

MINUTES

KALAMAZOO COUNTY AERONAUTICS BOARD OF TRUSTEES REGULAR MEETING JUNE 11, 2009 10:30 am

ITEM 1. Call to Order: Chairperson Gil Collver called the meeting to order at 10:40 a.m.

ITEM 2. Roll Call: Members in attendance – Gil Collver, Bill Duggan, Dan Hope, John Jones, Greg Kurdys, Dave Tomko and Jim Woodruff.

Also Present: County Liaisons Deb Buchholtz-Hiemstra and Nasim Ansari.

Staff Present: Clifton Moshoginis, Ron Shutler, Linda Bunting, Jay Waalkes, Karen Wolff, Thom Canny and Lisa Bradshaw.

ITEM 3. Approval of the May 14, 2009 Board Minutes: There being no changes made to the minutes, on a motion made by Mr. Tomko, seconded by Mr. Jones, the minutes were approved.

ITEM 4. Citizen Comments: No comments were presented.

ITEM 5. 2008 Financial Report: The 2009 Year-End Financial report was distributed to the board and Deputy Finance Director Lisa Bradshaw gave an overview of the report. She highlighted the Statement of Net Assets, which gives an overview of the balance sheet for the airport. It is divided by assets, liabilities and net assets. In 2008 the airport's net assets increased by \$1.3 million. She stated that the reason for this is primarily due to the receipt of roughly \$2 million in capital gains. Net assets were \$23,914,326, which reflects approximately 64% of the airport's net assets. She stated that the debt is recovered by Passenger Facility Charges (PFC). The unrestricted net assets are broken out between the committed and unreserved (working capital). She explained that the unreserved is the money that is available to run an operation and currently the airport has approximately \$6.6 million. This is an increase of \$2 million primarily due to state reimbursement for some of the capital projects in previous years. She went over the net assets and budget for the operations of the airport. Ms. Bradshaw pointed out that operating revenues were under budget by approximately 11%. She explained that this is due to the fuel crunch in 2008 and the economic state of the aviation industry as a whole. She stated expenditures were only over budget by \$18,000 compared to 2007 when they were over by \$141,000. Ms. Bradshaw stated that depreciation was under budget by \$187,000, which is again due to the reimbursement grants. The overall budget was over by \$205,000, which she attributed to winter conditions in early January. The increases were in equipment, vehicles, fuel and utilities. She explained that the PFC figure was lower due to an administrative oversight by the FAA. Ms. Bradshaw explained the Cash flow Statement with total cash as of December

31, 2008 in the amount of \$4,823,845. Some discussion followed regarding the decrease in revenue and the increase in operational costs, which was attributed to the increase in fuel costs, overtime expenses, inclement weather conditions during the winter and overall increases in equipment used for operational purposes. Mr. Moshoginis also pointed out that much of the budget is activity driven.

ITEM 6. Terminal Project Update – RS&H/Skanska: RS&H representatives Altan Cekin and Martin Wander presented a three dimensional terminal design scheme update showing various renderings of the tiled area, the glass between the land and air side and the removal of a column previously included in the design. Mr. Wander stated that bids are still coming in at favorable amounts so there may be room for such things as using brick in the check point area as opposed to a less expensive material. He stated the brick will be included in the next presentation update. He stated that they are considering using an alternate for the metal panels on the outside of the building and that it is safe to use sheet rock as an alternative. He reiterated that in the future there will be no federal funds provided for building maintenance, thus it is important to use solid materials for more durability over time. RS&H continued their presentation showing renderings of carpeting with variations of color and surfaces for contrast. Mr. Wander stated that with regard to flooring, the goal is to choose material that will not show as much dirt. Much discussion followed regarding the various flooring designs.

Skanska representative Eric Ferguson updated everyone on the status of the terminal project in terms of the construction. He stated that they have opened up bids in the first phase and they are under what was estimated. They have made recommendations to the county on those bids and they have been accepted. Mr. Ferguson stated that Mr. Moshoginis will advise Skanska when the grant funds are available and at that point they will move forward with the subcontractors and start the project. He added that there have been no changes in the schedule at this point and they are set to move on to the next phase. Mr. Moshoginis stated that the terminal committee has met and they have recommended the bid alternative to install the canopy to the County Building Authority and it has been accepted due to the positive bidding environment. He stated that the timeline has not changed and they are refining the estimate, which will be presented to the full board. Mr. Moshoginis stated that due to the over all low bidding and the low bidding of the passenger boarding bridges, the airport had to also include the bridges to place more funding in the first package. They are anticipating that the building itself is 90% eligible for funding. Other portions will be covered by bonds and capital.

ITEM 7. For Consideration:

AIRPORT NON-CONSENT AGENDA ITEMS

A. Construction Administration Agreement RS&H: Mr. Moshoginis explained that this agreement between the airport and RS&H is for administration services for the entire construction phase and covers the scope of services, bidding, recommendations, contracts and certifications. This allows for a representative from RS&H to work on-site from the architectural design side with Skanska. It is grant eligible and part of the first package. It is 95% federal funds, 2.5% state funds and 2.5% airport. The local share is \$44,400. The amount is an estimate based on the completion

of the project. He stated that the State has concurred and he recommends approval. On a motion made by Mr. Tomko, seconded by Mr. Hope, the motion was approved.

ITEM 8. Unfinished Business: Mr. Hope brought up the owner's representative discussion from the last board meeting. Mr. Collver stated that the terminal committee made the decision to table it for now, an owner's representative will not be brought on board at this time and they will determine if there is a need for one as the project moves along.

ITEM 9. New Business: Mr. Moshoginis stated that the airport administration, RS&H and Skanska will coordinate a "Neighborhood Meeting" with neighboring businesses to keep them abreast of the construction that will be going on with the airport and to make sure that the airport is being a good neighbor during the construction phase of the project.

ITEM 10. Airport Director's Report: Mr. Moshoginis distributed some articles to the board regarding Jet America starting service out of Lansing to Newark.

He informed everyone that the new terminal groundbreaking ceremony is being held on Monday, June 29 at 10:00 a.m.

ITEM 11. Member's Time: No issues were presented by members.

ITEM 12. Adjournment: The meeting adjourned at 12:05 p.m.