

MEETING MINUTES
KENT COUNTY AERONAUTICS BOARD
April 27, 2011

A quorum being present and in accordance with notice being duly given, Chair Tomaselli called the meeting of the Aeronautics Board to order on April 27, 2011 at 8:30 a.m.

Board Members Present: Joseph Tomaselli, Ted Vonk, Terri Lynn Land, Roger Morgan, Richard Vander Molen and Floyd Wilson, Jr. – 6

Also Present:

James Koslosky – Executive Director
Phillip Johnson – Deputy Executive Director
Brian Picardat – Finance and Administration Director
Thomas Ecklund – Facilities Director
Robert Benstein – Public Safety and Operations Director
Bruce Schedlbauer – Marketing Communications Manager
Robert Buchanan – Airport Attorney
Joel Burgess – Properties Administrator
Cal Brinks – Kent County Purchasing
James Munslow – FAA ATCT
Mike Krzciok - Grand Rapids Air Center
Jeff Anderson – Northern Air
Steve Walz – Metro Cars
Pat Frame – RS&H
Eric Thiel – RS&H
Terry Boer – Executive Air
Alison Albright – Executive Air
Gary Siefgried – Mead & Hunt
Steve Waalkes – Michigan Concrete Association
Bill McCarrel - Citizen
Rick Wilson – *The Grand Rapids Press*

4-1 Approval of Minutes – Meeting of March 30, 2011

Motion by Mr. Vonk, supported by Mr. Wilson, to approve the minutes of the meeting of March 30, 2011 as printed. Motion carried.

4-2 Public Comment

Mr. Benstein introduced Todd Szakacs to the Board. Chief Szakacs comes to KCDA with eighteen years of fire-fighting experience, most recently with the City of Holland.

4-3 Special Recognition and Awards

- Mr. Koslosky presented Mr. Picardat with a Financial Excellence Award from the Government Finance Officers Association for the Department's 2009 financial report. Mr. Koslosky also recognized KCDA financial staff: Mr. Bob Kreps, Ms. Cherie Craine and Ms. Judy Junewick for their contributions. Mr. Picardat also expressed his appreciation to KCDA finance and clerical staff who assist with this report.
- Mr. Ecklund introduced Mr. Steve Waalkes, Director of Engineering for the Michigan Concrete Association. Mr. Waalkes presented the association's award to the Department for its construction of Taxiway Z. He congratulated Mr. Hawkins of staff and all the firms associated with the construction of the project.

Mr. Tomaselli congratulated Mr. Ecklund and Mr. Hawkins and noted the recognition the award brings to the Airport.

4-4 Agricultural Biofuel Research Agreement – Michigan State University

Mr. Burgess indicated this item requests approval for a one-year partnership with Michigan State University (MSU) to allow them to research biofuel crop production on non-traditional agricultural land. He reported MSU received federal grant money to conduct biofuel agricultural research using non-traditional land consisting of airports outside the airfield security perimeter fence, highway right-of-ways and urban parcels. He noted the Muskegon and Detroit Metro airports would also participate in the program. The three-acre parcel is located at the southwest corner of Airport property. He explained MSU will plant and harvest biofuel-producing crops including pennycress, oriental mustard and canola and will provide up to 150 gallons of biofuel to KCDA to use in some of its vehicles. KCDA will participate in the project by reporting vehicle performance while using the MSU biofuel which is a mixture of 30% biofuel and 70% low-sulphur diesel. The agreement has been reviewed by Legal Counsel. He added the land will be leased at market value.

Mr. Tomaselli confirmed the agreement is for one year. Mr. Burgess said it is for one harvest season.

The Finance, Administration & Public Relations Committee met April 19, 2011 and recommends approval.

Motion by Ms. Land, supported by Mr. Vander Molen, to approve a one-year agricultural biofuel research land use agreement between the Kent County Aeronautics Board and Michigan State University. Motion carried.

4-5 Renewal of Security Services Agreement

Mr. Benstein explained that the Aeronautics Board approved a security services agreement with CSS USA on April 28, 2010. CSS USA was subsequently purchased by US Security Associates. He stated the agreement provided for an initial one-year term which expires on May 27, 2011, and two, one-year options. Staff recommends the option for the first one-year renewal period be exercised at an estimated cost of \$533,787.

Mr. Vander Molen commented the Board approved the change to CSS USA in part because of its local presence and asked if there will still be local control. Mr. Benstein said although it is a national company, it is managed locally. He noted the Department has worked with Mr. Jack Shimko for many years.

Mr. Tomaselli indicated staff expected US Security Associates would serve the Airport well. Mr. Benstein agreed and added the transition between companies has been seamless.

Mr. Wilson confirmed there were no issues in hiring the current employees. Mr. Benstein said he was not aware of any difficulties in hiring.

The Aeronautical, Facilities & Marketing Committee met April 19, 2011 and recommends approval.

Motion by Mr. Vander Molen, supported by Mr. Wilson, to authorize staff to renew the security services agreement with US Security Associates, Inc. for a one-year period. Motion carried.

