



CAPITAL REGION AIRPORT AUTHORITY

October 23, 2023 REGULAR BOARD MEETING Chair John Shaski

John Shaski
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Matthew Lantzy

Nicole Noll-Williams, C.M.
President - CEO

Board Members Present: John Shaski, Yvette Collins, Matthew Lantzy, Debbie Groh, and Victor Celentino

Ex-Officio Present: Mark Mudry and Robert Showers

Management, Staff and Employees Present: Nicole Noll-Williams, Rob Benstein, Ron O'Neil, Katherine Japinga, Sunil Khetarpal, Blake Roy, Steve Gonzalez, Steve Ball, and Bonnie Wohlfert

Members of the Public Present: Bob Pena, Ingham County; Jon Ringlein, Maner Costerisan; Dan Kehoe & Bob Leisenring, Mead & Hunt; Jennifer Jacob

CALL TO ORDER & ROLL CALL

1. John Shaski, Chair, called the Regular Board Meeting of the Capital Region Airport Authority to order at 4:28 p.m. with a quorum present.
2. John Shaski led, and all recited the Pledge of Allegiance.

APPROVAL OF MINUTES

1. Victor Celentino moved the Board approve the minutes of the September 25, 2023, Regular Board Meeting and Closed Session.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. 2024 Board Meeting Schedule – John Shaski pointed out that the meetings are on the 4th Monday of the month except for May and December, which are the 3rd Monday, due to the holidays.
2. John Shaski shared that he completed Nicole Noll-Williams' evaluation and resolution 23-35 will address her increase.

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

Auditor's Report for Fiscal Year ended June 30, 2023, Jon Ringlein, Maner Costerisan

Audit Results

- Audited and issued an unmodified opinion on financial statements.
- Governance Letter – required communication, significant estimates
- Management Letter – none issued
- Compliance for Major Programs – unmodified opinion; major program tested – Airport Improvement Program; no findings related to federal awards

New for FY23

Adoption of GAB 96 – Subscription-based IT Arrangements for June 30, 2023

- Like GAB 87 from FY22, but for "soft" assets vs tangible assets
- Unlike GASB 96, no significant impact on the airport's financials

Notes to the Financial Statements (Pension Plan and Other Post Employment Benefits) were discussed.

Future Standards

- GASB 100, Accounting Changes and Error Corrections (clarity on accounting for errors, FY24)
- GASB 101, Compensated Absences 9 (clarity on what is/isn't a compensated absence to report, FY25)

#23-30 Audited Financial Statements for the Fiscal Year ended June 30, 2023

- a. Yvette Collins moved the Capital Region Airport Authority Board accept the audited financial statements as prepared and presented by the Authority's CPA firm Maner Costerisan for the Fiscal Year ended June 30, 2023.
- b. The motion passed unanimously.

#23-31 Accept State Contract for Cargo Ramp Expansion Project

- a. Matthew Lantzy moved the Capital Region Airport Authority Board accept State Contract 2023-0696 in support of the Expand Cargo Apron Phase 2 & 3 – Construction project and authorized the President & CEO to sign all associated documents on behalf of the Authority. The cost of the \$9,092,222 project will be funded as follows: Federal - \$8,183,000 (90%); State - \$454,611 (5%); and local (CRAA) - \$454,611 (5%).
- b. The motion passed unanimously.

#23-32 Accept State Contract for Cargo Ramp Expansion Project

- a. Matthew Lantzy moved the Capital Region Airport Authority Board accept State Contract 2024-0061 in support of the Expand Cargo Apron Phase 2 & 3 – Construction Administration project and authorized the President & CEO to sign all associated documents on behalf of the Authority. The cost of the \$915,354 project will be funded as follows: Federal - \$823,818 (90%); State - \$45,768 (5%); and local (CRAA) - \$45,768 (5%).
- b. The motion passed unanimously.

