



CAPITAL REGION AIRPORT AUTHORITY

John Shaski
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Jennifer Jacob

Matthew Lantzy

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

December 16, 2024 REGULAR BOARD MEETING Chair John Shaski

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

Board Member Absent: Jennifer Jacob

Ex-Officio Present: Mark Mudry and Robert Showers

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

Members of the Public Present: David Joye, Mike Rudzinski, Nick Patterson, Kasey Reeves, RS&H; Dan Kehoe & Bob Leisenring, Mead & Hunt; Adam Meeker, Fishbeck; Jeff Straus, Jon Ringlein, Maner Costerisan

CALL TO ORDER & ROLL CALL

1. John Shaski, Chair, called the Regular Board Meeting of the Capital Region Airport Authority to order at 4:33 p.m. with a quorum present.
2. John led, and all recited the Pledge of Allegiance.

APPROVAL OF MINUTES

1. Debbie Groh moved the Board approve the minutes of the October 28, 2024, Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. None

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

Master Plan Update – Kelsey Reeves, RS&H

Master Plan Overview

- Airport Layout (illustrates the plan)
- Technical Report (documents the why and how)
- Master Plan Schedule
 - Investigation Phase, complete
 - Solutions and Implementation Phase, will be complete Jan 2025
 - Documentation Phase, Feb – Sept 2025

Aviation Demand Forecast Recap

Passenger Enplanement Forecast – compared to 2024 FAA TAF

- LAN Base Growth Rate: 2.3%
- FAA TAF Growth Rate: 1.7%

Total Aircraft Operations Forecast – compared to 2024 FAA TAF

- LAN Base Growth Rate: 0.8%
- FAA TAF Growth Rate: 0.5%

Critical (Design) Aircraft

- Most demanding aircraft operating at LAN with five hundred or more annual operations.
- UPS operations have now transitioned to the future critical aircraft.
 - Existing: D-IV (McDonnell Douglas MD-11)
 - Future: Hybrid C-IV / D-III = D-IV (Boeing 767-300/737-800)

Terminal Area Plan Results

Assessment of terminal

- Well-maintained but aging equipment
- Opportunities to optimize functional areas
- Improvements possible within the existing terminal area

Four options to address terminal

- No-Build: Continue building maintenance and only replace equipment as required
- Renovation: Strategic refurbishment and enhancement of the existing facility
- Hybrid: Remove the oldest, most deficient area of the terminal and replace them with modern components
- New-Build: A complete new-build, offering "clean slate" for creating state-of-the-art facilities

Landside alternatives focus on improving safety, access, and customer experience.

Renovation scenario (selected as the preferred alternative)

- Highest federal funding eligibility percentage (by sq ft)
- Lowest Rough Order-of-Magnitude (ROM) cost
- Maintains footprint of existing terminal building
- New east airport location infeasible
- Cost-effective improvement to operational efficiency and user experience
- More flexibility in phasing and implementation

Preferred Terminal Alternative – Preliminary Phasing

- Phase 1: Expand lobby, update baggage claim, prep for future vertical circulation.
- Phase 2: Centralize MEP systems; relocate ticketing temporarily.
- Phase 3: New ticketing, move baggage screening, relocate security.
- Phase 4: Add vertical circulation and passenger amenities.
- Phase 5: Move admin staff, redevelop west concourse.
- Phase 6: Enhance FIS operations and circulation.
- Phase 7: Improve holdrooms, add concessions and restrooms.

Airport Facility Requirements (preliminary)

Facilities Adequate

- Runway designation and wind coverage
- Airfield operational capacity
- Navigational aids
- T-Hangars
- Aircraft Rescue and Firefighting

Area to address in alternatives

- Airfield FAA design standards (runway 6-24 and many taxiways)
- Pavement strength (recent FAA updates to strength reporting – PCR)

- Runway Protection Zones (known incompatibilities – e.g., Rwy 10R & 6 ends)
- Box and Corporate Hangars
- Transient aircraft apron
- Air cargo apron and facilities
- Advanced Air Mobility / Urban Air Mobility
- Air Traffic Control Tower
- Maintenance & Snow Removal Equipment Storage
- Fuel Storage

Next Steps

- Master Plan Advisory Committee meeting on 12/18
- Complete airport facility requirements documentation
- Define airport land use vision
- Work through facility alternatives development process.
- Select preferred comprehensive plan and create financial feasibility implementation plan.
- Draft Airport Layout Plan for FAA review/approval

Auditor's Report for Fiscal Year ended June 30, 2024 – Jeff Straus, Maner Costerisan

