

May 24, 2021
REGULAR BOARD MEETING
Chair John Shaski

This meeting was held via GoToMeeting.

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 Giviyani-Kermani, Ron O'Neil, Eric Patrick, Steve Ball, and Bonnie Wohlfert

Members of the Public Present: Bob Pena, Ingham County; MB Companies, Perry Havenar, AECOM; Mark Breukink, Mead & Hunt; Kelsey Reeves, RS&H, Vickie Vandenbelt, Kevin

CALL TO ORDER & ROLL CALL

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.
2. Victor Celentino shared that he will have to leave the meeting after the resolutions due to another commitment.

BUDGET PUBLIC HEARING COMMENT

1. John Shaski stated the Budget Public Hearing notice was published in the Lansing State Journal on Tuesday, May 18, 2021, and was also available on-line for seven (7) days. The Authority received no requests to view the budget.
2. John asked if any member of the public would like to comment on the proposed FY2022 budget. No comments were received.
3. John Shaski moved to close the Budget Public Hearing and move into the regular Board Meeting.
4. The roll call vote was: Mr. Celentino, Yes; Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.
5. The motion passed unanimously.

APPROVAL OF MINUTES

1. Victor Celentino moved the Board approve the minutes of the April 26, 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

1. John Shaski welcomed Nicole Noll-Williams to her first meeting as President & CEO and Robert Benstein in his new role as Vice-President & COO.

PUBLIC COMMENT

1. Vickie Vandenbelt asked about the Master Plan Survey conducted by Mead & Hunt at Mason (TEW). Rob Benstein reported that Mead & Hunt will present results at the June board meeting. John Shaski added that he is looking forward to attending events again at Mason. Vickie shared the following upcoming events: Young Eagle flights for kids ages 8 to 17 the

second Saturday of June, July, and August; Yankee Air Museum C-47 flights on June 20 and hopefully Mason Aviation Days in August.

REPORTS AND RECOMMENDATIONS FOR ACTION

#21-10 Budget FY 2022 Approval

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the proposed Budget for Fiscal Year 2022 as presented and authorized the President – CEO to execute all documents necessary for budget implementation. Moreover, the Authority Board authorized the President – CEO to certify to Ingham County the necessary mill levy amounts as outlined herein.
- 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.
- d. John Shaski thanked the staff involved in developing the budget.

#21-11 Airline Rates and Charges and Operating Requirements Ordinance

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the Airline Rates and Charges and Operating Requirements Ordinance as amended for Fiscal Year 2022. The Rates and Charges Ordinance shall be effective July 1, 2021.
- 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.

#21-12 Consolidated Schedule of Rates & Charges Amendment FY2022

- a. Debbie Groh moved the Capital Region Airport Authority Board approve the Consolidated Schedule of Rates and Charges as amended for Fiscal Year 2022. These Rates and Charges shall be effective July 1, 2021.
- 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.

#21-13 Clarifying MERS Fiduciary Role for the Retiree Health Funding Vehicle

- a. Debbie Groh moved the Capital Region Airport Authority Board authorize the Michigan Employee Retirement System (MERS) to maintain sole fiduciary responsibility for the Investment of our Retiree Health Funding Vehicle assets.
- 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.

#21-14 Revisions to the Authority's Employee Policies and Procedures Manual, specifically section 400.06 – Holidays Policy

- a. Yvette Collins moved the Capital Region Airport Authority Board approve amending the Employee Policies and Procedures Manual by approving the addition of President's Day to policy 400.06 Holidays and authorized the President & CEO, or designee, to revise, develop, and implement all guidelines and procedures related to these changes.
- b. Debbie Groh asked if the policy follows the County and State holidays. Nicole advised that the holidays are the same as the State of Michigan and Ingham County.
- 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.

#21-15 Modification of Resolution #21-09 regarding Revised Defined Contribution Plan for Authority President - CEO

- a. Yvette Collins moved the Capital Region Airport Authority Board approve modifications to resolution #21-09 approved by the Capital Region Airport Authority Board on April 26, 2021 to develop a Defined Contribution Retirement Plan for the new President – CEO. Previous language: Employee contribution 2.5% of Medicare taxable compensation Amended language: Employee contribution 2.5% of compensation The Board authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority.
- b. John Shaski advised that this resolution is cleanup of last month's resolution to be consistent with MERS definition of compensation.
- 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.

#21-16 Michigan Reef Development Corp. Ground Site Lease Agreement at CRIA

- a. Matthew Lantzy moved the Capital Region Airport Authority Board approve a 10-year Ground Site Lease Agreement with Michigan Reef Development Corp. and authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority.
- b. Debbie Groh asked if this is the first lease renewal. Rob Benstein explained that this is a brand-new lease using current rental rates, lease format, and insurance standards.
- 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.

