

**MINUTES**

**KALAMAZOO COUNTY AERONAUTICS  
BOARD OF TRUSTEES  
REGULAR MEETING  
OCTOBER 8, 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, John Jones, Greg Kurdys, Dave Tomko and Jim Woodruff.

Also Present: County Liaison Deb Buchholtz.

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

ITEM 3. Approval of the September 10, 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.

Mr. Moshoginis opened up the meeting by introducing the new Airport Assistant Director of Operations and Maintenance, David Reid. Mr. Moshoginis stated that Mr. Reid worked for the airport in the past and most recently had held a position in training law enforcement at Kalamazoo Valley Community College. Mr. Reid has a lot of airport and management experience and he is scheduled to start on Monday, October 12, 2009.

ITEM 5. For Consideration

**AIRPORT CONSENT AGENDA ITEMS**

- A. LEISURE LIMOUSINE EXTENSION
- B. ENTERPRISE RENTAL CAR EXTENSION
- C. SKYCAP AGREEMENT RENEWAL

Mr. Moshoginis explained that all of these agreements are standard renewal contracts. On a motion made by Mr. Duggan, supported by Mr. Woodruff, the motion to approve the contracts was approved.

**AIRPORT NON-CONSENT AGENDA ITEMS**

A. RATIFY FAA GRANT AGREEMENT PHASE 2 – Mr. Moshoginis explained that this is for phase two of the construction and that this agreement was executed by the Aeronautics Board Vice Chair and County Corporate Counsel on September 24, 2009. Execution was necessary to meet the deadline of the end of the

FAA's fiscal year for funds. He stated that there is a little over \$4 million in the bid packet for discretionary funds. On a motion made by Mr. Jones to ratify the agreement, supported by Mr. Tomko, the motion was approved.

B. APPROVE MDOT AGREEMENT FOR PHASE 2 – Mr. Moshoginis explained that although this is not currently in place, it follows every grant contract entered into by the airport and the State of Michigan Department of Transportation. He stated that execution of the contract will be forwarded at a later date and this covers Phase 2 of the terminal project. The federal share of the project is \$4,007,144 and the airport's share, which is the non-eligible portion, is \$545,142. On a motion made by Mr. Duggan, supported by Mr. Jones, the motion was approved.

C. RESOLUTION FOR AGREEMENTS FOR PHASE 2 – Mr. Moshoginis explained that concurrent to the two Phase 2 agreements is a resolution stating the Aeronautics Board Chair Gil Collver is authorized to execute the agreements on behalf of the county. He requested approval for this resolution. On a motion made by Mr. Woodruff, supported by Mr. Duggan, the motion was approved.

D. PFIZER TERMINATION AGREEMENT – Mr. Moshoginis stated that this is a termination agreement with Pfizer, LLC and the airport regarding their hangar, which will be purchased by Hinman Company. With the closing of the sale, there is a \$5,000 early termination fee. All other fees are current. On a motion made by Mr. Tomko, supported by Mr. Woodruff, the motion to approve the agreement was approved. Mr. Collver added a clarification that this is contingent on the final sale.

E. 2010 BUDGET – Mr. Moshoginis provided an Airport Administration Summary explaining the criteria for a 2010 draft budget. Mr. Tomko stated that he and Mr. Hope of the Aeronautics budget committee met with Mr. Moshoginis and Ms. Bradshaw to devise a draft budget to come as close as possible to a break-even budget. He stated that he feels that it reflects the most realistic budget for 2010. Mr. Moshoginis stated that they tried to focus on lessening the impact of rates and charges for the airport's customers, understanding that it is a difficult economic time, yet attempt to reduce and cover the airport's expenses. He pointed out a 5% increase in landing fees and a .5% increase in fuel flowage fees and an across the board 5% increase in office space rental. He added that by contract the airport has available to it in 2010 an adjustment in the current FBO based on the CPI-U index, capital expenditures are being minimized, there will be a parking rate adjustment and the elimination of one administrative position that was due to administrative restructuring. Mr. Woodruff voiced that the 5% increase in landing fees at this time is questionable given the airlines reluctance to fly into Kalamazoo. Mr. Moshoginis responded that the committee struggled with this but the increase is roughly a little over \$13,000 over the course of the year for all of the airlines and there has been a 10% increase in previous years. He added that some areas of revenue were not accounted for so that the airport may be in a better position in 2010 and they were very conservative on the revenue side. Mr. Tomko said they also feel that even with a 5% increase, the airport is still reasonably priced. Mr. Canny added that some government agencies have a tendency not to make increases for a long period of time and in turn end up wildly out of balance and they can not make that up for example, in 10 years. Mr. Woodruff asked about the parking increase and Mr.

