

October 5, 2020
REGULAR BOARD MEETING
Chair John Shaski

Due to the Covid-19 Pandemic the Board Meeting was held as an Audio/Video Conference (GoToMeeting)

Board Members Present: John Shaski, Greg Ward, Debbie Groh & Daniel Schiffer

Board Members Absent: Victor Celentino & Jordan Leaming

Ex-Officio Present: Kam Washburn, Joseph Brehler

Management, Staff and Employees Present: Rob Benstein, Sophie Giviyani-Kermani, Corey Rees, Ron O'Neil, Ashley Lucas, Mark Twichell, Stephenie Snell, Dakota Gamble and Bonnie Wohlfert

Members of the Public Present: Dan Kehoe, Bob Leisenring & Zachary Puchacz, Mead & Hunt; Craig Lyons, LSJ; Nicholas Patterson, RS&H

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.

APPROVAL OF MINUTES

1. Debbie Groh moved the Board approve the minutes of the July 27, 2020 Regular Board Meeting, the August 12, August 19, and September 2, 2020 Personnel Committee Meetings, the September 17, 2020 Finance Committee Meeting, the September 18 and September 21, 2020 President & CEO Board Interviews, the September 21, 2020 President & CEO Interview Debrief, and the September 29, 2020 Personnel Committee Meeting.
2. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
3. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. Presentation of ASQ Award – Dakota Gamble, Passenger Experience Manager
Dakota shared that he is honored to announce that CRIA won the ACI (Airports Council International), ASQ (Air Service Quality) award for 2019. He thanked Rob Benstein, Karissa Weight, Kaylyn Saterlee and the whole team for their help.

PUBLIC COMMENT

1. None

RECOMMENDATIONS FOR ACTION

#20-23 Upgrade of Voice Logging Recorder Software/Hardware

- a. Debbie Groh moved the Capital Region Airport Authority Board authorize the sole source purchase of a software/hardware upgrade to the NICE Inform voice logging recorder from Word Systems, Inc. in an amount not to exceed \$20,727 and authorized the President – CEO or designee to sign all documents on behalf of the Authority.
- b. Debbie Groh asked if the extended warranty, service, and support were all for a 5-year period. Rob Benstein answered, yes.
- c. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- d. The motion passed unanimously.

#20-24 Accept State Contract for Mason Jewett Field Airport Layout Plan Update

- a. Debbie Groh moved the Capital Region Airport Authority Board accept the State Contract 2020-0833 for Mason Jewett Field Airport Layout Plan Update which supports Federal Project #B-26-0106-2319 and provides for the following funding: Federal - \$198,822 (90%), State - \$11,046 (5%), and local (CRAA) - \$11,046 (5%). This resolution authorized the President – CEO to sign all associated documents on behalf of the Authority.
- b. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- c. The motion passed unanimously.

#20-25 Approval of Temporary Waiver of Rental Car Concession Minimum Annual Guarantee

- a. Daniel Schiffer moved the Capital Region Airport Authority Board approve the Policy on Temporary Waiver of Rental Car Concessionaire Minimum Annual Guarantee in Response to the COVID-19 Pandemic and authorized the President – CEO to sign all associated documents on behalf of the Authority.
- b. Rob Benstein added that there is an updated version of The Heroes Act which contains language that would provide relief to airport concessionaires. Therefore, this waiver may not be implemented.
- c. Daniel Schiffer suggested adding a disclaimer to the resolution. The “Proposed Action” language of Resolution 20-25 was revised as follows:

The Capital Region Airport Authority Board hereby approves the Policy on Temporary Waiver of Rental Car Concessionaire Minimum Annual Guarantee in Response to the COVID-19 Pandemic and authorizes the President – CEO to sign all associated documents on behalf of the Authority. *Implementation of the Policy will be contingent upon the updated Heroes Act not being signed into law.*

- d. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- e. The amended motion passed unanimously.

