

October 22, 2014
REGULAR MONTHLY BOARD MEETING
Chris Holman, Chair

Board Members Present: Chris Holman, Victor Celentino, Paul Hufnagel, Troy Brown

Absent: Dick Baker & John Shaski

Ex-Officios Present: L. Daryl Baker

Ex-Officios Absent: Robert Showers

Management, Staff and Employees Present: Bob Selig, Keith Kaspari, Dale Feldpausch, Nicole Noll-Williams, Gary Bartek, Lisa Carr, Mark Garnsey, Anne Figueroa, Ron O'Neil and Bonnie Wohlfert

Members of the Public Present: Dan Otto; Charles Allen; Jean Young, Plante Moran; Clint Nemeth, QoE Consulting; Bob Leisering & Dan Kehoe, Mead & Hunt; Steve Moulton, Burns & McDonnell; Jill Holden & Christina Campbell, Gd Marketing

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. Paul Hufnagel moved the Board approve the minutes of the August 18, 2014 Regular Board meeting.
- b. The motion passed unanimously.

PUBLIC COMMENT

1. None

COMMUNICATIONS

1. Board Meeting schedule for 2015 – Victor Celentino informed the board that he is unable to attend the January and February meetings. The other board members will be contacted regarding these dates to see if a quorum can be obtained. If not, a new date will be proposed.

REPORTS

1. Auditor's Report for Fiscal Year ended June 30, 2014 – Jean Young, Plante & Moran, LLC.
2. Gd Marketing presentation, Jill Holden

RESOLUTIONS

#14-25 Audited Financial Statements for the Fiscal Year ended June 30, 2014

- a. Paul Hufnagel moved the Capital Region Airport Authority Board approve Resolution #14-25 accepting the audited financial statements as presented by Plante & Moran, LLC for the Fiscal Year ended June 30, 2014.
- b. The motion passed unanimously.

#14-26 Waiver of the Publicly Funded Health Insurance Contribution Act

- a. Paul Hufnagel moved the Capital Region Airport Authority Board approve Resolution #14-26 authorizing the Airport Authority to waive the cost share

requirements of the Publicly Funded Health Insurance Contribution Act for 2015 and authorized the President – CEO to sign all associated documents on behalf of the Authority.

- b. The motion passed unanimously.

#14-27 QoE Consulting Agreement – Construction Administration for Mason Gate Project

- a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #14-27 approving a construction administration services agreement with QoE Consulting Engineers of Lansing in the amount of \$9,844.00, subject to the approval funding through the FAA and the State of Michigan, and authorized the President – CEO to sign all associated documents on behalf of the Authority.

- b. The motion passed unanimously.

#14-28 Rules & Regulations Amendment

- a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #14-28 authorizing the amendment to the Airport Rules and Regulations Ordinance, Section 9 – Penalty, and authorized the President – CEO to make all approved changes on behalf of the Authority.

- b. The motion passed unanimously.

#14-29 Lease Amendment – Lansing Community College – Mason Jewett Field

- a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #14-29 authorizing an amendment to the Lansing Community College – Mason Jewett ground site lease and authorized the President – CEO to sign all necessary documents on behalf of the Authority.

- b. The motion passed unanimously.

#14-30 Jackson National Life Lease Amendment #3

- a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #14-30 authorizing addendum #3 to expand the leasehold of Jackson National Life and authorized the President – CEO to sign all necessary documents on behalf of the Authority.

- b. The motion passed unanimously.

MONTHLY REPORT

Financial Report: Dale Feldpausch

- Presented financials for period ended August 31, 2014

QUESTIONS ON STAFF REPORTS

1. None

MONTHLY REPORT

Report of the President & CEO – Robert Selig (provided a written summary)

1. Authority Board Changes:

- Many thanks to Todd Cook and Troy Brown for their service to the Airport Authority.
- WELCOME to John Shaski and Patricia Spitzley. John's appointment has been ratified by the Lansing City Council and is scheduled for a New Board Member Orientation next week. Patricia's nomination reportedly will be addressed by the City Council yet this month.

2. Staff Changes: Keith Kaspari, Sr. VP – COO, has accepted the position of Director of Aviation at Waterloo, IA. We wish Keith and Donna all the best.

