



HALL COUNTY AIRPORT AUTHORITY | MINUTES
Regular Meeting | January 20, 2016

The Regular Meeting of the Hall County Airport Authority (HCAA) Board was held at the Airport Authority Administration Conference Room located at 3855 Sky Park Road, Grand Island, Nebraska 68801 on January 20, 2016. Pursuant to proper legal notice, Board Chair Werner called the meeting to order at 8:05 a.m., and announced location of the Nebraska Open Meeting Act for public viewing.

AIRPORT AUTHORITY BOARD MEMBER(S) PRESENT: Chair Lynne Werner, Vice-Chair Brian Quandt, Secretary/Treasurer Ken Caldwell, Joe Cook, and Michelle Setlik.

AIRPORT AUTHORITY BOARD MEMBER(S) ABSENT: None.

AIRPORT AUTHORITY STAFF PRESENT: Executive Director Mike Olson, Assistant Operations Manager Steve Magnuson, HR/Accounting Manager Annette Schimmer, Administrative Assistant Debra Potratz, and Accounting Assistant Amy Dishman.

LEGAL COUNSEL PRESENT: Airport Authority Attorney Ron Depue.

OTHERS PRESENT: Bob Beran from Dana F. Cole & Company, Matt Dubbe from Mead & Hunt, Matt Dorsey from Thrifty Car Rental, Tina Wieczorek, Zach Thompson and Michelle Gonzalez from Trego/Dugan Aviation of Grand Island.

The Pledge of Allegiance was said in unison.

REVIEW OF AGENDA.

PUBLIC REQUEST TO SPEAK ON AGENDA: None.

ELECTION OF OFFICERS: Board Members Cook and Setlik presented a slate of officers.

Motion by Cook second by Caldwell to approve the following slate of officers: Chair – Lynne Werner, Vice-Chair Brian Quandt, and Secretary-Treasurer Ken Caldwell. Upon roll call, motion was approved with a 4 Yes to 0 No vote with Quandt absent. Chair Werner will assign Board committees and present at next month's meeting.

Board Member Quandt arrived at 8:08 a.m.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- Minutes from the Regular Meeting held December 16, 2015.
- RESOLUTION 16-01: CLAIMS 3127-3134.

Motion by Caldwell, second by Setlik to approve the Consent Agenda and minutes from the Regular Meeting held December 16, 2015. Upon roll call, motion was approved with a 5 Yes to 0 No vote.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 16-02: AUDIT ENDING SEPTEMBER 20, 2015 AND 2014.

Bob Beran issued an unmodified audit opinion that the financial statements are fairly presented in all material respects to the Airport Authority. The report is in compliance with laws and regulations conveyed no violations. There were a couple of findings on internal control due to office size. Issued a compliance report on Passenger Facility Charges (PFC) and issued an unmodified opinion that controls are in order. No major findings with the Federal Programs received with the construction of the Passenger Terminal.

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 58 Accounting Manager Schimmer stated there were three audits conducted, the regular audit, a federal audit
 59 and a PFC audit. A single audit will need to be performed again next year due the federal dollars received.
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 61 *Motion by Setlik, second by Cook authorizing the Board Chair to accept the Audit Ending September 30,*
 62 *2015 and 2014 as presented by Dana F. Cole LLP & Company. Upon roll call, motion was approved with a*
 63 *5 Yes to 0 No vote.*

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 65 **FINANCIAL REPORTS | DECEMBER 2015**

