

John Shaski
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Jennifer Jacob

Matthew Lantzy

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

November 27, 2023
REGULAR BOARD MEETING
Vice Chair Victor Celentino

Board Members Present: Victor Celentino, Yvette Collins, Matthew Lantzy, Debbie Groh, and Jennifer Jacob

Board Member Absent: John Shaski

Ex-Officio Present: Robert Showers

Ex-Officio Absent: Mark Mudry

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

Members of the Public Present: Bob Pena, Ingham County; Dan Kehoe & Bob Leisenring, Mead & Hunt; Ron Engel, MH III; Claire Stockman, RS&H; Rich Floyd, KPW Management

CALL TO ORDER & ROLL CALL

1. Victor Celentino, 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 led, and all recited the Pledge of Allegiance.

APPROVAL OF MINUTES

1. Matthew Lantzy moved the Board approve the minutes of the October 23, 2023, Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. Victor Celentino welcomed new board member, Jennifer Jacob.

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

#23-36 Approval of amended FY2024 Capital Budget

- a. Matthew Lantzy moved the Capital Region Airport Authority Board approve the amended FY2024 Capital Budget as follows.
 1. MB2 Multi-Tasking Vehicle – Plow: This project was approved as part of the FY2022 budget in the amount of \$857,000, with the designated funding source of Passenger Facility Charges (PFC). The purchase of the MB2 was delayed in order to reconcile the availability of funds within the PFC account, which was completed on October 11, 2023, when the FAA approved an amendment to our PFC application. Due to the delay in purchase, the cost of the MB2 increased by \$379,741, resulting in a total cost of \$1,236,741. An increase to the FY2024 capital budget in the amount of \$379,741 is being requested to supplement the amount approved in the FY2022 budget. The proposed funding source is PFC Reserves, which had a balance of \$4,142,749.73 as of the quarter ended 9/30/23.
 2. Mason Jewett Airport Terminal Study: On October 13, 2023, CRAA applied for a Bipartisan Infrastructure Law - Airport Terminal Program (BIL – ATP) grant to fund a terminal building project at Mason Jewett Field. The terminal study will be conducted by RS&H, CRAA's current on-call engineer for Mason Jewett Field. The scope of the study

will investigate the useful life of the existing facility, determine current needs, evaluate multiple alternatives, and provide general concepts of the proposed facility. The cost of the study is \$32,131. The proposed funding source is CARES Reserve, which had a balance of \$15,118,822.00 as of the quarter ended 9/30/23.

- b. The motion passed unanimously.

#23-37 Approval of Assignment and Amendment of Eric Kindlund Lease

- a. Debbie Groh moved the Capital Region Airport Authority Board approve the assignment and amendment of the Eric Kindlund Lease to KPW Management, LLC and authorized the President – CEO to sign all associated documents on behalf of the Authority.
- b. Debbie Groh asked which hangar this was, and Nicole pointed it out on the LAN map (nearest to gate 4 on the end).
- c. The motion passed unanimously.

#23-38 Approval of Ground Site Lease with KPW Management, LLC

- a. Debbie Groh moved the Capital Region Airport Authority Board approve the Ground Site Lease with KPW Management, LLC, and authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority.
- b. Jennifer Jacob asked if 10 years is a normal lease term. Rob Benstein stated that with no investment 5–10 years is normal. A new lease would be 20-30 years.
- c. The motion passed unanimously.

#23-39 Approval of Ground Site Lease with MH III, LLC

- a. Yvette Collins moved the Capital Region Airport Authority Board approve the Ground Site Lease with MH III, LLC, and authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority.
- b. The motion passed unanimously.

#23-40 Approval of Playfly Marketing/Consulting Services Contract

- a. Yvette Collins moved the Capital Region Airport Authority Board approve the contract with Playfly Premier Partnerships in an amount not-to-exceed \$50,000 plus expenses, and authorized the President – CEO, or designee, to sign all related documents on behalf of the Authority.
- b. Debbie Groh asked if the agreement was one year or two. Nicole indicated that it is a one year agreement for an overall assessment of the airport infrastructure (internal & external signage value). Yvette Collins asked if this was put out to bid. Nicole indicated that it was not due to the limited knowledge/availability of this service.
- c. The motion passed unanimously.

