

**August 23, 2021**  
**REGULAR BOARD MEETING**  
Chair John Shaski

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

**Board Member Absent:** Yvette Collins

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

**Management, Staff and Employees Present:** Nicole Noll-Williams, Rob Benstein, Sophie Giviyani-Kermani, Katherine Japinga, Ron O'Neil, Steve Ball and Bonnie Wohlfert

**Members of the Public Present:** Dan Kehoe, Mead & Hunt; Vickie Vandenbelt, EAA Chapter 55; Abeer Khatib, C & S

**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 4:30 p.m. with a quorum present.

**APPROVAL OF MINUTES**

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1. Victor Celentino moved the Board approve the minutes of the July 26, 2021 Regular Board Meeting.
2. The motion passed unanimously.

**COMMUNICATIONS & SPECIAL ITEMS**

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1. None

**PUBLIC COMMENT**

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1. Vickie Vandenbelt, EAA Chapter 55, shared that the chapter had great weather for all three of the Young Eagle Aviation Days. They provided 300+ plane rides for kids. Mason Aviation Day (8/21) was also well attended by the community and drew 70+ planes. Johnny George was a great help as always.

**REPORTS AND RECOMMENDATIONS FOR ACTION**

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**#21-24 Ameriflight, LLC Hangar and Ground Site Lease Agreement at CRIA**

- a. Victor Celentino moved the Capital Region Airport Authority Board approve a 3-year Hangar and Ground Site Lease Agreement with Ameriflight, LLC and authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority.
- b. The motion passed unanimously.

**#21-25 Ratify execution of Airport Rescue Grant**

- a. Debbie Groh moved the Capital Region Airport Authority Board ratify the execution of Airport Rescue Grant No. 3-26-0055-062-2021 in the amount of \$2,760,494.
- b. The motion passed unanimously.

**#21-26 Amendment of resolution 09-49 (October 6, 2009) Modification of Air Service Incentive Guidelines**

- a. Daniel Schiffer moved the Capital Region Airport Authority Board approve the amendment of Resolution 09-49 (October 6, 2009) Modification to Air Service Incentive

Guidelines as follows and authorized the President & CEO to sign all associated documents on behalf of the Authority.

**Airline Invoicing Process:** Invoicing for airport fees and charges will be in accordance with the Authority's standard process. Reimbursement of Airport fees and charges will be submitted to the airline at the end of the first and/or second year if airline meets the terms of the agreement. All other charges not specified in the Incentive Program (i.e., PFCs, ID badging, etc.) are required to be paid by the participating Airline.

- b. The motion passed unanimously.

## REPORTS

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

#### **Executive Summary of Financial Statements – Period Ending 6/30/21**

- These are preliminary results and subject to changes due to the year-end adjustments. The audit started and will be completed by the end of October.
- Overall YTD operating revenues are \$6.2 M, less than budgeted by \$1 M, and less than the prior year same period by \$2.7 M. All operating revenues are down compared to prior FY. YTD airline revenue is \$3.3 M, which is less than budgeted by \$1.5 M, and less than the prior year same period by \$1.9 M, parking lot revenue is down by \$0.5 M compared to prior FY.
- YTD operating expenses are \$7.6 M, less than budgeted by \$1.4 M, and less than the prior year same period by \$870,616.
- YTD payroll expenses are \$3.7 M, less than budgeted by \$827,995 due to several open positions throughout the year and better than expected MERS pension plan performance.
- YTD service expenses are \$1 M, less than budgeted by \$302,593 due to the change in contract with U.S. Customs and Border Protection.
- YTD utility expenses are \$852,489, less than budgeted by \$273,731 because prices for fuel were down at the beginning of the fiscal year.
- 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 \$5,044,735.
- Property Tax YTD revenue is \$5,672,715 which is less than budgeted by \$228,935 but close to prior FY tax revenue of \$5.6 M.
- Net Income YTD is \$6,734,049, more than budgeted by \$4,174,292 due to CARES ACT funding.

Victor Celentino asked about the less than budgeted airline revenue compared to the increasing load factor. Sophie Giviyani-Kermani explained that the difference is due to the retroactive, revised (reduced) rates and charges. Victor also asked if we anticipate the property tax revenue to be close to the budgeted number and Sophie indicated no, it is historically a little less.

Dan Schiffer asked if we changed our parking contract; Sophie explained that we now have a management agreement with SP+.