4-6 FAA Grant Terms & Conditions

Mr. Ecklund stated acceptance of Airport Improvement Program (AIP) grants is conditional upon grant terms and conditions in place at the time. The 2005 acceptance conditions were updated in March of this year. He explained the Terms & Conditions required all FAA guidelines/regulations be followed in planning and design contracts, construction contracts, and equipment/land purchases that utilize AIP funds. He noted two conditions regarding the trafficking of persons and updating new advisory circulars were added.

The Aeronautical, Facilities & Marketing Committee met April 19, 2011 and recommends approval.

Motion by Ms. Land, supported by Mr. Vander Molen, to approve the revised FAA Terms and Conditions of Accepting Airport Improvement Program Grants (dated March 2011), and authorizing the Chair to sign. Motion carried.

4-7 Travel

- A. One staff member to attend the ACI-NA Marketing and Communications Conference and JumpStart Program in Cleveland, Ohio, June 19-24, 2011.

Motion by Mr. Vander Molen, supported by Mr. Morgan, to approve the travel request. Motion carried.

4-8 Reports

Mr. Tomaselli invited Directors to give a brief update of their divisions.

- Mr. Ecklund said the Department is in the planning and final design portion of the last phase of the passenger loading bridge project. The final phase of design for the Gateway and Walsh Drive project is also in progress with bidding planned for this coming May.
- Mr. Benstein stated there has been nothing unusual to report in the safety and security areas.
- Mr. Picardat reported passenger traffic is up about 16% in March and he expected April numbers to increase as well. However, he feels that numbers may flatten out in May. He noted revenues are up about \$500,000 from expectations and expenses are down for the first three months of this year.

Mr. Vonk confirmed the flattening out in May was due to the strong increase in last year's activity. Mr. Picardat said there would be an increase but not a double-digit one. He estimated a year-end increase of about 4-5%. Mr. Koslosky said activity is back to 2004 levels and noted the national average increase in passenger traffic is about 2%. He added staff is working to retain current service levels, seat capacity and frequency of flights.

Mr. Tomaselli noted the recent tornado damage at the St. Louis Airport and asked staff if GFIA has appropriate levels of insurance. Mr. Burgess said general liability limits were increased last year based on surveys of peer airports and he indicated staff is comfortable with those limits. Mr. Koslosky added staff will summarize liability information and forward that to the Board.

The group discussed concourse, roof structure, and emergency evacuation procedures at GFIA.

Mr. Morgan asked about the Southwest/AirTran merger. Mr. Koslosky said it has been approved and the merger will close this coming Monday. Mr. Koslosky noted it will be some time before Southwest is at GFIA because the airlines must still merge under a single operating certificate.

4-9 Bills for Approval

Motion by Mr. Vander Molen, supported by Mr. Wilson, to approve the bills as presented. (Attachment A). Motion carried.

4-10 Other Business

- Mr. Morgan visited the recent Passenger Appreciation Days and complimented staff on their interaction with the public. Mr. Picardat thanked the Board for its support and noted how much the passengers appreciate this event.
- Mr. Vander Molen asked if the Board would object to reducing the number of supplementary documents in Board/committee agendas in order to conserve paper. Mr. Wilson explained that Metro Hospital is using iPads in its meetings to reduce paper. He wondered if the Board and staff could investigate new technology. It was noted Ms. Land would work with staff to research what equipment could be used for Board and committee meetings.
- Mr. Vander Molen asked about the meeting at West Michigan Aviation Academy that was rescheduled. He noted this would be a good opportunity to introduce the students to the workings of the Board. Ms. Land reported some renovations were being completed at the school and suggested a June meeting might be appropriate.
- Ms. Land reported on her visit to the Battle Creek/Kalamazoo Airport for the unveiling of their new terminal building. She indicated she had the opportunity to meet with several Michigan governmental representatives as well as the airport director and Board Chair. She also had the opportunity to review airport security. She suggested there may be opportunities for the airports to work together. Mr. Koslosky reported staff has collaborated with the Kalamazoo staff in helping them stand up their Board and congratulated them on the investments they have made to attract additional businesses to the area. Mr. Tomaselli commented that the Board and staff need to contact its elected officials and take advantage of funding opportunities as the Kalamazoo Airport did.
- Mr. Wilson encouraged staff to continue to develop ways to appreciate employees. He suggested inviting staff to the meetings, particularly those not always seen, and highlight them. He added this could also be discussed in the upcoming planning session. Mr. Koslosky thanked Mr. Wilson for his comments and said he would pass them on in his division staff meetings. He noted KCDA staff does a great job and attempts to work with other employers on the Airport to elevate customer services levels in their areas.
- Mr. Tomaselli asked about the agenda of the special meeting on May 11. Mr. Koslosky said it would emphasize the Board business plan and the Master Plan currently in place.
- Mr. Tomaselli thanked staff and all customers/partners affiliated with the Airport for their contributions.

4-11 Adjournment

The meeting was adjourned at 9:19 a.m.

ADMINISTRATIVE APPROVAL: _____
James A. Koslosky, Secretary to the Board

dmt