

MINUTES

**KALAMAZOO COUNTY AERONAUTICS
BOARD OF TRUSTEES
REGULAR MEETING**

**SEPTEMBER 11, 2008
9:00 am**

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

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

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

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

ITEM 3. Approval of the August 14, 2008 Meeting Minutes: There being no corrections, the minutes were approved as published.

ITEM 4. Citizen Comments: No comments were presented.

ITEM 5. Six-Month Financial Report - County Finance: Lisa Bradshaw presented the six-month financial report for the airport. She stated that expenses are slightly above what was projected, around 52% however there are no major concerns. This is primarily due to parking lot and capital improvement expenses. There has also been a lot of turnover in the Operations department, creating more expenses in employee training. She pointed out that in 2007 working capital was \$4.5 million and the key factor is reimbursement from the state of Michigan, which is good. Mr. Collver asked if the state reimbursed the airport for site work. Mr. Moshoginis said there was a grant issued for that for around \$2.6 million for the site work and associated terminal area improvements. That grant was held open for about three years and was closed so the airport can invest those funds at a higher rate. The site work project for the airport was bid locally and the money came out of bond proceeds, and he said there is roughly \$5 million available now to be used for the new terminal project.

ITEM 6. For Consideration:

AIRPORT AGENDA ITEMS

A. Hertz Car Rental Company – Consent to Assignment – Mr. Moshoginis requested approval for the consent to assignment of Traverse City Leasing to Hertz Corporation for the operation of Hertz Car Rental. The County of Kalamazoo and the all on-site rental car agencies entered into an agreement on June 15, 1999, and amended the agreement June 30, 2005 to extend the agreements until June 30, 2011. Traverse City Leasing

owned the Hertz Rental Car operation by franchise, and requested to assign the contract to Hertz Corporation; which requires the written consent of the Kalamazoo County Aeronautics Board. Hertz Corporation agrees to accept the assignment from the assignor and agrees to assume the assignor's responsibilities under, and to be bound by all terms and conditions contained in the rental car lease dated June 15, 1999, as amended. Legal Counsel has reviewed the assignment with no objections. On a motion by Mr. Woodruff, supported by Mr. Duggan, the motion was approved.

B. Renewal of Skycap Agreement – Mr. Shutler requested approval of the airport lease agreement between the Kalamazoo/Battle Creek International Airport and the Airport Skycap Service for the lease of certain terminal space. He explained that the contract is a standard revenue language contract renewal for one (1) year, and either party has a ten (10) day written at will cancellation right. The Airport will receive payments in the amount of \$25.00 per month (\$300.00 per annum), based off of the Aeronautics Board approved Rates & Charges Resolution for 2008 for space rental of approximately 11 square feet. Legal Counsel has reviewed the agreement with no objections. The agreement is for one year and will expire September 10, 2009. On a motion made by Mr. Woodruff, supported by Mr. Tomko, the motion was approved.

AERONAUTICS BOARD AGENDA ITEMS

A. Terminal Schematic Alternatives – Martin Wander, architect for RS&H and Mike Vernich, project manager for RS&H gave a presentation on the two schematic themes for the new airport terminal that resulted from community, airport personnel and stakeholders input. Mr. Vernich explained that they have very specific details now as to the schemes that would best meet the needs of travelers at this airport. The new terminal will be built adjacent to the existing terminal and they are still working on configurations of the existing terminal. The best design requires a two-story building that is consistent with 90,000 square feet while still working with FAA funding. Mr. Wander stated that their goal is to try to marry in dimensions from technical predictions and local needs. Questionnaires were sent out and interviews took place. Out of this some strong points of the existing terminal came out such as the convenience of the walking distance from the parking lot. He stated that there were various opinions of what should be reflected, such as some people wanted a historic influence and some wanted more modern. Future community trends and core values were taken into consideration as well. Other considerations are energy efficiency, cost effectiveness, functional design goals and minimizing operations and maintenance costs. The design should be functional in that if the new terminal needs to be expanded in the future, this can be done easily. Other goals are to make the passengers' experience at the airport as smooth as possible and for airlines to be able to operate with minimum staff efficiently. However, the primary goal is for passengers to be able to get through security and to their gate quickly. Mr. Wander stated he would make the TSA area much larger than the current area because that is where the most people are. Mr. Wander presented the floor plans for scheme A and B and explained that they have basically the same shape, however the major difference is in the center of the iconic space. In scheme B more money is put into the central space than in the surrounding space. Mr. Wander started on a matrix scale that RS&H created, the current tenants of the airport tended to favor scheme A. After much discussion regarding cost, future expansion, passenger and tenant desires and the

future of the airline industry, a motion to pursue scheme A was made by Mr. Hope, supported by Mr. Tomko. The motion carried.

ITEM 6. Unfinished Business: Mr. Collver stated that he was scheduled two times to make a power point presentation to BC/CAL/KAL in Battle Creek, however both were cancelled. He is tentatively scheduled to present on September 17 but he may be traveling during that time. It was decided that Mr. Duggan would take his place should he not be able to attend.

ITEM 7. New Business: No new business was presented.

ITEM 8. Airport Director's Time: Mr. Moshoginis stated that the market share report for July 2008 has been emailed as he is still waiting for more information to come in for the August Market Share report.

He distributed the proposed 2009 budget developed by the Aeronautics Board Budget Committee, county finance department, and airport administration. He provided some explanation for the figures. He stated that there would be a memo sent to the Board regarding a new finance position in the airport administration office that has been incorporated in the proposed 2009 budget. He stated that at the November Aeronautics Board meeting the proposed rates and charges resolution would be presented for 2009, which was developed during the 2009 budget process.

Outside legal counsel for the airport will be at the October board meeting to summarize the minimum standards and the airport rules and regulations that was distributed to board members in August, and to answer any questions fro the Board.

Mr. Moshoginis gave everyone a viewpoint article written by Mr. Collver that was published in the *Kalamazoo Gazette* entitled *Service, more destinations, safety are aeronautics board's top priorities*.

Mr. Moshoginis stated that he and Mr. Shutler are attending a Michigan Association of Airport Executives (MAAE) conference next week.

Mr. Moshoginis mentioned that the TSA has new uniforms that are being unveiled today, September 11.

He suggested that everyone take a look at the new advertising wall wraps and the advertising program that was approved by the Board when they have time.

ITEM 9. Members' Time: Mr. Ansari commended Gabrielle Russon from the Kalamazoo Gazette on the articles that were published regarding the new airline going into the airport, Direct Air starting in November 2008.

ITEM 10. Adjournment: There being no further business presented, the meeting adjourned at 11:03 a.m