

MINUTES

**KALAMAZOO COUNTY AERONAUTICS
BOARD OF TRUSTEES
REGULAR MEETING
MARCH 11, 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, John Jones Greg Kurdys and Dave Tomko.

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

ITEM 3. Approval of the February 11, 2010 Board Minutes: The February 11, 2010 board meeting minutes were approved as published.

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

ITEM 5. Update Community Relations/Marketing: Mr. Moshoginis stated that the Community Relations committee for the airport has been working with the airport's public relations firm, Lam & Associates. Blaine Lam gave an overview and distributed information regarding what he has been working on in terms of the airport's public relations, advertising, communication and marketing goals and objectives for a three-year period, in particular over the next 15 months. He stated that the first objective is to create awareness and identify an audience, key messages. He has contacted all area media and developed a strategic three-phase market, ad, public relations and communication plan for the next 15 months, building up to the new terminal opening. The focus is to attract more airlines and give better service. He stated the focus is also more on business and civic leaders and airlines. He distributed a detailed description of the three phases of the plan, stating that ultimately the message to get across for the Kalamazoo airport is that it is "safe, simple and convenient." He stated that emphasis would be given to the airport's contribution to the economic development of the community and provided an example of an ad he is currently using in area media, which shows a testimonial from an actual user of the airport. He stated that the second and third phase of the plan is more focused on the traveler.

Item 6. For Consideration:

AIRPORT CONSENT AGENDA ITEMS

There were no consent agenda items.

AIRPORT NON-CONSENT AGENDA ITEMS

A. CARPET CLEANING CONTRACT – Dave Reid gave an overview of the contract with House Works Services, Inc. for the purpose of providing carpet cleaning services for the airport’s terminal facility. He stated that the bids were very favorable and found that there would be a savings of around \$600 per month. The agreement is for two years, totaling \$18,254.08 with the option to renew for a third and fourth year at \$9,127.04 for each of these years (four year total of \$36,508.16). The airport reserves the right to review, renegotiate and/or reopen this contract for bid 90 days prior to the scheduled opening of the new terminal. On a motion made by Mr. Jones, seconded by Mr. Duggan, the motion was approved.

B. RESOLUTION FOR FAA GRANT AGREEMENT – Mr. Moshoginis stated the Federal Aviation Administration (FAA) Grant Agreement and the Michigan Department of Transportation–Bureau of Aeronautics (MDOT-BOA) Contract provide the funding for the airport’s fiscal year 2010 Part A program from the FAA. He is anticipating the arrival of the grant agreement sometime in March and is asking for approval of the agreement and the state grant agreement in advance. This will put the distribution of the funds in place and a resolution from the Aeronautics Board is required. Mr. Moshoginis questioned Thom Canny as to what the protocol is if the Board Chair and Vice Chair are unavailable when the grant arrives. On a motion made by Mr. Kurdys, seconded by Mr. Jones the FAA Grant Agreement Resolution motion was approved as well as a motion to authorize Mr. Collver to name an alternate signatory in the absence of himself and Vice Chairman Woodruff. Mr. Jones was designated as the alternate signatory in their absence.

C. FAA GRANT AGREEMENT – Mr. Moshoginis explained that this is for fiscal year 2010 Part A funds, which he plans on having executed once those funds are made available. On a motion made by Mr. Jones, seconded by Mr. Tomko, the motion was approved.

D. MDOT CONTRACT – Mr. Moshoginis explained that this contract authorizes the state share of funding and for distribution of those funds through the state. On a motion made by Mr. Tomko, seconded by Mr. Jones, the motion was approved.

AERONAUTICS BOARD AGENDA ITEMS

A. AIRPORT DIRECTOR’S CONTRACT – Mr. Collver stated that he appointed a committee to do an evaluation of Mr. Moshoginis’ performance, including the contract and compensation. The committee went through the evaluation with Mr. Moshoginis and negotiated a new contract. On a motion made by Mr. Jones, seconded by Mr. Duggan, the motion was approved. Mr. Jones acknowledged the work that Mr. Duggan put into this process and what a great job he did.

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 distributed a flow chart showing the grant process that the airport goes through for pre-application and final application all the way to close-out of the grants for the Board's information.

He stated the monthly terminal report to the board was distributed in the board packets prior to the meeting.

He stated that the airport is sponsoring a Legislative Connection on March 15 at 9:00 a.m. at the Girl Scout's building in Kalamazoo. Senator Stabenow will be speaking and he asked if anyone wishes to attend to let him know. There will also be one held on April 19th, with Representative Upton speaking at 8:00 a.m.

He informed everyone that he will be attending the annual AAAE (American Association of Airport Executives) conference May 16 – 19 in Dallas, Texas.

Mr. Collver inquired about the monthly brief that Mr. Moshoginis distributed to board members prior to the meeting with regard to the funding levels of the state. Mr. Moshoginis stated that he chairs the Michigan Association of Airport Executives (MAAE) Legislative Committee, and that currently the State Aeronautics Fund is at a point, because of the revenue shortfall, where it is going to be difficult for the state to maintain their match of the federal dollars. This association has been working very diligently to get legislation passed to increase the aviation fuel tax that has been in place since 1929. The legislation has only been amended once in which 1.5 cents was given back to the airline. As consumption of aviation fuel has decreased, so have those revenues. Fifteen programs were eliminated from the Bureau of Aeronautics, some of which the Kalamazoo/Battle Creek International Airport utilized. He stated that some of the programs included crack sealing, runway pavement markings and fire fighting training. The Governor created a task force to determine how to go forward with transportation funding in which aviation was part of that comprehensive study. Representative Leland has introduced a percentage tax, which is not popular with most commercial operators. Representative Leland is currently working on an amendment to reduce it to a straight two cent excise tax increase in year one and one cent increase each of the next two years. Mr. Moshoginis stated that air carriers most likely will not support any increase. The issue is that the system is broke. If nothing is done, the state will not have their share of matching funds and the airport will have to absorb that portion in all eligible capital projects funded by the FAA. This would push projects back. Mr. Moshoginis added that if the tax passes, it is estimated that over the next three years it will bring back programs that were eliminated that the airport utilized.

ITEM 10. Member's Time: Mr. Tomko inquired if the board has taken a position on the events center being proposed in Kalamazoo. Mr. Moshoginis responded that an events center may bring in more regional and national events, which may have a positive impact on the airport. Some discussion followed and it was determined that it would be more appropriate to take a position at a later time.

ITEM 10. Adjournment: There being no further business, the meeting was adjourned at 11:20 a.m.