



CAPITAL REGION AIRPORT AUTHORITY

John Shaski
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Matthew Lantzy

Daniel Schiffer

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

May 22, 2023

BUDGET PUBLIC HEARING & REGULAR BOARD MEETING Chair John Shaski

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

Ex-Officio Present: Mark Mudry & Robert Showers

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

Members of the Public Present: Terry Lutz, TLZ Aerospace; Bob Leisenring, Mead & Hunt; Bob Pena, Ingham County

CALL TO ORDER & ROLL CALL

1. John Shaski, Chair, called the Budget Public Hearing and Regular Board Meeting of the Capital Region Airport Authority to order at 4:30 p.m. with a quorum present.
2. Debbie Groh led, and all recited the Pledge of Allegiance.

BUDGET PUBLIC HEARING COMMENT

1. John Shaski stated the Budget Public Hearing notice was published in the Lansing State Journal on Tuesday, May 16, 2023 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 FY2024 budget. No comments were received.
3. John Shaski moved to close the Budget Public Hearing and move to the Regular Board Meeting.
4. The roll call vote was: Mr. Celentino, Yes; Ms. Collins, Yes; Ms. Groh; Mr. Lantzy; Mr. Schiffer, Yes; Mr. Shaski, Yes.
5. The motion passed unanimously.

APPROVAL OF MINUTES

1. Matthew Lantzy moved the Board to approve the minutes of the April 24, 2023, Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. None

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

#23-09 Budget FY2024 Approval

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the proposed Budget for FY2024 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. John Shaski thanked the staff for preparing the budget.
- c. The motion passed unanimously.

#23-10 Airline Rates and Charges and Operating Requirements Ordinance

- a. Yvette Collins moved the Capital Region Airport Authority Board approve the Airline Rates and Charges and Operating Requirements Ordinance as amended for Fiscal Year 2024. This Rates and Charges Ordinance shall be effective July 1, 2023.
- b. Debbie Groh referenced Table 11 of Exhibit G-1 of the 23-10 Ordinance and asked if Avelo is in Terminal 1 or 2. Nicole Noll-Williams indicated that Avelo is in Terminal 2 with incentives in place.
- c. The motion passed unanimously.

#23-11 Consolidated Schedule of Rates & Charges Amendment FY2024

- a. Matthew Lantzy moved the Capital Region Airport Authority approve the Consolidated Schedule of Rates and Charges as amended for Fiscal Year 2024. These Rates and Charges shall be effective July 1, 2023.
- b. The motion passed unanimously.

REPORTS

Sunil Khetarpal – Financial Report for period ending 3/31/23

YTD Operating Revenue

Current month is \$138K over budget. Overall YTD is \$384K over budget.

- Airline revenues are higher by \$20K for the month, YTD is lower than budget by (\$1K).
- Monthly Parking Lot revenues are higher by \$101K and YTD is higher by \$139K.
- Monthly Concessions (rental cars & restaurant) revenues are higher than budget by \$4K, YTD is higher by \$39K.
- Other revenues are higher by \$3K for the month and YTD is above budget by \$128K.

YTD Operating Expense

Current month is over budget by (\$50K), Overall YTD \$135K under budget.

- Employee Development (education & training) is under budget by \$17K.
- Maintenance expenses were over budget by (\$2K) for the month due to pavement maintenance and YTD is over by (\$93K) due to pavement, summer airfield maintenance and HVAC during the year.
- Services are over budget by (\$106K) for the month, YTD is over budget by 40K.
- Payroll is under budget by \$8K for the current month on healthcare. YTD is lower than budget by \$55K.
- Supplies are under by \$53K YTD.
- Utilities and Fuel – under budget by \$76K YTD.
- Business Development: Over budget by (\$428K) – Airline Incentives

Mason Jewett Field (TEW)

- Revenues were higher than the budget by \$14K due to fuel sales.
- Expenses were lower than the budget by \$7K.

