



CAPITAL REGION AIRPORT AUTHORITY

John Shaski
Chairman

Victor Celentino

Yvette Collins

Debbie Groh

Jennifer Jacob

Matthew Lantzy

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

February 24, 2025 REGULAR BOARD MEETING Chair John Shaski

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

Ex-Officio Present: Mark Mudry and Robert Showers

Management, Staff and Employees Present: Nicole Noll-Williams, Rob Benstein, Elliott Black, Blake Roy, Steve Gonzalez, Steve Ball, Denise Epling, Kerry Jenkins, and Bonnie Wohlfert

Members of the Public Present: Bob Pena, Ingham County; Brian Hurtekant, Clinton County Commissioner; Bob Leisenring, Mead & Hunt; Dave Joye, 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.
2. John Shaski led, and all recited the Pledge of Allegiance.

APPROVAL OF MINUTES

1. Matthew Lantzy moved the Board approve the minutes of the January 27, 2025, Regular Board Meeting.
2. The motion passed unanimously.

COMMUNICATIONS & SPECIAL ITEMS

1. None

PUBLIC COMMENT

1. None

REPORTS AND RECOMMENDATIONS FOR ACTION

#25-03 Approval of Lease with the FAA for the Lansing Air Traffic Control Tower

- a. Victor Celentino moved the Capital Region Airport Authority Board approve the lease with the Federal Aviation Administration for the Lansing Air Traffic Control Tower and authorized the President-CEO to sign all associated documents on behalf of the Authority.
- b. Nicole shared that refurbishing the former TechOps space which CRAA is responsible for will be less than \$5,000 (carpet/paint).
- c. Yvette Collins asked about the previous lease expiration date of September 30, 2017. Rob explained that CRAA has worked with four different property managers at the FAA throughout those years and are excited to finally have this finalized.
- d. The motion passed unanimously.

#25-04 Mason Jewett Field Terminal Apron Reconstruction Project – Award of Contract

- a. Debbie Groh moved the Capital Region Airport Authority Board award a construction contract in the amount of \$999,999.50 to Rieth-Riley Construction Co. for the Mason Jewett Field Terminal Apron Reconstruction Project, and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.

- b. Victor Celentino asked about the large difference between the two bids. Rob Benstein shared that if a company is very busy, they may bid high. Rieth-Riley is also just across the street so proximity may have helped. Debbie Groh added that Rieth-Riley was great to work with on the Mason taxiway project. Matthew Lantzy asked if the \$730,000 in Federal Airport Infrastructure Grant (AIG) funds are restricted. Nicole indicated that the funds were allocated and awarded but it is a fair question.
- c. The motion passed unanimously.

#25-05 Award of Contract to Kramer Management Group to provide Owner's Representative Services

- a. Yvette Collins moved the Capital Region Airport Authority Board approve the award of a master services agreement with Kramer Management Group and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. Victor Celentino and Debbie Groh requested the list of companies that submitted proposals. Staff indicated Plante Moran, Jacobsen/Daniels, Kramer Management, Veridus Michigan LLC, and Jones Lang LaSalle Americas, Inc. John Shaski was a member of the evaluation panel as well as a representative from the Grand Rapids airport. The Authority will request Board approval of the necessary funding as part of the capital budget process or throughout the year.
- c. The motion passed unanimously.

REPORTS

Elliott Black – Financial Report for period ending 12/31/24

Slight modifications have been made to some reports in response to board feedback.

Operating revenues

- YTD Revenues are \$4.04 million (\$336k or 9% better than YTD Budget), and \$46k or 1.2% higher than the same period last year.
- Key contributing factors include:
 - Airline rates and charges (\$155k or 9% better than YTD Budget)
 - Concession revenues (\$130k or 31% better than YTD Budget)
 - Land rent (\$55k or 12% better than YTD Budget)
- Key offsets include (page 14):
 - FIS fees (\$78k or 90% worse than YTD Budget)

Operating expenses

- YTD Expenses are \$4.6 million (\$362k or 7% better than YTD Budget), and \$299k or 7% lower than the same period last year.
- Key contributing factors include:
 - Services (\$236k or 27% better than YTD Budget) Services is a broad category including professional services, audit, finance, IT, security, and wildlife to name a few.
 - Equipment (\$89k or 58% better than YTD budget)
 - Supplies (\$88k or 65% better than YTD Budget)
- Key offsets include:
 - Utilities, fuel, and communications (\$43.6k or 8% worse than YTD Budget)
 - Payroll (\$41.1k or 2% worse than YTD Budget)
 - Insurance (\$31.2k or 23% worse than YTD Budget)

Net operating revenue

YTD Net Operating Loss is \$574k (\$697k better than YTD Budget), but \$252k or 78% worse than the same period last year.

