



# CAPITAL REGION AIRPORT AUTHORITY

John Shaski  
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Matthew Lantzy

Daniel Schiffer

Nicole Noll-Williams, C.M.  
President - CEO

## November 28, 2022 REGULAR BOARD MEETING Chair John Shaski

**Board Members Present:** John Shaski, Victor Celentino, Matthew Lantzy, Yvette Collins, Debbie Groh & Daniel Schiffer

**Ex-Officio Present:** Kam Washburn, Mark Mudry

**Management, Staff and Employees Present:** Nicole Noll-Williams, Ron O'Neil, Steve Ball, Steve Gonzalez, Blake Roy, Katherine Japinga, Sunil Khetarpal and Bonnie Wohlfert

**Members of the Public Present:** Terry Lutz, KTEW Tenant; Bob & Margie Clark, EAA 55; Dan Kehoe, Mead & Hunt; Bob Pena, Ingham County; Jeff Straus & Jon Ringlein, Maner Costerisan; Drew Seguin; Marne Daggett, MERS

### 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 led, and all recited the Pledge of Allegiance.

### APPROVAL OF MINUTES

1. Victor Celentino moved the Board approve the minutes of the October 24, 2022 Regular Board Meeting.
2. The motion passed unanimously.

### COMMUNICATIONS & SPECIAL ITEMS

1. None

### PUBLIC COMMENT

1. Terry Lutz, KTEW Tenant, distributed a letter dated November 15, 2022 to the board regarding his suggestion for replacing Johnny George in Mason when he retires. In summary, he suggested hiring an Airport Superintendent from the supply of graduates with business management skills from Western Michigan University, Lansing Community College or Michigan State University. The overall objective of this concept is for CRAA to be the engine that propels young people along the aviation management career path, rather than sticking to the hire-retire-hire cycle. Terry also shared a survey of "Attended Compared to Unattended Airports with a hard-surface runway within 60nm (nautical miles) of KTEW". Of 32 airports surveyed, 9 were shown as unattended. This indicates that the remaining 71% are attended by someone assuming responsibility for airport operations.

### REPORTS AND RECOMMENDATIONS FOR ACTION

#### **Auditor's Report for Fiscal Year ended June 30, 2020, Jeff Straus, Maner Costerisan**

Jeff Straus thanked John Ringlein and Sunil Khetarpal for their work on the audit. The adoption of GASB 87, involving leases, went very smoothly due to Sunil's work with Empower (the financial software) to automate the calculation.

- Audited and issued an unmodified opinion on financial statements.
- Airport Improvement Program – no findings related to federal awards
- Governance Letter – no issues noted

- Future Standards: GASB 96, Subscription-based Information Technology Arrangements – likely immaterial to the Authority

Debbie Groh asked for clarification regarding the last bullet on page 4 of the Maner Costerisan report of Financial Statements. “Mason Jewett Field no longer reflects the indirect labor expenses of the Director of Maintenance or the COO. Thus, for fiscal years 2022 and 2021, net (loss)/gains for Mason Jewett were (\$15,025) and \$78,855 respectively. Debbie also asked about the receivables note on page 23, “At June 30, 2022, the allowance for doubtful accounts was \$20,000”. These questions prompted a discussion about whether Mason should be audited separately. It was noted that there is currently a separate income statement for Mason (page 13 of the board report). Mason is audited along with all the other departments and will remain that way.

#### **#22-33 Audited Financial Statements for the Fiscal Year ended July 30, 2022**

- a. Matthew Lantzy moved the Capital Region Airport Authority Board accept the audited financial statements as prepared and presented by the Authority’s CPA firm Maner Costerisan for the Fiscal Year ended June 30, 2022. Maner Costerisan issued an Unmodified Opinion on the financial statements which indicated that the Airport Authority had fairly presented its financial position and had met all government auditing standards in conformity with generally accepted accounting principles.
- b. The motion passed unanimously.

