

March 19, 2018
REGULAR MONTHLY BOARD MEETING
Chair Chris Holman

Board Members Present: Chris Holman, Victor Celentino, John Shaski, Greg Ward, Dick Baker & Jordan Leaming

Ex-Officio Present: Kam Washburn (for Robert Showers) and Joe Brehler

Management, Staff and Employees Present: Wayne Sieloff, Jonathon Vrabel, Dale Feldpausch, Eric Patrick, Nicole Noll-Williams, Rob Benstein, Ron O'Neil, Karissa Weight and Bonnie Wohlfert

Members of the Public Present: Mark Breukink, Mead & Hunt; Andon Pogoncheff

CALL TO ORDER

1. Chris Holman, Chair, called the Regular Monthly Board Meeting of the Capital Region Airport Authority to order at 4:30 p.m. with a quorum present.

APPROVAL OF MINUTES

- a. Victor Celentino moved the Board approve the minutes of the January 22, 2018 Regular Board meeting.
- b. The motion passed unanimously.

PUBLIC COMMENT

1. None

COMMUNICATIONS

1. Chris Holman introduced and welcomed Jordan Leaming, new board member.

REPORTS

1. None

RESOLUTIONS

#18-03 Comcast of Michigan, LLC Communications Easement

- a. Greg Ward moved the Capital Region Airport Authority Board approve granting an easement to Comcast of Michigan, LLC for communications purposes and authorized the President – CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. The motion passed unanimously.

#18-04 Car Rental Concession Awards

- a. Greg Ward moved the Capital Region Airport Authority Board approve award of rental car lease and concession agreements with Avis, Budget, Hertz and Enterprise/National for a five-year term commencing on April 1, 2018 and ending on March 31, 2023 and authorized the President – CEO, or his designee, to sign all related documents on behalf of the Authority.
- b. Wayne provided additional background information regarding the car rental bid process, MAG (Minimum Annual Guarantee) and provisions included in the 5-year agreements. Dick Baker inquired about the walk-way/canopy project for the car rental companies.

Wayne explained that the CFC (Customer Facility Charge), implemented last fall, is earmarked for these types of projects.

- c. The motion passed unanimously.

#18-05 Glycol Retention Pond Maintenance

- a. Greg Ward moved the Capital Region Airport Authority Board approve the Glycol Retention pond maintenance and authorized the President – CEO to sign all related documents on behalf of the Authority.
- b. Wayne explained the background and purpose of the Glycol Retention Pond and that leakage has been detected. Dick Baker asked where it is leaking. Ron O’Neil explained that the pond liner seam could have weakened or it could be that the piping valve may not be holding. Dick Baker asked about the toxicity of glycol and expressed concern if it reached deep ground water wells. Mark Breukink with Mead & Hunt added that glycol is not toxic.
- c. The motion passed unanimously.

#18-06 Protecting Local Government Retirement and Benefits Act

Application for Waiver and Plan for CRAA’s Retirement Health Benefit System

- a. John Shaski moved the Capital Region Airport Authority Board approve the Application for Waiver and Plan (form 5584 and required attachments) and authorized the President – CEO to sign all related documents on behalf of the Authority.
- b. Wayne reported that since the Authority’s Retiree Health Plan was 0% funded as of the end of last fiscal year (June 30, 2017). Under a new state law, entities with pension and/or retiree health care systems less than 40% funded are required to submit waivers and plans to the state outlining actions already taken to reduce the underfunded liabilities of these systems. The Authority’s pension system is 76% funded and for several months the Authority has been focused on implementing several health care changes and benefit modifications to reduce OPEB (Other Post-Employment Benefits) liability and funding retiree health care. In January, the Authority made initial deposits totaling \$600,000 in the newly created Health Care Funding Vehicle (Trust).
- c. The motion passed unanimously.

#18-07 Publicly Funded Health Insurance Contribution Act Exemption

- a. John Shaski moved the Capital Region Airport Authority Board 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 implement an alternative cost share of a 10% equivalent of health care premium for 2019 for all employees enrolled in the health plan. The President – CEO, or designee, is authorized to sign all related documents on behalf of the Authority.
- b. Wayne explained that since establishment of the Act in 2011 the Authority Board has approved an Exemption requiring no employee cost share of Health Care insurance premiums. This resolution formalizes the establishment of the 10% cost negotiated in the most recent collective bargaining union contract and for non-union employees. Dick Baker stated that this is a significant change. Wayne indicated that the more we can educate the employees the better and implementing a 10% cost share is less impact to employees than the hard cap or 20% cost share as outlined in the Act.
- c. The motion passed unanimously.

