

June 18, 2018
REGULAR MONTHLY BOARD MEETING
Chair Chris Holman

Board Members Present: Chris Holman, Victor Celentino, John Shaski, Dick Baker & Jordan Leaming & Greg Ward

Ex-Officios Present: Robert Showers and Joe Brehler

Management, Staff and Employees Present: Wayne Sieloff, Jonathon Vrael, Nicole Noll-Williams, Rob Benstein, Ron O'Neil, Eric Patrick, Karissa Weight, Lyndsey Lampe, Dakota Gamble and Bonnie Wohlfert

Members of the Public Present: Zachary Puchacz, Mead & Hunt; Gordy Bogner, QoE Consulting; and Andon Pogoncheff

CALL TO ORDER

1. Chris Holman, Chair, called the Regular Monthly Board Meeting of the Capital Region Airport Authority to order at 4:34 p.m. with a quorum present.

APPROVAL OF MINUTES

- a. Victor Celentino moved the Board approve the minutes of the March 19, 2018 Regular Board meeting.
- b. The motion passed unanimously.

PUBLIC COMMENT

1. None

COMMUNICATIONS

1. None

REPORTS

1. None

RESOLUTIONS

#18-13 Acceptance of State Contract FM33-1-C26 for the Construction of Supplemental Wind Cones Installation at Mason Jewett Field, Project number B-26-0106-2217

- a. Jordan Leaming moved the Capital Region Airport Authority Board accept State contract FM33-1-C26 for the Construction of Supplemental Wind Cones (aka Wind Sock) Installation at Mason Jewett Field and authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority.
- b. The motion passed unanimously.

#18-14 QoE Consulting Contract for Construction Administration Services – Mason Jewett Field Installation of Supplemental Wind Cones

- a. Jordan Leaming moved the Capital Region Airport Authority Board approve a contract with QoE Consulting for Construction Administrative Services for the Installation of Supplemental Wind Cones at Mason Jewett Field and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. The motion passed unanimously.

- c. John Shaski asked about the Mason Aviation Days and Jon Vrabel offered to email information about the event to all the board members.

#18-15 Contract Award Mason Jewett Field installation of Supplemental Wind Cones

- a. Jordan Leaming moved the Capital Region Airport Authority Board approve the award of the construction contract for the Installation of Supplemental Wind Cones at Mason Jewett Field to J. Ranck Electric in the amount of \$21,175.00 and authorized the President – CEO to sign all necessary documents on behalf of the Authority.
- b. Victor Celentino asked if J. Ranck Electric is a local company; Jon Vrabel responded that they are from St. Johns.
- c. The motion passed unanimously.

#18-16 Mead & Hunt Contract for Consultant Planning Services for RY 6-24 Safety Area Improvements

- a. John Shaski moved the Capital Region Airport Authority Board approve a contract with Mead & Hunt for Consultant Planning Services for RY 6-24 Safety Area Improvements and authorized the President and CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. The motion passed unanimously.

#18-17 Award of Contract for Flight Information Display and Visual Digital Paging Project

- a. John Shaski moved the Capital Region Airport Authority Board award the contract for Flight Information Display and Visual Digital Paging to Comnet in an amount not to exceed \$468,000 and authorized the President and CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. The motion passed unanimously.

#18-18 Revisions to the Authority's Employee Policy Manual, specifically the Personnel Provisions and the Benefits Sections

- a. Greg Ward moved the Capital Region Airport Authority Board approve amending policy 400.01, Medical and Dental Insurance, and policy 400.05, Retirement, in the Employee Policy Manual and authorized the President and CEO, or designee, to revise, develop, and implement all guidelines and procedures related to these changes.
- b. Wayne explained that to better control health care costs we had four main goals:
 - 1) Establish a 10% cost share with employees and non-Medicare retirees. For retirees on Medicare the CRAA will pay up to \$350/month per retiree and/or spouse for Medicare Advantage.
 - 2) Honor previous CRAA commitments to provide retiree health care to employees and retirees hired before 12/1/17. For those hired after 12/1/17 employees receive a contribution to their Health Care Savings Plan of \$77.00/pay period, which can be used after the 6-year vesting period for post-employment health care expenses.
 - 3) Reduce medical costs by 20% by selecting a different BCBS health care plan. The change will be effective on 1/1/19 for active and retired employees.
 - 4) Fund retiree health insurance. Wayne stated that the CRAA actuarial liability for OPEB (Other Post-Employment Benefits) as of 6/30/17 was 15.1 million but implementing the changes proposed today as well as those implemented going back to November 2017 is projected to reduce the OPEB liability to 5 million. We have made deposits to date totaling \$2,050,000 into the RHFV (Retiree Health Funding Vehicle) and believe this will bring us to 40% funded. In addition, we have committed to depositing \$500,000/year into the RHFV.
- c. Dick Baker asked what the union reaction was to these changes. Wayne explained that the 10% cost share was approved last fall in the union contracts and employee input was critical in the selection of the health care plan effective 1/1/19. Health care deductible and copay changes were also discussed. Dick Baker stated that we should not allow an employee to opt out of health care because it will affect an employee's performance and

medical expenses is the number one cause of bankruptcy. John Shaski understood Mr. Baker's position but believes we should allow the employee to pick the option that best fits their needs. Joe Brehler expressed concern for retirees on the Medicare Advantage plan if we cap the amount at \$350/month. Dick Baker formally requested that the board be notified if the cost for the Medicare Advantage plan goes over \$400. Joe Brehler added that this whole conversation is indicative of the country's need for a single payer national health care plan. Victor Celentino asked Wayne to explain an active employee's current benefit options. Wayne stated that an active employee, if they have other insurance, could waive health care coverage and receive a stipend of \$250/month. This amount will go to \$375/month effective 1/1/19. Dick Baker asked if an employee opts out of health care do we have a threshold their other insurance has to fall within. Karissa stated that we do not and would not recommend requiring a specific threshold because employee needs vary.

