



CAPITAL REGION AIRPORT AUTHORITY

John Shaski
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Matthew Lantzy

Daniel Schiffer

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

June 27, 2022 REGULAR BOARD MEETING Chair John Shaski

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

Ex-Officio Present: Kam Washburn, Mark Mudry (4:33 pm)

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

Members of the Public Present: Doug Koons, Bob Pena, Ingham County Board of Commissioners; Dan Kehoe, Mead & Hunt; Drew Seguin

CALL TO ORDER & ROLL CALL

1. John Shaski, Chair, called the Regular Board Meeting of the Capital Region Airport Authority to order at 4:30 p.m. with a quorum present.
2. Victor Celentino led, and all recited the Pledge of Allegiance.

APPROVAL OF MINUTES

1. Victor Celentino moved the Board approve the minutes of the May 23, 2022 Budget Public Hearing and Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. None

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

#22-14 Amendment to FY 2023 Operating Budget

- a. Victor Celentino moved the Capital Region Airport Authority Board approve an amendment to the FY2023 Operating Budget in the amount of \$117,457.00.
- b. The motion passed unanimously.

#22-15 Labor Agreement between the Capital Region Airport Authority and the American Federation of State, County and Municipal Employees (AFSCME) for Maintenance Department Bargaining Unit members.

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the adoption of a new twenty-four (24) month agreement, including the terms of the agreement with the Maintenance Department Unit of the American Federation of State, County and Municipal Employees (AFSCME) effective July 1, 2022, through June 30, 2024, and authorized the President & CEO sign all related documents on behalf of the Authority.
- b. The motion passed unanimously.

#22-16 Award Construction Contract for Taxiway C Rehabilitation Project

- a. Daniel Schiffer moved the Capital Region Airport Authority approve the award of a construction contract for the Taxiway C Rehabilitation project to Mead Bros. Excavating, Inc.

- in an amount not to exceed \$2,879,806.72 and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. Victor Celentino inquired about the local preference purchasing policy; Rob Benstein indicated that the policy does not apply to federal contracts. Victor asked if a local vendor would help with the (high) cost. The low bid was 42.5% above the engineer's estimate. Rob advised that this is a nationwide trend; bids 30-40% over estimates and longer lead times. A local vendor would not help reduce costs.
 - c. The motion passed unanimously.

#22-17 Amended Resolution Revising Consolidated Rates & Charges for the 12 Months Ended June 20, 2023

- a. Daniel Schiffer moved the Capital Region Airport Authority approve the Amended Resolution Revising Consolidated Rates and Charges for the 12 months ended June 20, 2023. These Rates and Charges shall be effective July 1, 2022.
- b. The motion passed unanimously.

#22-18 Extension of Parking Lot Management Agreement

- a. Matt Lantzy moved the Capital Region Airport Authority approve an extension of the Parking Lot Management Agreement with SP Plus Corporation for a period of two (2) years, and authorized the President – CEO, or designee, to sign all related documents on behalf of the Authority.
- b. The motion passed unanimously.

#22-19 Cargo Ramp Expansion/De-icing Containment Facility – Design – Award of Contract

- a. Yvette Collins moved the Capital Region Airport Authority approve a contract with RS&H for planning/engineering services related to the Cargo Ramp Expansion Phases 2 & 3 and De-icing Containment Facility projects in an amount not-to-exceed \$765,789 and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. John Shaski thanked Dan Schiffer for participating in the process.
- c. The motion passed unanimously.

#22-20 Mason Jewett Field Taxilane Rehabilitation – Design – Award of Contract

- a. Debbie Groh moved the Capital Region Airport Authority approve a contract with RS&H for planning/engineering services related to Mason Jewett Field Taxilane Rehabilitation project in an amount not-to-exceed \$64,906 and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. Mark Mudry asked about the scope of work; Ron O'Neil indicated that it would be a mill and fill process. Debbie Groh asked if this includes large cracks that have eroded away, and Ron responded yes.
- c. The motion passed unanimously.