#18-08 Annual budget commitment to funding the Authority’s OPEB Trust (Retiree Health Funding Vehicle)

- a. John Shaski moved the Capital Region Airport Authority Board authorize an annual payment of \$500,000 or the Annual Required Contribution (as computed by the required Actuarial Valuation), if less. This contribution will be made to the Authority’s OPEB Trust

- Account (Retiree Health Funding Vehicle). The President – CEO, or designee, is authorized to sign all related documents on behalf of the Authority.
- b. A discussion occurred regarding whether the \$600,000 already contributed to the Trust was for this fiscal year or the prior year. An updated actuarial and when we can expect to receive it was also discussed.
 - c. The motion passed unanimously.

MONTHLY FINANCIAL REPORT

Financial Report: Dale Feldpausch presented financials for period ending January 31, 2018.

- Dale reminded the Board that we currently operate under the Compensatory framework with the airlines, which means that any budget shortfall will be absorbed by the airport, as well as any excess revenues over expenses. Dale stated that currently revenues and expenses are tracking close to budget, so no adjustments are needed at this time.
- Budget work sessions are scheduled for next week. The budget books will be provided (hard copy & online) by this Thursday.

QUESTIONS ON STAFF REPORTS

1. Greg Ward asked if we have received any feedback regarding the parking system improvements. The staff present had not received any feedback. Greg asked about the three traffic accidents on the Operations report. Chief Patrick responded that the accidents were not out of the ordinary. Greg also asked if there were still any vacancies and Karissa Weight, HR Manager, indicated we will be fully staffed on 3/26/18 with two new operations officers starting.
2. John Shaski shared that he sees a lot of passengers using the luggage carts now.
3. Nicole Noll-Williams provided an update on the petition filed by American Airlines on January 19, 2018 for the DCA slot extension. We have received 1,638 letters of support to date compared to 1,092 in 2015/16. No airlines have voiced opposition to the slot extension to our knowledge. In addition, starting May 4, 2018 American Airlines will be changing the flight times to/from DCA (7:30 pm evening departure from LAN daily). The late afternoon flight to LAN from DCA will remain at approximately the same time.
4. John Shaski expressed kudos to the ground crews for their quick flight turnarounds and added that customs clearing of international flights is also very quick.

REPORT OF THE PRESIDENT & CEO – WAYNE SIELOFF

- The Health Care Committee met last Friday with a goal of identifying 20-30% savings in health care plan changes for 2019.
- We have signed a one-month agreement with All Body Kneads to provide chair massage in the public space of the terminal.
- Wayne participated in a tourism roundtable hosted by Congressman Bishop.
- The Authority is working with Peckham, Inc. on a memorandum of understanding for an Art Project/Sculpture that will be located on Capital City Blvd.
- Met with Brad Funkhouser, new CEO of CATA, regarding our efforts to continually improve the public transportation options available for those traveling to/from the airport.
- Wayne made presentation to a network of 16 CEO's in the region.
- Testified for the House Transportation Appropriations Subcommittee regarding infrastructure improvement needs at Michigan airports.
- Working with a group of local organizations and corporations including Jackson to form a cohesive, collaborative approach to growing Michigan's aviation business.
- Met with Janet Lillie, MSU, in an effort to increase our engagement with the MSU community and increase their utilization of LAN.
- Wayne outlined the updated CRAA organizational chart and reviewed some of the changes in responsibilities.

NEW BUSINESS

1. None

PUBLIC COMMENT

1. Mark Breukink, Mead & Hunt, stated that glycol is biodegradable but it can have acute toxicity. Chris Holman suggested we get more information and share those findings with the board.

BOARD MEMBER COMMENTS

1. Chris Holman welcomed Jordan Leaming again. Jordan shared that he has lived in the area 8 years; his experience with the airport has been through the Lansing Chamber and added that he is happy to be here.

ADJOURN

1. Greg Ward moved the meeting be adjourned at 5:49 pm.
2. The motion carried, and the meeting was adjourned.

signed
Chris Holman, Chair

signed
Bonnie Wohlfert, Secretary