



HALL COUNTY AIRPORT AUTHORITY | MINUTES
Regular Meeting | January 17, 2024

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 January 17, 2024. Notice of Meeting was given in the *Grand Island Independent* on January 10, 2024. Board Chair O'Neill called the meeting to order at 8:03 a.m. and announced location of the Nebraska Open Meetings Act for public viewing.

REVIEW OF AGENDA.

PUBLIC COMMENT REQUESTS: Vince Dugan on 7F Tenant Update.

PLEDGE OF ALLEGIANCE: Recited in unison.

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

AIRPORT AUTHORITY BOARD MEMBER(S) ABSENT: None.

AIRPORT AUTHORITY STAFF PRESENT: Executive Director Mike Olson, Accounting Manager Debbie Hand, Office Manager Debra Potratz, Office Manager Maggie McDermott, Operations Manager Wes Harris, Facility Manager Ron Griggs.

LEGAL COUNSEL PRESENT: Attorney Ron Depue was absent.

Executive Director Olson introduced new Office Manager, Maggie McDermott. McDermott will take the place of Office Manager Potratz upon her retirement on February 23. McDermott comes to the Airport Authority with a year of experience previously working as an Accounting Assistant for the Airport Authority. She has her degree in Human Resources and brings the educational and practical experience having worked here before.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- Minutes from Regular Meeting on December 20, 2023.
- RESOLUTION 24-01: Payment of Claims 4006-4014.

Motion by Werner, second by Cook to approve the Regular Meeting minutes and the Consent Agenda. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

- Office Manager Potratz requested to go back to review of agenda and noted the Planning Session minutes from December 20, 2023 were inadvertently omitted.

Motion by Werner, second by Quandt to add to the Planning Session minutes from December 20, 2023 to the agenda for approval. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

DISCUSSION AND ACTION AGENDA:

Financial Report: By Accounting Manager Hand.

ORIGINAL

Budget Narrative Ending December, 2023 3rd Month of 1st Qtr : 25.00%	Current Amount December	YTD Amount Oct 23 - Sep 24	Yearly Budget Amount	YTD %	Remaining Budget Amount
Operating Income	\$186,667.58	\$552,391.15	\$2,219,440.00	24.89%	\$1,667,048.85
Operating Expenses	\$207,150.30	\$655,492.86	\$2,957,420.00	22.16%	\$2,301,927.14
Total Operating Income/(Loss)	(\$20,482.72)	(\$103,101.71)	(\$737,980.00)	13.97%	(\$634,878.29)
Tax Levy - Bond	\$14,256.25	\$87,299.76	\$1,470,000.00	5.94%	\$1,382,700.24
Tax Levy - General	\$5,482.88	\$33,575.82	\$344,515.00	9.75%	\$310,939.18
Tax Levy - General Fund Designated for Air Service Development	\$0.00	\$0.00	\$300,000.00	0.00%	\$300,000.00
Net Income/(Loss)	\$441,499.45	\$45,940.63	(\$592,390.00)	-7.76%	(\$638,330.63)

GRI Air Traffic Operations Report: No report. Executive Director Olson stated new tower manager, Kutler Davis, started December 28th.

Enplanement Report: Presented by Executive Director Olson.

	Allegiant	No. of Flights LAS	No. of Flights IWA	No. Total Flights	No. of Canceled Flights	Load Factor	American	No. of Flights	No. of Canceled Flights	Load Factor	Charters	No. of Flights	No. of Canceled Flights	Total Monthly Enplanements	Yr to Date
Dec 2023	3,057	12	10	22	0	81%	3,026	62	0	76%	0	0	0	6,083	65,170
Dec 2022	3,541	13	10	23		91%	3,143	61		79%	0	0	0	6,684	65,849
+/- %	-14%	-8%	0%	-4%		-11%	-4%	2%		-4%	0%	0%		-9%	-1%

ACTIVITY REPORTS: Reports Printed as Received

Operations Report: Presented by Operations Manager Wes Harris.