Sophie shared the amounts awarded, disbursed and balances for each of the following grants:

- CARES Act (Coronavirus Aid, Relief, and Economic Security)
- CRRSA/ACRGP (Coronavirus Response and Relief Supplemental Appropriation Act / Airport Coronavirus Response Grant Program)
- ARPA (Airport Rescue Plan Act)

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

The Transportation Security Administration is extending its mandate that face coverings be worn inside airport terminals until January 18, 2022.

The Authority will be conducting its full-scale emergency exercise on Tuesday, October 26.

Request for Qualifications (RFQ) for professional engineering services in support of the Mason Jewett Field 5-year Airport Capital Improvement Program was distributed – Statements of Qualifications are due on September 2<sup>nd</sup>.

The deadline for proposals for concessions operator to manage, operate and maintain the Capital Brewport are due on September 3<sup>rd</sup>.

The Aircraft Viewing/Picnic Area will be open for use once signage has been installed around the end of September.

Continental Market Twenty 4 Seven (2<sup>nd</sup> floor) will be onsite to install equipment on August 23 – 25 and is planning to open on August 26, 2021. Furniture is scheduled to be received by October 4. A grand opening/ribbon cutting will be scheduled for both the Aircraft Viewing and Market Twenty 4 Seven.

The Gillespie Group hosted an event on Thursday, Aug. 19 at the AvFlight Hangar from 7 p.m. – midnight. We received a lot of positive feedback on the event with interest in additional community events to be hosted at the airport.

Our MSU Tailgate is scheduled for September 25<sup>th</sup> – further details will be distributed.

LAN's September seat capacity is almost identical over the past month: down almost 25% versus 2019, while October is currently down 17% - November is similar to October.

- Factoring out Allegiant (G4), LAN compares favorably versus region for October 2021 vs 2019
- When including Allegiant (G4), Flint is still down 12% and Grand Rapids is down 14%.
- While ULCCs (Ultra Low-Cost Carriers) continue growing faster versus network airlines, the gap is narrowing. Detroit is down almost 20.6% which is comparable to the region.
- Airlines & travel entities are reporting moderate declines in bookings for the near-term travel period. For late August, 3%-5% declines in activity are being reported by airlines; September, as much as 10%
- Airlines continue to struggle with labor shortages, which is impacting operations and causing flight schedules to be adjusted.

Nicole shared that we are pleased to have our New Director of Marketing with us tonight. Katherine Japinga introduced herself and shared that she is happy to be with CRAA in her 4<sup>th</sup> week. She has been meeting with community partners and agencies to learn what has worked in the past and how to best move forward. She is working on the "Fast Facts" card for board members and plans to have that available at the next board meeting.

Victor Celentino asked about the PFAS cleanup mentioned on page 3 of the board report. Nicole explained that EGLE (Department of Environment, Great Lakes and Energy) has not established clean-up standards for locations other than drinking water. Ron O'Neil added that some of our recording and testing criteria related to our storm water permit will change (frequency and response time) due to EGLE being aware of PFAS on site.

Debbie Groh asked if Mason Jewett Field will be tested for PFAS. Ron O'Neil explained that to our knowledge, foam has not been used at Mason, so no testing is needed.

Debbie Groh asked if an emergency exercise could be conducted at Mason for general aviation. Nicole Noll-Williams and Rob Benstein explained that a table top exercise has been conducted in the past; not a full-scale exercise but a different level of review. Debbie Groh and Dan Schiffer shared how valuable a previous EAA Chapter event was for our mutual aid partners. Dan suggested adding proper ingress/egress of the airfield to help educate the area fire, police, ambulance service, and media.

Debbie Groh referenced page 17 of the board report and suggested adding the number of sports charters to this page. Nicole commented on the great suggestion and how our (CRAA & MSU) mutual relationships with air carriers can leverage other passenger service at LAN. The board discussed how facilitating team charters and assisting with the return of fallen soldiers is a community service that is important to share via social media. The airport is a valuable community asset.

John Shaski mentioned that the airport shirts several board members were wearing look great and thanked staff for compiling the employee profile book that was provided to board members.

Debbie Groh thanked staff for the employee profile book and thanked Johnny George for his assistance with Mason Aviation Days. She also shared how moving it was to participate in the reciting of the Pledge of Allegiance along with 400+ attendees at the recent LCC Aviation Program graduation ceremony. She suggested adding the Pledge of Allegiance to our board meeting agenda which was well received by other board members.

Debbie Groh asked if the Authority could bring a firetruck or emergency vehicle to Mason Aviation Day next year; the kids would love it. Nicole stated that we may not be able to bring the main firetruck, but we will definitely look into it next year.

**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. None

**ADJOURNMENT**

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1. John Shaski moved the meeting be adjourned at 5:26 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