airport Authority adjourned at 5:55 p.m.


Assistant Secretary


Date