REPORTS

Robert Benstein – Financial Report for period ending 9/30/23

Operating Revenue

YTD \$160k (8.88%) over budget

- Airline revenues (\$25k) are lower than budget
- Concessions (\$111k) and Land Rent (\$53k) revenues are higher than budget

Operating Expense

YTD \$122k (5.46%) under budget

- Employee Development (\$16k), Equipment (\$28k), Maintenance (\$29k), Payroll (\$62k) and Services (\$14k) expenses are lower than budget
- Utilities, Fuel, Communications expenses (\$25k) are higher than budget

Other Revenue/Expense

YTD \$3.4M over budget

- Grant Revenue (\$2M) and Investment Income (\$341k) revenues are higher than budget
- Business Development (\$233k) and Depreciation & OPEB (\$878k) expenses are lower than budget

Income Statement Comparison

YTD Operating Income \$503k higher compared to the same period last year

- Operating Revenues \$332k; higher compared to same period last year
- Operating Expenses \$171k lower compared to same period last year

Mason Jewett Field (TEW)

Operating Income \$9,900 over budget

- Operating Revenues \$1,200 under budget
- Operating Expenses \$11,100 under budget

Cash & Investments

Total Cash & Investments are \$3.5M lower than the previous quarter due to expenses on capital projects that will be reimbursed with grant revenue

Nicole Noll-Williams, President & CEO

On Oct. 19, LAN hosted a film crew from Empowered with Meg Ryan to film interviews and b-roll segments for an upcoming feature on LAN and aviation on PBS national in 2024. Many of our community partners also participated in the filming with one-on-one interviews featuring the education component and importance of aviation education (LCC, ACI and Crosswinds), as well as the importance of the airport to the community as a whole from an economic development and transportation infrastructure. The PBS team will provide three separate video segments, one of which will air nationally on PBS throughout 2024 and the others will be available as a promotional video and commercial segment for LAN to use in perpetuity moving forward.

As a thank you to our community, we are doing a holiday giveaway both online and in person. The giveaway includes two chances to win a flight voucher online (social media campaign) in November and December, as well as 4 in-person giveaways. The in-person giveaways give us the opportunity to interact with travelers and say thank you for flying LAN during the busy holiday season. In-person giveaways will be on the second floor of the terminal on Nov. 16, Nov. 21, Dec. 7 and Dec. 14. Travelers can spin the prize wheel for a chance to win LAN swag (sunglasses, cord keepers, earbuds, etc.), and three lucky winners will receive a \$150 flight voucher.

The Apple Vacations international flights will start at the end of January and run through early April. We have three departures weekly to Cancun, two to Punta Cana, and one to Jamaica.

The Port Lansing Site Readiness Project is moving along. We anticipate soliciting bids for construction late in the first quarter of 2024.

The facilities inventory and GIS surveys have been completed for the Airport Master Plan. The aviation activity forecast is complete and is being prepared for FAA review. The terminal assessment and regional access studies are well underway. We plan to hold meetings with the Board and Master Plan Advisory Committee in January.

On Oct. 27, the LAN team helped honor long-time UPS cargo pilot Captain Bertran Long III as he took his last flight with UPS ahead of retirement. As a final tribute to Captain Long to thank him for his 19 years of service with UPS, the LAN public safety team orchestrated a water salute and official send-off to mark his last flight before retirement.

Long-time employee, Mike Castilla, will retire November 30, 2023 after nearly 32 years of service. A retirement luncheon in his honor will be held November 29.

Yvette Collins asked about the open CFO position. Nicole explained that we are evaluating whether the position should be a CFO or finance director. Dale Feldpausch, former CRAA Vice President & CFO, Dan Benzon, Consultant, and Maner Costerisan, auditors, will assist with the evaluation.

OLD BUSINESS

- 1. None

NEW BUSINESS

- 1. None

PUBLIC COMMENT

- 1. None

BOARD COMMENTS

- 1. None

ADJOURNMENT

- 1. Victor Celentino moved the meeting to be adjourned at 5:00 pm.
- 2. The motion carried, and the meeting was adjourned.

signed

Victor Celentino, Vice Chair

signed

Bonnie Wohlfert, Secretary