Moved thermostat in ARFF Command Center, Installed airport map and whiteboard

Repaired Air 4 98 Oshkosh plow, Bausch welding repaired hydraulic cylinder, reinstalled & reattached plow head

Repaired deice unit on Air 127

Bldg 112 have Jerrys and Meyers heating getting quote to replace a radiant heater

Numerous minor repairs to snow equipment as needed and handled winter storms

Weekly and monthly Inspections completed

Monthly and Quarterly maintenance performed on all equipment

Numerous other daily projects and repairs completed and scheduled

Facility Report: Presented by Facility Manager Ron Griggs.

West lot Entry camera.

Building 670 sewer issues, turned water flow up.

Jet Bridge discussion. Ameri bridge limit switches more training.

Lamar remodel waiting for approval.

New soap dispensers in terminal.

Large floor machine repairs made.

Contract cleaning contract work in progress. Preparing cleaning carts and supplies for contract cleaners.

Vacuum repairs.

Restaurant door repairs complete.

Restaurant hood lights replace.

Working on new ramp lights conversion change out.

Side x side tank repair.

New Facility worker Nick Brown started.

Monitoring terminal utility bills after heating and cooling repairs made.

Door monitoring schedule made.

Parking receipt test.

Working on auto flush in terminal bathrooms as parts come in.

Repair FBO sink.

Additional work orders that come up.

Project Report: Benesch Report presented by Executive Director Olson.

ORIGINAL

97 Federally Funded - AIP-050/BIL-051 - Airfield Lighting & NAVAID Upgrades

- 98 • Full Project Notice to Proceed (NTP) Will Be Issued For Spring of 2024.
99 ○ On-going Equipment Delivery Delays, From Watt's Supplier, Were Adding "Non-Eligible"
100 Project Costs/C.O.'s If Project Was Forced To Start In October of 2023.

101 Federally Funded (AIP-0XX) – Snow Removal Equipment (SRE) Facility

- 102 • Benesch Is Still Waiting For A Formal FAA (Josh Peters – FAA Planner) Determination On
103 Eligibility of Building Spaces. "Admin" Space Likely To Be Determined In-Eligible (ex. Office
104 Spaces, Meeting Room, Restrooms, Etc.).
105 • Upon FAA Determination Of Eligible Scope, Benesch/Davis Design Will Finalize A Scope-Only
106 Document For HCAA and FAA Review. A Draft Document Has Already Been Put Together. Then,
107 Following Concurrence In Scope By All Parties, Benesch Will Work On Engineering/Architectural
108 Fees While HCAA Obtains An Independent Fee Estimate (IFE).
109 • Funding: HCAA Will Have Approximately \$3.4M Banked (Thru FY'24) in BIL and AIP. Or Will
110 Have Approximately \$5.4 Banked (Thru FY'25) in BIL and AIP.
111 • Project Funding Approach Will Be Either:
112 ○ FY'24 Engineering Only and then FY'25 Construction Only Grants.
113 ○ FY'24 Engineering and Construction Combined (Assuming \$3.15M In Fischer Money
114 Available).
115

116 Locally Funded – Miscellaneous Landside Concrete Paving Upgrades

117 *(Building 700 Concrete Replacement, Building 116 Pavement Replacement, Building 114 GA Terminal*
118 *Added Parking, And Metro Lane Concrete Replacement).*
119

- 120 • Benesch Has Completed The Field Work For The Topographic Survey And Will Complete The
121 Survey Office Work This Week.
122 • Benesch Geotechnical Investigation Is Scheduled To Occur This Month.
123 • Preliminary Design Of Drainage And Paving Improvements Will Start This Week.
124 • Planned Reviews Will Occur With HCAA Staff During Design.
125 • Target Is To Complete Drawings/Specs By The End Of The Year For Bidding Process.
126 • Construction To Occur In 2024.
127

128 Tenant Update:

129 Trego-Dugan Aviation (TDA) President, Vince Dugan, introduced Chris Bruns (TDA's new Project
130 Management Director). Bruns served a decade in the Marine Corps and serves as a Lincoln County
131 Commissioner in North Platte. Bruns will assist in looking for opportunities for growth and efficiency. One of
132 the focus points over the next year will be the Grand Island FBO and equipment refurbishing center.
133

