



HALL COUNTY AIRPORT AUTHORITY | MINUTES
Regular Meeting | November 15, 2017

Pursuant to due call and notice thereof, a 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 November 15, 2017. Notice of Meeting was given in the *Grand Island Independent* on November 8, 2017. Board Chair Werner called the meeting to order at 8:04 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, Administrative Assistant Debra Potratz, Human Resources/Accounting Manager Annette Schimmer, Operations/Security Manager Doug Brown, and Facility Manager Steve Magnuson.

LEGAL COUNSEL PRESENT: Attorney Zach Butz representing Airport Authority Attorney Ron Depue.

OTHERS PRESENT: Brian Degan and Matt Rief from Olsson Associates, Brad Kissler from CMBA Architects, Dave Hansen Air Traffic Control Manager, and Zach Thompson from Trego Dugan Aviation.

The Pledge of Allegiance was said in unison.

PUBLIC COMMENT: None.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- Minutes from the Regular Meeting on October 12, 2017.
- Resolution 17-73: Claims 3271, 3273-3278.

Motion by Setlik, second by Caldwell to approve the Consent Agenda. Upon roll call, motion was approved with a 4 Yes to 0 No votes. (Board Member Quandt was absent).

DISCUSSION AND ACTION AGENDA:

FINANCIAL REPORTS | October 2017

1 st Month of 1 st Quarter: 8.33%	Current Amount Oct 17	YTD Amount Oct 17 – Sep 18	Yearly Budget Amount	YTD %	Remaining Budget \$ Amt
Operating Income	\$95,067.19	\$95,067.19	\$1,449,894.00	6.56%	\$1,354,826.81
Operating Expenses	\$83,014.95	\$83,014.95	\$1,993,590.00	4.16%	\$1,910,575.05
Total Operating Income/(Loss)	\$12,052.24	\$12,052.24	(\$543,696.00)	-2.22%	(\$555,748.24)
Tax Levy Bond	\$95,655.87	\$95,655.87	\$1,078,431.00	8.87%	\$982,775.13
Tax Levy General	\$37,073.81	\$37,073.81	\$267,322.00	13.87%	\$230,248.19
Tax Levy General Fund Designated for Air Service Development	\$0.00	\$0.00	\$250,000.00	0.00%	\$250,000.00
Net Income/(Loss)	(\$23,276.16)	(\$23,276.16)	(\$3,616,034.00)	0.64%	(\$3,492,757.84)
Past Dues Balance as of Today: \$10,081.66.					

42 An audit was conducted November 6th & 7th and a single audit will be required. Audit will be reviewed in
 43 December and approved at the January 10, 2018 meeting.

44
 45 **ACTIVITY REPORTS | October 2017**
 46 GRI Air Traffic Operations Report was presented by Tower Manager Dave Hansen.
 47

GRI	Itinerant Operations					Local Operations			Overall Total TRF
	Air Carrier	Air Taxi	Civil Aviation	Military	TOTAL OPS	Civil	Military	TOTAL LCL	
Oct 2017	37	255	748	93	1,133	446	30	476	1,609
Oct 2016	37	273	629	83	1,022	250	46	296	1,318
% Change	0%	-7%	19%	12%	11%	78%	-35%	61%	22%

48
 49 Enplanement Report was presented by Executive Director Mike Olson. During December 15th through January
 50 8th American will be utilizing a CRJ 900–76 seat jet with dual class. It was reported that the E145 50-seat jet
 51 have been oversold almost every flight and having to leave passengers behind.

Enplanements	Allegiant	American	Charters	Mo. Emp	Yr to Date
Load Factor	86%	90%			
Oct 2017	2,771	2,675	270	5,716	55,403
Oct 2016	2,558	2,229	0	4,787	57,379
+/- %	8%	20%	270%	19%	-3%

52
 53 Operations Report by Operations Manager Doug Brown.

- 54 • Provided Security and Aircraft Rescue and Fire Fighting (ARFF) support for Allegiant flights, daily
- 55 American Airline flights and Charters.
- 56 • Continued ARFF/Security and Safety Training
- 57 • Provided escort for construction company for 12 hours a day, 4 days a week for the past month.
- 58 • Repaired locking device on door for Hangar 112.
- 59 • Changed outside light on Bldg 853 (Gro-Rite).
- 60 • Changed out four shop lights in warehouse area in Bldg 720 (Hulchers).
- 61 • Provided maintenance on snow equipment.
- 62 • Set out traps on air field for wildlife.
- 63 • Changed out wafers on AIR 9 (Kodiak Broom).
- 64 • Training held on Bowmonk deicer unit.
- 65 • Final mow for season was completed.
- 66 • Weekly, monthly, and quarterly inspections on emergency equipment.
- 67 • Passengers are enjoying the sports channel in Bldg 100 (Passenger Terminal).
- 68 • Numerous other daily projects completed.

