

# MINUTES

## KALAMAZOO COUNTY AERONAUTICS BOARD OF TRUSTEES MEETING

April 18, 2007

ITEM 1. Call to Order: The meeting was called to order at 8:10 by Chairman Gil Collver. He stated for the record, a quorum was not present, therefore no action can be taken on the items.

ITEM 2. Roll Call: Members in attendance – Gil Collver, Dan Hope, John Jones, and Kevin McGrath

Also Present: County Liaisons Deb Buchholtz-Hiemstra and Nasim Ansari, Thom Canny, and Lisa Bradshaw.

Staff Present: Clifton Moshoginis, Ron Shutler, Lynn St. Clair, Jay Waalkes, Karen Wolff

ITEM 3. Approval of Minutes: Mr. Collver asked if there were any additions or corrections to the minutes from February 14, and March 14, 2007. There were no comments. The minutes stand as published.

ITEM 4. Citizen Comments: No comments were presented. Introductions were made of those in attendance, including Michael Renk, Assistant City Engineer, City of Portage, and Todd Hurley, Hurley and Stewart.

ITEM 5. For Consideration: Airport Agenda Items. It was determined to move item E. ahead for discussion.

E. Mr. Moshoginis noted the request for support of a water main easement project with the City of Portage. The easement will cross airport property to provide additional water service for development and fire protection. This project will be coordinated with the Taxiway B relocation project. It will not interrupt airline service. They will jack and bore under Runway 17/35. The Airport currently has easements for various reasons, one is with Pfizer for a pump station. He added since it is a property issue, the recommendation will go to the County Board, and they will approve the easement. The easement will be approved at a fair and equitable value. Mr. Canny agreed that since it is for a permanent conveyance, the County will approve the easement, but look to the Aeronautics Board for a recommendation. There was a discussion of time lines for bidding, Aeronautics Board recommendation and County approval. A fair and equitable value was provided by an appraisal from the City of Portage. That

amount was countered to Portage for a higher number. He didn't have the figure, but thought the number from Portage was about \$19,000, while it was felt it should be closer to \$24,000. It was reviewed by an appraiser who is a County Commissioner. The fees generated go to the Airport. There was some discussion of dates of approval by the County. The Aeronautics Board would be recommending the easement, not the amount. Mr. Canny felt granting the easement demonstrated good intergovernmental cooperation. Then Portage doesn't have to go around the Airport, which would be much more expensive.

Mr. Collver said it appears the Aeronautics Board's obligation is fundamental such as safety, as well as interference with current operators at the Airport. He mentioned any future construction in an area over the main. We want to be sure we can provide the natural functions of the airport without negatively impacting any land use. Mr. Canny reviewed several possible concerns. Mr. Hurley stated the width of the easement was 20 ft. The water line will be encased in a steel casing. Mr. Hope asked if it would take the runway out of commission. Mr. Hurley said the water line will be going in during the reconstruction of Taxiway B South. Mr. Moshoginis said the State of Michigan has approved the plans. In response to a question from Mr. Jones, Mr. Hurley said the line is 9' below the surface. There was some consideration of possible damage to the runway. Mr. Canny said the City of Portage would reimburse for damage due to a leak. Mr. Collver asked about monitors and shut offs where it enters airport property. Mr. Hurley said there will be a shutoff at each fence line. Usually a leak will happen at a fitting, and there will be no fittings. The steel sleeve will be ½ inch thick, and even if there were a leak it would be inside the sleeve. Mr. Collver asked about a representative on site during construction. Mr. Moshoginis said there would be a project manager, a civil engineer, on site during construction.

The sale of any property involving the main was considered. Mr. Canny said the easement is the Airport's and it can convey the easement with the property. The members fully reviewed questions concerning the water main. Mr. Renk stated the City monitors water pressure closely, and can identify problems quickly. Mr. Moshoginis noted the plan review process.

Mr. Ansari asked about a sewer line. Mr. Renk said it was nearly impossible to add a gravity sewer line. Mr. Collver thanked the engineers for coming. Action on this item will be taken with the next quorum of the Board.

In response to a question from Mr. Jones about the deliverables, Mr. Moshoginis said the agreement for Marie Frank has been outstanding for some time. It was reviewed in January for additional language. An annual report of the bulleted items will be provided. Specifically she will be approaching the airlines for additional air services. That is not a guarantee for air service, but if we don't act, we won't accomplish anything. Mr. McGrath asked if she was actively involved now. Mr. Moshoginis said she was.

Mr. Moshoginis said two bids were received in response to a bid for vending services. Canteen is recommended based on their offer, which was higher than K&S.

Mr. Jones inquired about an arrangement whereby Mr. Moshoginis would have authority to sign straight-forward contracts. Mr. Moshoginis said the Board has approved of him signing hangar and advertising leases. Mr. Canny noted the difference between public and private sector. He added, the hangar and advertising contracts don't pose any legal problems. However, the County Board has delegated to the Aeronautics Board their authority, so the Chair and Secretary must sign it.