134 What has rocked the low-cost carrier world is a ruling by a judge in Boston that the merger between
135 Spirit and Jet Blue will not go through. The door was left open for resubmission. Dugan does not believe this
136 will be appealed and he believes this puts Spirit in a little bit of trouble. There are three ultra low-cost airlines,
137 Frontier, Allegiant and Spirit with Sun Country trying to get into the game. New low-cost airlines include
138 Breeze and Avelo. There is a fair amount of chaos in that sector, and Spirit has some difficulties ahead if
139 they don't find another suitor.
140

141 TDA has become the largest third-party ground handler for Breeze. TDA was awarded three more
142 locations this year for a total of nine. Breeze has expressed interest in North Platte but did not pursue
143 aggressively because volume was much less. Dugan believes there will be significant efforts by Breeze to
144 expand in various markets. He would advise not to rule them out if they look into Grand Island. Breeze uses
145 Airbus A220 that travel very long routes. If Breeze expresses interest in Grand Island, we should hear what
146 they have to say. From Grand Island, their aircraft can reach any point in the USA.
147

148 Fuel volume was down this year. The cargo flights from last year had a significant positive impact on
149 TDA. TDA is Amazon Air's second largest provider and Dugan expressed he would like to see more cargo.
150 TDA not only takes packages off the airplane, but they run the warehouse as well. TDA has a fair amount of
151 experience now with 3 years under their belt.
152

Board Member Werner asked where the TDA cargo locations are located. Dugan stated Boston, Charlotte, Pittsburg, Spokane and Las Vegas. Last year they handled over 80 million packages. They tried two experiments with smaller aircraft with the airline, Silver, which used ATR's in Wichita and Des Moines. TDA also bid Omaha but did not receive that bid for experiment. Silver decided not to continue after the experiments were completed.

TDA expects to do more with Amazon this year as they really like cargo. TDA has lots of cargo equipment here in the refurbishing yard, with a bunch of dollies that are being prepared for the next cargo location. They are also talking to European airlines because all European contracts have cargo.

The situation in Grand Island is very good due in part to the Essential Air Service contract with American. The fact that Grand Island has the only American contract in the area is strong. Allegiant flights to Mesa and Las Vegas are very strong as well. Dugan utilizes Grand Island as an example of what he considers to be the best regional airport terminal design he's come across in a long time. Dugan complimented the cleanup efforts during the recent horrific winter storm. Operating in the Midwest has been horrible all over. There have been days where cities weren't able to get fuel out of their fuel farms. Flights were cancelled for days. The extreme cold is difficult on equipment. Dugan acknowledged difficulties with jet bridge during the cold weather which forced the use of the ADA ramp. Dugan doesn't like using the ADA ramp because it causes delays and increases the risk that someone will slip and fall. Because of the low temperatures, TDA has added additives to fuel to keep it from gelling. When it gets below -10 degrees, it's not going to be easy.

TDA has enhanced capabilities – the big yellow jet refueler. They have three refuelers in Grand Island now, which is extremely beneficial for an airport of this size. The yellow machine was a military refueler and had pumped roughly 500,000 gallons. This one is designed for refueling airlines. Fuel volume, while it was down compared to last year, it's still up 35% from two years ago and 50% from three years ago. Last year was a unique situation with so much cargo. TDA would like to see that again. GSE refurbishing is not going to stop. TDA bid 36 requests for proposal this year already. They are going back to Grand Junction in two weeks. They also added Breeze airlines in Madison, WI and Stewart, NY starting in two weeks - all requiring equipment. Grand Island will continue to see jobs here for that and likely expansion.

Board Member Werner asked what the biggest area of expansion will be. Dugan stated they have 3,000 employees now. Grand Island deserves recognition because it all started here. TDA never would have done Amazon cargo if it wasn't for what they were able to start in Grand Island 15 years ago. Amazon heard about TDA and reached out to them to do business. Dugan said there will likely be increased expansion in cargo and airline ground handling. They are very strong right now with low cost carriers, but there will be an effort to expand with some legacy carriers and some foreign carriers. TDA has begun looking to purchase heavy equipment unlike anything they've had before. On the flip side of expanding in some areas, TDA has retreated from de-icing. They now only de-ice in North Platte and Grand Island. Low volume de-icing doesn't make sense so they withdrew from several markets. TDA stopped de-icing in Nashville two years ago. Allegiant had 18 flights cancelled Saturday (January 13, 2024) because the subsidiary who took over de-icing could not get their trucks going. Grand Island is fortunate to have lots of trucks.

