



**MINUTES
KALAMAZOO COUNTY AERONAUTICS
BOARD OF TRUSTEES
REGULAR MEETING
FEBRUARY 10, 2011**

ITEM 1. Call to Order: Vice-Chairperson Woodruff called the meeting to order at 10:36 a.m.

ITEM 2. Roll Call: Members in attendance - Bill Duggan, Dan Hope, John Jones, Greg Kurdys and Jim Woodruff.

Staff Present: Cliff Moshogins, Dave Reid, Ann Simmons, Linda Bunting, Lisa Bradshaw, Thom Canny and Lisa Thompson.

Also Present: Kalamazoo County Board Liaison Commissioner Tim Rogowski.

ITEM 3. Approval of the January 13, 2011 Board Minutes: On a motion made by Mr. Jones, seconded by Mr. Duggan, the minutes were approved.

ITEM 4. Citizen Comments: There were no citizen comments presented.

ITEM 5. For Consideration

AIRPORT CONSENT AGENDA ITEMS

- A. Leisure Limousine On Demand Car Service Amendment
- B. Jaqua Realtor Lease Amendment
- C. Federal Aviation Administration Supplemental Lease (Extension)

On a motion made by Mr. Jones, seconded by Mr. Kurdys, all consent agenda items were approved.

AIRPORT NON-CONSENT AGENDA ITEMS

- A. AGREEMENT WITH CTS COMMUNICATIONS CORPORATION

In the absence of Chairperson Collver, Officer of CTS Communications, Mr. Duggan read a Disclosure of Conflict of Interest – Agreement with CTS Communications Corporation dated February 10, 2011 as follows:

On the Items for Consideration for the Aeronautics Board's February 10, 2011 meeting is an agreement from my business enterprise, CTS Communications Corporation, a local telecommunications company. Since I have a conflict of interest as an officer of CTS Communications Corporation, I would like to make the following disclosure pursuant to 1968 P.A. 317, as amended:

The parties to this agreement are the Kalamazoo County Aeronautics Board of Trustees' and CTS Communications Corporation.

The purpose of the agreement is for CTS Communications Corporation to provide certain telecommunication installation and communication services described as follows:

Installation of a fiber ring to serve the new terminal building and a 36 month agreement for point-to-point connectivity via the fiber ring to the Kalamazoo County network.

The amount of the payment from the Kalamazoo/Battle Creek International Airport is:

Not to exceed \$20,000 for fiber installation and a monthly recurring service fee of \$795 for 36 months for service connectivity to Kalamazoo County

I will not receive a direct financial benefit from this project.

The term of the agreement is for 36 months.

No County employees were assigned to this project.

I would request that this disclosure be made a part of the official minutes of the Aeronautics Board meeting of February 10, 2011. Please keep in mind that it will take a two-thirds' vote of the full Aeronautics Board of Trustees to approve this payment.

On a motion made by Mr. Jones, seconded by Mr. Kurdys, the motion was unanimously approved.

B. STATEMENT OF WORK WITH NETECH – Mr. Moshoginis explained that this agreement is for a telecommunications system (equipment) in the new airport terminal. On a motion mad by Mr. Duggan, seconded by Mr. Jones, the motion was approved.

C. AGREEMENT WITH ISERV COMPANY – Mr. Moshoginis explained this agreement is to provide local, nationwide, international, toll free and dedicated internet telecommunications service in the new airport terminal. On a motion made by Mr. Duggan, seconded by Mr. Kurdys, the motion was approved.

D. HID CREDENTIAL LICENSE AGREEMENT – Mr. Moshoginis explained that this agreement is for the acquisition and use of security badge media stock to be utilized in the new airport terminal's security system. Legal council reviewed the agreement, changed some language and supports this agreement. On a motion made by Mr. Duggan, seconded by Mr. Jones, the motion was approved.

E. MEAD & HUNT AIR SERVICE AGREEMENT EXTENSION – Mr. Moshoginis explained that this is an extension of the air service consulting agreement with Mead & Hunt with the same terms. On a motion made Mr. Duggan, seconded by Mr. Kurdys, the motion was approved.

AERONAUTICS BOARD AGEND ITEMS

NONE

ITEM 6. Air Service Update – Ron McNeill (Mead & Hunt): Mr. McNeill gave a presentation-update on air service as of the fourth quarter of 2010. Some of the highlights were that over all there were profits in the airline industry in the United States for the fourth quarter. He mentioned that there has been some consolidation taking place with some airlines such as United and Continental and Southwest and Air Tran. He stated the rising cost of fuel is a major concern causing some airlines such as Delta to decrease the size of their fleets. He presented a chart showing small changes in network capacity and mentioned that the number of seats is higher. He stated that currently the biggest effect on Kalamazoo (AZO) is an increase in competition for air service. He said the real priority is to make the existing carriers work. The passenger retention rate decreased to 36% from 2009, but the primary catchment area overall increased approximately seven percent in passenger traffic daily each way. He stated that in 2011 AZO will improve the flight schedule with an increase in flights to Detroit and Minneapolis resulting in an over all increase of eight percent. He predicts in 2011 there will be an increase in capacity however the load factor should be around 60 percent. He mentioned some incentives are to provide funding, revenue guarantee, marketing support, airport fee abatement, facility upgrades, improvement in ground support equipment, airline travel banks (ATB's) and getting the community business leaders involved. He stated that Mead & Hunt will be in attendance at the annual Jump Start conference and the network conference coming up this summer.

ITEM 7. Unfinished Business: There was no unfinished business presented.

ITEM 8. New Business: There was no new business presented.

ITEM 9. Airport Director's Report: Mr. Moshoginis stated that the monthly airport terminal report was distributed.

He introduced and welcomed the new Kalamazoo County Board Liaison Commissioner Tim Rogowski.

He also welcomed students from Western Michigan University who were in attendance at the meeting for a class project.

He stated that he, Ann Simmons and Linda Bunting are attending the annual Michigan Association of Airport Executives (MAAE) conference in Lansing next week.

ITEM 10. Member's Time: Commissioner Rogowski stated that he is looking forward to working with the airport and the board and is impressed with the enthusiasm and commitment for the new terminal.

ITEM 12. Adjournment: There being no further business, the board meeting adjourned at 11:35 a.m.