

September 27, 2021
REGULAR BOARD MEETING
Chair John Shaski

Board Members Present: John Shaski, Debbie Groh, Matthew Lantzy, Daniel Schiffer, Yvette Collins

Board Member Absent: Victor Celentino

Ex-Officio Present: Mark Mudry

Ex-Officio Absent: Kam Washburn

Management, Staff and Employees Present: Nicole Noll-Williams, Rob Benstein, Sophie Giviyani-Kermani, Katherine Japinga, Ron O'Neil, Steve Ball and Bonnie Wohlfert

Members of the Public Present: Bob Pena, Ingham County; Stephanie Ward, Mead & Hunt; Rick Anderson, FAA; Toni Glasscoe, LCC; Gabe Blosser, Hanger Owner; Mike Franzago, Tenant; Margie Clark, Tenant; Jeffry Stetson, Tenant; Doug Koons, Hanger Renter; Bill Purosky, Hanger Renter; Rick Laub, EAA 55; Johnny George, several other tenants that did not sign in

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 August 23, 2021 Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. None

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

Rick Anderson, East Michigan FSDO/Detroit – FAA Responsibilities and Operations at Mason Jewett Field (TEW)

There are two FSDO (Flight Standards District Offices) in Michigan; East Michigan and Grand Rapids. They certify and inspect avionics schools like LCC which is a Part 147 Aviation Maintenance Technician School and flight schools like Great Lakes Air Ventures (Part 141 and Part 61). They also cover crop dusters, helicopters, banner towing and skydiving operations, and ultralights (if 2 seats and over 254 lbs.)

Stephanie Ward, Mead & Hunt – ALP (Airport Layout Plan) update for Mason

Presentation Outline

- Key Design Considerations: Critical Aircraft, Wind Data
- Discuss Alternatives: Runway 10/28, Runway 1/19, Hangars, Additional Development
- Recommended Development
- Schedule/Next Steps
 - September 27, 2021 – CRAA Review

- Early October – revise based upon CRAA comments
- Late October/early November 2021 – Public Information Meeting
- November/December 2021 – Finalize ALP
- January 2022 – Begin MDOT review
- After MDOT review, make any necessary edits
- Submit for FAA airspace review

Dan Schiffer referenced Advisory Circular AC 150/5300-13A Airport Design dated 2/26/14 (the runway design section) and stated if 2.4 million is the worst-case scenario (for designing a north/south runway) what is the best-case scenario. He estimated the best-case scenario at \$50,000 and even if he is off it would still be much better than 2.4 million. Debbie Groh questioned CRAA's insurance coverage if volunteers were involved in the construction of the north/south runway.

#21-27 Appointment of CRAA Officer Delegate and Alternate and Certification of CRAA Employee Delegate and Alternate to the 2021 MERS Annual Meeting

- a. Debbie Groh moved the Capital Region Airport Authority Board appoint Julie Harris, Human Resource/Administrative Generalist as Officer Delegate and Sophie Giviyan-Kermani as Officer Alternate for the 2021 Annual Meeting of the Municipal Employees Retirement System (MERS). In addition, the Board certified the election of Rick Willis as Employee Delegate and Mike Castilla as the Employee Alternate for the 2021 Annual Meeting of MERS.
- b. The motion passed unanimously.

#21-28 Ratify execution of Airport Improvement Program Grant

- a. Daniel Schiffer moved the Capital Region Airport Authority Board ratify the execution of Airport Improvement Program Grant No. 3-26-0055-059-2021 in the amount of \$111,940 for design engineering work associated with the rehabilitation of Taxiway C.
- b. The motion passed unanimously.

#21-29 General Services Administration On-Airport Lease Agreement

- a. Yvette Collins moved the Capital Region Airport Authority Board approve a 10-year On-Airport Lease Agreement with the General Services Administration (GSA) and authorized the President – CEO, or designee, to sign all associated documents on behalf of the Authority. *GSA manages leases for Federal agencies, including the Transportation Security Administration (TSA). The GSA currently leases 2,431 square feet of space in the terminal building for TSA; this lease expires on September 30, 2021 and GSA would like to enter into a new 10-year lease effective October 1, 2021.*
- b. The motion passed unanimously.