66 HR/Accounting Manager Annette Schimmer introduced new Accounting Assistant Amy Dishman.

- 67 • Operating Income and Operating Expenses.
 - 68 ▪ Operating Income is at 19.81% | \$79,605.43 | YTD \$249,188.43
 - 69 ▪ Operating Expenses is at 21.05% | \$134,549.33 | YTD \$343,612.38
 - 70 ▪ Total Operating Income/Loss is at 25.20% | (\$54,943.90) | YTD (\$94,423.95)
 - 71 ▪ Total Net Income/Loss is at 21.72% | (\$364,383.14) YTD (\$1,281,000.17). Schimmer stated
 72 you will see a loss for the rest of the year due to issuance of BANs last year.
- 73 • Past Dues Report: (Aging over 30 days) \$3,392.19 as of today.
- 74 • Fuel Flowage Report: Trego/Dugan Aviation of Grand Island
 - 75 Jet A & 100LL ▪ 149,796.00 gallons delivered | YTD 364,057.00
 - 76 Fuel Flowage ▪ \$8,238.78 fuel flowage received | YTD \$20,023.14
 - 77 Diesel ▪ 0.00 gallons delivered | YTD 1,022.00
 - 78 Unleaded ▪ 427.00 gallons delivered | YTD 911.20
 - 79 Fuel Flowage ▪ \$23.49 fuel flowage received | YTD \$106.33

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 81 Schimmer reported on the 2015 BANs/2016 Bond Budgeted versus Actual Costs. We received a quote from
 82 Century Link and there will be a \$13,872 charge to install telecommunications due to the new Passenger
 83 Terminal has the same address as the current terminal (3773 Sky Park Road). If it was a different address
 84 the service would be free but Nebraska has a Tax Increment Financing (TIF). Mead & Hunt submitted the
 85 plans for the new Passenger Terminal to the City with the current Passenger Terminal address and that is
 86 what the building permit was issued as. This issue has posed a problem throughout the project and now
 87 becoming quite costly.

88
 89 Schimmer gave an update on the ineligible costs. The current restaurant costs are at \$61,000 and costs are
 90 still unknown for future passenger terminal, internet, and Direct TV and any change orders relating to the
 91 parking lot Phase 2 project. The BANs amount remaining is \$271,000. Costs for a Parking Access Revenue
 92 Control System (PARCS) or administration building has not been budgeted for.

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 94 **ACTIVITY REPORTS | DECEMBER 2015**

95 Air Traffic Activity Report: Midwest Air Traffic Control Tower report by Executive Director Olson.

96 **Central Nebraska Regional Airport**

Itinerant Operations	Dec 2014	Dec 2015	% Change
Air Carrier	64	69	8
Air Taxi	235	263	12
Civil Aviation	347	479	38
Military	42	63	50
Total OPS	688	874	27
Local Operations			
Civil	118	170	44
Military	52	24	(54)
Total LCL	170	194	14
TOTAL TRF	858	1068	24

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 98 Enplanement Report by Executive Director Mike Olson: Olson reported 2015 and December set a new all-
 99 time records for number of enplanements. This the fourth year in a row for record breaking number of
 100 enplanements.

	2015	2015	2014	102
	Dec	Load Factor %	Dec	+/- %
Allegiant	5,103	87%	4,396	14%
American	2,302	78%	2,243	3%
Charters	0		196	-100%
Mo. Emp	7,315		6,835	7%
Yr to Date	64,643		60,947	6%

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Operations Report by Assistant Operations Manager Steve Magnuson:

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- Provided Aircraft Rescue and Fire Fighting (ARFF)/Direct Ramp Observation (DRO) for Allegiant flights, provided ARFF for American Airline daily flights, and Charter flights.
- Conducted monthly ARFF drills and weekly training held on Part 139 Training, Safety, and Transportation Security Administration procedures.
- Provided snow removal for commercial and charter flights, and for a fee removed snow at the Nebraska Army Aviation Support Facility.
- Repaired air system on AIR 74 (1982 Oshkosh T-6 Fire Truck) and AIR 20 (1987 Oshkosh Snow Blower Model 92).
- Replaced bristle wafers on AIR 9 (1999 Kodiak Broom Truck) and AIR 48 (2013 Bobcat S570 w/Bucket S/N A7U713081).
- Started bathroom remodel project in Bldg 109 (Rogue Mfg).
- Began training on mechanical systems in the new passenger terminal.
- Provided construction support as needed, including directing delivery trucks carrying boarding ramp and TSA baggage screening equipment to terminal area.
- Numerous other daily projects and repairs completed and scheduled.

