

# MINUTES

## KALAMAZOO COUNTY AERONAUTICS BOARD OF TRUSTEES MEETING

SEPTEMBER 12, 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, Jim Woodruff, John Jones, Kevin McGrath and Dan Hope

Also Present: County Liaisons Deb Buchholtz-Heimstra and Nasim Ansari

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

ITEM 3.        Approval of Minutes: Mr. Collver asked if there were any additions or corrections to the minutes from August 8, 2007. There were no comments. On a motion from Mr. Jones, seconded by Mr. Woodruff, the minutes were approved.

ITEM 4.        Citizen Comments: No comments were presented.

ITEM 5.        Six Month Financial Report: Lisa Bradshaw from the County Finance Department presented the 2007 Six Month Financial Report, which included estimated figures for year-end, 2007. Ms. Bradshaw summarized the report line items, and said that cancelled flights have had an affect on the revenue side. The year-end projection for the Airport is for a \$728,000 reduction in working capital. She said the six-month report is a soft report; the nine-month report will have a truer indication of the year-end results. She said activity on both the revenue and expense side may occur in the latter part of the calendar year. There is \$1.4 million in depreciation and debt service. Eligibility for the use and collection of the Passenger Facility Charge (PFC) will affect the bottom line at year-end for 2007. She stated that the goal for the Airport fund is for operating revenues to cover operating expenses, including depreciation.

ITEM 6.        Airport Items for Consideration

A.        Contract with Leisure Limousine and Sedan – Assistant Airport Director Ron Shutler explained the terms of a new contract for ground transportation with Leisure Limousine and Sedan, stating that the current contract with Services Concepts/Executive Delivery has exhausted all extensions. Mr. Shutler requested

proposals from ground transportation companies and received two bids. He stated that the criteria for the contract was based on employees, dress code, fares and experience. Each bidder was evaluated on a matrix scale by the Airport Administration team with input from interviews Mr. Shutler had with the airport's air carrier managers and their opinions of current ground transportation service. He stated that this is not an exclusive contract, i.e. any other ground transportation provider may provide services at the airport provided that they have a reservation with a customer. He stated that this was a very comprehensive process of evaluation, which included reference checks. Mr. Shutler recommended that a contract be approved with Leisure Limousine and Sedan. Mr. Jones made a motion for approval, seconded by Mr. Woodruff and the contract was approved.

B. Contract with Executive Delivery – Mr. Moshoginis explained that this is a renewal contract with a baggage delivery service for two years for terminal space, at the rate established by the Aeronautics Board and recommended that the contract be renewed. On a motion from Mr. Woodruff, seconded by Mr. Jones, the contract was renewed.

C. Contract with Chuck Jaqua Realtor – Mr. Moshoginis explained that this is a contract renewal for five years for terminal space, at the rate established by the Aeronautics Board and recommended that the contract be renewed. On a motion made by Mr. Jones, seconded by Mr. Woodruff, the contract was renewed.

D. Contract with AZO, LLC – Mr. Moshoginis explained that this is a new contract with a new Fixed Based Operator (FBO) AZO, LLC. This company is currently seeking Federal Aviation Administration (FAA) certification for retrofitting private and corporate aircraft. He said once that is done, the manufacturing phase would take place. Mr. Moshoginis said the concessionaires contract fees were modified to attract their business, and the Airport is willing to pay for an upgrade to the taxi street leading to the facility. He said Chair Collver, and Vice Chair Woodruff were part of the collaboration with the City of Kalamazoo, and County of Kalamazoo. He said the Kalamazoo County Board of Commissioners approved the use of economic development funds to make the airport whole on the concessionaires fees paid by AZO, LLC. Mr. Moshoginis said the one concern of AZO, LLC has is the room to expand here. He said they are in an area that has limited expansion due to runway protection areas.

There was further discussion among the members in relation to the economic benefit, and the creation of jobs in this area, and the revenue this contract will produce for the Airport. On a motion made by Mr. Jones, seconded by Mr. McGrath, the contract was approved.

#### Aeronautics Board Items

A. Approval of 2008 Budget – Mr. Moshoginis reviewed a budget handout including a profit – loss statement and the 2008 proposed budget. The board

reviewed the budget figures and member discussion took place in regards to the PFC projected revenue amount. Mr. Collver made a recommendation for a line item change in the budget for a final figure of \$750,000 in the PFC revenue line item. On a motion made by Mr. Woodruff with the change to the PFC revenue line item, seconded by Mr. Jones, the 2008 budget was approved.

B. Market Share Subcommittee –Mr. Moshoginis reviewed what the Market Share Subcommittee presented at the February 14, 2007 Aeronautics Board meeting. He said the information that the subcommittee recommended would be provided at future meetings unless any members had additional items that needed to be included. Mr. Hope requested to include the yield of the selected airports, and Mr. Moshoginis said he would have that included. Mr. Woodruff said that these reports could be changed in the future if there is other pertinent information the Board would like to see.

ITEM 7. Terminal Project Public Relations Plan – Marketing Director Karen Wolff presented the public relations plan for the new terminal. Ms. Wolff gave details on the target audience for communication regarding the terminal and stated that there will be several phases leading up to the project. Some of these include a press conference, website information and facts, newspaper, T.V., radio communication, local businesses and magazines, speaking engagements, organizations such as the Rotary, Convention Bureau, transportation councils, WMU speaking engagements and the current airport terminal digital display's, which will all be utilized to convey as much information as possible to the public regarding the new terminal project.

ITEM 8. Unfinished Business – Adams Outdoor Advertising: Mr. Moshoginis said he is still waiting for a proposal from Adams Outdoor Advertising.

ITEM 9. New Business – There was no new business presented.

ITEM 10. Airport Director's Report- Mr. Moshoginis handed out an article that appeared in *Business Review* about leakage problems The article reported that the Gerald R. Ford International Airport in Grand Rapids is spending \$27,000 to determine how many passengers are driving 100 miles or more to catch a flight in the hope that the study will convince airlines to provide more flights to more destinations and possibly lure a low-fare airline. Mr. Moshoginis also handed out an article that appeared in the *Kalamazoo Gazette* highlighting AZO, LLC possibly providing up to 75 aviation jobs in the area. He also mentioned that that he will be appearing on an upcoming *Southwest Michigan First* television show, which airs on Sunday mornings called *Business First*. He said he would inform the Board when that is scheduled. Mr. Moshoginis is meeting with the FAA Airport Districts Office September 24 with RS&H to update them on the new terminal project, and to start the process for obtaining a commitment on discretionary money for the project. He said he would keep the Board updated on the status.

ITEM 11. Member's Time – Mr. Collver stated that he has spoken to the airport manager in Manistee regarding their new terminal and the process they went through in terms of implementing improvements first, and then building the new terminal. Mr. Collver suggested that some members of the Aeronautics Board make a trip to Manistee and to Traverse City to meet with the managers to get more specific information on the process they went through for their new terminals.

ITEM 12. Adjournment – There being no further business, the meeting adjourned at 11:55 a.m.