

MINUTES

**KALAMAZOO COUNTY AERONAUTICS
BOARD OF TRUSTEES
REGULAR MEETING
DECEMBER 10, 2009
10:30 am**

ITEM 1. Call to Order: Chairperson Gil Collver called the meeting to order at 10:35 a.m.

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

Staff Present: Clifton Moshoginis, Dave Reid, Linda Bunting and Lisa Bradshaw.

ITEM 3. Approval of the October 8, 2009 Board Minutes: There being no changes made to the minutes, the minutes were approved as published.

ITEM 4. Citizen Comments: No citizen comments were presented.

ITEM 5. Third Quarter Financial Report: Lisa Bradshaw passed out the third quarter 2009 financial report and gave a summary of the airport's financial status. Included in the report were the current nine month status and year-end projections. An Executive Summary was included showing an operating loss of \$784,000 for the third quarter, 12% higher than last year. Non-operating activity showed revenue over expenses by \$352,000, a slight decrease from last year primarily due to interest income on bond proceeds. Overall expenses exceeded revenue in the amount of \$432,493. She reviewed the statement of revenues of budget to actual showing what operating expenses are doing in various areas of the airport. Activity-based revenues are down and the other revenues such as contractual items are slightly above budget due to a timing difference. The operating expenses are slightly below budget, around 70%. Areas that are fixed are basically in line with what they should be. She stated there are still always activity-based expenditures that have to be accounted for such as overtime costs due to weather, etc. The airport Administration is monitoring the budget for overtime. Personnel salaries were below budget due to unfilled positions. Non-operating revenue for PFC collected is at 47% but the collections are a little bit higher than in 2008. They are still down overall for the year. Some discussion followed regarding parking, less people parking and more drop offs occurring, parking prices and car counts. A request was made from the Board to the parking lot management service to provide an historical car count to try and gauge numbers as it relates to the deceased enplanements.

ITEM 5. For Consideration:

AIRPORT CONSENT AGENDA ITEMS

None

AIRPORT NON-CONSENT AGENDA ITEMS

A. PRO-TEC EXTENSION (AIRPORT RESCUE & FIRE FIGHTING SERVICES) – Mr. Moshoginis explained that this is an extension agreement between the Kalamazoo County Aeronautics Board of Trustees and Pro-Tec Fire Services, Ltd for the purpose of providing airport rescue and fire fighting services for the airport through December 31, 2010 in the amount of \$355,000. On a motion made by Mr. Duggan, supported by Mr. Tomko, the motion was approved.

B. JANITORIAL CONTRACT – Mr. Reid explained that this bid process was very competitive, with a total of 17 bids being submitted. United Commercial Services, Inc. was chosen as the janitorial service to contract with the airport. This contract is for two years, totaling \$150,332, with the option to renew for a third and fourth year at \$75,166 for each of these years (four year total of \$300,664). The airport reserves the right in this agreement to review, renegotiate and/or reopen this contract for bid 90 days prior to the scheduled opening of the new terminal. On a motion made by Mr. Duggan, supported by Mr. Tomko, the motion was approved.

C. STANDARD PARKING AMENDMENT – Mr. Moshoginis explained that this is an amendment identifying Standard Parking, Inc. as the collection agent and purchasing agent as it pertains to the parking lot operation. The revenue collected passes through Standard parking and the State of Michigan is determining that this is revenue for the agency and charging Standard Parking state income tax for all of the revenues collected at their Michigan locations. This amendment provides the necessary language to satisfy the State of Michigan's tax collection determination and shows Standard parking as the collection/purchasing agent for the airport. He stated that county legal counsel has reviewed and concurs with the amendment and it is recommended by administration the amendment be approved. On a motion made by Mr. Woodruff, supported by Mr. Duggan, the motion was approved.

D. RATES & CHARGES RESOLUTION – Mr. Moshoginis stated that this is budget driven and had previously been distributed to the board for their review. He recommended that the board approve the 2010 Rates and Charges Resolution. On a motion made by Mr. Duggan, supported by Mr. Kurdys, the motion was approved.

