

September 17, 2018
REGULAR MONTHLY BOARD MEETING
Chair Chris Holman

Board Members Present: Chris Holman, John Shaski, Victor Celentino, Greg Ward, Dick Baker
Absent: Jordan Leaming
Ex-Officios Present: Joe Brehler & Robert Showers

Management, Staff and Employees Present: Wayne Sieloff, Jonathon Vrabel, Rob Benstein, Karissa Weight, Eric Patrick, Ashley Patterson, Lyndsey Lampe and Bonnie Wohlfert

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

CALL TO ORDER

1. Chris Holman, Chair, called the Regular Monthly Board Meeting of the Capital Region Airport Authority to order at 4:31 p.m. with a quorum present.

APPROVAL OF MINUTES

- a. Greg Ward moved the Board approve the minutes of the August 20, 2018 Regular Board meeting.
- b. The motion passed unanimously.

PUBLIC COMMENT

1. None

COMMUNICATIONS

1. None

REPORTS

1. None

RESOLUTIONS

#18-31 Protecting Local Government Retirement and Benefits Act – Corrective Action Plan for CRAA's Retirement Health Benefit System

- a. John Shaski moved the Capital Region Airport Authority Board approve the Corrective Action Plan (form 5597 and required attachments) and authorized the President – CEO to sign all related documents on behalf of the Authority.
- b. Wayne explained that Public Act 202 of 2017 (Effective 12/20/17) required the Authority to report to the Department of Treasury its funded status. Since the Authority's Retiree Health Plan was underfunded less than state requirement of 40%, the Authority was required to apply for a waiver due to actions underway prior to passage of the law. The Department of Treasury denied the CRAA's waiver, therefore a Corrective Action Plan is required with Board approval. Wayne added that with all the changes made over the past 9-10 months the CRAA is in a much more favorable funded position of 66% (reduced total liability from 15.1 million to approximately 3.3 million). In addition, the Authority staff (based on CBIZ actuaries funding schedule) recommends 5 annual payments of \$500,000 each into the OPEB Trust which projects, given certain assumptions that the plan will be financially sustainable for 30 years. (*Resolution 18-32*) Joe Brehler asked why the Authority would fund the plan to 150%. Wayne explained that the projection is based on the current actuarial projections with several assumption including a 6% rate of return. Joe suggested closing the plan. Wayne indicted that many current employees will

be in the plan 30 years from now. Dick Baker also asked why it's important to fund it to 100-150%. Wayne explained that the sooner the funds are in the better. A 6% rate of return is anticipated; MERS uses 7 ¾% for pensions. Many scenarios were run but the \$500,000 for 5 years was the best option. Bob Showers added that Clinton County runs an OPEB actuarial every 2 years and adjusts payments as needed.

- c. The motion passed unanimously.

#18-32 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 OPEB funding plan to include five (5) annual payments of \$500,000. These contributions will be made to the Authority's OPEB Trust Account (Retiree Health Funding Vehicle), and future retiree benefits will be paid from this Trust Account beginning next fiscal year. This resolution authorized the President – CEO, or designee, to sign all related documents on behalf of the Authority.
- b. The motion passed unanimously.

#18-33 Rates and Charges Ordinance adjustment – Maximum Costs for Short Term and Long Term Parking

- a. John Shaski moved the Capital Region Airport Authority Board approve the Rates and Charges Ordinance adjustment which changes the maximum cost for 24-hours of parking in the Short-Term Lot from \$12 to \$14 and the maximum cost for a week of parking in the Long-Term Lot from \$50.00 to \$70.00. All other existing parking rates will remain unchanged. The changes will be effective on November 1, 2018. This resolution authorized the President and CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. The Authority met with our parking operator - Standard Parking who compared our rates to other Michigan airports and suggested the changes. They indicated that many airports, over the past 3-4 years, have eliminated the free days (the 6th and 7th days were free in long term). Standard parking estimates the changes will increase revenue by \$170,000/year. John Shaski added that even with these changes, we still have the cheapest parking.
- c. The motion passed unanimously.

#18-34 Aircraft Rescue Fire Fighting Vehicle Contract Award

- a. John Shaski moved the Capital Region Airport Authority Board approve the award of the Aircraft Rescue Fire Fighting (ARFF) Vehicle Contract to Rosenbauer Minnesota, LLC in the amount of \$769,295.00 and authorized the President and CEO, or designee, to sign all necessary documents on behalf of the Authority.
- b. Victor Celentino asked about the bid process. Wayne stated that four companies were invited to bid and two responded, neither of which are located in Michigan. Wayne added that this project will use all local funds. If FAA funds were used, they would only approve a truck with a smaller tank. Chief Eric Patrick added that if FAA funds were used the bids are typically higher. We used the FAA guidelines and added specialized equipment suitable for our needs. Wayne added that the vehicle takes about a year to build. We will not have it for our next FAA inspection (anticipated in June 2019) but we will have it for the following inspection.
- c. The motion passed unanimously.

#18-35 Revisions to the Authority's Employee Policies and Procedures Manual, specifically the Vacation Time Policy

- a. John Shaski moved the Capital Region Airport Authority Board approve amending the Employee Policies and Procedures Manual by approving revisions to policy Section 400.07 – Vacation Time and authorized the President and CEO, or designee, to revise, develop, and implement all guidelines and procedures related to these changes.

- b. The motion passed unanimously.

MONTHLY FINANCIAL REPORT

Financial Report: Wayne Sieloff, President & CEO presented financials for period ending 7/31/18.

QUESTIONS ON STAFF REPORTS

1. Dick Baker asked about cancellations and delays. Wayne indicated that they change monthly and are always more than we want. Weather in Chicago also affected this past month. Rob Benstein added that we had 24 cancellations, 19 were weather/traffic related; 3 were due to maintenance and 2 were an operational decision. Department of Transportation (DOT) new reporting rules took effect in January 2018. We now only have 2 airlines that are not required to report their delays/cancellations to DOT; Trans States and Air Wisconsin.

REPORT OF THE PRESIDENT & CEO – WAYNE SIELOFF

- Delays and cancellations were discussed recently with a new planner for Delta.
- Wayne will be meeting with Apple Vacations next week to discuss how we can strengthen our relationship and increase revenue.
- Wayne thanked John Shaski for attending and participating in the rebranding workshop with MSU. MSU will provide a proposal which will include how our current brand is received and how it can be stronger.
- Improvements to the restaurant, renaming the airport, implementation of a new rewards program and terminal modernization are anticipated in Spring 2019.
- A meeting with the FAA is being scheduled to discuss 10-year CIP (Construction Improvement Program) and the best time to seek funding.
- We are planning a strategy session with board members in December. If board members would like to see specific data or have questions that we can address, please let us know.
- Capping the cost of the Medicare Advantage plan at \$350/person was a critical component of a previous resolution and at the time Dick Baker requested that the staff inform the Board if the cost of the plan is over \$400/person. We are happy to report that the cost of this supplemental plan came in well under the cap, the cost is \$318.35/month.

NEW BUSINESS

1. None

PUBLIC COMMENT

1. None

BOARD MEMBER COMMENTS

1. Greg Ward expressed his appreciation for the tour of the Aviation Technology Center provided by Mark Bathurst after last month's board meeting. John Shaski added that the Mason constituents (tenants) also enjoyed it.

ADJOURN

1. Greg Ward moved the meeting be adjourned at 5:33 pm.
2. The motion carried, and the meeting was adjourned.

signed

Chris Holman, Chair

signed

Bonnie Wohlfert, Secretary