HALL COUNTY AIRPORT AUTHORITY │ MINUTES
Regular Meeting │July 15, 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 July 8, 2020. Notice of Meeting was given in the *Grand Island Independent* on July 8, 2020. Board Vice Chair Werner called the meeting to order at 8:02 a.m. and announced location of the Nebraska Open Meeting Act for public viewing.

REVIEW OF AGENDA.

PUBLIC COMMENT REQUESTS: Zach Thompson, Trego-Dugan Aviation of Grand Island, Inc. requested to speak on Agenda Item number 19. Executive Director's Report, c. Tenant Update.

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

AIRPORT AUTHORITY BOARD MEMBER(S) ABSENT: Chair Brian Quandt.

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

LEGAL COUNSEL PRESENT: Airport Authority Attorney Ron Depue.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- Minutes from the Regular Meeting on June 17, 2020.
- RESOLUTION 20-25: Claims 3522-3532.

Motion by Setlik, second by O'Neill to approve the Consent Agenda. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-26: BUDGET FOR FISCAL YEAR 2020-2021.

Motion by O'Neill second by Cook to approve the budget for fiscal year 2020-2021, subject to formal adoption of the 2020-2021 budget in accordance with state auditor requirements. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-27: PRELIMINARY LEVY ALLOCATION FROM HALL COUNTY BOARD OF COMMISSIONERS.

Motion by Cook, second by O'Neill WHEREAS, Nebraska Statute 77-3443 (3) requires all political subdivisions subject to county levy authority to submit a preliminary request for levy allocation to the county board; and WHEREAS, the Hall County Board of Commissioners is the levy authority for the Hall County Airport Authority (Board). NOW, THEREFORE BE IT RESOLVED that the following is said Board's tax request for budget year 2020-2021: General Fund - Operations $227,668; General Fund Designated for Air Service Development $300,000 for a total of $527,668. BE IT FURTHER RESOLVED that said Board has Bonds for $15,220,000 dollars and *is not included in the above tax request as allowed by law. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.*

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-28: INCREASE IN RESTRICTED FUNDS BY ONE PERCENT FOR FISCAL YEAR 2020-2021.

Motion by Setlik, second by O'Neill to approve a One Percent increase in Restricted Funds for Fiscal Year 2020-2021 in accordance with the State Allowable Increase in Base Limitation (Statute 13-519). Action requires 75 percent majority approval of board. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-29: ENGAGEMENT LETTER BETWEEN THE HALL COUNTY AIRPORT AUTHORITY AND DANA F. COLE & COMPANY, LLP FOR THE FISCAL YEAR 2020-2021 BUDGET MEETINGS AND BUDGET DOCUMENTS.

Accountant Bob Beran, from Dana F. Cole & Company said the budget hearing can no longer be limited in its length of time available for the budget meeting. The Airport Authority can no longer schedule the regular meeting directly after the budget hearing as that limits the length of the budget hearing according to the statute. They are checking to see if the regularly scheduled monthly meeting can be convened and then suspended in order to have the budget hearing followed by reconvening of the regular meeting. The budget hearing can also be held at any time and date different than the regular meeting time and date but that may be inconvenient for the board members.

Motion by Setlik, second by O'Neill authorizing the Board Chair to execute the Engagement Letter between the Hall County Airport Authority and Dana F. Cole & Company, LLP for the Fiscal Year 2020-2021 Budget Meetings and Budget Documents. Charges to the Airport Authority will be based on the work as required at regular standard rates plus any other direct expenses but will not exceed $1,450. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-30: ENGAGEMENT LETTER BETWEEN THE HALL COUNTY AIRPORT AUTHORITY AND DANA F. COLE & COMPANY, LLP FOR THE FISCAL YEAR 2019-2020 AUDIT.

Motion by O'Neill, second by Setlik authorizing the Board Chair to execute the Engagement Letter between the Hall County Airport Authority and Dana F. Cole & Company, LLP for the Fiscal Year 2019-2020 Audit. Charges for Audits are $11,800 for the Financial Audit, $2,000 for the Passenger Facility Charge (PFC) Audit, and $4,500 for the Single Audit. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-31: AUTHORIZING THE EARLY REDEMPTION OF THE AUTHORITY'S OUTSTANDING SERIES 2015A BONDS, SERIES 2015B BONDS, SERIES 2016A BONDS, SERIES 2016B BONDS, SERIES 2017 BONDS AND SERIES 2018 BONDS.

