

## MINUTES

### KALAMAZOO COUNTY AERONAUTICS BOARD OF TRUSTEES REGULAR MEETING JANUARY 14, 2010 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, and Jim Woodruff. Chairman Collver noted for the record that there was not a quorum in the beginning of the meeting. John Jones arrived at the meeting at 10:40, thus forming a quorum.

Staff Present: Clifton Moshoginis, Dave Reid, Ann Simmons, Linda Bunting, Lisa Bradshaw and Thom Canny.

Also Present: Airport County Liaisons Nasim Ansari and Deb Buchholtz.

ITEM 3. Approval of the December 10, 2009 Board Minutes: On a motion made by Mr. Woodruff, supported by Mr. Duggan, the minutes were approved.

ITEM 4. Citizen Comments: No citizen comments were presented.

Due to another obligation of Eric Ferguson, Project Executive for Skanska, Mr. Collver requested Mr. Ferguson give an update on the new terminal project progress in lieu of moving on to the next scheduled agenda item. Mr. Ferguson stated that the structural steel is 65% to 70% erected as of today and they are looking to have the entire structure up by the end of the month. There will be decking and welding of all of the connections and the structural steel contractor should be finished with all work by the end of February. They have had several pre-construction meetings with regard to the curtain wall, roofing, masonry and the exterior cold form framing. Some of these activities will start toward the end of January. The first second level concrete deck pour is projected to take place the first week of February, along with some temporary winter protection being installed. They distributed a link to a web cam and wanted to make sure that no one is having any difficulty with it. They are in the process of preparing Bid Package 3 and are looking to have it ready in early February and look to open bids on March 9. He explained that the Bid Package 3 portion of the project is the completion of the entire build out of the internal part of the terminal including all furnishings, communications, electrical and mechanical areas. He stated that over all things are going well.

ITEM 5. 2009 Air Service Development Summary – Mead & Hunt: Ron McNeil, air service consultant from Mead & Hunt (M&H) gave a brief overview of the air service activity for 2009. He stated that the airline industry is experiencing tough times obviously and it has lost nearly \$50 billion since 9/11. Overall airlines are changing their

business operations as best as they can to stay afloat and some are predicting they will make profits for the first time in 2011. He stated that M&H has been monitoring relationships with current air carriers and they have done studies on who is using the airport. They met with American, Delta, Continental, US Airways and United at the Jump Start conference last year, discussing running non-hub services in this market. He stated that the airlines are very interested in business markets and Kalamazoo has a very strong business market. He stated the catchment area here is around 500,000 people. They have found that there are approximately 1,000 passengers per day going out of Kalamazoo and 45% of people in this area are using Kalamazoo and 55% are using Detroit and Grand Rapids. He stated that Kalamazoo fares are higher on average, however the other airports have more competition and can afford to be lower. Added to that, fuel costs have increased and there are five less flights due to United pulling out of Kalamazoo along with Chicago and Cincinnati flights. He stated that enplanements for Great Lakes regional airports are 24% lower than the previous year. In general the industry has seen less and less passengers. In 2010, Delta will increase their flights up to eight flights to Detroit in February, thus creating a slight increase in seats for the year. The issue today is that carriers tend to serve hubs that are closest to them because it is less expensive for them. He stated that Cleveland and Cincinnati have decreased their flights significantly. M&H will be attending a network conference in March and the Jump Start Conference in June, creating two opportunities to meet with airline planners. He stated that in discussions with air carriers, the carriers are seeing that the economy is slowly improving. Mr. McNeil stated that communication with all carriers is on-going, some on a weekly basis. He was asked if there is an effort being made to recruit discount air carriers and he responded that there is always an effort to gain those types of carriers. They are mainly looking at the business traveler in Kalamazoo and they do look at leisure carriers as well but they are not at a point to announce anything yet. He stated the business traveler is looking for a pattern, not a schedule such as what Direct Air has for example. The question was asked if there is an effort to gain a carrier with a flight to the east coast of the country and Mr. McNeil stated that Newark, New Jersey has heavy traffic and they are uniquely addressing that possibility.

ITEM 6. For Consideration:

**AIRPORT CONSENT AGENDA ITEMS**

A. DUNCAN AVIATION SUBLEASE – On a motion made by Mr. Jones, supported by Mr. Duggan, the motion passed.

**AIRPORT NON-CONSENT AGENDA ITEMS**

A. MEAD & HUNT AIR SERVICE CONTRACT RENEWAL – Mr. Moshoginis explained that this is a request to approve an extension agreement that was originally executed February 12, 2009 to continue air service consulting with Mead & Hunt and all terms and conditions remain the same. On a motion made by Mr. Duggan, supported by Mr. Jones, the motion was approved.

B. SALARY EXCEPTION – ASSISTANT DIRECTOR FINANCE & ADMINISTRATION – Mr. Moshoginis explained that this is a request to recommend to the County Board a salary exception for the new Assistant Director of Finance and Administration to the F step retroactive to December 30, 2009. This position was

budgeted for in the 2009 budget process and it represents the authority the airport has for step approval under the old compensation point system this position originally had. On a motion made by Mr. Duggan, supported by Mr. Jones, the motion passed.

### **AERONAUTICS BOARD AGENDA ITEMS**

ITEM 7. Unfinished Business: Mr. Collver stated that the schedule of meetings for 2010 creates a conflict in April. Mr. Collver and Mr. Woodruff will not be in town on April 15. It was decided to move the meeting to April 22.

Mr. Duggan stated that he is in the process of preparing Airport Director Cliff Moshoginis' review. He requested input from other board members via a form with the criteria he will email to all. Mr. Moshoginis submitted his goals and objectives for 2010 and Mr. Duggan will send those out as well and board members are welcome to make any additions.

ITEM 8. New Business: No new business was presented.

ITEM 9. Airport Director's Report: Mr. Moshoginis handed out a bar graph showing that Kalamazoo is in the top 10 for Delta routes out of Detroit.

Mr. Moshoginis gave the monthly terminal updates to all board members, which includes the financial update and he stated that these are updated prior to meetings with the Building Authority.

He stated that there is a full year of appropriations for the new terminal funding and only an extension of the Airway Trust Fund authorization until the end of March. It appears that the funding will go into two cycles like last year, Part A and Part B, with two separate grants. This is the final portion of the funding for the new terminal building.

On Thursday, January 21, WKZO will be broadcasting live in the terminal at 3:00 p.m. and will be traveling to Florida on Direct Air. He asked board members to attend if able to.

On Monday January 25, there will be a "Topping Out" Event where the last piece of structural steel is placed on the new terminal structure. This is a milestone in the project and he invited everyone to attend.

ITEM 10. Member's Time: Mr. Collver stated that they received a car count comparison from Standard Parking. He requested information analyzing enplanements compared to parking. The purpose is to see if something else needs to be done with parking charges.

ITEM 11. Executive Session: The board did not go into Executive Session pending the timeline for Mr. Moshoginis' review.

ITEM 12. Adjournment: There being no further business, the meeting was adjourned at 11:26 a.m.