#23-33 Adoption of Municipal Employees Retirement System of Michigan (MERS) Uniform 457 Supplemental Retirement Program Resolution

- a. Debbie Groh moved the Capital Region Airport Authority Board adopt the MERS Uniform 457 Supplemental Retirement Program Resolution and authorized the President & CEO to sign all associated documents on behalf of the Authority.
- b. Victor Celentino asked how this change will affect employees. Nicole Noll-Williams shared that the change would eliminate fees for retirees (\$100 fee per withdrawal) and save money overall. Debbie Groh asked how MERS performance is monitored. Sunil Khetarpal shared that CRAA receives monthly reports, staff attends the annual MERS Conference, and lunch and learns are provided.
- c. The motion passed unanimously.

#23-34 Adoption of Resolution Establishing Authorized Signatories for MERS Contracts and Service Credit Purchase Approvals

- a. Debbie Groh moved the Capital Region Airport Authority Board adopt the MERS Resolution Establishing Authorized Signatories for MERS Contracts and Service Credit Purchase Approvals. The Resolution authorized the President – CEO to sign (1) MERS Adoption Agreements, Resolutions, Participation Agreements, Administrative Agreements, Withdrawal Agreements and any other contracts between MERS and the Employer, and (2) MERS Defined Benefit service credit purchase approvals.
- b. The motion passed unanimously.

#23-35 Amendment to Employment Agreement of President & CEO

- a. Victor Celentino moved the Capital Region Airport Authority Board approve an amendment to the employment agreement with the President & CEO of a 6% salary increase retroactive to May 10, 2023 and authorized the Chairman, or his designee, to sign all related documents on behalf of the Authority.
- b. John Shaski added that the Personnel Committee will start reviewing the President & CEO contract, which terminates May 9, 2024, likely in January 2024.
- c. The motion passed unanimously.

REPORTS

Sunil Khetarpal – Financial Report for period ending 8/31/2023

Operating Revenue

The current month is \$41K over budget. Overall YTD is \$89K over budget.

- Airline revenues are lower by (\$2K) for the month, YTD is lower than budget by (\$23K).
- Monthly Parking Lot revenues are higher by \$12K and YTD is higher by \$14K.
- Monthly Concessions (rental cars & restaurant) revenues are higher than budget by \$37K, YTD is higher by \$72K.
- Other revenues are lower by (\$11K) for the month and YTD is above budget by \$3K.

Operating Expense

The current month is over budget by \$38K, Overall YTD is \$120K under budget.

- Employee Development (education & training) is under budget by \$27K YTD.
- Maintenance expenses are under budget by \$17K for the month and YTD is under by \$30K.
- Services are under budget by \$13K for the month, YTD is under budget by \$27K.
- Payroll is under budget by \$19K for the month on vacant PSO position and MERS Calc. YTD is lower than the budget by \$47K.
- Supplies are over budget by (\$11K).
- Utilities and Fuel are over budget by (\$24K).
- Business Development is under budget by \$279K

Mason Jewett Field (TEW)

- Revenues were lower than the budget by (\$2K) due to fuel sales.
- Expenses were lower than the budget by \$7K.

Sunil added that Investment Income (page 11 of board report) is doing really well. John Shaski agreed and thanked Sunil for keeping the money safe but also earning its potential.

Victor Celentino commented on the accuracy of the property tax estimate and collections compared to the previous year. Victor also inquired about the American Airlines (marketing airline) performance (Delayed 30%) on page 17 of the board report. Nicole Noll-Williams responded that Air Wisconsin (operating airline) has had a reliability issue that we have brought to their attention. John Shaski added that he loves the consistency of the ground handling team at LAN with how fast they turn the aircraft. American Airlines has a very tight, efficient schedule so middle of the day issues will affect flights later in the day. Debbie Groh questioned why this report is from June 2023; Nicole stated that there is a three month lag time to receive the data.

Nicole Noll-Williams, President & CEO

The LAN Planes and Prizes Giveaway was held June 5 – October 16 on social media. Just under 800 comments were received in total with the most engaging post happening in week 1 (245 comments).

LAN hosted the Chamber Member Mixer with Eaton RESA on October 10. The event had nearly 200 attendees and we plan to host another event next year.

Our ARFF truck was taken out of service due to transmission issues. The cost of parts and associated labor is approximately \$117,000. CRAA will make an effort to recover a portion of these costs from the manufacturer.