Motion by Cook, second by O'Neill authorizing the Early Redemption of the Authority's outstanding Series 2015A Bonds, Series 2015B Bonds, Series 2016A Bonds, Series 2016B Bonds, Series 2017 Bonds and Series 2018 Bonds, and related matters. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-32: AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS FOR THE PURPOSE OF REFINANCING THE AUTHORITY'S OUTSTANDING SERIES 2015A BONDS, SERIES 2015B BONDS, SERIES 2016A BONDS, SERIES 2016B BONDS, SERIES 2017 BONDS AND SERIES 2018 BONDS.

Motion by Setlik, second by O'Neill authorizing the Issuance of General Obligation Refunding Bonds in the principal amount of not to exceed $15,000,000, issued in one or more series, for the purpose of refinancing *the Authority's outstanding Series 2015A Bonds, Series 2015B Bonds, Series 2016A Bonds, Series 2016B Bonds, Series 2017 Bonds and Series 2018 Bonds in order to achieve interest cost savings, and related matters. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.*

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-33: AMENDED AND RESTATED HALL COUNTY AIRPORT AUTHORITY DEFERRED COMPENSATION PLAN (457B) AND TRUST EFFECTIVE JULY 1, 2020.

Motion by Cook, second by O'Neill The undersigned hereby certifies that he/she is the Board Chair of the Hall County Airport Authority (the "Airport Authority"), and that the following is a true and correct copy of the resolutions adopted by the Board of Directors of the Airport Authority at a duly called meeting thereof, at which a quorum was present, on the 15th day of July, 2020. WHEREAS, the Airport Authority maintains and sponsors an eligible retirement plan known as the Hall County Airport Authority Deferred Compensation Plan (the "Plan"), on behalf of its employees; and WHEREAS, effective July 1, 2020, the Airport Authority desires to amend and restate the Plan to incorporate all previous amendments to the Plan and adopt certain changes and amendments which are appropriate for the administration of the Plan and the benefits provided to the eligible participants and beneficiaries of the Plan. NOW, THEREFORE, it is: "RESOLVED, effective as of July 1, 2020, the Plan shall be, and it hereby is, amended in the form set forth in the amended and restated Plan document submitted to the Board of Directors of the Airport Authority for review and approval, and which is attached hereto and by this reference fully incorporated herein; and FURTHER RESOLVED, that the President and all other appropriate officers of the Airport Authority shall be, and they hereby are, authorized to do any and all things necessary to carry out and accomplish the foregoing Resolutions, including the execution of the amended and restated Plan document on behalf of the Authority, together with any additional action as may be necessary or appropriate to continue the tax qualification of the Plan, as amended, under Section 457(b) of the Internal Revenue Code of 1986 and the regulations promulgated thereunder." Executed at Grand Island, Nebraska, this 15th day of July, 2020. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-34: APPROVAL OF THE MANAGEMENT AGREEMENT EXTENSION WITH ALOHA INVESTMENTS, LLC.

Motion by Setlik, second by Cook authorizing the Executive Director to execute the Management Agreement Extension with Aloha Investments, LLC, to extend Management Agreement from December 31, 2021 until December 31, 2024 upon the same terms and conditions. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-35: AMENDMENT OF AGRICULTURAL LEASE AGREEMENT WITH BRETT JONES FOR TRACT B.

Motion by O'Neill, second by Cook authorizing the Executive Director to execute the Amendment of Agricultural Lease Agreement with Brett Jones for Tract B to include Mark Jones as an additional Tenant effective March 1, 2020. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

CONSIDERATION AND APPROVAL OF RESOLUTION NO. 20-36: STORAGE BUNKER LEASE AGREEMENT WITH RYAN C. MEDLOCK FOR BUNKER 304.

Motion by Cook, second by O'Neill authorizing the Executive Director to execute the Storage Bunker Lease Agreement with Ryan C. Medlock for Bunker 304 located at 2563 Ammunition Way at the Central Nebraska Regional Airport. Lease term commenced June 29, 2020 and terminates June 28, 2021. Rent is $50 per month. Upon roll call vote, motion was approved with 4 Yes Votes: Setlik, Werner, Cook, O'Neill.

DISCUSSION AND ACTION AGENDA:

FINANCIAL REPORT

Executive Director Olson reported the Authority has lost over $245,000 in revenues due to the Coronavirus Pandemic since March of 2020.