There was further consideration of ways business could be conducted so leases, etc. could be moved along, possibly with a consent agenda, or a mechanism other than a regular meeting. Mr. Canny explained there is no authority for a proxy. Mr. Moshoginis said a special meeting can be requested. He also mentioned the use of policies for rates and charges, general conditions, and permits that go through the budget process. Mr. McGrath asked about consequences if any of the items are delayed. Mr. Moshoginis said the support letter for the Small Community Air Service Development Grant needs to be sent with the grant next week. Mr. Canny said if the bylaws are approved, it will simplify the approval process. The support letter can be sent and ratified by the Board later

Mr. Collver asked about the timeframe for posting a meeting notice. Mr. Canny said it needs to be done 18 hours in advance of the meeting. A special meeting was considered. Mr. Moshoginis said the County has approved David Tomko as a replacement for Ms. Frank. It was determined to poll the members for a meeting on Friday at noon.

Mr. Collver asked if there were any other questions. Mr. Hope asked about Adopt-A-Watt. Mr. Moshoginis said the Airport is looking for one unit with a sponsorship of \$15,000. He felt the developing bio-diesel companies might be a logical sponsor. If there is no sponsor, there is no installation and no cost to the Airport. Mr. Hope noted the \$15,000 is an annual cost, or a \$45,000 commitment for 3 yrs. Mr. Moshoginis said he didn't know how the bid documents are structured. Mr. Hope said the installation costs about \$5,000. The following year when there is no installation, does the Airport receive \$10,000 and Adopt-A-Watt \$5,000. Mr. Moshoginis said he does not know if the construction, installation costs are one time or spread across the three year term.

There was some concern about disposal of the unit if Adopt-A-Watt is no longer in business. The members expressed various concerns about the project, including the size and location of the panel; and the overall benefit.

Concerning the Bylaws, Mr. Collver asked if there were any specific questions. The bylaws can be amended with a simple majority. With 5 members in attendance, 3 could vote a change. There was further discussion concerning a quorum and possible controversial issues.

Mr. Moshoginis noted the meeting for phase 1 of the Terminal Study. He suggested a strategic session before the Board makes any decision about the terminal. He felt a selection for an alternative would be considered at the June meeting. The architectural firm will walk the Board through the information. Mr. Moshoginis will send an email for meeting dates. Ms. Buchholtz-Hiemstra thought the Board may want a separate meeting for the strategic session. Mr. Jones noted the meeting for the business plan. He felt the Board may want to look at a vision or mission for building the terminal; what are we building for. We may need a facilitator to get a focus; where we want this organization to go, and what will accomplish the goals. There may be a need for a retreat and a significant amount of time. Mr. Moshoginis said he would locate a facilitator to work with the Board and timeframes. Mr. Jones felt the Board would need administration guidance with regard to the terminal. Ms. Buchholtz-Hiemstra noted that selection of a terminal will be based on the funds that are available. Mr. Moshoginis said alternatives will be presented, and the Board will decide based on that information.

He mentioned some of the issues the Airport has encountered such as 68 cancellations. He handed out information regarding the cancellation of the flight to Minneapolis because of Pinnacle's crew shortage. Several airlines are exiting bankruptcies. We have forecasts and are working diligently for more air service.

There was some discussion concerning the reporting of cancellations. Mr. Jones expressed concern about the Board's familiarity with air service development, since the members are asked questions. The Board should be aware of those efforts in order to grow this business. Mr. Collver recognized there are questions of propriety, but there is a need to address this matter while not releasing sensitive information. Mr. Moshoginis noted air service is very competitive, and as soon as there is specific information, the members may want an executive session for that discussion.

Mr. Canny said contract negotiations are not usually held in executive session. He recommended a brief paper to each Trustee to give a written overview of activities undertaken. With a contract you need to know the associated activities, but it doesn't necessarily need to be discussed at a meeting. The Board might decide that a certain item warrants a closed session. There was some consideration of information that can be obtained through the Freedom of Information Act. There was also discussion regarding air service.

Information regarding the County's liability coverage for board members was distributed. Mr. Moshoginis mentioned the State contract for relocation of

Taxiway B will need to be executed in May. The Governor has issued a moratorium for State grants, however that does not affect the Airport's grant.

Mr. Collver felt there needs to be discussion following the engineering firm's presentation on the terminal. The process was underway when the Board was formed. He said a strategic session would be valuable in setting timelines and where the terminal fits in. Mr. Moshogins said he would provide the history of the terminal efforts. There are some timelines established. There are areas of the terminal that are not working for passengers now. We have arbitrage issues and grants that will expire. This needs to come to the June meeting of the Board. This would take us into 2008 bidding, and the grant for \$2.6 million in relation to the terminal will be due to expire. There was some discussion of arbitrage and bond issuing. \$9.5 million has been issued, and \$5.5 million is still authorized.

MEMBERS' TIME: No items were presented .

ADJOURNMENT: There being no further business for discussion, the meeting adjourned at 10:20 a.m.