AERONAUTICS BOARD AGENDA ITEMS

A. Election of Officers – Mr. Moshoginis sent information to the board regarding the Aeronautics Board elected positions information and terms prior to the meeting. Mr. Collver opened nominations for Chairman of the Aeronautics Board. Mr. Duggan nominated Mr. Collver. On a motion made by Mr. Duggan, supported by Mr. Tomko, Mr. Collver was re-elected Chairman of the board. Mr. Collver nominated Mr. Woodruff to be the Vice-Chairman of the Board. On a motion made by Mr. Duggan, supported by Mr. Kurdys, Mr. Woodruff was re-elected Vice Chairman of the board. Mr. Collver recommended that Mr. Moshoginis be re-appointed as Secretary to the Board and Ms. Bunting as Assistant Secretary to the Board. On a motion made by Mr. Woodruff, supported by Mr. Duggan, Mr. Moshoginis and Ms. Bunting were re-appointed. It was determined that all committees would remain active with the exception of the Bylaws Committee.

B. 2010 Regular Aeronautics Board Meeting Schedule – On a motion made by Mr. Duggan, supported by Mr. Hope, the motion was approved to keep the board meetings for 2010 as scheduled on the second Thursday of each month at 10:30 a.m. at the Air Zoo with the exception of April, which will be held on the third Thursday of the month on April 15 due to Spring Break schedules.

ITEM 7. Unfinished Business: There was no unfinished business presented.

ITEM 8. New Business: Mr. Hope inquired as to the current status of the Air Service Committee. Mr. Moshoginis responded that the Air Service Committee met this week which includes 17 organizations. They have received updated proposals from two firms and they are waiting on one more for air service. He stated that they would like to move as quickly as possible with any additional service and they will have to pull the business consortium group back together to support the most appropriate proposal. Mr. Moshoginis hopes to announce something during the first quarter of the year.

Eric Ferguson, Project Executive of Skanska gave an update on the new terminal, stating that they had a really good November. He said they got lucky with the weather. The foundation's contractor, Christman Construction performed well. He stated they started with six workers and within a week, had 30. Skanska was fortunate to obtain 12 carpenters in the 30 man crew and seven of the crew were foreman. Steel was started on November 30 and there has been good productivity from that crew as well. He stated that this portion of the project is going as well as he could have expected given this time of year. The excavations have all been brought to sub-grade and flattened out. He is hoping to have the masonry and framing mobilized by the middle of January to get ramped up on the enclosure process. The curtain wall and roofing will follow that. He stated that the next real hurdle is the supported slab or the second floor of the building. It looks like it is going to be poured in February and pouring slab on grade is one issue but pouring an elevated slab where temperatures can get to both sides is a little more difficult. He explained that this process will most likely be completed in smaller pieces. They will drape it or tent it as they go and heat it from underneath and just be smart about when they pour. Mr. Ferguson said he is happy with how the project is going considering the time of the year the project was started. He added that he is planning on having a wireless web cam near the entrance of the site that will take photos every 12 to 15 minutes, which will provide a chronological history of the project. This would be password protected and could possibly be added to the airport's website as long as they can manage some level of security with it. Mr. Ferguson welcomed everyone to come out to the site and take a look around.

ITEM 8. Airport Director's Report: Mr. Moshoginis handed out an article regarding air service nationwide for the board's to read at their leisure.

Mr. Moshoginis stated that the FAA has reached out to the airport with regard to grant funding and they are still waiting on full reauthorization of the Airway Trust Fund, which is extended another three months. He stated that the Department of Transportation (DOT) passed a full fiscal year spending bill. He said it appears that there will be a Part A and Part B grant funding this year; therefore two grants would be executed. One grant will be executed early for entitlement funds and then another larger grant should fall right

behind it assuming Congress agrees to a FAA reauthorization bill or if the Airway Trust Fund is extended for the remainder of the fiscal year. He stated that the airport is on target for the third bid packet in April along with the funding for that packet.

With regard to the new Assistant Director Finance position, second interviews were conducted with Mr. Collver and Mr. Woodruff and they are coming close to a decision. Mr. Moshoginis stated that in the beginning this person will focus on daily financial operations and interaction with the County Finance department, however if the board members would like to see any information with regard to financials, do not hesitate to make requests for the information or format you would like to see.

Mr. Hope inquired as to the status of the new tower project. Mr. Moshoginis stated that it is anticipated that construction will begin in 2010 and be completed in 2013.

ITEM 9. Member's Time: There were no issues presented by the board members.

ITEM 10. Adjournment: There being no further business, the meeting was adjourned at 11:40 a.m.