Audit Results

- Audited and issued an unmodified opinion on financial statements.
- Governance Letter – required communication, significant estimates
- Management Letter – none issued
- Compliance for Major Programs – unmodified opinion; major program tested – Airport Improvement Program; no findings related to federal awards

New for FY24

GASB 100, Accounting Changes and Error Corrections

- Clarity on accounting for errors
- No significant impact on Authority

Future Standards

GASB 101, Compensated Absences

- Clarity on what is/is not a compensated absence to report, FY25

GASB 102, Certain Risk Disclosures

- Updates to risk footnote requirements, FY25

GASB 103, Financial Reporting Model Improvements

- Changes to MD&A, Unusual/Infrequent Items, Budget Presentations, FY26

Maner Costerisan was impressed with the staff's level of assistance with the Director of Finance and Administration position vacant. They also commented on the grant revenue management (\$13M) and return on investment – net (\$2.2M) compared to 2023.

#24-29 Audited Financial Statements for the Fiscal Year ended June 30, 2024

- a. Victor Celentino moved the Capital Region Airport Authority Board accept the audited financial statements as prepared and presented by the Authority's CPA firm Maner Costerisan for the Fiscal Year ended June 30, 2024. Maner Costerisan has issued an Unmodified Opinion on these financial statements which indicates that the Airport Authority

has fairly presented its financial position and has met all government auditing standards in conformity with generally accepted accounting principles.

- b. The motion passed unanimously.

#24-30 Publicly Funded Health Insurance Contribution Act Exemption

- a. Debbie Groh moved the Capital Region Airport Authority Board authorize the Airport Authority to adopt the annual exemption option as its choice to comply with the Publicly Funded Health Insurance Contribution Act. As part of the exemption, the Airport Authority will maintain an alternative cost share of a 10% equivalent of health care premium for benefit year 2025 for all employees enrolled in the health plan. The board authorized the President – CEO, or designee, to sign all related documents.
- b. Victor Celentino asked if this is done every year and staff indicated yes.
- c. The motion passed unanimously.

#24-31 Extension of Rental Car Concession & Lease Agreements

- a. Matthew Lantzy moved the Capital Region Airport Authority Board approve an extension of the Rental Car Concession & Lease Agreements with Avis, Budget, Enterprise/National & Hertz for a period of one (1) year, and authorized the President – CEO, or designee, to sign all related documents on behalf of the Authority.
- b. The motion passed unanimously.

#24-32 Extension of Tailwind LAN, LLC Concession Agreement

- a. Yvette Collins moved the Capital Region Airport Authority Board approve an extension of the Concession Agreement with Tailwind LAN, LLC for a period of three (3) years and authorized the President – CEO, or designee, to sign all related documents on behalf of the Authority.
- b. Debbie Groh asked if the tier percentages are monthly and if the agreement is renegotiated after the 3 years. Staff indicated yes to both questions. Debbie asked if there is any way for the non-traveling public to enjoy the restaurant. Nicole explained that the Visitor Pass Program can be used to obtain a gate pass to visit the Brewport. The program has been shared on social media and included in a couple of newsletters, but additional promotion would be beneficial. Airlines can also issue gate passes for friends and family of travelers.
- c. The motion passed unanimously.

REPORTS

Robert Benstein – Financial Report for period ending 9/30/24

Operating Revenue - YTD revenues are \$233k (9.43%) higher than budget

- Other Revenue (FIS fees) is lower than budget

Operating Expense - YTD expenses are \$66k (2.00%) lower than budget

- Insurance, Maintenance, Other, Payroll, and Utilities/Fuel/Communications are higher than budget
 - Insurance (+\$21k): Liability insurance up 40%; property insurance up 24%
 - Maintenance (+\$15k): Concrete repairs on cargo ramp
 - Other (+15k): TSA civil penalty from case in 2021
 - Payroll (+\$60k): wages, defined benefit contributions, unemployment, and worker's comp higher than anticipated
 - UFC (+49k): environmental testing, fuel & oil, electricity, and water/sewer expenses higher than anticipated

Other Revenue/Expense - YTD Net Income Before Capital Contributions is \$1.827M (584%) higher than budget

- All Other Income except for Grant Revenue is higher than budget
 - Grant Revenue (-\$298k): MDOT air service grant and ARPA concessions relief grant
- Business Development and Depreciation & OPEB expenses are lower than budget

Income Statement Comparison - YTD Operating Loss is \$385k higher compared to the same period last year

- Operating Revenues are \$71k higher compared to same period last year
- Operating Expenses are \$456k higher compared to same period last year

Mason Jewett Field (TEW) - YTD Operating Income is \$35k higher than budget

- Operating Revenues are \$38k higher than budget
 - Fuel revenue = sales less expenses (net)
 - Actual: \$80k sales less \$35k expense = \$45k net
 - Budget: \$67k sales less \$58k expense = \$9k net
- Operating Expenses are \$3.6k higher than budget
 - Payroll expenses include 2% of payroll from other departments

Nicole Noll-Williams - President & CEO report

On October 23, CRAA successfully conducted its FAA-required full-scale emergency exercise with 130 participants from 20 agencies. The exercise focused on fire suppression, medical triage, EOC functions, and communications. Special thanks to mutual-aid partners and Chief Steve Gonzalez for leading the effort.