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Construction & Planning Report: Mead & Hunt representative Matt Dubbe reported they are racing towards completion of the passenger terminal. Over the next month all their engineers will be here to test the systems to make sure everything is properly installed and working. The installation of the murals has been put on hold due to dust in the air from polishing the terrazzo floor. The standing steel metal roof is not completed, but materials are on-site ready for installation, and once this is installed the exterior will be sealed and completed. The lighting systems are being installed. All soft seating and beam seating is off-site waiting to be installed. Site work is being put off until the spring, but Mead & Hunt will come back and professionally shoot photos for imagery. Mead & Hunt has been contacted by a number of national publications to write blogs or articles about the uniqueness of our passenger terminal. Weekly meetings have been held with Authority Administration to go through a series of how you open up a new building. Even though the Authority is not going to pursue Leadership in Energy & Environmental Design (LEED) Certification due to the cost, the incentives have been extended for four years. Normally airports get a Silver LEED Certification, our airport could certify at the Gold or Platinum level.

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Executive Director Olson stated he is part of Grow Grand Island and the new passenger terminal will be one of the gateways into Grand Island.

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The General Aviation Terminal warranty items are being addressed.

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CONSIDERATION AND APPROVAL OF RESOLUTION NO. 16-03: LEASE AGREEMENT WITH AGRELIANT GENETICS, LLC DBA PRODUCERS HYBRIDS.

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Motion by Quandt, second by Caldwell authorizing the Executive Director to execute Lease Agreement with AgReliant Genetics, LLC, DBA Producers Hybrids for Building 852 located at 1920 Citation Way. Lease Term is for one (1) year commencing January 1, 2016 and terminating December 31, 2016. Rent is \$900/month plus \$106.42/month for Fire and Extended Coverage Insurance. Upon roll call, motion was approved with a 5 Yes to 0 No vote.

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149 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 16-04: AGREEMENT FOR OPERATION OF**
150 **AN ON-AIRPORT CAR RENTAL CONCESSION WITH BUCK ENTERPRISES, INC., DBA HERTZ CAR**
151 **RENTAL.**

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153 *Motion by Setlik, second by Cook to authorize authorizing the Executive Director to authorizing the Executive*
154 *Director to execute Agreement for Operation of an On-Airport Car Rental Concession at the new Passenger*
155 *Terminal with Buck Enterprises, Inc., DBA Hertz Car Rental.*

156
157 *Agreement is for three (3) years commencing March 23, 2016 and terminating March 22, 2019. Base Rent*
158 *is \$1,000/month for Office (# 145) /Counter (#142) and Parking Stalls (Area 1) as outlined in Exhibits A&B.*
159 *Rent is \$200/month for 2 Car Wash/Service Areas (Bldgs 108B & 108C) as outlined in Exhibit C. The Privilege*
160 *Fee is 10% of Gross Revenues.*

161
162 *The Minimum Annual Guarantee (MAG) payment is as follows: Lease Year 1: \$68,600.00. Sixty-Eight*
163 *Thousand Six-Hundred Dollars and No/100; Lease Year 2: \$72,700.00. Seventy-Two Thousand Seven-*
164 *Hundred Dollars and No/100.; Lease Year 3: \$77,400.00. Seventy-Seven Thousand Four-Hundred Dollars*
165 *and No/100.*

166
167 *A MAG payment from Tenant to Authority shall be the sum total of Privilege Fees (excluding Base Rent and*
168 *Car Wash/Service Area rent) paid by Tenant to Authority for each lease year. Tenant agrees to pay to the*
169 *Authority a Minimum Annual Guarantee (MAG), or ten (10%) of the Tenant's Annual Gross Receipts,*
170 *whichever amount is greater. Upon roll call, motion was approved with a 5 Yes to 0 No vote.*

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172 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 16-05: AGREEMENT FOR OPERATION OF**
173 **AN ON-AIRPORT CAR RENTAL CONCESSION WITH BROWN LEASING COMPANY, DBA THRIFTY**
174 **CAR RENTAL**

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176 *Airport Attorney Depue stated this is the first time the Authority has been through this process of bidding out*
177 *car rental concessions and incorporating a (Minimum Annual Guarantee) MAG into the agreement and*
178 *applauded Administration Assistant Potratz for doing a super job putting all of this together.*