#### **#22-34 Publicly Funded Health Insurance Contribution Act Exemption**

- a. Debbie Groh moved the Capital Region Airport Authority Board authorize the Airport Authority to adopt the annual exemption option as its choice to comply with the Publicly Funded Health Insurance Contribution Act. As part of the exemption, the Airport Authority will maintain an alternative cost share of a 10% equivalent of health care premium for benefit year 2023 for all employees enrolled in the health plan and authorized the President – CEO, or designee, to sign all related documents.
- b. Victor Celentino asked if this was an annual requirement and Nicole indicated yes.
- c. Debbie Groh asked who the term “staff” is referring to in the fourth paragraph, “Staff recommends...”. Nicole indicated that staff refers to the leadership team. John Shaski was okay with the term “staff” and no changes were made.
- d. The motion passed unanimously.

### **REPORTS**

---

#### **Sunil Khetarpal – Financial Report for period ending 9/30/2022**

John Shaski expressed kudos to John Ringlein, Sunil Khetarpal, and Beverly Wooley for their work on the audit.

Sunil noted that the current month data (period actual & YTD actual columns) have been added to several reports.

#### **YTD Operating Revenue (page 8)**

Current month slightly over budget; overall YTD is (11K) under budget.

- Airline revenues are lower by (\$37K) all around weakness.
- Concessions (rental cars) revenues are above budget by \$30K.
- Parking, Fuel & Remaining revenues are lower by (\$7K).

#### **YTD Operating Expense (page 10)**

Current month is under budget by 77K, overall YTD 23K under budget.

- Employee Development - Education & Training over budget by (\$4K).
- Maintenance expenses were over budget by (\$40K) due to summer airfield maintenance will balance out during the year.

- Services are over by (\$5K).
- Payroll is below budget by \$38K on lower wages and health insurance costs.
- Supplies are slightly over by (1K).
- Utilities and Fuel are under budget by \$4K.
- Business Development is over budget by (17K) for Avelo events & MSU tailgate.

**Mason Jewett Field (page 13)**

- Revenue was slightly higher than budget due to fuel sales.

**Grant Balances (page 6)** – all grant balances will be collected by the end of the year.

Victor Celentino asked about the airline and parking lot revenues down \$37,000 and \$22,000 respectively (page 12). Nicole explained that there are less frequencies (flights) than budgeted; we will see improvement with Avelo flights added. Victor also asked what the customer service expense of \$12,544 is; Nicole explained that it is the porter service (wheelchair assistance).

John Shaski mentioned that the Brewport has been packed the last few times he arrived; they have stayed open late for delayed flights.

**Nicole Noll-Williams, President & CEO**

CRAA celebrated the Avelo Airlines inaugural flight to Orlando on Wednesday, October 26. Avelo's Chairman and CEO, Andrew Levy, joined us for a day full of events with different community leaders that were organized by CRAA.

- Tom Izzo joined Andrew Levy for a one-on-one discussion on the importance of team and leadership at The Breslin Center. Quentin Messer, Jr., CEO of the Michigan Economic Development Corporation (MEDC), also joined the discussion for a few questions. The event was moderated by Michigan Business Network's Chris Holman. The event was closed to the public and outside guests but was filmed by CRAA for future promotional use.
- 85 local business leaders gathered at the Graduate Hotel for an exclusive luncheon and fireside chat with Andrew Levy sponsored by the Mid-Michigan Business Travel Coalition. Paula Cunningham, chair of the MMBTC, moderated the discussion with Andrew. He shared more about Avelo Airlines, how the airline started, and the future of the company.
- We hosted an inaugural flight celebration at LAN for 160 passengers taking the flight and over 100 community leaders, elected officials, and local media. Invited guests joined us for refreshments, photo ops, networking and to wave goodbye as the inaugural flight to Orlando took off, after a water cannon salute. Andrew Levy did multiple media interviews during the event, and it ended with a ribbon cutting ceremony and official remarks from airport leadership, local elected officials and Avelo leadership. Notable attendees included Congresswoman Elissa Slotkin, representatives from both Senator Peters and Senator Stabenow's office, Mayor Andy Schor, and the MSU motion dance team.

