

MINUTES

KALAMAZOO COUNTY AERONAUTICS BOARD OF TRUSTEES REGULAR MEETING

MARCH 13, 2008
9:00 am

ITEM 1 Call to Order: Chairperson Gil Collver called the meeting to order at 9:05 a.m.

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

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

Also Present: Jim Carey of Clear Channel advertising firm and Kristen Statler.

ITEM 3. Approval of the February 14, 2008 meeting minutes: There being no corrections Chairperson Collver approved the minutes as published.

ITEM 4. Citizen Comments: No comments were presented.

ITEM 5. For Consideration

AIRPORT AGENDA ITEMS

A. Aviation Data Group, LLC Agreement: Mr. Moshoginis explained that this is a one-year agreement for a subscription to a software application, which aids in airline recruitment and development. The subscription costs \$9,900.00 and the airport demonstrated the system for several months. He stated that the airport compared it to other programs that are somewhat less expensive but they did not provide all of the information needed and that there are some more expensive programs available as well. Mr. Moshoginis stated that the information pulled from it is extremely useful in terms of demographics, competitors, average median household incomes of airport travelers, average one-way fares, top 20 destinations, etc. The subscription has been reviewed by legal council with no objections. Payment for the subscription will come out of the Convention and Visitor's Bureau allotment, which will also have access to the system and they concur with this subscription agreement. Training is included in part of the cost and updates are provided on a quarterly basis. On a motion made by Mr. Jones, seconded by Mr. Duggan, the motion was approved.

B. Terminal Advertising Contract: Mr. Moshoginis explained that this is an agreement between the airport and an agency by the name of Interspace Services, which is Clear Channel that would go through April 30, 2011. He gave the background on an agency used at the airport locally in the past that was not as successful in terms of generating as much revenue as the airport would like. It was mutually agreed to not renew an agreement with them. The airport sought proposals from firms that could possibly pick up the remainder of the contract for the digital screens and that turned out to be very difficult. He explained that proposals were reviewed regarding all aspects of the airport advertising program, including the backlit boards, phone boards, and the brochure area and it was decided to recommend Interspace as the airport's advertising firm. Mr. Moshoginis mentioned that the financials for Interspace are included in a brief distributed to the board members for today's meeting. He stated that Interspace is also in the Grand Rapids, Lansing and Flint, Michigan. He explained the benefits of this firm to the airport and stated that outside legal council reviewed the contract with no objections. He further explained that the agreement had a \$20,000.00 minimum revenue guarantee. Mr. Moshoginis introduced Mr. Carey who explained how the agency handles advertising for airports across the country and how the pricing structure works. After much discussion regarding the pricing, financials and length of the contract, it was decided that Mr. Carey would go back to the agency and provide a tiered pricing structure to bring back to the board for review within a 30-day period.

AFSCME 2008 Labor Agreement: Mr. Moshoginis explained that the American Federation of State and County Municipal Employees 2008 Labor Agreement involves an organized labor group at the airport. There is a 1.5% wage increase at an approximate cost of \$4,326.18. Kalamazoo County Human Resources has approved the increase and Mr. Moshoginis recommended approval from the board. On a motion made by Mr. Jones, seconded by Mr. Hope, the motion was unanimously approved.

D. Agreement with Century Floor Space: Mr. Moshoginis stated that this is an addendum to the current carpet cleaning service agreement that services the terminal building. The original term was for two years beginning March 7, 2006 with two one-year options. He recommended that the agreement be extended for the remaining two years at the same cost, which is \$17,155.71 per year through March 7, 2010. On a motion made by Mr. Duggan, seconded by Mr. Jones, the motion was unanimously approved.

AERONAUTICS BOARD AGENDA ITEMS

A. Appointment of Aeronautics Board Member to the Budget Committee: Mr. Jones suggested that Mr. Tomko be appointed. Other members concurred and on a motion made by Mr. Jones, seconded by Mr. Duggan, Mr. Tomko was appointed to the budget committee to replace former board member Kevin McGrath.

B. Appointment of the Aeronautics Board Terminal Project Committee: Mr. Collver stated that he and Mr. Moshoginis discussed the idea of having a terminal project committee consisting of some of the board members to serve as

liaisons during the new terminal building process. He stated that Mr. Kurdys and Mr. Duggan both have valuable experience to bring to this committee. On a motion made by Mr. Jones, seconded by Mr. Hope, Mr. Kurdys and Mr. Duggan were appointed to the Terminal Project Committee.

ITEM 6. Unfinished Business: There was no unfinished business presented.

ITEM 7. New Business: There was no new business presented.

ITEM 8. Airport Director's Report: Mr. Moshoginis informed everyone that the February 2008 market share report is ready but has not been audited by airport staff at this point. However, it did show that there were 76 cancellations (unofficially), an unusually high number. The unaudited numbers shows a 2% decrease in enplanements.

Mr. Moshoginis stated that there is a stakeholders meeting today regarding the new terminal and thanked the board members newly appointed to the New Terminal Project Committee for attending.

Mr. Moshoginis provided a memorandum to the board regarding the pursuance of the additional funding for the terminal through the Federal Aviation Association (FAA). He stated that he met with them last week and the environmental assessment has been extended and the site is set environmentally. He will be going to Washington, D.C. to speak with the FAA about discretionary funds next month.

Mr. Moshoginis attended a Building Authority meeting yesterday and gave an update on the terminal project. He will continue to attend future meetings with updates.

He stated the issues with licensing at the airport Old Fisherman's Pub have been resolved and it is now open for business.

The airport is sponsoring a legislative connection with Senator Stabenow on March 17 at the Park Club at 8:00 a.m.

Mr. Moshoginis mentioned the Airport Councils International is an airport association, which holds annual conferences that are geared toward aeronautics board members. This year's annual conference is being held in Arizona on May 18 – 20 for airport board members. Any board member interested should contact him.

ITEM 9. Member's Time: Mr. Hope stated he attended the National Travel Association's meeting in Washington, D.C. He spoke with Continental who is trying to make non-stop flights to London and Paris and having stops from Kalamazoo going to Cleveland that would be linked to these flights. He also stated that he was amazed to find out that the Air Traffic Control tower technologies were built in the 1930's and if the infrastructure was improved, flights could increase by approximately 500%.

Mr. Tomko inquired if anything is known about Southwest Airlines visiting the Lansing airport and if the Battle Creek airport was supporting it. Mr. Moshoginis replied that Southwest Airlines usually will speak to any airport, but that does not equate to any start of service.

Mr. Jones thanked everyone at the meeting for changing the meeting time from 8:30 a.m. to 9:00 a.m.

Mr. Collver welcomed new member Greg Kurdys.

ITEM 10. Adjournment: The meeting adjourned at 10:07 a.m.