



HALL COUNTY AIRPORT AUTHORITY | MINUTES
Regular Meeting | November 12, 2014

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The Regular Meeting of the Hall County Airport Authority (HCAA) Board was held at the Airport Authority Conference Room located at 3855 Sky Park Road, Grand Island, Nebraska 68801 on November 12, 2014. Pursuant to proper legal notice, Board Chair Werner called the meeting to order at 8:00 a.m., and announced location of the Nebraska Open Meeting Act for public viewing.

The Pledge of Allegiance was said in unison.

PUBLIC REQUEST TO SPEAK ON AGENDA: None.

AIRPORT AUTHORITY BOARD MEMBER(S) PRESENT: Chair Lynne Werner, Vice-Chair Larry Hobbs, Secretary/Treasurer Brian Quandt, Ken Caldwell, and Joe Cook.

AIRPORT AUTHORITY STAFF PRESENT: Executive Director Mike Olson, Operations Manager/Security Coordinator Doug Brown, Human Resource/Accounting Manager Annette Schimmer, and Administrative Assistant Debra Potratz, Assistant Operations Manager Steve Magnuson, Maintenance Technicians Russ Skrdlant and Wes Harris, and Operations Secretary Carole Harmon.

LEGAL COUNSEL PRESENT: Airport Authority Attorney Ron Depue.

OTHERS PRESENT: Zach Thompson from Trego/Dugan Aviation of Grand Island, Matt Cogdill from Midwest Air Traffic Control, Rich Lundeen and Marcus Kuhn from Mead & Hunt, visitors Stephanie Harris, and Kevin and Lisa Harris.

REVIEW AND APPROVAL OF ADMINISTRATIVE CONSENT AGENDA:

- **Minutes from the Regular Meeting held October 8, 2014.**
- **RESOLUTION 1491: CLAIMS 3032-3036.**
- **RESOLUTION NO. 14-92: REIMBURSEMENT FOR EXPENDITURES RELATED TO AIRPORT PARKING LOT EXPANSION – PHASE 2.**

Motion by Mr. Caldwell second by Mr. Cook to approve the Consent Agenda. Upon roll call, motion was approved with a 5-0 vote.

Executive Director Olson expressed condolences for loss of airport family members Michael McCarty, Wayne Weiss, and Michael Graham.

Executive Director Olson recognized Maintenance Technician Wes Harris for earning the designation of Airport Master Firefighter (AMF) from the American Association of Airport Executives (AAAE). Candidates of the AMF Professional Designation Program must understand the Aircraft Rescue and Fire Fighting (ARFF) Body of Knowledge essential to carry out the responsibilities to manage an airport fire department and have a basic understanding of airport administration and management. Mr. Harris received Fire Fighter I and Fire Instructor I certifications from Southeast Community College's Fire Science Program, spent three years with Gretna Fire & Rescue Department, one year as president of Gretna Volunteer Fire and Rescue Corporation, three years as a member of the Grand Island Rural Fire Department, and assisted teaching rapid intervention and fire fighter survival at Nebraska State Fire School.

54 FINANCIAL REPORTS | OCTOBER 2014

55 Financial Reports by Human Resource/Accounting Manager Annette Schimmer:

- 56 • Operating Income and Operating Expenses.
 - 57 ▪ Operating Income is at 8.17% | \$90,127.79 | YTD \$90,127.79
 - 58 ▪ Operating Expenses is at 4.52% | \$67,450.49 | YTD \$67,450.49
 - 59 ▪ Total Operating Income/Loss is at (5.83)% | (\$22,677.30) | YTD (\$22,677.30)
 - 60 ▪ Total Net Income/Loss is at (2.18)% | \$60,880.41 | YTD (\$60,880.41)
- 61 • Past Dues Report: (Aging over 30 days) \$5,775.98 as of today.
- 62 • Fuel Flowage Report: Trego/Dugan Aviation of Grand Island
 - 63 Jet A & 100LL ▪ 116,264.00 gallons delivered | YTD 116,264.00
 - 64 Fuel Flowage ▪ \$6,394.52 fuel flowage received | YTD \$6,394.52
 - 65 Diesel ▪ 0.00 gallons delivered | YTD 0.00
 - 66 Unleaded ▪ 500.00 gallons delivered | YTD 500.00
 - 67 Fuel Flowage ▪ \$27.50 fuel flowage received | YTD \$27.50

68
69 The audit was conducted on November 7th & 10th and will be presented for approval at the January meeting.