Victor Celentino inquired about the increase in services expense for Lansing, page 8 (period budget \$192K; period actual \$299K); staff indicated that it is due to increases in janitorial labor and supplies. Victor also commented on better revenue and expenses for Mason lately, page 11; Nicole shared that it is due to better planning related to fuel costs and sales. Victor asked about Mason land rent; Nicole explained that land rent includes tenants (hangars) and farmland. Victor

asked what the "other" expense category included, and Sunil indicated real estate/property taxes. Daniel Schiffer added that he doesn't care for the "other" category and requested additional information, or a note be added to clarify what it includes. Victor suggested providing similar details for "other" at Mason like staff provides on page 7 for Lansing. John Shaski commented on the increase in investment income (page 9) and thanked Sunil. Victor commented on grant revenue; Nicole shared that we continue to look at grant opportunities and the application for the SCASD (Small Community Air Service Development) grant was submitted last week.

Nicole Noll-Williams, President & CEO

American Airlines was officially granted federal regulatory approval to continue daily nonstop service between LAN and Ronald Reagan Washington National Airport (DCA) in Washington, D.C., maintaining a vital and popular link between the state's and nation's capitals. This five-year extension will secure the LAN-DCA route through October 2028. The decision comes after nearly 1,000 mid-Michigan travelers, 23 government officials and 65 business leaders provided letters of support to the FAA and U.S. Department of Transportation.

ALG Vacations (Apple Leisure Group) announced they are returning their international service to LAN for the 2024 season. The nonstop service on Avelo Airlines begins January 27, 2024 and will run through April 8, 2024 with three weekly departures to Cancun, two to Punta Cana, Dominican Republic and one to Montego Bay, Jamaica.

CRAA continues to provide field trips for area schools and groups.

On April 18, 2023, the FAA conducted its annual certification/safety inspection at LAN. Only two minor findings were noted related to LED signs and vehicle marking signage.

On May 1, 2023, CRAA conducted its annual FAA-required live fire training. In addition to CRAA Public Safety staff, firefighters from several other departments attended including Lansing Fire Department, DeWitt Township Fire Department, and DeWitt Area Fire Department. The Mason Fire Department was invited but could not attend.

Construction of the cargo ramp expansion/deicing containment facility project is expected to start on June 5, 2023 with soil testing/results expected this week.

Replacement of the divider wall (east side) between the short-term and long-term parking lots started this month.

The car rental service center rehabilitation project will begin next month which includes new roofing, garage doors, and heating.

The additional signage requested for Mason will be installed on Wednesday (May 24) and the emergency contact stickers (2 each) were mailed to tenants.

Victor Celentino asked if the superintendent of Lansing Public Schools has been contacted regarding their CTE (Career and Technical Education) program. Nicole indicated that discussions have started and Micki O'Neil, Chief Communications Officer for Ingham ISD is taking the lead. Victor asked about the process for the field trips. Nicole explained that depending on the age of the group and the time available we provide a presentation, terminal tour, and fire station/truck tour. Victor appreciates that the tours are a priority now. Victor asked how many attended the Mason tenant meetings. Nicole indicated that about 40 attended the first meeting and 15-20 attended the second meeting.

Daniel Schiffer shared that when he was on the Kalamazoo Airshow board, they included a student section in their newsletters and suggested we include an area for kids. Katherine Japinga

responded that the newsletter is sent to 30,000 email addresses; we do not have a specific student list.

Debbie Groh asked if minutes are taken at the Mason tenant meetings. Rob Benstein indicated that he takes notes/abridged minutes. Debbie recommended documenting the meeting minutes and attendance.

Robert Showers asked if Clinton RESA was part of the Aviation program; Nicole indicated yes, several students are enrolled.

