



HALL COUNTY AIRPORT AUTHORITY | MINUTES  
Regular Meeting | March 9, 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 March 9, 2016. Pursuant to proper legal notice, Board Chair Werner called the meeting to order at 8:03 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, and Michelle Setlik.

AIRPORT AUTHORITY BOARD MEMBER(S) ABSENT: Secretary/Treasurer Ken Caldwell and Joe Cook.

AIRPORT AUTHORITY STAFF PRESENT: Executive Director Mike Olson, HR/Accounting Manager Annette Schimmer, Operations Manager Doug Brown, and Administrative Assistant Debra Potratz.

LEGAL COUNSEL PRESENT: Airport Authority Attorney Ron Depue.

OTHERS PRESENT: Robert Kapsner and Mike Runde from Mead & Hunt, Zach Thompson from Trego/Dugan Aviation of Grand Island, and Brad Kissler from Cannon Moss Brygger Architects.

The Pledge of Allegiance was said in unison.

REVIEW OF AGENDA.

PUBLIC REQUEST TO SPEAK ON AGENDA: None.

**REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:**

- Minutes from the Regular Meeting held February 10, 2016.
- Resolution 16-08: Claims 3141-3146.

*Motion by Quandt, second by Setlik to approve the Consent Agenda. Upon roll call, motion was approved with a 3 Yes to 0 No vote.*

**FINANCIAL REPORTS | FEBRUARY 2016**

Report presented by HR/Accounting Manager Annette Schimmer.

- Operating Income and Operating Expenses.
  - Operating Income is at 42.99% | \$196,690.29 | YTD \$540,681.45
  - Operating Expenses is at 37.21% | \$141,334.41 | YTD \$607,393.10
  - Total Operating Income/Loss is at 17.80% | \$55,355.88 YTD (\$66,711.65)
  - Total Net Income/Loss is at 34.66% | (\$207,489.41) | YTD (\$2,043,892.62)
  -
- Past Dues Report: (Aging over 30 days) \$1,027.26 as of today.
- Fuel Flowage Report: Trego/Dugan Aviation of Grand Island
 

Jet A & 100LL	▪ 99,964.00 gallons delivered   YTD 555,310.00
Fuel Flowage	▪ \$5,498.02 fuel flowage received   YTD \$30,542.05
Diesel	▪ 720.00 gallons delivered   YTD 3,192.00
Unleaded	▪ 685.00 gallons delivered   YTD 2,096.20
Fuel Flowage	▪ \$77.28 fuel flowage received   YTD \$290.85

Executive Director Olson stated the Fuel Flowage statistics will continue to be printed in report, just not verbally reported at meetings.

57 Accounting Manager distributed an updated 2015 BANS/2016 Bond Budget. There will be one more final  
 58 Change Order for the eligible and ineligible costs for the Passenger Terminal, but the amounts are unknown  
 59 at this time. It is anticipated there will be a Change Order for the Parking Lot project as well. All costs must  
 60 be finalized by May 31, 2016 in order to determine the bond amount. Kapsner stated they will have the  
 61 passenger terminal change orders ready for next month's meeting.

62  
 63 Final restaurant inspections from the Health Department and Fire Department will be conducted on March  
 64 22<sup>nd</sup>.

65  
 66 Even though this has been an issue, the current passenger terminal and the new passenger terminal have  
 67 the same address. This was an oversight on Mead & Hunt's part when plans were sent to the city with the  
 68 same address.

69  
 70 **ACTIVITY REPORTS | FEBRUARY 2016**

71 GRI Air Traffic Operations Report by Executive Director Mike Olson. Olson stated he is disappointed that he  
 72 has not heard anything from Midwest Air Traffic Control on the new GRI tower manager.  
 73  
 74

Central Nebraska Regional Airport

Itinerant Operations	Feb 2015	Feb 2016	% Change
Air Carrier	38	51	34
Air Taxi	211	216	2
Civil Aviation	400	422	6
Military	92	65	(29)
<b>Total OPS</b>	<b>741</b>	<b>754</b>	<b>2</b>
Local Operations			
Civil	287	194	(32)
Military	28	22	(21)
<b>Total LCL</b>	<b>315</b>	<b>216</b>	<b>(31)</b>
<b>TOTAL TRF</b>	<b>1056</b>	<b>970</b>	<b>(8)</b>