70
71 ACTIVITY REPORTS | OCTOBER 2014

72 Air Traffic Activity Report: Assistant Tower Manager Matt Cogdill.

73

Central Nebraska Regional Airport

Itinerant Operations	Oct 2013	Oct 2014	% Change
Air Carrier	44	47	7
Air Taxi	306	293	(4)
Civil Aviation	898	830	(8)
Military	50	105	110
Total OPS	1,298	1,275	(2)
Local Operations			
Civil	278	234	(16)
Military	82	44	(46)
Total LCL	360	278	(23)
TOTAL TRF	1,658	1,553	(6)

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75 Enplanement Report: Executive Director Mike Olson

	2014	2014	2013	
	Oct	Load Factor %	Oct	+/- %
Allegiant	3,053	88%	2,639	16%
American	2,154	78%	2,079	4%
Charters	96		237	-59%
Mo. Emp	5,303		4,955	7%
Yr to Date	49,440		46,596	6%

76

77 October was a record breaking month with a 7% increase compared to October of 2013, and a 6%
78 increase for year-to-date. The passenger traffic continues to trend upwards and the Central Nebraska
79 Regional Airport is easily on pace to surpass 60,000 boardings in 2014.

80

81 The Authority received a Final Calendar Year Enplanement report for 2013 from the Federal Aviation
82 Administration, and report indicated 263 more enplanements than Authority's stats finishing with 57,165
83 enplanements.

84

85 Executive Director received a passenger ranking report for year ending June 30, 2014 from Mead & Hunt.
86 This report listed all central region passenger airports in Nebraska, Iowa, Missouri and Kansas. Out of 35
87 airports, the Central Nebraska Regional Airport (CNRA) ranked 11th for number of total number of
88 enplanements, and ranked sixth lowest in average-fare with a cost of \$140, and ranked the lowest in the
89 average-yield with 14.8¢.

90
91 Operations Report by Operations Manager/Security Coordinator Doug Brown:

- 92 • Provided Aircraft Rescue and Fire Fighting (ARFF)/Direct Ramp Observation (DRO) for Allegiant
93 flights, provided ARFF for American Eagle daily flights and extra Allegiant flights to Phoenix-Mesa,
94 AZ and one charter.
- 95 • Conducted monthly ARFF drills and weekly training held on Part 139 Training, Safety, and
96 Transportation Security Administration procedures.
- 97 • Updated Airport Security Plan, Airport Certification Manual, and Airport Emergency Plan.
- 98 • Performed preventative maintenance on all hangar doors and security gates.
- 99 • Relocated car rental stalls to make way for the construction zone for the passenger terminal.
- 100 • Performed year-end maintenance on mowing equipment and prepared equipment for snow
101 removal.
- 102 • Maintained industrial roads.
- 103 • Provided construction support.
- 104 • Numerous other daily projects and repairs completed and scheduled.

105
106 Construction & Planning Report. Rich Lundeen from Mead & Hunt reported the original project manager for
107 Hausmann resigned and the new project manager is Jared Bemis. Perimeter fences will be installed along
108 airside and landside to secure construction area. Marcus Kuhn will be finalizing the second phase of the
109 parking lot project. The asbestos abatement should be completed by end of week, and the Utilities
110 Department is scheduled to disconnect water meter and pull the water main back from hydrant. Demolition
111 of old administration building should begin next week.

112
113 Executive Director noted the covered parking garage has been demolished for salvage value and
114 Hausmann Construction started removing the asphalt and concrete in that area.

115
116 Board member Quandt had a concern with the freeze/thaw of concrete when poured during colder weather
117 and the issue of cracking or settling. Rick Lundeen from Mead & Hunt stated as part of construction
118 management they will be watching this and will follow the protocol for the proper handling and treatment of
119 concrete when temperature gets below 40 degrees.

