

**June 28, 2021**  
**REGULAR BOARD MEETING**  
Chair John Shaski

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

**Ex-Officio Present:** Kam Washburn, Mark Mudry

**Management, Staff and Employees Present:** Rob Benstein, Sophie Giviyan-Kermani, Ron O'Neil, Eric Patrick, Michelle Stanley, Andrew Coe (intern) and Bonnie Wohlfert

**Members of the Public Present:** Bob Pena, Ingham County; Stephanie Ward & Mark Breukink, Mead & Hunt; Ken & Vickie Vandenberg, Margaret Schiffer, Scott Lonier, Shady Lodge Farm

**CALL TO ORDER & ROLL CALL**

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1. John Shaski, Chair, called the Regular Board Meeting of the Capital Region Airport Authority to order at 5:30 p.m. with a quorum present.

**APPROVAL OF MINUTES**

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1. Victor Celentino moved the Board approve the minutes of the May 24, 2021 Regular Board Meeting.
2. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh, Yes; Mr. Lantzy, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.
3. The motion passed unanimously.

**COMMUNICATIONS & SPECIAL ITEMS**

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1. Victor Celentino advised that he would like the Capital Region Airport Authority to recognize Juneteenth (June 19) as a federal paid holiday; not a swap for another holiday but an additional holiday. Victor explained that Juneteenth and General Order No. 3 announced freedom from slavery in 1865. He suggested adding the Juneteenth holiday as a resolution at the July board meeting.

**PUBLIC COMMENT**

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1. Scott Lonier, Shady Lodge Farm, explained that he used to rent the farmland around the airport but lost the bid in 2008. He is interested in bidding again but does not believe the land has been publicly bid since 2008. He explained that he is certified with MAEAP (Michigan Agriculture Environmental Assurance Program) and involved with various boards and youth organizations.

**REPORTS AND RECOMMENDATIONS FOR ACTION**

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Stephanie Ward, Mead & Hunt – ALP (Airport Layout Plan) update for Mason

Presentation Outline

Findings

- User Survey – 76% returned
- TFMSC Data (Traffic Flow Management System Counts)
- Critical Aircraft, B-I
- Wind Data

Obstructions

Discuss Alternatives

Schedule/Next Steps

Questions

Discussions included the following topics:

- North/South runway
- Update or relocation of the AWOS (Automated Weather Observing System)
- Need for additional hangars
- Development options along Kipp Road

**#21-18 Assignment and Amendment of the KBS Trust #5 Lease – Concession Agreement**

- a. Matthew Lantzy moved the Capital Region Airport Authority Board approve the assignment and amendment of the KBS Trust #5 Lease – Concession Agreement and authorized the President – CEO to sign all associated documents on behalf of the Authority.
- b. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh, Yes; Mr. Lantzy, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.
- c. The motion passed unanimously.

**#21-19 Purchase of Additional Credited Service from MERS**

- a. Matthew Lantzy moved the Capital Region Airport Authority Board approve Eric Patrick's request to purchase eight (8) months of additional credited service as provided for in the MERS Plan Document.
- b. Yvette Collins asked if this was common; Nicole indicated that several other employees have purchased credited service.
- c. Debbie Groh wondered if the change in Eric's position contributed to his decision to retire. Eric chose not to speak to the topic in the public meeting forum. Dan Schiffer asked for clarification on the benefit; Eric explained the financial benefit of using sick leave and vacation payout to buy the 8 months of service. John Shaski added that Eric has been an invaluable member of the Authority. Eric acknowledged that the airport has been very good to him, and he appreciated the comments.
- d. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh, Yes; Mr. Lantzy, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.
- e. The motion passed unanimously.

**#21-20 Labor agreement between the CRAA 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 twelve (12) 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, 2021 through June 30, 2022, and authorized the President & CEO to sign all related documents on behalf of the Authority.
- b. Matthew Lantzy asked if the term of the contract is generally one year. Sophie Giviyani-Kermani stated that the term has been one year to three years; the most recent contract was 18 months.
- c. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh, Yes; Mr. Lantzy, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.
- d. The motion passed unanimously.

**#21-21 Labor agreement between the CRAA and the Police Officers Association of Michigan (POAM) for the Public Safety and Operations Bargaining Unit**

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the adoption of a new twelve (12) month agreement, including the terms of the agreement with the Police Officers Association of Michigan (POAM) for the Public Safety and Operations Unit

effective July 1, 2021 through June 30, 2022, and hereby authorized the President & CEO to sign all related documents on behalf of the Authority.

- b. Questions were posed regarding the “start step” change, the applicable bachelor’s degree, and how the 3% increase in the wage scale compares to the market.
- c. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh, Yes; Mr. Lantzy, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.
- d. The motion passed unanimously.

## REPORTS

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### **Sophie Giviyan-Kermani, Director of Finance & Accounting**

Sophie introduced Andrew Coe, summer intern, and shared that he is assisting with the request for proposal for restaurant services and collecting historical PFC (Passenger Facility Charges) data.

Presented financials for period ending April 30, 2021.

