June 20, 2016

REGULAR MONTHLY BOARD MEETING

Chris Holman, Chair

Board Members Present: Chris Holman, Dick Baker, Victor Celentino, Greg Ward
Absent: Samantha Harkins & John Shaski

Ex-Officio Present: Robert Showers (4:43 pm)
Absent: Joe Brehler

Management, Staff and Employees Present: Bob Selig, Jonathon Vrabel, Dale Feldpausch, Tom Cross, Ron O’Neil, Nicole Noll-Williams, Tammie Lewandowsky, Robert Benstein & Bonnie Wohlert

Members of the Public Present: Kati Shumaker, Avflight; Andon Pogoncheff; Ken Thompson, AOPA-ASN; Chuck Makah, Omega Express; Vartan Muradov, Royal Express; Iyobosa Idusuyi, FAMA Cab, LLC; Gary Marchal, DD’s Downtown Taxi; John Castle, S-Cabs

CALL TO ORDER

1. Chris Holman, Chair, called the Regular Monthly Board Meeting of the Capital Region Airport Authority to order at 4:35 p.m. with a quorum present.

APPROVAL OF MINUTES

a. Victor Celentino moved the Board approve the minutes of the May 23, 2016 Regular Board meeting; Greg Ward supported.

b. The motion passed unanimously.

PUBLIC COMMENT

1. None

COMMUNICATIONS

1. None

REPORTS

1. None

RESOLUTIONS

#16-11 External Auditor Contract – For the audit and preparation of the Capital Region Airport Authority’s annual financial statement

a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #16-11 approving a contract with Maner Costerisan CPA’s for audit services and authorized the President - CEO to sign all necessary documents on behalf of the Authority.

b. Victor asked who the other firms were that responded; the amount of the bids/lowest; and were any bidders local? Chris Holman stated that Maner Costerisan is a local company. Dale Feldpausch reported that Andrews Hoopers Pavlik PLC is a Grand Rapids firm and Rehmann CPA’s is based in Saginaw. Dale handed out the bid summary: Andrews Hoopers Pavlik PLC $123,600; Maner Costerisan CPA’s $119,400; Rehmann CPA’s $113,050 and explained that Maner Costerisan was chosen based on experience. They have audited 8-10 airports whereas the other two firms have audited just one. Bob Selig added that
Maner Costerisan was the most competent with airport and PFC (passenger facility charge) audits which are different than other financial audits and we did not want a firm that would be in (airport) training mode.

c. The motion passed unanimously.

#16-12 FY2016 Funds Transfer to FY2017 Budget

a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #16-12 authorizing the transfer of $346,426 from FY2016 to FY2017 to cover the costs of the increase in international flights in FY2017 and authorized the President – CEO to sign all related documents on behalf of the Authority.

b. The motion passed unanimously.

#16-13 Authorization to Sell Authority Office Building at 2824 East Circle Drive

a. Victor Celentino moved the Capital Region Airport Authority Board approve Resolution #16-13 authorizing the sale of the Authority building at 2824 East Circle Drive, subject to final sales being approved by the Authority Board, and authorized the President – CEO to sign all related documents on behalf of the Authority.

b. Dick Baker requested additional information and Bob Selig explained that Celink’s headquarters is still here; they have just outgrown their facility and parking and will be expanding elsewhere. Dick Baker wondered why we would want to sell versus lease the building. Bob stated that if tenants own then they maintain the building but his preference would be to lease it. Bob added that we do have a party interested in buying 3798 Capital City Blvd. (the previous FTZ Bonded Warehouse). Dick Baker asked what if we sell and then end up needing it. Bob responded that we would not sell if we ever thought we would need it. Dick Baker concluded that this building is not part of our master plan and is only extraneous.

c. The motion passed unanimously

MONTHLY FINANCIAL REPORT

Financial Report: Dale Feldpausch

QUESTIONS ON STAFF REPORTS

None

REPORT OF THE PRESIDENT & CEO – ROBERT SELIG

- Apple Vacation’s additional service next season (6 flights/week) is due to our determination to change the focus and negotiate directly with the airlines. We had 2 flights/week last year and 1 flight/week this year. Nicole Noll-Williams marketed the concept with charter operators and then went back to Apple Vacations with the information. Dick Baker questioned if there are enough planes and pilots for these charter flights. Bob responded that the impact of aircraft shortage is with smaller 50 passenger jets; the charter flights are using 737 aircraft. He added that 148 communities have lost air service due to pilot shortage; we have not experienced this yet. Nicole Noll-Williams added that Apple Vacations is eliminating their Detroit service and moving it to Lansing.

- Chris Holman asked Greg Ward or Dick Baker to provide an update regarding the President-CEO search committee. Greg reported that the committee met
on May 24 and developed a timeline. They have received 4 of 5 request for proposals and will meet again on June 29 to review the responses.

NEW BUSINESS
1. None

PUBLIC COMMENT
1. John Castle with S-Cabs inquired about the status of UBER. Dale Feldpausch reported that we contacted UBER some time ago and initiated negotiations. The UBER contact then was promoted out of the district and negotiations have continued with another contact. Dale understands that this is challenging for the cab drivers. John believes UBER is playing dirty corporate politics. He stated that the cab companies are paying $3,150/month and UBER is operating unabated. He added that some UBER drivers snicker, laugh and make hand gestures towards them. John requested a moratorium on the cab company fees until the UBER situation is resolved. Victor Celentino asked why UBER was here if we are in negotiations. Dale Feldpausch stated that this is a national issue. Airports need cab companies but a lot of passengers want UBER. John stated that UBER seeks to destroy the taxi industry and we are allowing them. He reiterated that cab companies pay $525/month and are being treated unfairly. Chris Holman acknowledged that this is a major issue. Bob Selig stated the approach will be to intensify efforts for an agreement with UBER and increase enforcement. John added that they are being asked to report UBER issues to the airport and do all the time. He noted that the taxi community may just quit servicing the airport.

2. Chuck Makah with Omega Express asked the airport to provide a timeline for when the UBER issue could be resolved. Chris reiterated that it's a major issue and we will look into it.

3. Andon Pogoncheff stated the taxi companies should be treated fairly and pricing should be consistent; UBER pricing fluctuates.

4. John Castle with S-Cabs explained that UBER has surge pricing. At 2 am or during a snowstorm pricing can be 6 times the normal amount.

BOARD MEMBER COMMENTS
1. None

ADJOURN
1. Victor Celentino moved the meeting be adjourned at 5:40 pm; seconded by Greg Ward.

2. The motion carried, and the meeting was adjourned.

Chris Holman, Chairman          Bonnie Wohlfert, Secretary