#22-21 Labor Agreement between the Capital Region Airport Authority and the Police Officers Association of Michigan for Public Safety and Operations Unit members

- a. Debbie Groh moved the Capital Region Airport Authority Board approve the adoption of a new twenty-four (24) month agreement, including the terms of the agreement with the Police Officers Association of Michigan Public Safety and Operations Union effective July 1, 2022, through June 30, 2024, and authorized the President & CEO sign all related documents on behalf of the Authority.
- b. Daniel Schiffer praised the efforts of staff in negotiating a 2-year agreement.
- c. The motion passed unanimously.

REPORTS

Sunil Khetarpal – Financial Report for period ending 4/30/2022

YTD Operating Revenue

Airline - Revenues are down by (\$96K) because of United leaving the market.

Concessions (Rental Cars) – YTD revenues are above budget by \$184K.

Parking, Fuel & Remaining - YTD revenues are higher by \$219K as Land & Building Rents are higher along with small others.

Overall Revenues are higher than budgeted by \$307K.

YTD Operating Expense

Employee Development- Education & Training - Lower than budget by \$44K expected to be use in FY.

Maintenance – Expenses were lower than budgeted by \$195K.

Marketing - Above budget by (96K) in support of our airline partners.

Payroll - Continues to track below budget by \$330K as open positions (PSO, Ops Officer) weren't filled.

Supplies - Due to less Snow Removal during 20-21 season was lower by \$72K.

Utilities and Fuel –Lower than budgeted by \$109K.

Overall Operating Expenses are lower than budgeted by \$533K.

Victor Celentino asked about the services expense variance of \$79,000; Sunil reported that the additional costs were due to attorney fees, staffing evaluations, and a financial consultant.

Dan Schiffer commented on the marketing and advertising expense; he expected it to be higher. Nicole indicated that the 2023 marketing budget reflects an increase.

Mason Jewett Field (TEW)

Fuel Revenue continues to be lower than budgeted resulting in over deficit of (24K).

Victor Celentino asked about the \$19,000 variance (page 13) in fuel revenue; Nicole explained that an adjustment in the fuel selling price caused some of the variance. We try to remain competitive with area airports.

Dan Schiffer asked about the repairs expense variance of \$19,000; Ron explained that fans were added to the hangar to help move air and dry out the floor. Dan added that the hangar was built too low; this area has a lower water table and water issues are common. Dan also commented on the Mason terminal building lease changes. He thought the public area square footage would be doubled (Debbie Groh thought the same). Nicole indicated that staff would take another look at opportunities to improve the design. John Shaski asked for an update in the next couple of months.

Balance Sheet

Reserves are trending higher as we continue to draw down the CARES funding.

Debbie Groh asked if we are where we want to be with the CARES funding. Nicole reported that we are on track for the next 5 years.

Nicole Noll-Williams, President & CEO

Nicole thanked Mr. Schiffer and Mr. Washburn for attending the Employee Cookout/Town Hall on June 22, 2022. She was able to provide an update on key development projects with the team and wish a retirement farewell to Sergeant Wilson for his over 31 years with LAN.

June resolutions highlight many of the key projects CRAA has been working on over the past few months.

Nicole attended the 2022 Airports Council International Jumpstart Air Service Development Conference. She met with nine airlines during the conference to highlight the growth in the region and opportunities at LAN. The key concerns shared by all carriers was the pilot shortage, which continues to impact small to mid-size airports.

CRAA has been working closely with local school districts in support of a new aviation program for the mid-Michigan Region. The program would officially be through Eaton Regional Education Service Agency (RESA), in partnership with Ingham Intermediate School District (ISD), Clinton RESA and it would be open to students in Lansing School District. The program would likely be located at LAN (at Avflight Lansing). Micki O'Neil with Ingham ISD has been instrumental in keeping this project moving.

Eaton RESA submitted an FAA Grant application in June 2022 for the program to help with start-up costs. The grant request was for roughly \$260,000 and CRAA provided a letter of support. Eaton RESA is working on curriculum and partnership opportunities for college credits. The projected timeline for the program:

- Goal is to announce the program in December 2022
- Open enrollment in Spring 2023
- First students/program official opens in Fall 2023

CRAA officially launched the "Airplane Mode Travel Voucher Giveaway" campaign on social media on Monday, May 16, 2022. This campaign is intended to engage the community with our social media while at the same time supporting our airlines and encouraging travel during the summer months. The campaign will run from May 16-July 31, and flight vouchers must be used by Aug. 31, 2022. A "new" giveaway is posted each week.