#21-17 Acceptance of Airport Coronavirus Relief Grant Program (ACRGP) Grant Agreement

- a. Matthew Lantzy moved the Capital Region Airport Authority Board accept ACRGP Grant No. 3-26-0055-060-2021 and authorized the President – CEO to sign all associated documents on behalf of the Authority.
- b. Victor Celentino inquired about the date (March 15, 2021) this was submitted to the FAA compared to the date the American Rescue Plan Act was signed (March 11, 2021). Rob Benstein explained that the ACRGP is part of the 2nd stimulus package, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The 3rd stimulus package is the American Rescue Plan Act
- 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.

Victor Celentino commented on aviation courses that are being offered at Holt and wondered if they contacted the airport or if they are using our facilities. Nicole said she will contact them for more details and share the information. Dan Schiffer added that he has provided flights for several years and most have high school programs.

REPORTS

Sophie Giviyan-Kermani, Director of Finance & Accounting

Presented financials for period ending March 31, 2021.

- Overall YTD operating revenues are \$4,488,729, less than budgeted by \$903,399, and less than the prior year same period by \$2,755,767.
- Year-to-date airline revenue is \$2,491,056, which is less than budgeted by \$1,172,780, and less than the prior year same period by \$1,622,432.
- Year-to-date concessions' revenue is \$470,354 more than budgeted by \$292,746, and less than the prior year same period by \$ 219,503.

- Year-to-date operating expenses are \$6,138,619, less than budgeted by \$699,045, and less than the prior year same period by \$363,792.
- Year-to-date payroll expenses are \$3,121,408, less than budgeted by \$291,819 due to several open positions.
- Year-to-date service expenses are \$770,039, less than budgeted by \$383,218 due to the change in contract with U.S. Customs and Border Protection.
- Year-to-date utilities expenses are \$644,602, less than budgeted by \$157,626 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 \$748,430, more than budgeted by \$285,992 due to:
 - moved crack sealing from capital to operating expenses
 - increased expenses related to COVID
 - lead removal for the gun range
- CARES ACT YTD reimbursement is \$4,117,190.

Net Income YTD is \$7,345,541, more than budgeted by \$2,535,044 due to CARES ACT funding.

Dan Schiffer commented on this wonderful summary provided by Sophie.

Nicole Noll-Williams, President & CEO

Nicole thanked the Board for the opportunity to lead the Capital Region Airport Authority. She looks forward to working with the board, the airport employees, tenants, and community leaders to address the many challenging issues facing the Capital Region International Airport and Mason Jewett Field today.

She thanked Rob Benstein for his leadership of CRAA and shared that Rob is now appointed as the new Vice President - Chief Operating Officer for the Authority. She extended a thank you to the entire CRAA Team for their dedication, during this transition.

As Nicole is entering the beginning of week three with the Authority, she is keeping in-line with her 30/60/90-day action plan. She has met with all Board Members and Ex-Officios, except one, which is schedule for the first week of June. Nicole thanked board members for their time as we discuss future priorities and opportunities. She has met with all employee groups and meetings with community leaders, legislative leaders, industry leaders and tenants are being scheduled.

Nicole has met with 9 airlines and Apple Vacations to discuss current service and future service opportunities.

Air Service Updates

- United will be upgrading their flight to Chicago to a 70-seat E-170 effective June 3rd
- Delta will be adding a fourth daily flight to DTW effective June 5th
- LAN July 2021 seat capacity will be down 27% versus July 2019
- American will fly more capacity this summer than in 2019
- United continues to be most conservative network airline
- Delta indicated earlier that MSP would be back this summer; no further update at this time

July Seat Capacity:

- Kalamazoo down 37%
- Flint down 33%
- Grand Rapids down 12%

- Saginaw down 40%
- Detroit down 22%

Nicole added that Ultra-Low-Cost Airlines (ULCCs) are growing, with startup carriers and other low-cost carriers making service announcements last week. She will be attending Routes America conference in June for further discussions with our current airline partners and meeting with other passenger airlines.

In addition to the meeting priorities:

- A Strategic Cargo Development plan is being developed.
- An Airline Incentive Plan is being reviewed and updated for approval during the June meeting.
- A meeting is being scheduled with FAA to discuss the update necessary to our current 2006 Master Plan.
- The Director of Marketing position was posted just over a week ago and we currently have 20 + applications. We would like to have this position filled in July.

OLD BUSINESS

1. None

NEW BUSINESS

1. None

PUBLIC COMMENT

1. None

BOARD COMMENTS

1. John Shaski remarked that it is only Nicole's second week, and she has met with 9 airlines.
2. John welcomed Cody Miller-Holcomb, the newest Operations Officer.
3. John congratulated Stephenie Snell, Airport Compliance Coordinator, for passing the American Association of Airport Executive's Certified Member (C.M.) exam.
4. John advised board members to please direct any questions to Nicole.

ADJOURNMENT

1. John Shaski thanked Bob Pena, the Ex-Officios, and Board Members for attending and moved the meeting be adjourned at 5:20 pm.
2. The motion carried, and the meeting was adjourned.

signed

John Shaski, Chair

signed

Bonnie Wohlfert, Secretary