Central Nebraska Regional Airport

Itinerant Operations	Jan 2015	Jan 2016	% Change
Air Carrier	50	48	(4)
Air Taxi	242	226	(7)
Civil Aviation	499	363	(27)
Military	155	53	(66)
<b>Total OPS</b>	<b>946</b>	<b>690</b>	<b>(27)</b>
Local Operations			
Civil	260	176	(32)
Military	135	48	(64)
<b>Total LCL</b>	<b>395</b>	<b>224</b>	<b>(43)</b>
<b>TOTAL TRF</b>	<b>1341</b>	<b>914</b>	<b>(32)</b>

75  
 76

77  
 78 Enplanement Report by Executive Director Mike Olson: Olson reported February 2016 set a record for  
 79 February enplanements. Orlando-Sanford service continues to do well and in months June and July, Allegiant  
 80 will offer twice weekly service to Orlando-Sanford. For the month of May, American Airlines is changing their  
 81 arrival flight from 1:30 p.m. to 4:40 p.m., and departing at 5:20 p.m. Airport is still having issues with  
 82 Enterprise Car Rental with picking up passenger from the road. Executive Director contacted Enterprise to  
 83 cease this activity and will follow up with a letter.  
 84

	2016	2016	2015	85
	Feb	Load Factor %	Feb	+/- %
Allegiant	3,542	92%	2,620	35%
American	2,168	82%	1,946	11%
Charters	121		164	-26%
Mo. Emp	5,831		4,730	23%
<b>Yr to Date</b>	<b>11,496</b>		<b>10,125</b>	<b>14%</b>

86  
 87 Operations Report by Operations Manager Doug Brown:

- 88 • Provided Aircraft Rescue and Fire Fighting (ARFF)/Direct Ramp Observation (DRO) for Allegiant  
 89 flights, provided ARFF for American Airline daily flights, and Charter flights.
- 90 • Conducted monthly ARFF drills and weekly training held on Part 139 Training, Safety, and  
 91 Transportation Security Administration procedures.

- 92 • Performed monthly preventative maintenance on equipment.
- 93 • Performed quarterly fuel farm and truck inspections.
- 94 • Performed quarterly Runway 35 PAPI Calibrations.
- 95 • In the process of updating the Airport Security Program and Airport Certification Manual to include
- 96 the new passenger terminal security.
- 97 • Received annual Depredation Permit.
- 98 • Engine repairs made on AIR 20 (1987 Oshkosh Snow Blower Model 92).
- 99 • Roof repairs being made on Bldgs 847, 851, 853 and 855 (Gro-Rite).
- 100 • Replaced Gate 22.
- 101 • Changed fan motor on AIR 65 (2008 Intl Dump Truck/Snow Plow).
- 102 • In the process of replacing six ramp lights.
- 103 • Continue with training for Bldg 100 (New Passenger Terminal).
- 104 • Tours of Bldg 100 (New Passenger Terminal) are scheduled for the Grand Island Police Department
- 105 and Grand Island Fire Department.
- 106 • Provided construction support.
- 107 • Numerous other daily projects and repairs completed and scheduled.

108  
 109 Construction & Planning Report: Mead & Hunt representative Robert Kapsner reported the new passenger  
 110 terminal is progressing well. Weekly meetings have been held with American Airlines and Allegiant and  
 111 delivery date of counter inserts date is unknown. The lead in lines for aircraft have not been painted and Jet  
 112 Bridge is operational. The Transportation Security Administration is preparing for move. Kaspner has gone  
 113 through 70% of the punch list items. The landscaping is going in and Arrasmith Park display is being installed.  
 114 Mike Runde stated earth work is done and concrete is being poured in parking lot adjacent to passenger  
 115 terminal and should be done next week. The move to the new passenger terminal begins March 22<sup>nd</sup> after  
 116 the American afternoon flight and to be fully operational by 4 a.m. on March 23<sup>rd</sup>.

117  
 118 Construction has begun on the new entrance road for the General Aviation Terminal. Some old foundation  
 119 was found in the middle of road and once removed, concrete will be poured then grass and sprinklers will be  
 120 installed.