REPORTS

Sophie Giviyan-Kermani, Director of Finance & Accounting

Executive Summary of Financial Statements – Period Ending 7/31/21

- Overall YTD operating revenues are \$607,418, more than budgeted by \$34,738 due to:
 - 1. Car Rental Agencies performing better than expected
 - 2. Contract with Amazon for delivery vehicles parking (\$3,900/month)
- YTD operating expenses are \$682,180, less than budgeted by \$108,853 due to several vacant positions and uneven distribution of expenses over 12 months, such as Maintenance, Repairs, Utilities, Equipment.
- Marketing & Advertising expenses are over budget for the month of July by \$24,615 due to a lump sum yearly payment to Lugnuts of \$24,000.
- CARES ACT YTD reimbursement is \$6,355,279 with a total outstanding balance for all COVID related grants of \$8,718,302.

- Net Income YTD is \$297,049, more than budgeted by \$323,517.

2019 Plane Crash update

We originally filed the claim through the aviation insurance for the plane that crashed. We were told the limits would be exhausted because of the deaths. We then filed the claim with our insurance. Our insurance reimbursed us \$197,540 for our expenses. \$32,487 of our expenses were not covered by our insurance.

In September 2021, our insurance agent submitted a claim to the plane insurer in the amount of \$32,487. This represents the portion of the loss that was not covered by our pollution insurance policy and the \$25,000 deductible we had to pay for the loss. The airplane had low limits of liability - coverage was \$1 million. With the multiple deaths in the crash, our insurance agency anticipates that we will receive somewhere between 15% and 20% of our claimed amount after all claims are settled.

Debbie Groh thanked staff for adding the “sports charter” data to page 17 of the board report.

Nicole Noll-Williams, President & CEO

Meetings have continued throughout this past month with a focus on the 4 key priorities for the Authority as we focus on future development for the Capital Region International Airport and Mason Jewett Field including scheduled passenger, international charter, air cargo and land development meetings.

Nicole had the opportunity to provide updates:

- During meetings with Lansing City Council and East Lansing City Council members
- Delta Township Eaton County Business Roundtable
- Lansing Chamber Executive Welcome
- Clinton County Board of Commissioners
- Clinton County Catalyst Board Meeting
- Follow up meetings will occur with the Mid-Michigan Business Travel Coalition to assist them with their future development priorities.

LAN's September & October seat capacity is down about 25% versus 2019, while November is down almost 30%. Since the last update, Delta pulled Detroit down by one trip. American continues to be more aggressive relative to Delta and United.

4th Quarter capacity will be at 80% of 2019 levels

Domestic travel is expected to be at 2019 levels in summer of 2022. Hoping that Europe is back to 90% of 2019 levels in summer 2022, although that is somewhat speculation given the number of factors involved.

Airlines are still undergoing significant operational issues (mostly pilot shortages). It sounds the worst for regional aircraft flying, as regional pilots move up to mainline and they can't hire/train fast enough to replace them at the regional level.

Apple Charter Service will start January 28th with service to Cancun and Punta Cana; some charters are already full.

Today, Rob and Nicole participated in the Federal Aviation Administration Safety Risk Management panel regarding the potential reduction in air traffic control tower operating hours, from 24/7 to being closed from midnight to 5am. The meeting reviewed the safety concerns of the reduced tower hours and highlighted items needed if this was approved. We will receive a summary in the coming weeks.

We continue to work on filling open CRAA positions and have had tremendous response for the job postings.

- Blake Roy, Operations Manager will begin in October
- David Sileo, Public Safety Officer joined our team in September
- Business Development Manager - Lisa Barna will start in November
- Chief of Public Safety interviews are being conducted over the next month

Request for Qualifications (RFQ) for professional engineering services in support of the Mason Jewett Field 5-year Airport Capital Improvement Program were distributed. Statements of Qualifications were submitted by potential firms and reviews are beginning now. Dan Schiffer will assist with this RFQ review.