69
 70 Facility Report: Facility Manager Steve Magnuson

- 71 • Parking Access Revenue Control System (PARCS) equipment is being installed in parking lots and in
- 72 telecom Room 118 in Bldg 100 (Passenger Terminal).
- 73 • Replacing light fixtures in Bldg 720 (Hulchers).
- 74 • In the process of re-coating roof on Bldg 112 (Trego Dugan Aviation).
- 75 • Inspected Bldg 710 (FedEx) facility in anticipation of lease renewal.
- 76 • Perform daily jet bridge inspections and provide on-going training for Trego Dugan Aviation
- 77 employees.
- 78 • Performing twice weekly parking lot surveys.
- 79 • Installed “Unattended Vehicles Will Be Towed” signage at passenger terminal drop off/pick up zone.
- 80 • Installed turn only signs for east parking lot exit lane onto Sky Park Road and painted arrows on
- 81 pavement.
- 82 • Installed snow plow blades for AIR 46 (Chevy Silverado 2010).
- 83 • Stocked up on ice melt for walkways around Bldg 100 (Passenger Terminal).
- 84 • Facility Worker staff provide security for exit lane in secure area for every outbound flight.

85
86 Board Member Quandt arrived at 8:37 am.

87
88 Construction & Planning Report: Executive Director Olson reported Benesch will be finishing up this week on
89 Phase 6 of the AIP 3-31-0034-039 Joint Resealing & Panel Replacement on Concrete Surfaces Project. Phase
90 5 consists of closure of Runway 17-35 in May of 2018.

91
92 Olsson Associates: Brian Degan reported the installation of the PARCS is almost completed. Degan distributed
93 plans of the South Ramp Layout and briefed the Board about the various options.

94
95 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 17-74: PRE-NEGOTIATION AGREEMENT**
96 **WITH FEDERAL EXPRESS CORPORATION FOR BUILDING 710.**

97
98 *Motion by Quandt, seconded by Cook authorizing the Executive Director to execute the Pre-Negotiation*
99 *Agreement with Federal Express Corporation for GRIA Lease #85-2850 for Building 710 located at 3900 Sky*
100 *Park Road, Grand Island, NE. The Pre-Negotiation Agreement provides FedEx Express Corporation*
101 *information about the Hall County Airport Authority and Representatives Authorized to Negotiate and Sign*
102 *Contract. Upon roll call, motion was approved with 5 Yes and 0 No votes.*

103
104 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 17-75: CONCESSION AGREEMENT WITH**
105 **JONES LANG LASALLE BROKERAGE, INC., FOR FEDERAL EXPRESS CORPORATION FOR BUILDING**
106 **710.**

107
108 *Motion by Cook, second by Setlik authorizing the Executive Director to execute the Commission Agreement*
109 *with Jones Lang LaSalle Brokerage, Inc., for tenant Federal Express Corporation for Building 710 located at*
110 *3900 Sky Park Road, Grand Island, NE. The Hall County Airport Authority agrees to pay a real estate*
111 *commission of Two Percent (2%) of the Base Rent to Broker. One-half of the commission shall be due upon*
112 *execution of the Lease by Authority and FedEx Express Corporation, and one-half due on the lease*
113 *commencement date. Upon roll call, motion was approved with a 5 Yes to 0 No votes.*

114
115 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 17-76: MEMORANDUM AGREEMENT WITH**
116 **BROWN LEASING COMPANY DBA THRIFTY CAR RENTAL.**

117
118 *Motion by Setlik, second by Cook authorizing the Executive Director to execute the Memorandum Agreement*
119 *with Brown Leasing Co., DBA Thrifty Car Rental (Tenant). Agreement required Tenant to pay Authority a*
120 *Minimum Annual Guaranteed Payment (MAG) for First Lease Year Term of \$55,200. A balance of \$17,551.80*
121 *remains. In consideration of exceptional circumstances, the Authority agrees to accept the amount of*
122 *\$14,041.44 in full satisfaction of the First Lease Year MAG. The Authorities acceptance of less than the full*
123 *MAG payment is a single and one-time occurrence under this Agreement. Upon roll call, motion was approved*
124 *with a 5 Yes to 0 No votes.*