121  
 122 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 16-09: PROPOSAL AND AGREEMENT FOR**  
 123 **AIR SERVICE CONSULTING SERVICES WITH MEAD & HUNT, INC., FOR A PASSENGER DEMAND**  
 124 **ANALYSIS.**

125  
 126 *Motion by Quandt, second by Setlik authorizing the Executive Director to execute the Proposal and*  
 127 *Agreement for Air Service Consulting Services from Mead & Hunt, Incorporated, to complete a Passenger*  
 128 *Demand Analysis for the Central Nebraska Regional Airport (GRI). Mead & Hunt will be compensated*  
 129 *\$14,175 for the true market estimate and report. Fees include: \$6,175 for True Market Estimate, \$5,250 for*  
 130 *Report and \$2,750 for Data. Proposal includes five bound copies of report and a draft will be available within*  
 131 *60 days after contract is signed. Upon roll call, motion was approved with a 3 Yes to 0 No vote.*

132  
 133 PRESENTATION BY BRAD KISSLER FROM CANNON MOSS BRYGGER ARCHITECTS. Olson stated  
 134 back in December 2015, the Authority approved an Agreement with Cannon Moss Brygger Architects to  
 135 Provide Basic Architectural Services to Determine Renovation Costs of Building 101 (Current Passenger  
 136 Terminal Building) for Airport Authority Administration Offices. The presentation depicted the five additions  
 137 to building, six with holding area, the layout and structural elements of the building, and floor plan options for  
 138 remodel area. Holding area addition is not included in renovation options.

139  
 140 The cost to remodel is \$185 S.F. To renovate 6,900 S.F. the cost would be \$1,276,500, plus \$100,000 for  
 141 exterior improvements (for example windows). The contingency fee is 10% or \$137,650, and  
 142 Architect/Engineering fee is 9.50% or \$143,844 for a total of \$1,657,994 (not including furniture, fixtures and  
 143 equipment). The building has 8,806 S.F. so the remaining 1,900 S.F could be shelled and used for future  
 144 expansion.

145  
 146 The cost to construct new is \$300 S.F. To construct a 5,000 S.F. building the cost would be \$1,500,000.  
 147 Demolishing of existing terminal would be \$100,000 (optional). The contingency fee is 7.75 % or \$80,000  
 148 and Architect/Engineering fee is 7.75% or \$130,200 for a total of \$1,810,200 (not including furniture, fixtures