Selected Non-Operating Revenues and Expenses

- YTD Property Tax revenues are \$3.33 million (\$196k or 6% better than YTD Budget)
- YTD Investment Income is \$989k (\$588k or 147% better than YTD Budget)

Focus on Mason Jewett Field

Operating revenues

- YTD Revenues are \$115k (\$39k or 52% better than YTD Budget), and \$38k or 1% higher than the same period last year.
- Key factors include:
 - Net fuel revenue \$51k (\$38k or 305% better than YTD Budget*)
 - Land rent \$55k (\$5k or 10% better than YTD Budget)

Operating expenses

- YTD Expenses are \$87k (\$6k or 7% worse than YTD Budget), and \$24k or 38% worse than the same period last year.
- Primary contributing factor:
 - Payroll \$46k (\$27k or 150% worse than YTD Budget)

Net operating revenue

- YTD Net Operating Revenue is \$27.7k (\$33k better than YTD Budget), and \$14k or 100% better than the same period last year.

*Note this reflects net fuel revenue (gross revenues minus expenses), and therefore the timing of when fuel purchases occur versus when the financial reporting snapshot occurs can have a significant impact on the appearance of these figures.

Nicole Noll-Williams - President & CEO report

The current paid social/digital awareness campaign for Breeze Airways officially wrapped up February 21 and has proven to be very successful at increasing awareness of the new service and driving traffic to Breeze's website. She recently met with Breeze representatives about two more markets for LAN. They are awaiting aircraft delivery in the fourth quarter of 2025.

The Request for Qualifications (RFQ) for the Owner's Representative Services for the Terminal Renovation Design/Construction Project was completed. CRAA received really good proposals and conducted two interviews. The successful firm was Kramer Management Group located in Lansing.

CRAA Maintenance and Operations staff have done a great job this winter. CRAA is working with tenants to improve customer service issues related to deicing aircraft and timely luggage delivery.

REAL ID requirements for domestic flights and access to certain federal facilities will be required starting May 7, 2025.

Apple Vacations numbers are looking good with over 1,000 more seats available in 2025 vs. 2024. The overall load factor for 2025 is currently 75.7% (72.9% in 2024). Jamaica is currently at 64.6% (65.6% in 2024). Apple is considering other markets (Costa Rica, Cabo, or Puerto Vallarta) instead of Jamaica next year with TUI likely the carrier again.

Nicole will be attending an Air Cargo Conference in Dallas, Texas next week.

Victor Celentino shared that eight of his family members traveled on Breeze Airways to Orlando and had a great flight. This should have helped the load factor. Nicole thanked him and added that numbers are positive for Breeze. Reminder that the Fort Myers service is seasonal through April and Orlando is year-round. The seating options (First Class, Business, and Coach) on Breeze are unusual for a low-cost carrier.

LAN is in the lower tier of revenue for American for DCA, but they have no concerns, and they are adding a third flight to Chicago in April.

OLD BUSINESS

1. None

NEW BUSINESS

1. John Shaski expressed kudos to the operations and maintenance staff for their hard work this winter. John also congratulated Nicole Noll-Williams for being awarded the 2024 Airport Manager of the Year by the Michigan Association of Airport Executives. He added that Nicole is well known in the industry and highly respected. Nicole shared that she was totally surprised to receive the award and that it is certainly a team effort.

PUBLIC COMMENT

1. None

BOARD COMMENTS

1. Jennifer Jacob commented on the Mason tenant meeting, instructions she provided for the new fuel system, and taxiway signage. Nicole thanked Jennifer for the instructions and indicated staff will post them.
2. Mark Mudry asked about the next TSA Precheck event. Nicole responded that the next date is not yet confirmed but Katherine has reached out to the third-party provider.
3. Debbie Groh shared exciting details about the Rosie the Riveter Day scheduled for March 21 at the airport. Nicole thanked Debbie and Jennifer for their assistance in the planning process.

ADJOURNMENT

1. John Shaski moved the meeting to be adjourned at 5:16 pm.
2. The motion carried, and the meeting was adjourned.

Signed

John Shaski, Chair

Signed

Bonnie Wohlfert, Secretary