#20-26 Ratify Execution of US Customs and Border Protection Memorandum of Agreement

- a. Daniel Schiffer moved the Capital Region Airport Authority Board ratify the execution of the US Customs and Border Protection Memorandum of Agreement – User Fee Facility Program.
- b. Summary and Background
In December 2007, the Authority entered into a Memorandum of Agreement with US Customs and Border Protection (CBP) for the User Fee Airport Program. Under the User Fee Airport Program, airports with a low volume of international traffic reimburse CBP for the cost of providing inspection services. At that time, the agreed upon staffing level was two officers per day (800A – 400P, Monday – Friday). The base fee for each officer was \$140,874 per officer for the first year, and \$123,438 per officer in subsequent years. On May 12, 2020, CBP informed the Authority of their need to achieve full cost recovery for CBP services effective July 5, 2020; this resulted in an increase in costs of nearly 65%. In an effort to reduce costs, CBP offered to reduce staffing at LAN to one officer for the period July – September 2020. CBP subsequently agreed to maintain this reduced staffing level throughout Federal FY2021 (October 2020 – September 2021). On September 1, 2020, CBP provided the Authority with a revised Memorandum of Agreement reflecting the change in staffing levels. The new base fee will be based on the actual wages/fringes of the officer assigned to LAN, plus administrative fees (15%), and is not anticipated to exceed \$205,000 per year. US Customs and Border Protection requested that the revised MOA be executed prior to the start of the new Federal fiscal year, which is October 1, 2020. The Finance Committee reviewed this item at its meeting on September 17, 2020 and recommends approval.

CRAA Board Policy, Section 200.05 D. states, “In the event of limited time constraints, or other situations requiring the urgent execution of a contract or agreement requiring Board approval, the President – CEO may sign on behalf of the Authority with the prior

knowledge and consent of the Chair of the Board and legal review by the Authority's attorney. The agreement will then be presented to the Board for ratification at the next regularly scheduled Board meeting." Legal counsel has reviewed this agreement, and the Board Chair consented to the Interim President - CEO executing the agreement on behalf of the Authority, which was done on September 21, 2020.

- c. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- d. The motion passed unanimously.

#20-27 Ratify Execution of MDOT Grant for PFAS Testing at Capital Region International Airport

- a. Daniel Schiffer moved the Capital Region Airport Authority Board ratify the execution of grant LAN-PFAS-2020 in the amount of \$201,966.

- b. Summary and Background

On July 1, 2020, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) and the Michigan Department of Transportation (MDOT) issued a Request for Proposals (RFP) for Municipal Airport Per- and Poly-Flouroalkyl Substances (PFAS) Funding to test or sample PFAS at commercial service airports in Michigan. The Authority worked with its current environmental consultant, Triterra and submitted a proposal on July 15, 2020. The proposed scope of work reflected the maximum grant amount of \$250,000. On August 3, 2020, the Authority was notified by MDOT that it would be awarded a grant in the amount of \$196,250; this amount was subsequently changed to \$201,966. This grant, LAN-PFAS-2020 provides for 100% funding of the project by the State of Michigan. EGLE, MDOT, Triterra and the Authority revised the proposed scope of work to reflect the final grant amount of \$201,966. On September 1, 2020, MDOT notified the Authority that the grant needed to be signed by September 10, 2020.

CRAA Board Policy, Section 200.05 D. states, "In the event of limited time constraints, or other situations requiring the urgent execution of a contract or agreement requiring Board approval, the President – CEO may sign on behalf of the Authority with the prior knowledge and consent of the Chair of the Board and legal review by the Authority's attorney. The agreement will then be presented to the Board for ratification at the next regularly scheduled Board meeting." Legal counsel has reviewed this agreement, and the Board Chair consented to the Interim President - CEO executing the agreement on behalf of the Authority, which was done on September 10, 2020.

- c. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- d. The motion passed unanimously.

#20-28 Award of Bid for Four (4) Above Ground Fuel Tanks and Installation

- a. Greg Ward moved the Capital Region Airport Authority Board award the bid for Four (4) Above Ground Fuel Tanks and Installation to Leak Petroleum Equipment for the sum of \$101,999.04 and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.

- b. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- c. The motion passed unanimously.

#20-29 Award of Bid for Terminal Reroofing Project

- a. Greg Ward moved the Capital Region Airport Authority Board award the bid for the Terminal Reroofing Project to McDonald Commercial Roofing in an amount not-to-exceed \$629,092 (bid + allowances) and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.

- b. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- c. The motion passed unanimously.