June 2020 3rd Month of 3rd Qtr: 75.00%	Current Amount June	YTD Amount Oct 19 - Sep 20	Yearly Budget Amount	YTD %	Remaining Budget Amount
Operating Income	$92,242.73	$1,204,732.35	$1,689,619.00	71.30%	$484,886.65
Operating Expenses	$111,434.36	$1,662,831.31	$2,296,820.00	72.40%	$633,988.69
Total Operating Income/(Loss)	($19,191.63)	($458,098.96)	($607,201.00)	75.44%	($149,102.04)
Tax Levy - Bond	$119,661.75	$841,686.30	$1,176,471.00	71.54%	$334,784.70
Tax Levy - General	$12,455.07	$121,652.38	$217,322.00	55.98%	$95,669.62
Tax Levy - General Fund Designated for Air Service Dev.	$40,155.50	$248,531.11	$300,000.00	82.84%	$51,468.89
Net Income/(Loss)	($73,736.23)	$62,118.49	($3,691,668.00)	-1.68%	($3,753,785.49)

ACTIVITY REPORTS:

GRI Air Traffic Operations Report

	Itinerant Operations					Local Operations			
GRI	Air Carrier	Air Taxi	Civil Aviation	Military	**TOTAL OPS**	Civil	Military	**TOTAL LCL**	**Overall Total TRF**
June 2020	25	247	596	114	**982**	348	166	**514**	**1,496**
June 2019	44	279	538	43	**904**	142	40	**182**	**1,086**
% Change	-43%	-11%	11%	165%	**9%**	145%	315%	**182%**	**38%**

Enplanement Reports

<table>
<tr><th></th><th>Allegiant</th><th>No. of Flights LAS|IWA</th><th>Load Factor</th><th>American</th><th>No. of Flights</th><th>Load Factor</th><th>Charters</th><th>No. of Flights</th><th>Monthly Enplanements</th><th>Year to Date</th></tr>
<tr><td>June 2020</td><td>1,255</td><td>17
8|9</td><td>46%</td><td>695</td><td>30</td><td>52%</td><td>94</td><td>1</td><td>2,044</td><td>16,675</td></tr>
<tr><td>June 2019</td><td>3,049</td><td>21
9|12</td><td>86%</td><td>2,993</td><td>78</td><td>83%</td><td>174</td><td>1</td><td>6,216</td><td>35,768</td></tr>
<tr><td>+/- %</td><td>-59%</td><td>-19%</td><td>-47%</td><td>-77%</td><td>-62%</td><td>-37%</td><td>-46%</td><td>0%</td><td>-67%</td><td>-53%</td></tr>
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Operation & Facility Reports: The Federal Aviation Administration Part 139 inspection will be held August 3rd & 4th and our annual insurance inspection will be held August 5th & 6th. Facility: Continues to sanitize the passenger terminal daily.

Project Reports: Benesch.

AIP-040 (SRE):

- Manufacturer: Wausau
- Wausau's punch list has been completed. Benesch is working on closeout with the Authority and will send closeout booklet to FAA.
- Final liquidated damage amount is $47,750.

AIP-041 (AARF Vehicle):

- Manufacturer: Oshkosh
- 400 Day Contract with completion date of October 13, 2020.
- End of September completion/delivery date.

AIP-042 (ARFF Facility):

- Contractor: Chief Construction
- Construction is proceeding as planned with no major issues or changes orders.

- Chief is ahead of schedule and anticipating a target completion date of September 21st.
- Ribbon cutting scheduled for October 16, 2020 at 11:00 am.

AIP-043 (Fence):

- Contractor: Elkhorn Fence
- Grant offer received and executed (100% FAA funded).
- Contracts with Elkhorn Fence have been executed.
- Pre-construction meeting will be held July 16, 2020 at 11:00 am.
- 180 calendar day contract with late July start date.

Board Member Setlik left meeting at 9:04 a.m.

EXECUTIVE DIRECTOR REPORT:

a. Update on COVID-19. Staff is healthy and continues to follow CDC guidelines.

b. Legislative Update. Executive Director Olson reported:
U.S. Senator Deb Fischer (R-Neb.), a member of the Senate Commerce Committee, introduced the bipartisan Airport Infrastructure Readiness (AIR) Act, which provides airports with greater certainty as they consider future infrastructure projects in the midst of a pandemic. The AIR Act would require FAA to calculate AIP funding for FY 2022 and FY 2023 based on either 2018 or 2019 enplanement numbers, rather than 2020 and 2021 enplanement numbers which are expected to be significantly lower because of COVID-19. The AIR Act also waves the benefit cost analysis for airports with contract towers, like the Central Nebraska Regional Airport in Grand Island, for FY 2020 and FY 2021.