125
126 **CONSIDERATION & APPROVAL OF RESOLUTION NO. 17-77: MEMORANDUM AGREEMENT WITH**
127 **BUCK ENTERPRISES DBA HERTZ CAR RENTAL.**

128
129 *Motion by Cook, second by Quandt authorizing the Executive Director to execute the Memorandum Agreement*
130 *with Buck Enterprises, Inc., DBA Hertz Car Rental (Tenant). Agreement required Tenant to pay Authority a*
131 *Minimum Annual Guaranteed Payment (MAG) for First Lease Year Term of \$68,600. Tenant paid \$40,862*
132 *leaving a balance of \$27,738. In consideration of exceptional circumstances, the Authority agrees to accept*
133 *the amount of \$22,190.44 in full satisfaction of the First Lease Year MAG. The Authorities acceptance of less*
134 *than the full MAG payment is a single and one-time occurrence under this Agreement. Upon roll call, motion*
135 *was approved with a 5 Yes to 0 No votes.*

136
137 **CONSIDERATION & APPROVAL OF RESOLUTION NO. 17-78: CONTRACT SERVICES WITH CMBA**
138 **ARCHITECTS FOR ADMINISTRATION BUILDING.**

139
140 *Motion by Quandt, second by Cook authorizing the Executive Director to execute Design and Construction*
141 *Agreement with CMBA Architects P.C. for the new Airport Authority Administration Building. The Scope of*

142 Service includes design development, construction documents, bidding, and construction administration for
143 the project. CMBA Architects P.C. hourly fees are not to exceed \$170,000. The previously billed amount for
144 the schematic design (\$29,294.00) will be credited towards the \$170,000.
145

146 Attorney Butz stated during Attorney Depue's review of agreement, several comments were submitted and
147 accepted by CMBA Architects. However, one of the comments was not implemented in Subsection 1.5 in that
148 agreement. The second sentence of Subsection 1.5 reads: "If any of the requirements set forth below exceed
149 the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional
150 cost." Motion by Quandt, second by Cook to amend Page 2, Subsection 1.5 to omit the second sentence from
151 the contract. Upon roll call, motion was approved with a 5 Yes to 0 No votes. A roll call vote was then taken
152 to adopt Resolution 17-78 as amended. Upon roll call, motion was approved with a 5 Yes to 0 No votes.
153

154 Brad Kissler distributed a schematic design of the Airport Authority Administration Building. Building consists
155 of 6,400 S.F. at a probable cost of \$2,437,000. Tentatively bids will go out mid-March of 2018 with construction
156 starting in the spring.
157

158 **CONSIDERATION & APPROVAL OF RESOLUTION NO. 17-79: LEASE EXTENSION AGREEMENTS**
159 **WITH GRO-RITE.**
160

161 Motion by Quandt, second by Cook authorizing the Executive Director to execute Lease Extension Agreement
162 with Gro-Rite, LLC for Building 847 located at 1811 Gulf Stream Drive, Building 851 located at 1981 Gulf
163 Stream Drive, Building 853 located at 1925 Gulf Stream Drive and Building 855 located at 1845 Gulf Stream
164 Drive. Lease Extension is for a three-year term commencing December 1, 2017 and terminating November
165 30, 2020. Rent is \$1,007.86/month for Building 847, \$1,033.42/month for Building 851, \$1,006.37/month for
166 Building, 853, and \$892.75/month Building 855 plus \$115.58/month for insurance for each building. Upon roll
167 call, motion was approved with a 5 Yes to 0 No votes.
168

169 **CONSIDERATION & APPROVAL OF RESOLUTION NO. 17-80: LEASE AGREEMENT WITH TREGO-**
170 **DUGAN AVIATION OF GRAND ISLAND, INC., FOR PARKING BAY IN BUILDING 92.**
171

172 Motion by Cook, second by Setlik authorizing Executive Director to execute Lease Agreement with Trego-
173 Dugan Aviation of Grand Island, Inc. for parking bay area in Building 92 located at the Central Nebraska
174 Regional Airport. Term commenced October 1, 2017 and is on a month-to-month basis. Rent is \$250 per
175 month. Upon roll call, motion was approved with a 5 Yes to 0 No votes.
176

177 **CONSIDERATION & APPROVAL OF RESOLUTION NO. 17-81: PROPOSAL AND AGREEMENT WITH**
178 **MEAD & HUNT, INC., FOR AIR SERVICE CONSULTING SERVICES.**
179

180 Executive Director Olson briefed the Board on what information will be received and the benefits of this
181 analysis.
182