120
121 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 14-93: AGREEMENT WITH MIDWEST AIR**
122 **TRAFFIC CONTROL (ATC) SERVICE, INC., FOR 2014-2015.**

123
124 *Motion by Mr. Quandt, second by Mr. Hobbs authorizing the Executive Director to execute Agreement*
125 *with Midwest Air Traffic Control (ATC) Service, Inc., to provide air traffic control services at the Central*
126 *Nebraska Regional Airport (CNRA). Term of Agreement shall be from October 1, 2014 through September*
127 *30, 2015. In accordance with Central Nebraska Regional Airport's cost-sharing agreement with the*
128 *Federal Aviation Administration (FAA), payment to Midwest ATC Service, Inc., shall be \$6,381.00/month.*
129 *Upon roll call, motion was approved with a 5-0 vote.*

130
131 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 14-94: FIRST AMENDMENT TO**
132 **HANGAR LEASE AGREEMENT BETWEEN HALL COUNTY AIRPORT AUTHORITY AND**
133 **TREGO/DUGAN AVIATION OF GRAND ISLAND FOR BUILDING 2A LOCATED AT 3661 SKY PARK**
134 **ROAD, GRAND ISLAND, NE.**

135
136 *Motion by Mr. Quandt, second by Mr. Hobbs authorizing the Executive Director to execute First*
137 *Amendment to Hangar Lease Agreement between Hall County Airport Authority and Trego/Dugan*
138 *Aviation of Grand Island for Building 2A located at 3661 Sky Park Road, Grand Island, NE. The area 2C*
139 *consisting of approximately 700 square feet, more or less, as outlined in Exhibit A shall be deleted from*

140 the leased premises. This Amendment shall commence October 15, 2014 and may be terminated by the
141 Authority upon a 30 day written notice. Effective on the date of commencement, Tenant's rent for the
142 premises shall be reduced in the amount of Two-Hundred Dollars (\$200.00) per month. Tenant's
143 insurance reimbursement shall be amended as applicable. Upon roll call, motion was approved with a 5-0
144 vote.

145
146 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 14-95: LICENSE AGREEMENT WITH**
147 **HAUSMANN CONSTRUCTION COMPANY FOR BUILDING 2C LOCATED AT 3661 SKY PARK ROAD,**
148 **GRAND ISLAND, NE**

149
150 *Motion by Mr. Caldwell, second by Mr. Cook authorizing the Executive Director to execute License*
151 *Agreement with Hausmann Construction Company for Building 2C located at 3661 Sky Park Road, Grand*
152 *Island, NE to use and occupy area outlined in Exhibit A in conjunction with Hausmann's duties as general*
153 *contractor on the passenger terminal project and for the duration of the project. Mead & Hunt Inc., shall*
154 *also have access to use the Premises. Hausmann may construct temporary improvements as agreed by*
155 *the parties and shall remove such improvements at the termination of this Licensure. Hausmann shall*
156 *maintain the interior in a clean condition, and shall be responsible for all damage caused by Hausmann, its*
157 *guests and invitees. Hausmann shall pay a license fee of \$400/month to Authority and utilities and shall*
158 *comply with the terms and conditions of Authority's Minimum Standards as applicable. This Agreement*
159 *shall commence October 15, 2014 and may be terminated by either party upon 30 day written notice. Upon*
160 *roll call, motion was approved with a 5-0 vote.*

161
162 **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 14-96: MUNICIPALITIES CONTINUING**
163 **DISCLOSURE COOPERATION INITIATIVE ENGAGEMENT WITH GILMORE & BELL, P.C. FROM**
164 **OMAHA, NE. GILMORE & BELL P.C.**

165
166 *Motion by Mr. Caldwell, seconded by Mr. Quandt authorizing the Authority Board Chair to enter into a*
167 *Municipalities Continuing Disclosure Cooperation Initiative Engagement with Gilmore & Bell, P.C. from*
168 *Omaha, NE. Gilmore & Bell P.C. has previously been engaged to provide advice to the Authority on its*
169 *eligibility to self-report pursuant to the Initiative and will provide the following services under this*
170 *engagement: 1. Assistance in the preparation and filing of the Questionnaire for Self-Reporting Entities*
171 *required to participate in the Initiative. 2. Representation of the Authority in any informal investigation or*
172 *enforcement proceeding with the Securities and Exchange Commission (SEC) arising solely out of the*
173 *Authority's self-reporting of potential violations eligible for the Initiative. 3. Draft and assist the Authority with*
174 *the adoption of policies and procedures regarding continuing disclosure obligations. 4. Provide Authority*
175 *personnel a training session regarding securities and continuing disclosure obligations. The Fees and*
176 *Expenses under this engagement will be \$2,500 for assistance with the Self-Reporting Questionnaire (#1*
177 *above), and \$7,000 for the post-self-reporting services (#2 through 4 above). Amount equal to 25% of fees*
178 *will be earned and payable on December 1, 2014. The remainder of fees will be payable at the earlier of*
179 *the entry of an Order or December 1, 2015. Fees are not contingent upon the SEC's determination to*
180 *require the Authority to enter into an Order. The Authority agrees to reimburse Gilmore & Bell P.C. for all*
181 *out-of-pocket third-party expenses made on Authority's behalf. Upon roll call, motion was approved with a*
182 *5-0 vote.*