149 and equipment). This figure does not include site improvement fees and there would be no additional space  
150 constructed for future expansion.  
151  
152 Board Member Setlik felt figures were misleading as the current terminal has 8806 S.F., and the cost to  
153 renovate that entire area would be \$2,113,440. To construct a building same size the cost would be  
154 \$3,187,772. So cost to renovate would be \$1.7 million less than to build new.  
155  
156 Kissler pointed out the restrooms and mechanical/electoral rooms in the current terminal were left untouched  
157 since they were already there, but were larger than needed to be. He noted some areas had more "white"  
158 space due to trying to fit areas around the restraints of the structural walls.  
159  
160 The asbestos would have to be removed regardless if building was remodeled or torn down. The HVAC  
161 systems would need to be replaced whether remodeled or new construction. The holding area could possibly  
162 be office space for the Transportation Security Administration since it is close in proximity to the passenger  
163 terminal and has restrooms already in there. There was also discussion to move this building to another  
164 location.  
165  
166 A specific location for the Administration building has not been determined.  
167  
168 AIRPORT REVENUE PARKING UPDATE: Executive Director Olson reiterated from last meeting that the  
169 Board is in agreement the Airport needs paid parking. The Board needs to decide on a model and what type  
170 of agreement. Executive Director Olson will contact several consultants to get a scope and fee to help with  
171 this process and will report back at next board meeting.  
172  
173 EXECUTIVE DIRECTOR'S REPORT:  
174 a) Olson conducted numerous interviews with the news media and has given many tours of the new  
175 passenger terminal.  
176 b) Olson and Board Chair Werner attended the Hastings Chamber of Commerce Annual meeting  
177 February 17<sup>th</sup>.  
178 c) The annual appreciation Soup Supper was held March 1<sup>st</sup> with approximately 235 in attendance.  
179 Nebraska Lt. Governor Mike Foley attended event and was given a tour of the new passenger  
180 terminal. An article on this event was published in the Grand Island Independent, Omaha World  
181 Herald, and various aviation news releases as well.  
182 d) Olson updated the Board on Legislative issues.  
183 a. Olson will be attending the Legislative Conference in Washington, DC next week and has  
184 visits scheduled with Senator Fischer, Senator Sasse, and Congressman Smith.  
185 b. Senator Shuster's [R-PA] bill H.R.4441 - Aviation Innovation, Reform, and Reauthorization  
186 Act of 2016 did not advance.  
187 c. There has been some traction for an increase for Passenger Facility Charge (PFC) by \$2.00.  
188 This would mean approximately \$130,000 extra dollars going into our reserves. Olson  
189 contacted Senator Fischer stating we need to have a PFC increase. The airlines are fighting  
190 the increase and calling it a tax, it is not a tax. It is a user fee.  
191 d. In September 2015, the U.S. Senate agreed to reauthorize and extend funding for  
192 the Federal Aviation Administration for an additional six months through the end of March  
193 2016. It is unlikely they will get a reauthorization bill by March 31<sup>st</sup>.  
194 e. There is support for Essential Air Service (EAS) upwards of \$300 million dollars.  
195 f. There will be a small increase in the Airport Improvement Project (AIP) funding in the next  
196 six years.  
197 g. Benefit cost analysis for the Contract Tower Program. Airport currently pays \$80,000/year  
198 for our share of the cost share. This figure was based on aircraft types and operations,  
199 scheduled commercial air service and aircraft data from over 10 years ago. The new bill will  
200 make sure FAA gets the Benefit Cost Analysis done. Packages were to be completed by  
201 December 2015, but appears work won't be completed until 2017.  
202 h. Aerodynamics is now certified to fly EAS for the Department of Transportation. Seaport has  
203 filed for bankruptcy.  
204  
205 Airport Attorney Depue stated there are two important legislative bills LB958 and LB1014.  
206

207 LB958 - Change provisions relating to budgets, the valuation of agricultural land, and levy limitations. This  
208 is one of the Governor's tax proposal bill. This bill would be detrimental to the airport's growth as any  
209 increase in spending greater than 3% would need election approval. Depue spoke with Senator Gloor  
210 about this and Depue expects this provision will not advance.

211  
212 LB1014 - Change provisions relating to levy limitations and budget limitations for public airports. Scottsbluff's  
213 State Senator Stinner introduced this bill and Depue expect this will not get out of committee.  
214

215 After this legislative session we will continue with our request for an Attorney General's opinion to hopefully  
216 confirm that airports do have unlimited bonding authority.

217  
218 ANNOUNCEMENTS:

- 219 a) Ribbon Cutting for the New Passenger Terminal is Tuesday, April 5<sup>th</sup> at 11:00 a.m.
- 220 b) Next Board Meeting is April 13, 2016.
- 221 c) June Board meeting has been changed to Thursday, June 9, 2016.

222  
223 EXECUTIVE SESSION:

224 *Motion by Quandt, second by Setlik to go into Executive Session to discuss airline, lease, and personnel*  
225 *negotiations. Upon roll call, motion was approved with a 3 Yes to 0 No vote, and Board went into Executive*  
226 *Session at 9:54 a.m.*

227  
228 *Motion by Setlik, second by Quandt to come out of Executive Session with no decisions being made and*  
229 *reconvene to Regular Session. Upon roll call, motion was approved with a 3 Yes to 0 No vote, and Board*  
230 *came out of Executive Session and into Regular Session 10:13 a.m.*

231  
232 ADJOURNMENT:

233 *Motion by Quandt, second by Setlik to adjourn the meeting. Upon roll call, motion was approved with a 3 Yes*  
234 *to 0 No vote, and meeting was adjourned at 10:14 a.m.*

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236 HALL COUNTY AIRPORT AUTHORITY

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240 \_\_\_\_\_  
Debra Potratz | Administrative Assistant

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242  
243  
244 \_\_\_\_\_  
Lynne Werner | Board Chair

245 \_\_\_\_\_  
Ken Caldwell | Board Secretary/Treasurer

246 (SIGNATURES ON FILE)