The car rental service centers project is scheduled to be completed by the end of October. Due to a few unforeseen issues the cost came in slightly (2.2%) over budget.

The cargo ramp expansion project is scheduled to be substantially complete by early November.

A Request for Qualifications (RFQ) was issued for the design engineering services for the Airport Roadway Improvement project. We received a great response with eight bids.

Ron O'Neil, Director of Facilities Infrastructure and Environmental Management, has been appointed to the Clinton County Catalyst Executive Committee and was appointed to the Habitat for Humanity Capital Region Board of Directors.

In recognition of Chris Holman's service on the CRAA Board and the donation of executive seating, we were honored to announce the naming of the Friendship Room Conference Room as the "J. Chris Holman Conference Room."

Tim Daman, Lansing Regional Chamber of Commerce President, and Nicole Noll-Williams co-hosted Michigan's Big Show from 6 am to 9 am on October 6. The following guests joined them in studio or via phone:

- Senator Gary Peters
- Mike Zamiara, President, Niowave Inc.
- Pat Gillespie, President, Gillespie Group
- Mayor Andy Schor
- Bob Hoffman, Public Relations Manager, Wharton Center for Performing Arts
- Tara Peplowski, Marketing & Group Sales Manager, Wharton Center for Performing Arts
- Sean Williams, Superintendent, Eaton RESA
- Jason Mellema, Superintendent, Ingham Intermediate4 School District
- Scott Koenigs knecht, Superintendent, Clinton County RESA
- Brad Williams, Vice President of Government Relations, Detroit Regional Chamber
- Steve Japinga, Senior Vice President of Public Affairs, Lansing Regional Chamber of Commerce
- Helen Johnson, President, Sparrow Eaton Hospital
- Jim Olson, Head of Brand and Communications, Avelo Airlines
- Lynda Kroll, Business Development Manager, ALG Vacations, Apple Vacations

The LCC Aviation Maintenance and Technology Program has provided our travelers with an inside look at an aircraft with a real jet engine on display in our main terminal entrance.

The TSA Precheck Event held October 9 – 13, 2023 assisted 260 travelers; our next event is scheduled for March 25 – 29, 2024.

LAN continues to host athletic and casino charters (MSU Men's Soccer, CMU Football, MSU Field Hockey, MSU Women's Volleyball, Penn State Women's Soccer).

CRAA, Dewpoint, and NuWave Technology Partners participated in a Cyber Security Tabletop Exercise on October 20, 2023. Three more exercises are planned.

The FY2024 Planning Meeting with FAA and MDOT for Capital Region International Airport was held on October 5, 2023. The Mason planning meeting will be scheduled.

OLD BUSINESS

1. Committee Updates – John Shaski
 - The Planning Committee will be chaired by Matthew Lantzy with Debbie Groh, John Shaski, and Robert Showers as members. The committee will review the RSA (Runway Safety Area) request at Mason.
 - The Personnel Committee will be chaired by Victor Celentino with Debbie Groh, Yvette Collins, and Mark Mudry as members. The committee will review the Employee Policies and Procedures Manual.

NEW BUSINESS

1. None

PUBLIC COMMENT

1. Robert Pena, Ingham County, invited the board to attend the Jack O' Lanterns Unleashed event held at the Ingham County Fairgrounds held October 25 – 29 with a Drive Thru option offered on October 24. Robert also shared information about the Tri-County Office on Aging 38th Annual Dinner and Auction on November 16, 2023 at the Kellogg Hotel and Conference Center.

BOARD COMMENTS

1. Debbie Groh asked about the taxiway project at Mason. Rob Benstein stated that we are waiting on the FAA to approve the MOS (Modification of Standards) for the 20' taxiway width and unfortunately will likely miss the 2023 construction season and may have to redesign at additional expense. In addition, a 25' taxiway width requirement will affect intersections and lights.

ADJOURNMENT

1. John Shaski moved the meeting to be adjourned at 5:32 pm.
2. The motion carried, and the meeting was adjourned.

signed

John Shaski, Chair

signed

Bonnie Wohlfert, Secretary