179
180 *Motion by Setlik, second by Quandt authorizing the Executive Director to execute Agreement for Operation*
181 *of an On-Airport Car Rental Concession at the new Passenger Terminal with Brown Leasing Company, DBA*
182 *Thrifty Car Rental.*

183
184 *Agreement is for three (3) years commencing March 23, 2016 and terminating March 22, 2019. Base Rent*
185 *is \$1,000/month for Office (# 143) /Counter (#140) and Parking Stalls (Area 2) as outlined in Exhibits A&B.*
186 *Rent is \$100/month for Car Wash/Service Area (Bldg 108A) as outlined in Exhibit C. The Privilege Fee is*
187 *10% of Gross Revenues.*

188
189 *The Minimum Annual Guarantee (MAG) payment is as follows: Lease Year 1: \$55,200.00. Fifty-Five*
190 *Thousand Two-Hundred Dollars and No/100; Lease Year 2: \$58,300.00. Fifty-Eight Thousand and Three-*
191 *Hundred Dollars and No/100; Lease Year 3: \$61,800.00. Sixty-One Thousand Eight-Hundred Dollars and*
192 *No/100.*

193
194 *A MAG payment from Tenant to Authority shall be the sum total of Privilege Fees (excluding Base Rent and*
195 *Car Wash/Service Area rent) paid by Tenant to Authority for each lease year. Tenant agrees to pay to the*
196 *Authority a Minimum Annual Guarantee (MAG), or ten (10%) of the Tenant's Annual Gross Receipts,*
197 *whichever amount is greater. Upon roll call, motion was approved with a 5 Yes to 0 No vote.*

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199 **REVIEW OF AIRPORT REVENUE PARKING FROM PLANNING SESSION:** Executive Director Olson
200 *stated during the Planning Session in November SP Plus Airport Services, presented on Airport Revenue*
201 *Parking. Regardless of the timeframe of this project, Olson would like to take a very methodically approach*
202 *and at every meeting discuss options and risks involved with this project, for example, startup costs involved,*
203 *determining type of system, equipment requirements, self-management verses contracting out, etc. That*
204 *way when the time comes to proceed with this project it will be ready to bid out.*

205 There were concerns of work load and current budget restraints, but Airport Attorney Depue and Board
206 agreed we need to incorporate paid parking as a source of revenue to replenish depleted funds that went
207 towards constructing the new Passenger Terminal and parking lots. This user fee will help alleviate the
208 burden from Hall County tax payers and help provide funds for maintenance of completed projects and for
209 future growth. Not everyone will like paid parking but what is the passenger's time worth to travel to Lincoln
210 or Omaha and pay for parking there as well.

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212 EXECUTIVE DIRECTOR'S REPORT:

- 213 a) Executive Director Olson provided a year-end review of 2015 airport activities. Olson is very proud
214 of the staff and all they accomplished.
215 b) Board Meeting Schedule for 2016 was reviewed.

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217 ANNOUNCEMENTS:

218 Next Board Meeting is February 10, 2016.

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220 EXECUTIVE SESSION:

221 *Motion by Quandt, second by Cook to go into Executive Session to discuss airline, lease, and personnel*
222 *negotiations. Upon roll call, motion was approved with a 5 Yes to 0 No vote, and Board went into Executive*
223 *Session at 9:23 a.m.*

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225 *Motion by Quandt, second by Cook to come out of Executive Session with no decisions being made and*
226 *reconvene to Regular Session. Upon roll call, motion was approved with a 5 Yes to 0 No vote, and Board*
227 *came out of Executive Session and into Regular Session 10:44 a.m.*

228
229 ADJOURNMENT:

230 *Motion by Caldwell, second by Setlik to adjourn the meeting. Upon roll call, motion was approved with a 5*
231 *Yes to 0 No vote, and meeting was adjourned at 10:45 a.m.*

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233 HALL COUNTY AIRPORT AUTHORITY

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Debra Potratz | Administrative Assistant

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Lynne Werner | Board Chair

Ken Caldwell | Board Secretary/Treasurer

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243 (SIGNATURES ON FILE)