



HALL COUNTY AIRPORT AUTHORITY | MINUTES
Regular Meeting | August 19, 2020

Pursuant to due call and notice thereof, the Regular Meeting of the Hall County Airport Authority (HCAA) Board was held at the Airport Authority Board Room located at 3579 Sky Park Road, Grand Island, Nebraska 68801 on August 19, 2020. Notice of Meeting was given in the *Grand Island Independent* on August 12, 2020. Board Chair Quandt called the meeting to order at 8:00 a.m. and announced location of the Nebraska Open Meeting Act for public viewing.

REVIEW OF AGENDA.

PUBLIC COMMENT REQUESTS: Vince Dugan, 3021 W Leota, North Platte, NE, Trego-Dugan Aviation of Grand Island, Inc. requested to speak on Agenda Item Number 8, Resolution No. 20-38 Request for a Three-Month Rent Abatement from Trego-Dugan Aviation of Grand Island.

AIRPORT AUTHORITY BOARD MEMBER(S) PRESENT: Chair Brian Quandt, Vice-Chair Lynne Werner, Secretary-Treasurer Michelle Setlik, Joe Cook, Ryan O'Neill.

AIRPORT AUTHORITY BOARD MEMBER(S) ABSENT: None.

AIRPORT AUTHORITY STAFF PRESENT: Executive Director Mike Olson, Accounting Manager Debbie Hand, Office Manager Debra Potratz, Operations Manager Doug Brown, Facility Manager Steve Magnuson, Office Assistant Maggie McDermott.

LEGAL COUNSEL PRESENT: Airport Authority Attorney Ron Depue.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- Minutes from the Regular Meeting on July 15, 2020.
- RESOLUTION 20-37: Claims 3533-3540, 3543.

Motion by Werner, second by O'Neill to approve the Consent Agenda. Upon roll call vote, motion was approved with 5 Yes Votes: Setlik, Werner, Quandt, Cook, O'Neill.

DISCUSSION AND ACTION AGENDA:

FINANCIAL REPORT

Executive Director Olson reported since March 2020, the Authority has lost over \$282,000 in revenues due to the Coronavirus Pandemic.

July 2020 1st Month of 4th Qtr: 83.33%	Current Amount July	YTD Amount Oct 19 - Sep 20	Yearly Budget Amount	YTD %	Remaining Budget Amount
Operating Income	\$85,088.45	\$1,289,820.80	\$1,689,619.00	76.34%	\$399,798.20
Operating Expenses	\$154,764.00	\$1,817,595.31	\$2,296,820.00	79.14%	\$479,224.69
Total Operating Income/(Loss)	(\$69,675.55)	(\$527,774.51)	(\$607,201.00)	86.92%	(\$79,426.49)
Tax Levy - Bond	\$17,914.19	\$859,600.49	\$1,176,471.00	73.07%	\$316,870.51
Tax Levy - General	\$2,334.58	\$123,986.96	\$217,322.00	57.05%	\$93,335.04
Tax Levy - General Fund Designated for Air Service Development	\$5,542.93	\$254,074.04	\$300,000.00	84.69%	\$45,925.96
Net Income/(Loss)	\$595,044.68	\$657,163.17	(\$3,691,668.00)	-17.80%	(\$4,348,830.17)

ACTIVITY REPORTS:

GRI Air Traffic Operations Report

GRI	Itinerant Operations				TOTAL OPS	Local Operations			Overall Total TRF
	Air Carrier	Air Taxi	Civil Aviation	Military		Civil	Military	TOTAL LCL	
July 2020	36	281	742	116	1,175	472	72	544	1,719
July 2019	54	287	771	38	1,150	184	36	220	1,370
% Change	-33%	-2%	-4%	205%	2%	157%	100%	147%	25%

Enplanement Reports

	Allegiant	No. of Flights LAS/IWA	Load Factor	American	No. of Flights	Load Factor	Charters	No. of Flights	Mo Enp	Yr to Date
July 2020	1,476	18 9/9	49%	1,638	50	68%	0	0	3,114	19,789
July 2019	3,457	22 8/14	93%	2,818	79	81%	262	2	6,537	42,305
+/- %	-57%	-19%	-47%	-42%	-37%	-16%	-100%	-100%	-52%	-53%

Operation Report – Doug Brown: Today the NDOT Aeronautics will conduct their tri-annual runway inspection. The Federal Aviation Administration Part 139 inspection for August 3rd & 4th was cancelled, and a virtual annual insurance inspection was conducted on August 5th & 6th. The FAA is moving GRI to a Class III airport so a full revision to the Airport Security Program will be required.