TDA is not ruling out growth in more traditional areas such as FBOs. In recent times, they have not grown in the FBO world because it is a massive commitment in terms of equipment. Dugan said when he first came here, 55% of sales were jet fuel and 45% were 100 low lead fuel. Now it's 93/7, 94/6. Going into the future, Dugan expects you won't be able to get 100 low lead fuel except at larger airports because it has a shelf life. During the pandemic, private charters went way up. Since the pandemic has eased, private charters have gone down 60% in the last 18 months. This has greatly impacted fuel sales. North Platte and Grand Island have always been strong in mid-continent refueling though.

Board Member Werner asked about TDA's labor force. Dugan stated labor has been ok. At each airfield they try to pay the highest for the area. They try to reduce turnover because it's costly and impacts safety. Airports are dangerous places. Airline ground handling has been the worst Dugan has seen. Not in TDA's organization, but in its competitors. There have been deaths and it's almost always someone who hasn't been on the ramp a very long time. Dugan said we are seeing a shift in society where people want jobs again, but he has no idea what will happen in the next 11 months, or how the election will impact the entry level workforce. TDA does not have the same shortage today that they saw five or six months ago.

Board Member O'Neill asked about low-cost carriers and if there's been a shift in flying fewer fleets. Dugan said Frontier purchased the largest order of airbuses in history. Allegiant bought a ton of 737's, but it will be a slow transition. TDA covers 26 cities for Allegiant. Allegiant is in a good position, and they do well in the rural areas. Costs in rural areas are strong and load factors are good. Dugan stated it was an unbelievable victory when Allegiant moved from Lincoln to Grand Island. It's been transformative for the airport.

Board Member Quandt asked how North Platte is doing with Sky West. Dugan said Sky West is trying not to do 121 operations. They are transitioning to 135 operations to reduce requirements for co-pilots. They tried to reduce volume, but that's a big issue for North Platte. North Platte wants to keep volume similar to what Grand Island has with American. Skywest's current bid is for 13 flights a week. North Platte will not retreat from that. Dugan said if you don't have at least that as a rural community, it takes you off the map. You have to have regular service to recruit physicians and companies. North Platte will start construction on new terminal. Dugan stated there are lots of positives from Grand Island terminal that he would like to see at North Platte. Dugan thanked the board for their time.

CONSIDERATION & APPROVAL OF RESOLUTION NO. 24-02: AIRPORT CAPITAL IMPROVEMENT PLAN (ACIP) 2024-2028.

Motion by Victor, second by Cook, to approve the Airport Capital Improvement Plan (ACIP) 2024-2028 dated January 17, 2024. The ACIP will be sent to the Nebraska Department of Transportation, Division of Aeronautics and the Federal Aviation Administration for review. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

CONSIDERATION & APPROVAL OF RESOLUTION NO. 24-03: SECOND AMENDMENT TO LEASE AGREEMENT WITH TLC PROPERTIES LLC.

Motion by Victor second by Quandt, authorizing the Executive Director to execute the Second Amendment to Lease Agreement with TLC Properties LLC. for Building 700A located at 3870 Sky Park Road, Grand Island, NE. Lease Term shall be extended for a period of 36 months, effective February 1, 2024 and expiring on January 31, 2027. Base Rent is \$2,283.80 per month. The Authority agrees to provide improvements to the leased premises at its expense. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

CONSIDERATION & APPROVAL OF RESOLUTION NO. 24-04: PROPOSAL AND AGREEMENT FOR AIR SERVICE CONSULTING SERVICES WITH MEAD & HUNT INC.

Motion by Quandt second by Werner, authorizing the Executive Director to execute Proposal and Agreement for Air Service Consulting Services with Mead & Hunt Inc. to assist with airline meetings at the Mead & Hunt Air Service Conference February 27-29, 2024, in Scottsdale, AZ. Scope of services includes customized preparations for each airline meeting. Mead & Hunt will be compensated on a lump sum basis, \$7,000 for presentation/airline meeting and \$300 for estimated expenses. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

CONSIDERATION & APPROVAL OF RESOLUTION NO. 24-05: ACRE/RENT REDUCTION ON FARM TRACTS C & E FOR KEVIN HOAGLAND.

