

April 25, 2022
REGULAR BOARD MEETING
Vice Chair Matt Lantzy

Board Members Present: Victor Celentino, Debbie Groh, Matthew Lantzy, Daniel Schiffer, and Yvette Collins

Board Members Absent: John Shaski

Ex-Officio Present: Kam Washburn, Mark Mudry

Management, Staff and Employees Present: Nicole Noll-Williams, Rob Benstein, Katherine Japinga, Ron O'Neil, Sunil Khetarpal, Bonnie Wohlfert

Members of the Public Present: Terry Lutz, KTEW Hangar 639; Bob Pena, Ingham County; Doug Koons, KTEW; Dan Kehoe & Bob Leisenring, Mead & Hunt; and Drew Seguin, Ventrex

CALL TO ORDER & ROLL CALL

1. Matt Lantzy, Vice Chair, called the Regular Board Meeting of the Capital Region Airport Authority to order at 4:30 p.m. with a quorum present.
2. All recited the Pledge of Allegiance.

APPROVAL OF MINUTES

1. Matt Lantzy moved the Board approve the minutes of the February 28, 2022 Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. None

PUBLIC COMMENT

1. Robert Pena with the Ingham County Fair Board thanked the board and CRAA for the brick which was purchased in support of the fair. He shared a thank you card signed by the fair board members.

REPORTS AND RECOMMENDATIONS FOR ACTION

Chad Paalman, Co-Founder & CEO, Nuwave Technology Partners

Chad shared information about his background and the Nuwave/CRAA relationship that started back in 2008. He touched on Nuwave's core values, what differentiates them from other IT companies and the markets they serve. Nuwave provides a premium IT managed service, Nuwave 360, on a monthly subscription for CRAA. He shared current industry challenges related to cyber threats and the importance of having a plan in place for when, not if a threat occurs. CRAA and Nuwave participated in a third-party assessment, VADR (Validated Architecture Design Review) provided by CISA (Cybersecurity & Infrastructure Security Agency) in February 2021 and passed. Chad recommends establishing a formal cyber incident team to include CRAA, Nuwave, CRAA's attorney and insurance agent, and a crisis communications professional.

#22-07 FY2022 Mill Levy Collection and Allocation Budget Amendment

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the FY2022 Mill Levy Collection and Allocation Budget Amendment in the amount of \$5,733,959 and as further depicted in Exhibit A.

- b. Mark Mudry asked what caused the mill levy reduction. Nicole Noll-Williams explained that incentives (DDAs) were not projected accurately.
- c. The motion passed unanimously.

#22-08 Presentation of Proposed FY2023 Budget and Establishing Budget Public Hearing

- a. Debbie Groh moved the Capital Region Airport Authority Board place on file for public inspection the proposed fiscal year 2023 budget and set the public hearing for the proposed budget for May 23, 2022 at 4:30 p.m. Additionally, the Board will hold its regularly scheduled meeting immediately following the public hearing for purposes of considering adoption of the proposed fiscal year 2023 budget and other items (if necessary). Furthermore, the Board authorized the President – CEO to advertise notice of the public hearing in a local newspaper as required.
- b. The motion passed unanimously.

REPORTS

Sunil Khetarpal – Financial Report for period ending 2/28/22

YTD Operating Revenue

Revenues: Overall higher than budgeted by \$188K.

- Rental Cars - YTD revenues are higher by \$93K than budget however monthly amount is trending downwards due to United departure.
- Parking, Fuel & Other - YTD revenues are higher by \$143K as Land & Building Rents are higher along with small others.
- Airline - Revenues continue to lower by (\$48K) because of United departure.

YTD Operating Expense

Expenses: Operating Expenses were higher than budgeted by \$18K, however included in the expenses are the cleanup expenses associated with the aircraft accident to the extent of 380K which will be adjusted in March financials as the project was completed and the invoice to insurance was sent for recovery.

- Payroll - Continues to track below budget by \$274K as vacant positions (PSO, Ops Officer), were not filled.
- Supplies - Due to less snow, Snow Removal was lower by 55K.
- Maintenance - Expenses were lower than budgeted by 143K.
- Employee Development- Education & Training - Lower than budget by 32K; will be used in coming months.
- Utilities and Fuel – Higher than budgeted because of environmental testing for incinerator by 266K

Balance Sheet

Reserves are trending higher as we continue to draw down the CARES funding.

Nicole Noll-Williams, President & CEO

Nicole thanked Chad Paalman for his presentation and advice on how to safeguard CRAA.

She thanked the entire team for their efforts in finalizing the budget for fiscal year 2023. Steps have been taken to reduce our overall operating expenses yet still moving forward with development projects to support future economic development for the airport and the region.

Gradual increases have been made with the 2022 enplaned and deplaned passengers, landings and load factor compared to 2021. (page 17 of the board report)

A Congressionally Directed Spending Request of \$7 million was submitted with Senator Stabenow, Senator Peters and Representative Slotkin, for the purpose of an Airfield Pavement Rehabilitation Project at the Capital Region International Airport (LAN). This project will support the design and construction of various pavement areas at LAN, including the terminal apron (aircraft parking area) and adjacent taxiway. The majority of the pavement in these areas are 15 years old, and the Pavement Condition Index (PCI) of these surfaces range from 19 to 35 on a scale of 0 (failed) to 100 (excellent). The goal of the project is to restore the PCI to a rating of 100.