Facility Report- Steve Magnuson: Participated in the virtual insurance inspection. Sanitizes the passenger terminal daily. Grading projects are scheduled for two tenant airport buildings. Troubleshooting issues with the Parking kiosks regarding the printing and reading of tickets.

Project Reports: Andy Beil from Benesch gave a project overview.

AIP-040 (SRE):

- Manufacturer: Wausau
- Project final closeout has been submitted to FAA.
- Final drawdown pending FAA concurrence in closeout.

AIP-041 (ARFF Vehicle):

- Manufacturer: Oshkosh
- 400 Day Contract with completion/delivery date of October 13, 2020.
- Truck is in production now. No COVID delay issues to report.
- Ribbon cutting scheduled for October 16, 2020 at 11:00 am.

AIP-042 (ARFF Facility):

- Contractor: Chief Construction
- Construction is proceeding as planned. No dewatering issues. Site utilities and underground infrastructure is completed. Approaches are prepared and concrete will be poured next week. Resolved overhead door bay structural issues with Chief.
- Chief's final cleaning scheduled for September 14th and punch list completed by September 19th.
- Ribbon cutting scheduled for October 16, 2020 at 11:00 am.

AIP-043 (Fence):

- Contractor: Elkhorn Fence
- Notice to Proceed issued August 10, 2020.
- Delay in materials, but project is underway this week.
- 180 calendar day contract.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-38: REQUEST FOR A THREE-MONTH RENT ABATEMENT FROM TREGO-DUGAN AVIATION OF GRAND ISLAND, INC.

Vince Dugan, President of Trego-Dugan Aviation of Grand Island, Inc., reported what they were experiencing and asked for total rent abatement for October, November and December. The request was based on the decline of fuel sales due to the coronavirus pandemic. Trego-Dugan Aviation received financial relief through the CARES Act as an airline contractor, however this act expires September 30th and it is unknown whether it will be extended. FBO's are not eligible for any relief. If the Authority does not provide relief Trego-Dugan Aviation will be forced into considering more dramatic actions like eliminating some of their lease agreements here at the airport. The FAA guidelines are voluntary and the decision to abate rent is a local decision.

Board Member Quandt commented the FBO is a diverse operation and fuel sales are only a part of that. Board Member Werner was disappointed in the abate request as the Central Nebraska Regional Airport is also experiencing financial hardships from the pandemic. The CNRA only received \$2.5 million in relief funds compared to the exuberant amount of funds received at other airports. Board Member Setlik felt it would not be in good faith to ask the taxpayers of Hall County to subsidize a private business. Mr. Dugan stated as an alternate he would consider a rent reduction.

Trego-Dugan Aviation provides ground handling services in 37 cities with various airlines. Two new cities were recently picked up with Allegiant in Houston, TX and with American in Reno, NV. Mr. Dugan reported the fuel sales and aircraft turn line services are down and the avionics and maintenance were down some. However, their ground handling refurbishing business here at GRI is thriving. Trego-Dugan Aviation has over 1,200 employees at the Central Nebraska Regional Airport.

*Motion by O'Neill second by Werner, Request for a Three-Month Rent Abatement from Trego-Dugan Aviation of Grand Island, Inc. Upon roll call vote, **motion failed** with 5 No Votes: Setlik, Werner, Quandt, Cook, O'Neill.*

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-39: MARKETING AGREEMENT WITH SHERYL STROBEL DBA STROBELINC.