Motion by Cook, second by Werner, to approve Acre/Rent Reduction on Farm Tracts C & E for Kevin Hoagland for year 2024. Tract C rent will be reduced by 36± acres for expansion of the Nebraska Law Enforcement Training Center. Tenant will be credited \$110.00 per acre for a total of \$3,960.00. Tract C will also be reduced by 1± acre for the Grand Island Welcome Sign and Sewer Lift Station. Tenant will be credited \$93.55 per acre for a total of \$93.55. Tract C original bid was for 143± acres. With the reduction of 37± acres, the revised total is 106± acres. The total combined credit will be \$4,053.55. Tract E rent will be reduced by 6± acres for Wildlife Fence and Interior Perimeter Road. Tenant will be credited \$24.61 per acre for a total of \$147.66. Tract E original bid was for 198± acres. With the reduction of 6± acres, the revised total is 192± acres. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

CONSIDERATION & APPROVAL OF RESOLUTION NO. 24-06: ACRE/RENT REDUCTION ON FARM TRACTS B & F FOR BRETT JONES & MARK JONES.

Motion by Werner, second by Quandt, to approve Acre/Rent Reduction on Farm Tracts B & F for Brett Jones & Mark Jones for year 2024. Tract B rent will be reduced by 2± acres for Wildlife Fence and Interior Perimeter Road. Tenant will be credited \$227.27 per acre for a total of \$454.54. Tract B original bid was for 176± acres. With the reduction of 2± acres, the revised total is 174± acres. Tract F rent will be reduced by 18± acres for expansion of the Nebraska Law Enforcement Training Center. Tenant will be credited \$201.00 per acre for a total of \$3,618.00. Tract F original bid was for 105± acres. With the reduction of 18± acres, the revised total is 87± acres. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

CONSIDERATION & APPROVAL OF RESOLUTION NO. 24-07: ACRE/RENT REDUCTION ON FARM TRACT D FOR JASON RAUERT FARMS.

Motion by Quandt, second by Victor, to approve Acre/Rent Reduction on Farm Tract D for Jason Rauert Farms for year 2024. Tract D will be reduced by 5± acres for Wildlife Fence and Interior Perimeter Road. Tenant will be credited \$199.52 per acre for a total of \$997.60. Tract D original bid was for 257± acres. With the reduction of 5± acres, the revised total is 252± acres. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

EXECUTIVE DIRECTOR REPORT: Executive Director Olson.

- a) Legislative Update. Still operating under federal continuing resolution. Congress has a few weeks to implement but look for another short-term resolution. Legislative update from the state at February board meeting.
- b) Executive Director Olson and Operations Manager Harris will be attending the Nebraska Aviation Symposium in Kearney on January 25th. Executive Director Olson will be moderating a legislative session on the 24th.
- c) Executive Director Olson will be at a Contract Tower Association board meeting in Boca Raton, FL in two weeks.

ANNOUNCEMENTS:

- a) Next Board Meeting is February 21, 2024.
- b) Governor's State of the State Address is January 23, 2024 from 10:30am to 11:30am in the Airport Authority Board Room.

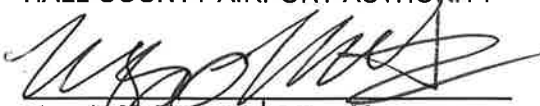
EXECUTIVE SESSION:

Motion Quandt, second by Victor to go into Executive Session at 9:26 a.m. to discuss airline, lease, contract and personnel negotiations. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

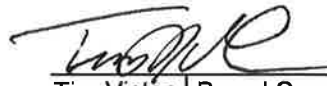
Motion by Victor, second by Quandt to come out of Executive Session with no decisions being made and reconvene to Regular Session at 10:15 a.m. Upon roll call vote, motion was adopted with 5 Aye votes: Cook, Werner, O'Neill, Victor, Quandt.

ADJOURNMENT: Meeting was adjourned at 10:17 a.m.

HALL COUNTY AIRPORT AUTHORITY


Maggie McDermott | Office Manager


Ryan O'Neill | Board Chair


Tim Victor | Board Secretary/Treasurer

(SIGNATURES ON FILE)