#20-30 Appointment of CRAA Officer Delegate and Alternate and Certification of CRAA Employee Delegate and Alternate to the 2020 MERS Annual Meeting

- a. Greg Ward moved the Capital Region Airport Authority Board appoint Karissa Weight, Director of Talent & Engagement as Officer Delegate and Sophie Giviyani-Kermani as Officer Alternate for the 2020 Annual Meeting of the Municipal Employees Retirement System (MERS). In addition, the Board certified the election of Mike Forsyth as Employee Delegate and Robert Lillie as the Employee Alternate for the 2020 Annual Meeting of MERS.
- b. Joe Brehler asked why the financial officer was the Officer Alternate instead of the Officer Delegate. Sophie explained that Karissa Weight was interested in the CPE credits. Debbie Groh asked if this appointment occurs every year and Sophie indicated yes.
- c. The roll call vote was: Ms. Groh, Yes; Mr. Schiffer, Yes; Mr. Ward, Yes; Mr. Shaski, Yes
- d. The motion passed unanimously.

REPORTS

Sophie Giviyani-Kermani, Director of Finance & Accounting

Presented financials for period ending July 31, 2020

Robert Benstein, Interim President & CEO

Rob reported that the President has signed legislation to fund the federal government through Dec. 11. The short-term Continuing Resolution (CR) includes an important fix for the Airport and Airway Trust Fund, which is suffering from a dramatic drop in revenue due to reduced passenger levels and the temporary suspension of aviation excise taxes through the end of the year that was approved as part of the CARES Act. The Continuing Resolution bolsters the trust fund with a \$14 billion infusion from the general fund.

On October 1st, the House approved a \$2.2 trillion Democratic plan - the updated Heroes Act - that includes funding for airports, concessionaires and airlines. The updated Heroes Act includes \$13.5 billion to help airports and concessionaires deal with COVID-19. Of that amount, \$12.5 billion would go toward commercial service airports with 25 percent reserved for concessionaires. Funds would be distributed based on fiscal year 2019 enplanements. Another \$200 million would be reserved for non-primary commercial service and GA airports. For airlines, the House bill would provide more than \$28 billion to extend the Payroll Support Program and keep aviation workers on the job. Unfortunately, the Senate is not expected to take up the measure, and the stalemate prompted the airlines to begin furloughing tens of thousands of employees.

Earlier this year, the First Responder Hazard Pay Premium Program (FRHPPP) was created by 2020 Public Act 123 to reimburse and/or pay for qualifying first responder hazard pay premiums provided to eligible first responders. This program is funded through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Airport Authority has applied for a grant for reimbursement of these premiums through the Michigan Department of Treasury.

During the month of September, TSA screened an average of 716,000 passengers per day nationwide; this is 32.3% of 2019 passenger numbers.

Air Service Updates

- On October 1st, United Airlines resumed service to Chicago with two daily flights on Sun/Mon/Thu/Fri, and one daily flight on Tue/Wed/Sat.
- Effective November 3rd, American will be reducing their Chicago service to one daily flight Wednesday - Monday.
- Apple Vacations will be returning this spring with two weekly flights to Cancun; effective January 23rd through April 4th. Departures will be on Sat/Sun with returns on Fr/Sat. Service will be on 185-seat Airbus A-320 aircraft.

OLD BUSINESS

1. None

NEW BUSINESS

1. John Shaski announced that Ashley Lucas, Operations Manager, has accepted an offer to serve as the Operations Manager in Grand Rapids, effective October 9, 2020. Ashley has done great work for CRAA, we congratulate her and wish her the best.

Corey Rees, Planning & Design Manager, will also be leaving the CRIA on October 9th as he has accepted the Market Manager position with MarxModa. Corey was instrumental in developing the “Look Book” and served as an Airport ambassador at events. We wish him all the best.

PUBLIC COMMENT

1. None

BOARD COMMENTS

1. Debbie Groh asked about the useful life of the above ground fuel tanks in Resolution 20-28. Ron O’Neil stated that their useful life is 25-30 years and there are no reporting requirements to LARA (Licensing and Regulatory Affairs).

ADJOURNMENT

1. John Shaski moved the meeting be adjourned at 5:13 pm.
2. The motion carried, and the meeting was adjourned.

signed

John Shaski, Chair

signed

Bonnie Wohlfert, Secretary