183
184 **EXECUTIVE DIRECTOR'S REPORT:**

- 185 a) Mr. Olson received a letter from the Hall County Korean War Hero Flight Committee acknowledging
186 the Central Nebraska Regional Airport's contribution and support of the event. The Korean
187 Veterans and their escorts were overcome with emotion and gratitude with the welcome home
188 reception, something they did not receive 60 years ago.
- 189 b) The Ground Breaking Ceremony for the Passenger Terminal was held October 29, 2014.
- 190 c) Legislative update: The Contract Tower is administered by the Air Traffic Organization (ATO) of the
191 Federal Aviation Administration (FAA), and the ATO has undergone through leadership changes
192 in the past few months. Mr. Olson has been trying to get FAA to do a benefit cost analysis which
193 would determine if CNRA would remain in the cost share program or if the FAA would totally fund
194 the program. The Authority's contract with Midwest Air Traffic is approximately \$75,000 a year.
195 The last benefit cost analysis was conducted in 2004 and the airport had been paying 24% and

196 changes have been made where airports only pay 20%. There are 16 airports in the cost share
197 program and 200 airports in the contract tower program. Mr. Olson is a board member of the U.S.
198 Contract Tower Association and will be meeting with ATO in January 2015.

199 d) On November 6, 2014, the Federal Aviation Administration adopted amendment to the Policy and
200 Procedures Concerning the Use of Airport Revenue on aviation fuel tax use. This action confirms
201 FAA's long-standing policy on Federal requirements for the use of proceeds from taxes on aviation
202 fuel. Under Federal law, airport operators that have accepted Federal assistance generally may
203 use airport revenues only for airport-related purposes. Local taxes on aviation fuel are subject to
204 airport revenue use requirements. State taxes on aviation fuel are subject to use either for a State
205 aviation programs or for airport-related purposes.

206
207 Nebraska has been exempt from sales tax on aviation fuel for many years. In 2013 Mr. Depue
208 testified in front of Revenue Committee for the state legislature regarding Governor Heinemann's
209 proposal to repeal tax exemption on aviation jet fuel. Mr. Depue has dealt with this issue four times
210 in the past 20 years. In 2009 Mr. Depue wrote a letter to the Federal Aviation Administration Council
211 in Washington, DC. FAA responded that if the sales tax proceeds from aviation fuel are used for
212 operating funds of the state or related entities, it would be classified as revenue diversion. As a
213 result, every airport in the State of Nebraska would be ineligible to receive any federal grants. Not
214 receiving the 85-90%% federal match would be detrimental to our terminal and runway projects.
215 The Revenue Committee was very receptive to Mr. Depue's request and subsequently, Governor
216 Heinemann asked the LB405 be pulled. Unfortunately the FAA has not consistently enforced this
217 policy across the country.

218
219 ANNOUNCEMENTS:

220 a) Next Board Meeting is December 10, 2014 – 8:00 a.m. and Study Session following at 10:00 a.m.
221 at Hall County Airport Authority Administration office conference room.

222
223 EXECUTIVE SESSION:

224 *Motion by Mr. Quandt, second by Mr. Cook to go into Executive Session to discuss airline negotiations and*
225 *lease negotiations. Upon roll call, motion was approved with a vote of 5-0 and Board went into Executive*
226 *Session at 8:58 a.m.*

227
228 *Motion by Mr. Cook, second by Mr. Caldwell to come out of Executive Session with no decisions being*
229 *made and reconvene to Regular Session. Upon roll call, motion was approved with a vote of 5-0 and Board*
230 *came out of Executive Session and into Regular Session at 10:02 a.m.*

231
232 ADJOURNMENT:

233 *Motion by Mr. Hobbs second by Mr. Quandt to adjourn the meeting. Upon roll call, motion was approved*
234 *with a vote of 5-0 and meeting was adjourned at 10:03 a.m.*

235
236 HALL COUNTY AIRPORT AUTHORITY

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240 _____
241 Debra Potratz | Administrative Assistant

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245 Lynne Werner | Board Chair

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247 Brian Quandt | Board Secretary/Treasurer

248 (SIGNATURES ON FILE)