New Staff Announcements

- Operations Officer and Field Maintenance Technician positions filled.
- Director of Finance position has been filled – this will relieve Rob from with the financial update duties. The selected candidate will begin early January 2025.

On November 12, CRAA co-hosted a well-attended Lansing Chamber Member Mixer with Eaton RESA in the Friendship Room, with 150-170 guests. The event highlighted business-education partnerships and included tours of the ACI classroom.

On November 14, CRAA hosted twenty students and staff from Peckham's work-based learning program. The visit featured presentations on airport careers, equipment demonstrations, and terminal tours, making it the most interactive event for the group this year. Another large group of six hundred Grand Ledge 6th graders is being scheduled for a presentation/tour in 2025.

CATA launched its micro-transit ride-share service, Rydz, including an MSU-Airport zone, offering rides for \$1.25. This pilot program enhances connectivity and flexibility for travelers.

The FAA allocated \$1,498,732 to LAN and \$282,000 to TEW under the Airport Infrastructure Grant program.

The Field Maintenance team completed concrete, sidewalk, and driveway projects for Habitat for Humanity, demonstrating community engagement and skill application.

Holiday Travel and Promotions

- Conducted positive media coverage with local radio and TV stations to promote LAN ahead of the Thanksgiving travel period.
- Participating in holiday promotional campaigns with Breeze Airways, including giveaways and digital promotions, at no additional cost by donating flight vouchers.

- This is our 15th year with Apple Vacations charters.

LCC began demolition of its hangars in December, with completion expected within four weeks.

CRAA released an RFQ for Owner's Representative Services for the Terminal Renovation Project. Proposals are due December 20, 2024. The proposals will be reviewed early January and a selection presented to the board at the January 27 meeting.

Mason Jewett Developments

- CRAA purchased a new snow blower for Mason Jewett Airport and is selling the old equipment.
- Design for the terminal apron reconstruction project is progressing, with Phase 1 construction set for Q3 2025.

Notable Achievements

- Ron O'Neil earned the AAIE Airport Certified Employee (ACE) designation for Airfield Operations.
- CRAA received the AAIE Excellence Award for Airport Training using the IET system. Thanks to Blake Roy for managing this training.

The [Empowered with Meg Ryan video](#) was shared at the board meeting.

Empowered with Meg Ryan has captivated nationwide viewers with its engaging content and unique perspectives on various topics. The partnership between Capital Region Airport Authority and the educational program Empowered brings together their industry expertise to offer audiences a rare behind-the-scenes look at the aviation industry. This collaboration highlights the vital role that regional airports play in sustaining air service and fostering local economic growth. The Capital Region International Airport (LAN), centrally located in Michigan, is dedicated to creating a hassle-free experience for travelers. Beyond serving as a key travel hub, LAN goes above and beyond by providing high school juniors and seniors an invaluable opportunity to explore careers in aviation. Through this program, students engage in classroom lessons, experience hands-on learning with flight simulators, and gain foundational knowledge in flight, plane management, and ground school.

OLD BUSINESS

1. None

NEW BUSINESS

1. Debbie Groh asked about the availability of Global Entry interviews being conducted at LAN. Nicole shared that our local agents are not qualified to do interviews, but she will see if the agents that work the international flights would be able to conduct interviews during the clearing process for flights. John Shaski added that Mobile Passport Control (MPC) is another option. *MPC is a free app that allows eligible travelers to submit their travel documents, photos, and customs declaration information to streamline their entry into the United States.*

PUBLIC COMMENT

1. None

BOARD COMMENTS

1. John Shaski shared that he consistently hears how the CRAA staff is easy to work with. He would like his appreciation shared with all staff and wished everyone Happy Holidays.

ADJOURNMENT

1. John Shaski moved the meeting to be adjourned at 6:16 pm.
2. The motion carried, and the meeting was adjourned.

signed

John Shaski, Chair

signed

Bonnie Wohlfert, Secretary