ALG Vacations (ALGV) announced they are returning their international service for the 2023 season: Cancun, Mexico (3 flights weekly); Punta Cana, Dominican Republic (2 flights weekly); and new for 2023 to Montego Bay, Jamaica (1 flight weekly). The nonstop service will begin Jan. 28, 2023 and run through April 6, 2023.

Following the special presentation honoring Sgt. Wilson and Officer Lillie at the May 23 board meeting, FOX47 TV contacted CRAA after seeing a post on the airport's Facebook page requesting permission to feature both Sgt. Wilson and Officer Lillie individually on their "Neighborhood Heroes" segment. The segment airs on the FOX47 evening news broadcast once/week and honors our local community heroes who are serving our community and might not always get the recognition they deserve. Officer Lillie was featured as the "Neighborhood Hero" on June 2, and Sgt. Wilson was featured as the "Neighborhood Hero" on June 16.

We anticipate rehabilitating the elevator at the passenger screening checkpoint in July. Wheelchair access to the concourse during the 3-week project will be through the FIS.

Design is underway for the car rental service center rehabilitation project. The scope of work includes new roofs, doors, paint, and ceilings for the four buildings. In addition, two of the buildings will be outfitted with vacuum bays, and all of the parking lots will be repaved. We plan to solicit bids and award a construction contract this summer. The project is being funded through the Customer Facility Charge program.

We plan to begin rehabilitation of the long-term parking lot this summer. Approximately 50% of the lot will be rehabilitated this year. Funding for this project has been included in the FY2022 and FY2023 capital budgets.

We plan to solicit bids for a new avgas fuel system this summer. The scope of work includes installation of a new above ground fueling system as well as removal of the current underground fuel tanks. We will include the provision of Jet-A as an add-alternate in the bid.

Construction is not anticipated until spring 2023 as there is currently a 39-week lead time for fuel tanks. Funding for this project has been included in the FY2020, FY2021 and FY2023 capital budgets.

We are in the process of rebuilding/replacing compressors in two of our chillers. Chiller 1 was completed last week, and Chiller 4 will be completed in August. This project will restore cooling capacity to 100%.

CRAA has officially established a sponsorship for the Ingham County Fair and plans are underway for adding a meditation/autism space in the terminal.

Dan Schiffer asked if we are in an emergency situation with the Mason fuel system. Ron indicated no; this is not an urgent matter. Debbie Groh asked if the fuel system will include a new terminal (head end); Ron reported yes; but the system will be limited to the network (internet) capabilities available.

Dan Schiffer agreed with the plan to investigate options for automating the parking lot operation (no attendant). The management agreement with SP+ was discussed; CRAA experiences a net positive result in revenue.

Yvette Collins asked about Apple Vacations packages. Nicole explained that air only can be purchased or all-inclusive packages that include transfers to the resort as well as food/alcohol.

OLD BUSINESS

1. None

NEW BUSINESS

1. None

PUBLIC COMMENT

1. None

BOARD COMMENTS

1. Victor Celentino shared that he enjoys the SP+ employees and there is no hurry to upgrade technology as they have been a great partner. Victor also thanked Nicole Noll-Williams and John Shaski for presenting at the County Services Committee meeting on June 7. The members really enjoyed the information and packet provided. In addition, Victor thanked Bob Pena, present at the board meeting, who also serves on the County Services Committee.
2. John Shaski agreed that April and Jamie with SP+ are great. He thanked CRAA staff members present for all their work. John highlighted the blind student tour that Katherine coordinated and the heartwarming appreciation they provided (sending a thank you note in brail).

ADJOURNMENT

1. John Shaski moved the meeting be adjourned at 5:33 pm.
2. The motion carried, and the meeting was adjourned.

signed

John Shaski, Chair

signed

Bonnie Wohlfert, Secretary