This position vacancy has been posted nationally within the aviation – airport industry. With the upcoming holiday period, I don't expect to have someone employed until March 1st, and the new person won't be fully acclimated for at least 6 months. To assist me in this transition, I have brought Dan Otto (former Director of Development) back to address the project management / grant administration tasks.

3. Mason Jewett Field - Operational Evaluation:
 - Mason Jewett Field ended fiscal year 2014 with an actual loss of \$626.
 - Fully allocated (Authority overhead) FY 2014 ended with a \$27,794 loss.
 - Discussions continue between the City of Mason and Vevay Township about taking over the operation of the airport. But, our tentative research shows that a transfer to another governing agency / organization may be difficult.
4. Air Service:
 - Leakage Study: The analysis of regional air traveler use of competitive airports is due by the end of October. Planning a report to the Board at the November Board meeting.
 - International Service starts: AeroMexico is the airline operator to Cancun for AppleVacations this winter. Two flights per week to Cancun start on December 28th. Interjet Airlines (another Mexican carrier) is operating one flight per week to Puerto Vallarta beginning in late January.
 - Delta – Atlanta: Delta recognized the revenue guarantee approved by the Authority in August 2014 for Atlanta service. As of today they have not agreed to the service because of aircraft shortages.
 - Sun Country: Sun Country agreed to continue the service to August 31, 2015 because of the approved revenue guarantee.
 - United: The Authority has agreed to relocate the United operations to Gate 5 on the upper concourse. This will improve their visibility and competitive position in the Airport terminal. They also continue to decline adding Washington – Dulles service.
 - Allegiant: Discontinuing service to Orlando effective January 4, 2015. They report that this is just temporary due to pilot shortage issues.
 - Pilot shortage / Fleet Change remains a critical issue for 2015.
5. Cargo Logistics:
 - 2014 Air Cargo Market Profile / Strategic Plan: The draft of this update has been completed and is currently under review. Presentation planned for November Board meeting.
 - The Airport was visited by two 747 freighter aircraft in the past month operated by Kalitta Airlines. Kalitta Airlines based in Ypsilanti reportedly has identified Lansing as their primary cargo airport for Michigan (could be great news in the making!!).
Chris Holman congratulated Gary Bartek with regard to the successful Port Lansing Conference held on October 2, 2014.
6. General Aviation: The continued decline of small aircraft ownership is a growing major problem in the US and for the Authority. Commercial hangar owners (people who rent space to aircraft owners) at both Lansing and Mason are experiencing declining tenants as this part of the aviation industry declines.

7. State Road Feasibility Access Study:

- Rumor that the Authority is updating the Airport Master Plan is incorrect.
- Combined meeting of all interested parties on October 8th went well. Tentatively participants are coming back together on November 25th for a “Go – No Go” decision. Attendees at the October 8th meeting were:
 - April Clobes (MSUFCU), George Lahanas (City of East Lansing), Dan Wietecha (Bath Township), Kathy Rodgers (Lansing Township), Will Randle(WestPac), Tim Daman (Lansing Regional C of C), Keith Lambert (LEAP), Tonia Olson (Granger), Bob Selig (Capital Region Airport Authority), Jerry Richards (Mannik & Smith), Daryl Kesler (Kesler Construction), Joe Pulver (Clinton County Road Commission), Paul Hamilton (Tri-County Regional Planning Commission).
- Total cost with revised scope of work will be approximately \$50,000 divided by the number of participants.

There was discussion on topic #7, “State Road Feasibility Access Study”. After discussion, it was recommended by Paul Hufnagel that the Authority defer any future meetings on this project until the Authority could meet with DeWitt Township and City of Lansing to discern what concerns they have with this project. The rest of the Board members and staff concurred with this recommendation.

Victor Celentino requested that Bob Selig report on #8, “2015 Challenges”, at the next board meeting.

NEW BUSINESS

1. None

PUBLIC COMMENT

1. None

BOARD MEMBER COMMENTS

1. Chris Holman thanked Keith Kaspari for his service to the Authority and wished him good luck in Iowa. Chris also thanked Troy Brown for his service to the Authority Board and for phoning in to board meetings when he was unable to attend in person. Troy responded that it has been his pleasure to serve and thanked the staff.

ADJOURN

1. Paul Hufnagel moved the meeting be adjourned at 6:09 p.m.
2. The motion carried, and the meeting was adjourned.

Chris Holman, Chair

Bonnie Wohlfert, Secretary