MINUTES
KALAMZOO COUNTY AERONAUTICS
BOARD OF TRUSTEES
REGULAR MEETING

August 8, 2013

ITEM 1 Call to Order: Aeronautics Board Chair Gil Collver called the meeting to order at 10:30 a.m.

ITEM 2 Roll Call: Members in attendance – Gil Collver, Bill Duggan, Greg Hamelink, Greg Kurdys, Mark Weiss and Jim Woodruff.

Staff Present: Cliff Moshoginis, Dave Reid, Lisa Henthorn, Jay Waalkes, Linda Bunting, Heather Nelson, and Thom Canny

ITEM 3 Approval of the July 11, 2013 Board Meeting Minutes: There being no changes or comments made, the minutes were approved as published.

ITEM 4 Citizen Comments: Aeronautics Board Chair Gil Collver read the Citizen's Comments as follows: "Any citizen present at the board meetings can address the board on a non-agenda item. They should address the board at the podium and state their name and their address and limit their remarks to four minutes. If someone would like to address an item that is on the consent agenda, they may request that the item be removed from the agenda." No comments were presented.

ITEM 5 2013 Six Month Financial Report: Airport Assistant Director of Finance and Administration Lisa Henthorn distributed the 2013 six month financial report covering airport activity from January 1 to June 30, 2013. She summarized the last six month's activity stating that the year to date target for June 30, 2013 is 50%, the cumulative year to date revenues are at 40.5% of budget and the administration staff is optimistic that enplanements will maintain at current and 2012 levels for American and Delta airlines. Ms. Henthorn advised, the financial report is prepared on a cash basis and therefore invoices billed in arrears and payment not received would not show as cumulative year to date revenues. The Cumulative year to date expenditures is at 49.9% of budget. She added that the staff continues to monitor all financial activities and that all year end projections for 2013 are conservative. There will be a budget amendment later in 2013. The staff has started working on a draft budget for 2014, which will go through the administration staff and then on to the Aeronautics Board Budget/Finance Committee.

ITEM 6 For Consideration:

AIRPORT CONSENT AGENDA ITEMS

NONE

AIRPORT NON-CONSENT AGENDA ITEMS

A. DUNCAN AVIATION FIXED BASED OPERATION (FBO) CONCESSION AGREEMENT – Airport Director Cliff Moshoginis stated that this is a request to approve the lease agreement between Duncan Aviation and the Kalamazoo County Aeronautics Board of Trustees for the operation of a Fixed Base Operation (FBO) and authorize the Chairperson to sign. He explained that the current lease between the County of Kalamazoo and Duncan Aviation is set to expire at the end of calendar year 2014. Negotiations between airport administration, legal counsel and the FBO operator have been ongoing in excess of a year. The lease has an increase of approximately 2.5% initially for fixed costs as determined by the Aeronautics Board Rates & Charges with annual review of charges for fuel flowage and five year review for fixed charges on ground and building rental rates. The term is for 20 years with an option to renew for a 10 year period as allowed by the Michigan Aeronautics Code. Outside legal counsel has reviewed the agreement and comments incorporated into the agreement. Airport Administration recommends the approval of the agreement. On a motion made by Vice-Chair Woodruff, seconded by Trustee Kurdys, the motion was approved.

B. RECOMMENDATION TO THE KALAMAZOO COUNTY BOARD OF COMMISSIONERS TO EXECUTE A PURCHASE SALE AGREEMENT FOR THE PURCHASE OF PROPERTY - Airport Director Cliff Moshoginis explained that this is a recommendation by vote that the Kalamazoo County Board of Commissioners approve and execute a property purchase sale agreement with Pfizer, Inc. The subject property abuts the Southwest perimeter of the airport and consists of 68.71 acres commonly known as parcels A & B currently owned by Pfizer, Inc. A proposal was submitted and negotiations started in earnest in June of 2012 with the property owners. The Aeronautics Board appointed the Chair and Vice Chair to be part of the negotiation/review team in May of 2012 and had several teleconferences and meetings with Pfizer's team and outside and internal legal counsel. The Aeronautics Board has held several Executive Sessions in relation to the purchase over the past year and has reached an agreement on the parcels, uses and all elements of the Purchase Sale Agreement. This is a property related action, so it comes as a recommendation to the Kalamazoo County Board of Commissioners to execute the Purchase Sale Agreement. A presentation was made by the Airport Director and Trustee Duggan on August 6, 2013 explaining the airport's intent to purchase. Comments were received in support from the Board of Commissioners. Internal corporate counsel and outside legal counsel have reviewed the Purchase Sale Agreement along with the Aeronautics Board Chair and Vice Chair. Those comments have been included in the Purchase Sale Agreement. Airport administration supports the recommendation to the Kalamazoo County Board of Commissioners. The sale is for $1,290,000 for the 68.71 acres. This represents the appraised and fair market a value of the property. On a motion made by Vice-Chair Woodruff, supported by Trustee Duggan, the motion was approved.

AERONAUTICS BOARD AGENDA ITEMS

A. SEPTEMBER BOARD MEETING DATE – Chairperson Collver stated that due to many of the Airport Administration staff being at an airport conference the week of the scheduled board meeting on the 12th of September, the meeting needs to be rescheduled on another Thursday of that month. It was determined that September 5, 2013 will be the date of the September Board meeting.

B. APPOINTMENT OF BOARD MEMBERS TO THE ENGINEERING/PLANNING REQUEST FOR QUALIFICAIONS (RFQ) TEAM – Airport Director Moshoginis stated that the purpose of this committee is to review and approve the RFQ and assist in the selection of the five year airport's engineering consultants. Chairperson Collver appointed Trustee Duggan, Kurdys and himself to be on this committee.

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

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

ITEM9. Airport Director's Report: Mr. Moshoginis stated that the airport was up 2% in the June 2013 Market share report with around 10 cancellations and he expects that trend to continue.

He stated that the 2014 draft budget is being targeted for September but he tries to put it out further in the year in November to present the final budget so as to get a clearer picture of where the airport is financially.

The airport annual report is slated to be on the August 20 agenda of the Kalamazoo County Board of Commissioners Committee of the Whole meeting.

Chairperson Collver mentioned the status of air service and how the airlines announce upgrades to existing service and then they announce where the locations are for the upgrades or additional service. Mr. Moshoginis added that with regard to the American and US Air merger, they have to obtain approval from the Department of Justice. He added that he continues to believe that Kalamazoo is in a good position to obtain a Florida market eventually.

ITEM 10. Member's Time: Chairperson Collver introduced the newest member to be appointed to the Aeronautics Board, Mr. Greg Hamelink of Stryker. Trustee Hamelink is the Chief of Maintenance in Stryker's aviation department and has been involved with the airport in the past beginning in 1994.

Trustee Duggan commended Airport Director Moshoginis on his presentation to the County Board regarding the Pfizer property purchase as well as Board Liaison David Buskirk's support at the meeting.

ITEM 11. Adjournment: The meeting adjourned at 11:00 a.m.