Nearly 40 community leaders joined us for a come-along to OrLANdo trip (Chicks in Charge) to celebrate the new Avelo Airlines service, including Paula Cunningham, state director for AARP Michigan, Sheri Jones, WLNS Anchor, and JoJo Tucker, community influencer and travel agent. The group enjoyed a weekend in Orlando from 11/3-11/6, including a visit to Epcot's Food and Wine Festival, and a reception at the hotel with an Avelo Airlines executive. Promotional photos and video were taken during the trip to be used directly by the airport as well as for a local media campaign promoting Orlando and the Avelo Airlines service in the coming months.

Design engineering work for the cargo ramp expansion and de-icing containment facility projects are approximately 60% complete. Construction is anticipated to begin in late spring/early summer of 2023.

The FAA has approved the scope of work for the survey portion of the master plan update; the remainder of the statement of work is still under review.

CATA has entered into an agreement with CRAA to use a portion of the long-term parking lot for bus driver training. Discussions continue with CATA to improve routes to the State Capitol and MSU Campus.

CRAA participated in the City of Lansing's Silver Bells Electric Light Parade on Friday, November 18. The airport's entry was our newest ARFF vehicle, which was driven by Chief Gonzalez, with Ron O'Neil serving as co-pilot. A special thanks to Sean Nobach, Paul Strahle, Derrick Boone, and Jason Donaldson of the Maintenance Department for their time and expertise associated with installing the nearly 5,000 lights.

Nicole was asked to serve on the Airport Council International U.S. Policy Council. As the Voice of Airports, it is ACI-NA's mission to advocate policies and provide services that strengthen commercial airport's ability to serve their passengers, customers and communities.

Staff has determined that we will be holding quarterly Mason Tenant meetings in 2023. Meeting time and location will be shared with the Board and distributed to our Mason Tenants during the December Board meeting.

Mark Mudry asked if there were any updates on the Avelo Fort Myers service. Nicole explained that the aircraft that was going to be used for Fort Myers is in Orlando and no decisions have been made yet.

Daniel Schiffer asked about the street lights being added in Mason and suggested a light be added near the gate code keypad.

#### **OLD BUSINESS**

---

1. None

#### **NEW BUSINESS**

---

1. None

#### **PUBLIC COMMENT**

---

1. None

#### **BOARD COMMENTS**

---

1. John Shaski commented that we have the best team (CRAA); Avelo and others constantly mention it. He thanked the staff present and asked them to share his comments with their teams.
2. John Shaski thanked Kam Washburn for his service on the CRAA board as an ex-officio. Kam will be retiring from the Clinton County Board of Commissioners after 10 years of service plus 33 years at the township level. Victor Celentino also expressed appreciation for Kam's service.

#### **ENTER CLOSED SESSION**

---

1. Victor Celentino moved to enter Closed Session to consider personnel evaluation per MCL 15.268(a) at 5:28 pm.
2. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh, Yes; Mr. Lantzy, Yes; Mr. Schiffer, Yes; Mr. Shaski, Yes.

**RETURN TO REGULAR SESSION**

---

1. Victor Celentino moved to return to Regular Session at 6:27 pm.
2. The motion passed unanimously.

**RECOMMENDATION FOR ACTION**

---

**#22-35 Amendment to Employment Agreement of President & CEO**

- a. Victor Celentino moved the Capital Region Airport Authority Board approve an employment agreement with the President & CEO to amend provisions of the existing agreement including a 20% salary increase and changing the retirement plan from Defined Contribution to Defined Benefit.
- b. The motion passed unanimously.

**ADJOURNMENT**

---

1. John Shaski moved the meeting be adjourned at 6:30 pm.
2. The motion carried, and the meeting was adjourned.

signed

---

John Shaski, Chair

signed

---

Bonnie Wohlfert, Secretary