- d. The motion passed unanimously.

#18-19 Establishment of a Health Insurance Premium Deduction Plan

- a. Greg Ward moved the Capital Region Airport Authority Board approve the establishment of a Health Insurance Premium Deduction plan through the Michigan Employee Retirement System (MERS) and authorized the President and CEO, or designee, be named the authorized designee and sign all related documents on behalf of the Authority.
- b. The motion passed unanimously.

#18-20 Approval of Additional Health Care Savings Program Participation Agreements

- a. Greg Ward moved the Capital Region Airport Authority Board adopt two additional Participation Agreements associated with the Health Care Savings Program with the Michigan Employee Retirement System (MERS) and authorized the President and CEO, or designee, to sign all related documents and make modifications to the participation agreements if any are required by MERS.
- b. Wayne Sieloff stated that these agreements are related to the \$5,000 one-time fixed sum and \$77.00 per pay period that will be contributed to the employee's HCSP (Health Care Savings Plan) moving forward if the active or former employee chooses to opt out of retiree and spousal benefits.
- c. The motion passed unanimously.

#18-21 Appreciation to Staff Providing Input on Alternative Medical Insurance Plans

- a. Greg Ward presented that the Capital Region Airport Authority Board is appreciative and formally thanks staff who served on the Health Care Committee and/or those who reviewed medical insurance plans and provided input. The projected 19% savings through medical insurance plan changes is very close to the original goal established in fall 2018 to achieve a 20% to 30% savings for 2019.

The input received from staff was critical to the evaluation of alternative medical insurance plans and the decision to change from a Blue Cross Blue Shield Community Blue PPO Platinum \$500 plan, to a Simply Blue PPO Gold \$1000, beginning on January 1, 2019. These medical insurance changes for active and former employees will assist in lowering premium costs for the CRAA, employees, and retirees.

The Board appreciates staff's work to improve CRAA's financial sustainability and reduce the CRAA's Other Post Employment Benefit (OPEB) Liability. The Board requested the President – CEO convey the Board's gratitude and sincere thanks to staff who served and provided input.

- b. The motion passed unanimously.

MONTHLY FINANCIAL REPORT

Financial Report: Wayne Sieloff reported that Dale Feldpausch is recovering from a surgery. The financials for period ending 4/30/18 are included in the board pack and if board members have any questions, please feel free to call or email.

QUESTIONS ON STAFF REPORTS

1. John Shaski asked if the security violation and resulting confiscated badge on the PSO board report involved a CRAA employee. Eric Patrick reported that the violation involved a tenant, not a CRAA employee.

REPORT OF THE PRESIDENT & CEO – WAYNE SIELOFF

- The FAA conducted our annual 3-day inspection and we had almost zero discrepancies. The only discrepancy involved dates of training for Avflight employees. We also received one recommendation, which involved replacing an ARFF (Aircraft, Rescue, Fire Fighting) truck. Wayne stated as discussed in the budget workshop sessions, the capital plan has been modified to allow purchase of a new ARFF vehicle with expected delivery in early FY20.
- We received an MDOT grant for \$12,000, which will be used towards the FIDS (Flight Information Display Screens) project. We also received the annual \$3,000 grant from MDOT for ARFF training.
- We received a \$1,000 grant from MAAE (Michigan Association of Airport Executives) for interns that will be working in Marketing and Human Resources this spring/summer.
- We currently have eight bays occupied in the FTZ (Foreign Trade Zone) Warehouse. Two bays are reserved for the CFS (Container Freight Station). Jon Vrabel met with FIS and CBP (Federal Inspection Station and Customs & Border Patrol) staff last week and learned that we can move the CFS to an exterior location, which will free up two bays for other uses. We plan to explore options related to this over the next 6 months.

NEW BUSINESS

1. None

PUBLIC COMMENT

1. Dakota Gamble thanked Karissa Weight, Dick Baker and the board for the informative discussion regarding health care and retiree options.

BOARD MEMBER COMMENTS

1. John Shaski expressed his appreciation to the ramp staff for turning aircraft so quickly. He was a passenger on an aircraft that had a delayed arrival and the staff turned the aircraft in about 9 minutes. Other passengers were also appreciative. Wayne Sieloff assured John that staff would relay his comments to the DGS and Avflight staff.
2. Dick Baker stated that he is very impressed with the answers provided by staff.
3. John Shaski thanked Karissa and added that we (the Airport) need to be here for a long time. He is very proud of the oversight provided by staff to remain fiscally sound and to continue employment for over 40 people for the long run.

ADJOURN

1. Greg Ward moved the meeting be adjourned at 5:42 pm.
2. The motion carried, and the meeting was adjourned.

signed

Chris Holman, Chair

signed

Bonnie Wohlfert, Secretary