The House Appropriations Subcommittee approved Fiscal Year 2021 Department of Transportation Spending Bill. House Bill for Airport Funding includes $3.35 billion for the traditional Airport Improvement Program (AIP) and an additional $500 million for supplemental discretionary grants. In the past three years, Congress has provided $1.8 billion in supplemental discretionary AIP grants for airports. House Bill for Small Community Programs includes a $2.8 million increase for the Contract Tower Program. It also includes $162 million in discretionary funding for Essential Air Service on top of the $153 million of overflight fees.

c. Tenant Updates.
Zach Thompson spoke on behalf Vince Dugan of Trego-Dugan Aviation of Grand Island, Inc. Mr. Dugan was disappointed he was not on the July agenda and moving forward he hope we can work together to get some action on the rent abatement for the months coming. Trego-Dugan Aviation has been here for almost 20 years and has taken significant hits as a company. They are hoping this is on the August agenda and Mr. Dugan would like to call in when he can't be here in person.

Airport Attorney Ron Depue stated at the May 20th Board meeting Mr. Dugan spoke generally on the hits TDA has taken due to the Coronavirus Pandemic. During the June 17th meeting Mr. Dugan asked to make a presentation and asked the Board to consider his request for rent abatement for a period of three months. Mr. Dugan was not permitted to do so because request was not on the agenda. Following Mr. Dugan's expression of displeasure at the June meeting, Attorney Depue read transcript of the conversation with he and Mr. Dugan. In summary Attorney Depue instructed Mr. Dugan to submit a written request to Executive Director Olson and include what he verbally referenced and any other supporting information he would like to provide. At that point we will have your request in a proper manner for the board to review and consider. Mr. Dugan replied he would submit his request in writing.

On June 17th, Mr. Dugan emailed Executive Director Olson inquiring about the date to submit supporting documentation for dissemination and consideration by the board. Executive Director Olson responded we will need your request and supporting documents by July 9th by noon.

Neither Airport Attorney, Executive Director or HCAA staff received any communication of any nature from Mr. Dugan after June 17th, until yesterday afternoon, when Mr. Dugan requested the agenda and made demands for being able to address the Board concerning rent abatement.

Mr. Dugan was advised at that time he did not submit a written request or supporting documentation, did not ask to be on agenda for today's meeting and it was too late to amended the agenda. Mr. Dugan requested to call in during meeting, but there was no basis to call in since there was no item on agenda. The Board was not meeting in a virtual format due to the Governor's orders and will be meeting in person at the Administration office.

Mr. Thompson noted in the June 17th email to Executive Director Olson, Mr. Dugan requested to be added to the July agenda to request a waiver of rent for Trego-Dugan Aviation for July, August and September 2020 due to the devastating impact of COVID-19 pandemic on the aviation industry and Trego-Dugan Aviation in particular. In Mr. Dugan's mind he had made the request but did not include any supporting documentation. Mr. Thompson relayed the supporting documentation was the fuel flowage reports that we already have, even though this was not conveyed.

Attorney Depue noted Mr. Dugan will be placed on the August 19th board agenda, with or without any documentation, thus giving proper notification pursuant to the Open Meetings Act.

ANNOUNCEMENTS:

a) Hall County Board of Commissioners Budget Meeting – July 22, 2020 at 9:35 a.m.
b) Next Board meeting – August 19, 2020.
c) 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, personnel, and litigation negotiations. Board went into Executive Session at 9:19 a.m. Upon roll call vote, motion was approved with 3 Yes Votes: Werner, Cook, O'Neill.

Motion by Cook, second O'Neill to come out of Executive Session with no decisions being made and reconvene to Regular Session. Upon roll call vote, motion was approved with 3 Yes Votes: Werner, Cook, O'Neill, Board came out of Executive Session and into Regular Session at 10:12 a.m.

ADJOURNMENT:

Meeting was adjourned at 10:12 a.m.

HALL COUNTY AIRPORT AUTHORITY

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Debra Potratz | Office Manager

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Brian Quandt | Board Chair Michelle Setlik | Board Secretary/Treasurer

(SIGNATURES ON FILE)