- Overall YTD operating revenues are \$5,052,111, less than budgeted by \$947,895, and less than the prior year same period by \$2,745,526.
- Year-to-date airline revenue is \$2,775,349, which is less than budgeted by \$1,304,333, and less than the prior year same period by \$1,729,978.
- Year-to-date concessions’ revenue is \$534,642, more than budgeted by \$337,300, and less than the prior year same period by \$175,582.
- Year-to-date operating expenses are \$6,775,700, less than budgeted by \$769,209, and less than the prior year same period by \$317,903.
- Year-to-date payroll expenses are \$3,477,172, less than budgeted by \$315,169 due to several open positions.
- Year-to-date service expenses are \$866,314, less than budgeted by \$356,195 due to the change in contract with U.S. Customs and Border Protection.
- Year-to-date utilities expenses are \$702,873, less than budgeted by \$198,873 because we have not received the bill for glycol, and prices for fuel were down at the beginning of the fiscal year.
- Year-to-date maintenance expenses are \$777,552, more than budgeted by \$256,670 due to
  - moved crack sealing from capital to operating expenses
  - increased expenses related to COVID
  - lead removal for the gun range
- Expenses for line items ‘Supplies’, ‘Employee Development’, and ‘Marketing & Advertising’ are less than budgeted due to efforts to reduce expenses.
- CARES ACT YTD reimbursement is \$4,117,190 for Lansing plus \$917,462 received in June 2021.
- Net Income YTD is \$7,845,090, more than budgeted by \$2,438,844 due to CARES ACT funding.

Sophie added that another 2.9 million for Lansing and \$32,000 for Mason (stimulus money) has been allocated but not awarded yet.

Victor Celentino asked about the airline revenue negative variance (actual to budget); Sophie explained that the variance is due to the mid-year rates and charges change that was retroactive to July 1, 2020. Victor also asked about the concession’s revenue positive variance and Sophie explained that the car rental companies performed better than anticipated during Covid with passengers driving instead of flying.

Matthew Lantzy inquired about the May 2020 parking counts of zero; Johns Shaski explained that during Covid the parking was free.

Debbie Groh asked about the Cash & Investments increase on page 11 of the board report; Sophie explained that revenue was higher than expected due to the stimulus money.

**Nicole Noll-Williams, President & CEO**

This is Nicole's 8<sup>th</sup> week with the Authority, and she is following the key priorities outlined in her 30/60/90 Day Plan. She has had over 75 meetings including Community/Political Leaders, Tenants and Consultants. She has also provided 6 media interviews and met with 18 airlines. She is delighted to be serving now as the President & CEO.

As she mentioned in her meetings with board members, ex-officios and CRAA staff, priorities that will engage us are:

- Retain and expand scheduled passenger air service
- Retain and expand charter passenger services
- Increase cargo tonnage
- Increase land development

Our tenants were experiencing a lack of staff, so Julie Harris took the lead on hosting a Job Fair. 50+ candidates attended the 2-day event and tenants requested we host another Job Fair in the fall.

There was a total of 43 candidates for the Director of Marketing position. 12 candidates were given phone interviews and 5 in-person interviews were held. We had a diverse interview committee including Kevin Hamilton representing the Mid-Michigan Business Travel Coalition, Julie Pingston, President of the Lansing Convention & Visitors Bureau, Micki O'Neil, Chief Communications Officer with Ingham ISD, Jill Holden, Partner of GUD Marketing, as well as the CRAA Leadership Team. The final 3 candidates have been selected and we hope to have the position filled by the end of the week.

We currently have 41 applicants for the Director of Business Development position. This director will handle all east end land development and contracts with tenants.

Distribution of the RFP (Request for Proposal) for a management agreement for the restaurant will occur by the middle of July.

A recent FAA meeting highlighted the need to close out a couple grants. All information will be sent to MDOT by the end of this week.

Construction is underway for the new Market Twenty-Four Seven on the second floor with completion planned for the end of July. This area used to be the Top Flight Club.

Nicole asked Ron O'Neil to provide an update on the PFAS (Per- and polyfluoroalkyl substances) testing. Ron reported that we received a \$201,966 grant from the State of Michigan for testing. Triterra is the environmental consultant conducting the tests with an agreement duration of 13 months (December 2020 – January 2022). They have completed testing on 31 wells; all drinking water wells are clean.

Airline updates

LAN August 2021 seat capacity will be down 26% compared to 2019; September is down 22%.

- American will fly more capacity this summer than in 2019
- United and Delta continue to be much more conservative as compared to American
- In September, United will change from a 70- seat aircraft to two 50-seat aircrafts; gain of 30 seats
- Carriers indicate the business traffic is still down 85%; almost all traffic is leisure-oriented

Nicole attended Young Eagle Days at Mason Jewett Field on June 12; the event was well-attended.

The FAA recently completed its annual certification/safety inspection of LAN: the airport passed with zero discrepancies. Congratulations and thank you to the Operations, Maintenance, and Public Safety staff.

**OLD BUSINESS**

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1. None

**NEW BUSINESS**

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1. None

**PUBLIC COMMENT**

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1. None

**BOARD COMMENTS**

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1. Debbie Groh thanked Johnny George for his help with removing the runway lights in Mason to allow the Yankee Air Museum C-47 to make the sharp turn onto the field. In appreciation of his efforts, Johnny was given a ride in the C-47.

**ADJOURNMENT**

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1. John Shaski thanked Bob Pena for attending and moved the meeting be adjourned at 7:27 pm.
2. The motion carried, and the meeting was adjourned.

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*signed*  
John Shaski, Chair

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*signed*  
Bonnie Wohlfert, Secretary