Contract details are being discussed related to the Request for Proposal (RFP) Concession Management agreement for the restaurant with a potential opening date of December 1.

Market 24/7 on the 2nd floor is now open.

The aircraft viewing area will be named "Fly Lansing Viewport" and will open within the next month. It is located on Caravan Drive east of the airport and the site consists of 3 picnic tables for viewing.

A TSA PreCheck event is scheduled the week of November 1 -5, 2021.

Debbie Groh (in reference to page 16 of the board report) asked at what point delays become a cancelled flight and suggested providing a 10% voucher off Uber or a local hotel discount for passengers affected by cancellations. Nicole added that Delta, United and American currently have reduced rates in place for passengers.

OLD BUSINESS

1. None

NEW BUSINESS

1. None

PUBLIC COMMENT

1. Margaret/Dan Schiffer asked if we have estimated the possible revenue the new development could produce to support the north/south runway and would the north/south runway stimulate even more interest in development.
2. Dave Groh commented that he knows several pilots that keep their planes at other airports because we don't have the north/south runway. He also asked about the gross weight of A1s and small B1s.
3. John Shaski suggested questions pertaining to the north/south runway be submitted to Vickie Vandenbelt for consolidation and submittal to Mead & Hunt in preparation for the upcoming tenant meeting.
4. Terry Lutz suggested the Authority use the TEW emails on record for distributing information related to the north/south runway tenant meeting.
5. Dan Schiffer suggested focusing on development first to produce income needed to support the north/south runway.
6. Robert Pena promoted the "Jack O' Lanterns Unleashed" event at the Ingham County Fairgrounds to be held in October (every Friday, Saturday & Sunday starting October 8).
7. A tenant was amazed by the wind data of 98% availability for the runway. Crosswinds of 10 knots gusting to 18 knots is what he has experienced. In his opinion a north/south runway would be a good backup option for if/when the main runway is closed and also would provide space for parking aircraft for events.

8. Another tenant asked about the Authority's plan for filling about 75 large cracks on the taxiway which are causing stress and wear and tear on his plane. Steve Ball indicated that staff will be repairing the cracks in the coming weeks when the machine is available. Dan Schiffer recommended cutting out 16-18" and then repouring the area.
9. Mark Bathurst shared that LCC is thrilled to have the board visit and introduced Toni Glasscoe, Associate VP, External Affairs & Development with LCC. Toni shared that LCC is excited to host the board meeting and commented on the fantastic job Nicole is doing and she appreciates the collaboration with the Authority.
10. John Shaski expressed how proud the Authority is to have the LCC program at Mason.
11. Margie Clark shared the following concerns on behalf of another tenant:
 - Agreed the taxiway cracks need to be filled as well as apron cracks.
 - The hose reel needs to be slowed down.
 - A letter sent about a problem with geese has received no response.
 - We need a more comfortable/attractive terminal space for pilots.
 - It would be nice to have a courtesy car available.
12. Jeffry Stetson asked if the new 100 octane gas will be available in lieu of 100 LL. The topic was discussed briefly. Dan Schiffer asked if we contract the fuel and Ron O'Neil indicated that we own the pumps and buy/sell the fuel. Epic provides the credit card point of sale system. Another tenant commented on the low fuel prices.

BOARD COMMENTS

1. Debbie Groh reminded staff to send out the notice about how to plow this winter. Low wind airplanes have trouble if the snow piles are too high.
2. Another tenant invited attendees to view his plane on the ramp following the meeting.
3. John Shaski recognized and thanked Johnny George and all the Authority staff in attendance.

ADJOURNMENT

1. John Shaski moved the meeting be adjourned at 6:24 pm.
2. The motion carried, and the meeting was adjourned.

signed
John Shaski, Chair

signed
Bonnie Wohlfert, Secretary