Tomko stated that the rate is competitive with Grand Rapids and the first half hour is still free. Some discussion followed regarding the new rates and the amount of revenue that will be generated. Mr. Collver questioned what exactly is to be approved today and Mr. Moshoginis stated that the budget committee is asking for approval of the 2010 budget with the suggested rate increases and elimination of one administrative position. On a motion made by Mr. Woodruff, supported by Mr. Jones the motion to approve the draft budget was approved. Mr. Moshoginis added that final approval for the position elimination will now go to the County Board.

ITEM 6. Unfinished Business: Mr. Collver mentioned a brief provided by Mr. Moshoginis regarding public comment at the last board meeting regarding putting up signs in the airport to advertise the airport lounge. Mr. Collver summarized the brief stating that there is already a policy in place; however he feels that it is the airport's responsibility to enlighten the public as to what is available to the public at the airport. Mr. Moshoginis pointed out that the lounge does have a sign showing their location in the airport. He added that it is very difficult if the line is crossed between directional and advertising signage regarding a contract that is currently in place and the ability to keep it in the airport's control with regard to tenants. He reiterated that business in the airport is activity based, depending on how the airlines are doing. Discussion followed possibly adding way finding signs in the current and new terminal. It was determined that Mr. Moshoginis will meet with the lounge owner to work with him on communicating to the public their location in a non-advertising fashion.

ITEM 7. New Business: Mr. Collver stated that the Building Authority has granted the Aeronautics Board approval for up to \$30,000 for changes in the new terminal project without their approval. The terminal committee is proposing that Mr. Moshoginis would be authorized for \$10,000, \$20,000 would be authorized for Mr. Moshoginis and the terminal committee and if anything is \$20,000 to \$30,000, it would go to the full board for approval. Mr. Canny questioned if the \$30,000 is for total changes or for each change. Mr. Collver stated he was looking at it as per change. It was determined that Mr. Canny will confirm this with the Building Authority at their next meeting and come back to the table for approval of the change process. Some discussion took place regarding controlling the changes as well as capping them. Mr. Moshoginis asked if after confirming with the Building Authority, do board members want this to come back to the full board or just to the terminal committee and it was decided that it would go back to the terminal committee. Mr. Moshoginis stated that with regard to changes, the board needs to keep in mind that the changes are fully vetted by Skanska and RS&H prior to any board approval. Eric Ferguson of Skanska interjected that another facet to consider is that some of these changes, for example if it is a scope enhancement, it may be a \$40,000 or \$50,000 change but they may not need a decision right away, they have time to price it, look at it and review it. The other change that would be more critical in a decision-making nature is if it would impede the schedule if a decision is not made in a timely manner. He stated that they will have both of these considerations to deal with in the project. Mr. Canny pointed out that contingency changes are handled by Skanska and RS&H and approval is not needed by the airport or the building authority. Mr. Ferguson agreed with Mr. Canny, however he stated that at no time will Skanska or RS&H spend the construction contingency without the owners', RS&H and Skanska's approval.

ITEM 8. Airport Director's Report: Mr. Moshoginis said the current market share report is not out yet, however the board should have received market share information in graphics form and stated that the information can be manipulated however the board would like to see it if they want any changes made to the information.

Mr. Moshoginis sent the monthly terminal reports to the board electronically and encouraged everyone to come out to the site to see the progress.

Mr. Moshoginis stated that the airport received its full share of discretionary funds in the Bid Pak 2 from the FAA and he was pleasantly surprised, the FAA is really in Kalamazoo's corner.

Mr. Moshoginis reminded everyone to R.S.V.P. to him by tomorrow if they are planning to attend the *Deals of the Year* black tie event on October 23.

He and the Southwest Michigan Alliance were in Washington, D.C. yesterday to meet with several of the area's legislators and delegates and at the agency level as well. He met with the FAA Director of Planning. Ms. Buchholtz interjected that the Director of Planning was very impressed with the proposal that Mr. Moshoginis put together for the new terminal project.

ITEM 9. Member's Time: Mr. Collver stated that the terminal committee looked at a company called *Hearing Loop Systems* who manufacture T-Coils for hearing aids that enable hearing-impaired people to be able to hear public address systems in airports. The cost is \$30,000 to \$50,000 and Mr. Collver said it may be something to consider for the new terminal.

ITEM 10. Adjournment: There being no further business, the meeting was adjourned at 11:27 a.m.