183 Motion by Quandt, second by Caldwell authorizing Executive Director to execute Proposal and Agreement for
184 Air Service Consulting Services with Mead & Hunt, Inc. for an updated True Market Estimate, Air Service Pro
185 Forma for Central Nebraska Regional Airport (GRI) to Chicago O'Hare International Airport (ORD) services,
186 and an American Airlines headquarters meeting for a fee of \$27,300. A draft of the True Market Estimate, and
187 the Air Service Pro Forma will be completed within 60 days of signed contract. Upon roll call, motion was
188 approved with a 5 Yes to 0 No votes.
189

190 **EXECUTIVE DIRECTOR'S REPORT:**

- 191 a) The U.S. House of Representatives passed a tax bill that would curtail tax-exempt financing used by
192 States and municipalities and eliminates all tax-exempt private activity bonds (such as 501(c)(3),
193 housing, certain airport and utilities, student loans and many public-private partnerships) beginning
194 next year. It also severely restricts the ability to refinance all outstanding tax-exempt debt by
195 eliminating advance refunding bonds. The House Tax Bill applies to all tax-exempt debt issued after
196 2017, and therefore impacts refinancing or remarketing of existing tax-exempt debt as well as financing
197 for new projects. The Senate Finance Committee is working on its own version of the tax bill that
198 currently has significant differences from the House Tax Bill. The Senate Tax Bill retains the ability to

- 199 issue tax-exempt private activity bonds (such as 501(c)(3), housing, certain airport and utilities, student
200 loans, and many public-private partnerships); however, the Senate Tax Bill tracks the House Tax Bill
201 in eliminating the ability to issue tax-exempt advance refunding bonds after 2017. The Senate Finance
202 Committee is expected to vote on its version of the tax bill tomorrow with the full Senate expected to
203 vote after Thanksgiving. An identical bill must pass both the House and the Senate before being sent
204 to the President for consideration. On December 15th, Executive Director Olson, and David Haring,
205 Executive Director from the Lincoln Airport Authority, will be heading to Washington, DC to visit with
206 our congressional delegates.
- 207 b) The Passenger Facility Charge increase to \$8.50 is gaining momentum. The airlines are spending
208 millions of dollars in advertising and for lobbyist opposing this increase.
 - 209 c) The Essential Air Service program was fully funded.
 - 210 d) Senator Thune from South Dakota is putting together an alternative pathway to reach the 1,500-hour
211 rule. There was no justification on why FAA increased flight time hours from 250 to 1,500 in order for
212 pilots to receive their Airline Transport Pilot (ATP) Certification. This is an emotional issue as the family
213 members of those lost in the 2009 Colgan Flight 3407 crash were instrumental in getting Congress to
214 issue this mandate and demand the law remain intact. Not much will be done until the pilot shortage
215 peaks and affects airports across the nation.
 - 216 e) The Department of Transportation is sending the Contract Tower Benefit Cost Analysis back to the
217 Federal Aviation Administration for review.
 - 218 f) The Board reviewed and finalized the 2018 Board meeting schedule. Attendance at the July meeting
219 is imperative as this is when budget is approved.
 - 220 g) Cornerstone Ceremony for the Passenger Terminal is this afternoon at 2 p.m.

221
222 ANNOUNCEMENTS:

- 223 a) Next Board meeting is December 13, 2017 at 8:00 a.m. A Board appreciation breakfast will be
224 held prior to meeting.

225
226 EXECUTIVE SESSION:

227 *Motion by Quandt, second by Cook to go into Executive Session to discuss airline, lease, and personnel*
228 *negotiations. Upon roll call, motion was approved with a 5 Yes to 0 No votes, and Board went into Executive*
229 *Session at 9:38 a.m.*

230
231 *Motion by Cook second by Caldwell to come out of Executive Session with no decisions being made and*
232 *reconvene to Regular Session. Upon roll call, motion was approved with a 5 Yes to 0 No votes, and Board*
233 *came out of Executive Session and into Regular Session 10:06 a.m.*

234
235 ADJOURNMENT:

236 *Motion by Setlik, second by Quandt to adjourn the meeting. Upon roll call, motion was approved with a 5 Yes*
237 *to 0 No votes, and meeting was adjourned at 10:07 a.m.*

238
239 HALL COUNTY AIRPORT AUTHORITY

240
241
242 _____
243 Debra Potratz | Administrative Assistant

244
245
246 _____
247 Lynne Werner | Board Chair

246 _____
247 Ken Caldwell | Board Secretary/Treasurer

248
249 (SIGNATURES ON FILE)