Motion by Cook, second by Werner authorizing the Executive Director to execute the Marking Agreement with Sheryl Strobel DBA StrobeLINC to promote and market business and industry products and services in the Central Nebraska Regional Airport Passenger Terminal effective August 1, 2020 through July 31, 2021. The Authority will provide the platforms to display stationary, illuminated, and digital media. StrobeLINC will receive a 15% commission rate from any gross sales. Upon roll call vote, motion was approved with 5 Yes Votes: Setlik, Werner, Quandt, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-40: AIRLINE OPERATING AGREEMENT AND TERMINAL LEASE EXTENSION WITH ALLEGIAN AIR LLC (LAS VEGAS).

Motion by Setlik, second by O'Neill to authorizing the Board Chair to execute the Airline Operating Agreement and Terminal Lease Extension with Allegiant Air LLC, (Las Vegas). Airline agrees to provide regularly scheduled twice weekly nonstop roundtrip jet service (minimum capacity of 120 passengers) from the Central Nebraska Regional Airport (GRI) to McCarran International Airport in Las Vegas, Nevada (LAS). The term of this agreement is extended for a period of two (2) years commencing September 1, 2020 and terminating August 31, 2022. Rent is \$600/month for the nonexclusive use of 91 SF of ticket counter space and 413 SF of office space. Per the Air Service Incentive Program, the Authority will provide a credit of \$65,000 per fiscal year, for Allegiant Air, LLC, to use for local cost centers of fuel flowage fees, ground handling fees, into plane fueling fees and landing fees and terminal rents; and provide a marketing fund of \$30,000 per fiscal year to promote the Eligible Air Service. Upon roll call vote, motion was approved with 5 Yes Votes: Setlik, Werner, Quandt, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-41: STORAGE LEASE AGREEMENT WITH RYAN MEDLOCK FOR BUILDING 86, T-HANGAR J.

Motion by Setlik, second by Cook authorizing the Executive Director to execute Storage Lease Agreement with Ryan C. Medlock for Building 86, T-Hangar J located at 2105 Mirage Street, Grand Island, NE. Lease Term commenced August 19, 2020 and is on a month-to-month basis. Storage is for tools and a small boat. Rent is \$106/month plus \$10/month for utilities. Upon roll call vote, motion was approved with 5 Yes Votes: Setlik, Werner, Quandt, Cook, O'Neill.

EXECUTIVE DIRECTOR REPORT:

- a. Update on COVID-19. Authority staff is healthy and continues to follow CDC guidelines to prevent the spread of the virus. Both Allegiant and American Airlines require passengers and crew wear face masks. Currently face masks are not required in the passenger terminal. It is estimated about 90% wear masks in the terminal public area. Board Member Setlik recommended the airport follow the city and county offices and require face masks be worn upon entering the terminal.
- b. Legislative Update. Executive Director Olson reported there has been no discussion on continuing the CARES Act. It helps that GRI is an Essential Air Service location.

ANNOUNCEMENTS:

- a) Next Board meeting – September 16, 2020.
- b) ARFF Facility and ARFF Vehicle Ribbon Cutting Ceremony Friday, October 16th at 11 a.m.

EXECUTIVE SESSION:

Motion by Cook, second by O'Neill to go into Executive Session to discuss airline, lease, and personnel, negotiations. Board went into Executive Session at 9:15 a.m. Upon roll call vote, motion was approved with 5 Yes Votes: Setlik, Werner, Quandt, Cook, O'Neill.

Motion by Werner, second Setlik to come out of Executive Session with no decisions being made and reconvene to Regular Session. Upon roll call vote, motion was approved with 5 Yes Votes: Setlik, Werner, Quandt, Cook, O'Neill. Board came out of Executive Session and into Regular Session at 10:00 a.m.

ADJOURNMENT:

Meeting was adjourned at 10:01 a.m.

HALL COUNTY AIRPORT AUTHORITY

Debra Potratz | Office Manager

Brian Quandt | Board Chair

Michelle Setlik | Board Secretary/Treasurer

(SIGNATURES ON FILE)