

MINUTES

KALAMAZOO COUNTY AERONAUTICS BOARD OF TRUSTEES MEETING

OCTOBER 10, 2007
9:00 am

ITEM 1 Call to Order: Chairman Gil Collver called the meeting to order at 9:10 a.m.

ITEM 2. Roll Call: Members in attendance – Gil Collver, Bill Duggan, Kevin McGrath and Jim Woodruff.

Also Present: County Liaison Deb Buchholtz-Heimstra.

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

ITEM 3. Approval of Minutes: Mr. Collver asked if there were any additions or corrections to the minutes from September 12, 2007. There were no comments. The minutes were approved.

ITEM 4. Citizen Comments: No comments were presented.

ITEM 5. Airport Agenda Items for Consideration:

A. Ratify TSA Cooperative Agreement – Mr. Moshoginis requested ratification of a grant for assistance that the airport applied for in the amount of \$779,640 over a five-year period for law enforcement support at the checkpoint area. This is a capped amount that was awarded as of September 25, 2007. He explained that this is for one officer dedicated to the checkpoint area during hours of operation, 16 hours per day. Mr. Duggan motioned for approval of ratification of the agreement, Mr. Woodruff seconded and the motion was approved.

B. National City ATM agreement (Disclosure By Trustee Tomko) – This item was moved to the November board meeting agenda due to the lack of a 2/3 majority present at this meeting.

C. LaSalle Bank Recognition Agreement and Memorandum of lease for Riley Aviation – Mr. Moshoginis explained that currently Riley Aviation is seeking financing to purchase the building they are occupying at the airport. This agreement is a landlord recognition agreement stating that as the landlord, the airport is to keep LaSalle

Bank informed of any defaults on Riley's part or if there are any changes, amendments to their contract. In addition, if they default with the bank, the bank could possibly choose another tenant for the building based on the board's approval. He explained that it is also the bank's responsibility to replace that income should Riley back out of their tenant agreement with the airport. Mr. Moshoginis stated that this agreement recognizes that LaSalle Bank is the financier and the airport will cooperate with them as the landlord. Mr. Woodruff motioned that the agreement be approved, Mr. Duggan seconded the motion and the motion was approved.

D. Standard Parking Contract Amendment - Mr. Moshoginis explained that Standard Parking is the firm that manages the airport long and short-term public parking. He stated that currently their equipment does not meet the standards of the CISP (Cardholder Information Security Program). If the equipment does not meet these standards, significant penalties can be issued against the parking firm. Mr. Moshoginis stated that in order to upgrade the equipment, it would cost approximately \$80,132.82 at Standard's parking cost. They are willing to pay this in return for an extension of their agreement another three years up to 2012. If the airport purchases directly, it will cost over \$100,000. There is also an increase in the management fee to cover the cost of the equipment over the life of the amendment, an additional cost of \$5,618.67 per year to help cover the financing cost. He stated that the benefit to the airport is that the airport does not have to use capital funds now to purchase the equipment. That can be done over the time of the amendment and over the extension of the contract. He stated that the warranty and installation costs are included. He recommended approval of the amendment. Further discussion took place regarding the financial details of the amendment. On a motion made by Mr. McGrath to approve the amendment and seconded by Mr. Woodruff, the motion was approved.

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 handed out an article in *Business Review* regarding Continental Airlines beginning service here in June. He handed out information on reauthorization for airport funding. The Federal government is in a continuing resolution until November 16 so the airport funds are locked up in this area until at least that date. He also handed out the market share report showing updated figures on the airlines' market shares, which is furnished by the Department of Transportation. The report shows the average one way fair over time for airports. The full market share report for September 2007 showed a decrease in cancellations. Enplanements were down 3% and seats were down 12%. Departures were down, relative to that. Load factor is up 5% over the same period last year, up over a nine-month period by 4%. After further discussion, Mr. Moshoginis offered to give the Board more historical information as well as a trend line for more detailed information in the future.

Mr. Moshoginis handed out articles on the FAA reauthorization of airport funding, stating that there are three versions of FAA reauthorization. They typically have a five-year period to reauthorize airport funding, which is then appropriated every year. They are now looking at how they are going to finance the air traffic control system and how they are going to collect funds. This will affect the airport for grant money in 2008, however if they appropriate funds by November 16, the airport should be O.K. If it is delayed much longer, the airport may not have grants offered in 2008. He stated that typically this would hurt an airport but since this airport has grants it should not be a problem.

RS&H and Mr. Moshoginis met with the FAA Airport District's Office in Detroit to lay out the terminal project and the financing. He said the FAA requested a financial plan and cost benefit analysis for the new terminal project. He stated that the meeting went very well and he is waiting for more financial figures from RS&H to give to the Airport District's Office. In terms of the time line, Mr. Moshoginis stated he is unsure until there is a commitment from the FAA and that most likely will not be until after November 16.

ITEM 9. Member's Time – There were no topics presented by members.

ITEM 10. Executive Session – Mr. Woodruff read the following motion: I move that the Kalamazoo County Aeronautics Board of Trustees go into a closed session pursuant to Section 8, (C) of the Open Meetings Act for the purpose of discussion negotiations of the collective bargaining agreement and issues related to the airport Director's employment agreement. The motion was supported. A roll call note was taken: Collver, yes, Duggan, yes, Tomko, not present, Hope, not present, Jones, not present, McGrath, yes, Woodruff, yes.

ITEM 11. The meeting adjourned at 11:10 a.m.