RS&H was selected last Friday as our firm for the Cargo Ramp Expansion and De-icing Containment Facility project. This project is made possible by the congressionally directed spending request and award of \$8.183 million. Next steps and timelines will be determined, and updates will be shared with the Board when available. The goal is to have shovels in the ground by year end.

CRAA will receive \$2 million, in a state supplemental budget bill. The funds will support infrastructure upgrades at LAN including utilities and roadways for the Cargo Ramp Expansion Project and the Port Lansing Site Readiness Project.

TSA is operating new 3-D Scanners, the upgraded technology enhances detection capabilities of our TSA agents as well as improves the experiences of travelers at the airport by eliminating the need to remove items from your bag as you go through screening.

The FAA annual safety and certification inspection was conducted last week at LAN - we will have updates during the next board meeting on the results of the inspection.

RS&H has been selected to conduct the Master Plan Update for LAN. Next steps include development of a Scope of Work to be submitted to the FAA for review/approval, and negotiation of a contract. The project is expected to take approximately 18 months to complete. We will follow up with Board and Community members to participate in the Master Plan update process.

Mead & Hunt has completed design work for the Taxiway C rehabilitation project at LAN. Bids are currently being accepted for construction of the project, which is scheduled to take place later this summer.

Apple Leisure Group completed their seasonal service to Cancun and Punta Cana (January 28 – April 7). A total of fifty international flights operated this year and Apple is working on 2023 opportunities.

Website Development and e-Newsletter distribution are in the final stages of development and review and will be made public in the coming weeks.

On April 18th, a federal judge in Florida overturned the CDC's national mask mandate on public transportation, in airports, and on airlines. In response to this, the Transportation Security Administration will no longer enforce its Security Directives and Emergency Amendment requiring mask use on public transportation and transportation hubs.

The State of Michigan approved the secondary testing plan from the 2020 PFAS Grant. A total of \$201,966.00 was awarded in September 2020 and \$47,500 was remaining as of February 2022. The remaining funds will be allocated for additional storm water testing (\$15,500) requested by

EGLE and additional PFAS delineation (\$32,000). The additional testing will be completed by July 31, 2022.

The Consumers Energy Pipeline Project is estimated to be completed by mid-May (weather permitting), to complete the restoration and seeding of the construction areas.

The administrative and screening elevators are being rehabilitated to meet existing code compliance.

- Elevator #1 Admin – Completed, State of Michigan Elevator Division has inspected and passed. The elevator has been returned to normal use.
- Elevator #2 Screening – We have requested a temporary security amendment with TSA to move forward with this project. Once the approval is granted, the elevator rehab project will begin. Estimated completion is 3 weeks.

The Michigan National Guard hangar, located on airport property, has conducted PFAS testing as part of the State of Michigan's PFAS grant that was submitted to the Army National Guard. The presence of PFOA was located in the ground water and soil only. Please note, ALL drinking water wells located on the airport property have been tested and have been non-detect for PFAS.

Rehabilitation of the car rental service center building will begin this summer. The (4) buildings are twenty plus years old and have not received any extensive rehabilitation within that period. This project will include design, engineering, and contractor bid documents to complete the overall scope. The recommended scope:

- Add vacuum bays to Avis and Enterprise
- All four will receive new roofs, doors, car wash systems, paint, ceilings, HVAC, and parking lots resurfaced
- This project will be funded with CFC funds (Customer Facility Charge)

The Long-term Parking Lot rehab will cover 50% of the lot with 2"- 4" mill and fill, along with striping and cross walks repainted. This project is scheduled to start in the spring with completion this fall. Due to customer parking, the project will need to be performed in 2 phases to take in account the moving of cars.

OLD BUSINESS

1. None

NEW BUSINESS

1. None

PUBLIC COMMENT

1. Terry Lutz, Mason tenant, shared that he has been involved in aviation safety for 50 years (Air Force, National Guard, and Airbus). He protested the move by the CRAA Board to remove the crosswind runway from the Airport Master Plan, and to sell the property. He explained the safety concern for tenants and pilots and is aware of three accidents in the last 20 years that were the result of strong crosswinds. He explained the pillars of SMS, Safety Management System (Safety Policy, Safety Risk Management, Safety Assurance, and Safety Promotion). As a tenant and stakeholder at the Mason Jewett Airport, he demanded that this decision be overturned, and a new approach taken to improve safety by developing the crosswind runway.
2. Drew Seguin, Mason tenant, reiterated Terry's comments and shared his concern for being able to land his airplane without a crosswind runway. He also asked if there is a capital development plan for Mason. Nicole shared that the FAA estimated their review would take 9 months which would be late October.

BOARD COMMENTS

1. None

ADJOURNMENT

1. Matt Lantzy moved the meeting be adjourned at 5:26 pm.
2. The motion carried, and the meeting was adjourned.

signed
Matt Lantzy, Vice Chair

signed
Bonnie Wohlfert, Secretary