Debbie Groh referenced page 15 of the board report and asked about the FAA taking steps to fine airlines for late or cancelled flights. Nicole indicated that Secretary of Transportation Pete Buttigieg is assessing fines and ordering airlines to refund customers if delays/cancellations are related to crew, mechanical, or maintenance (not weather). Yvette Collins asked why Avelo Airlines has N/A for delays and cancellations on page 15. Rob Benstein shared that Avelo Airlines is not required to report delays/cancellations to DOT due to their size. Daniel Schiffer asked how they (Avelo) are doing. John Shaski shared that he has flown with Avelo 9-11 times when the departures were in the evening and only experienced two delays. Since the departures moved to the morning, he hasn't experienced any delays.

MSU and CMU have started coordinating team airline charters for the 2023 season.

Debbie Groh commented on the email from Blake Roy about the pavement survey at Mason and asked if runway X's are needed. Rob Benstein stated that X's are typically used for longer closures. Debbie suggested having X's or some type of closure indicator available at Mason.

OLD BUSINESS

1. John Shaski shared that board committees will be established likely in June following some additional due diligence.

NEW BUSINESS

- 1.

PUBLIC COMMENT

1. Terry Lutz, TEW Tenant, read a letter he sent to Nicole Noll-Williams following an email exchange. *On the day following a very positive CRAA Board meeting, another tenant and I were at the Mason-Jewett Airport and noticed that, as mentioned in the meeting, there were some CRAA employees working from the maintenance building. We stopped by to meet them and learn about the replacement nozzle and instructions posted on the fueling door. As we were leaving the terminal building, the CRAA employees were moving toward tenant gate 1. The small work truck was already at gate 1 and a skid-steer with earth in the bucket was a substantial distance behind. It made sense for me to pass the skid-steer because I anticipated that the work truck would open the gate, I would follow, and the skid-steer would either follow my vehicle or the other tenant's vehicle through the gate. When I reached the gate, it hadn't opened. From my perspective, the work driver was having trouble opening it. I got out of my vehicle to assist, then the gate began to open. I followed the work truck through and went to my hangar. I spoke with my colleague after your return (email) message to review our actions with your employees. I can understand that my actions may have been perceived as aggressive, instead of helpful. If that was the case, please offer my sincere apology to them, which I will do when I see them again in person. I am not an aggressive person and would take no pleasure in being aggressive. It would be counterintuitive to assume that after such a positive board meeting, and after spending an hour carefully writing a thank you message to you, that I would have an aggressive attitude when I saw work in progress at the airport.*

The message I sent to you reflected my observation of your success at the Lansing Airport and a wish for an even better framework for success in the future. I stand by that message.

BOARD COMMENTS

1. Debbie Groh thanked staff for the budget book updates. She mentioned that her board notebook (bylaws) may need to be updated since it said the board meetings are on the 3rd Monday of the month. Staff will review and provide updates. Dan Schiffer added that he may need a new copy of the bylaws also and asked if the resolutions are available online; they currently are not online, but staff will look into the best way to make them available.
2. John Shaski congratulated Daniel Schiffer for receiving the FAA Wright Brothers Master Pilot award for over 50 years of safe flying and supporting the aviation industry from the MHA (Michigan Helicopter Association).
3. John Shaski congratulated Nicole Noll-Williams for being selected as the 2023 Lansing Community College Distinguished Alum. Nicole spoke at the LCC Commencement Ceremony on May 11 and received her award.
4. John Shaski thanked Katherine Japinga for wrangling support letters from the community in support of the DCA service. He recognized Steve Gonzalez for conducting the Live Fire Training and Blake Roy for his engagement with the Mason tenants.
5. John expressed his appreciation to the staff for providing community/sensory tours. He shared that the EAA Chapter 55 will be holding a pancake breakfast on June 11 at Mason.
6. John also welcomed CRAA's newest Operations Officer, Rikka Pedersen.

ADJOURNMENT

1. John Shaski moved the meeting to be adjourned at 5:34 pm.
2. The motion carried, and the meeting was adjourned.

signed

John Shaski, Chair

signed

Bonnie Wohlfert, Secretary