

**November 16, 2020**  
**FINANCE COMMITTEE MEETING**  
Chair Daniel Schiffer

*This meeting was held via GoToMeeting.*

**Finance Committee Members:** Daniel Schiffer, Debbie Groh, and Joe Brehler

**Management, Staff and Employees Present:** Robert Benstein, Sophie Giviyani-Kermani, and Bonnie Wohlfert

**Members of the Public Present:** Bob Chapman & Jeff Barrett, David Chapman Agency

**CALL TO ORDER & ROLL CALL**

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1. Daniel Schiffer, Chair, called the Finance Committee meeting of the Capital Region Airport Authority to order at 1:01 p.m. with all members present.

**PUBLIC COMMENT**

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1. None

**DISCUSS INSURANCE - DAVID CHAPMAN AGENCY**

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1. Bob Chapman introduced Jeff Barrett who has been with the David Chapman Agency for 22 years and has overseen the airport insurance for the past couple years.
2. Jeff Barrett and Bob Chapman provided insurance coverage information for each of the following policies:
  - **Cyber Liability** – This policy covers a cyber breach and associated costs; deductible of \$5,000.
  - **Airport Liability** – This policy is specifically for airports; coverage was evaluated last spring and the hangar keepers limit was increased from 10 to 50 million.
  - **Police Professional Liability** – The use of the gun range by other agencies was discussed. This policy also covers emergency medical services.
  - **Property & Equipment and Business Income** – This policy was increased substantially by Dale Feldpausch in Spring 2019 based on a benchmark study of comparable airports in Michigan. The insurance company (Chubb) was planning an onsite evaluation but with COVID they are not allowing employees to travel. A retroactive adjustment will be discussed if the evaluation determines that the Airport is over insured. The functional replacement cost of the terminal instead of rebuilding “as is” was also discussed.
  - **Automobile** – This policy is a bit unique due to Police & Fire vehicles going off premises occasionally.
  - **Workers Comp** – This Accident Fund policy is discounted through the Lansing Regional Chamber membership and includes a dividend program.
  - **Pollution** – This policy was purchased in June 2018 which turned out to be a great decision due to the plane crash. There is currently no exclusion in the policy for PFAS (Per- and polyfluoroalkyl substances) but there is concern that the renewal in June 2021 may exclude PFAS. Federal and State regulations and FAA mandates related to PFAS were also discussed.
  - **Public Officials Directors & Officers and EPLI** (Employment Practices Liability Insurance) – This policy covers Board Members and Staff. Dan Schiffer requested board members be provided a copy showing that the policy is paid each year.
  - **Customs Bond** – Required by the Federal Agency.
  - **Employee Dishonesty** – Policy covers theft by employees and embezzlement.

- **Liquor Liability** – Since the bar operations are currently inactive, the policy has been reduced to minimum premium. Jeff Barrett will investigate if coverage needs to be maintained with the license in escrow.
- **Fiduciary Liability** – This policy was added recently and covers decisions by staff related to financial matters (457 & Deferred Comp).

Dan Schiffer asked if there is anything we should be adding. Jeff Barrett indicated that all areas of concern have been addressed in the past 3 years with the addition of Cyber, Terrorism (liability & property), Fiduciary and Pollution coverage. In addition, he will participate with the Chubb property evaluation to help determine if there is other property (tools & equipment) that should be addressed. Debbie Groh asked if the property evaluation will include Mason and Lansing; Jeff indicated yes.

### **OLD BUSINESS**

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1. Rob Benstein referenced the Delta information provided to the committee members and reported that we have not heard back from Kristi Nissalke with Delta yet; she is on vacation through today. Rob has communicated to Delta that we have more work to do related to Rates & Charges and Terminal 1 & 2 and will take an important hard look.
2. As a follow-up to the UPS discussion last month, Rob reported that the UPS agreement goes to 2034; we are in the second 5-year term (2019-2024) and then 10 more years. He indicated that the local manager is new, we provided a copy of their lease and discussed future plans for their facility. Dan Schiffer asked if we could get a rough idea on the footprint they would like to expand to and if we had a utilities study. Rob indicated that Dewitt Township, LEAP and the MEDC are working on preliminary engineering; two proposals have been received and the (90 day) project will be awarded soon. Joe Brehler asked how many acres are involved; Rob stated 36 acres (warehouse then east).

### **NEW BUSINESS**

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1. None

### **PUBLIC COMMENT**

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1. None

### **FINANCE COMMITTEE COMMENTS**

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1. None

### **ADJOURNMENT**

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1. Daniel Schiffer moved the meeting be adjourned at 2:37 pm.

*signed*  
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Daniel Schiffer, Chair

*signed*  
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Bonnie Wohlfert, Secretary