

GERALD R. FORD INTERNATIONAL AIRPORT AUTHORITY
FINANCE AND LEGISLATIVE COMMITTEE MINUTES
Wednesday, July 29, 2020
8:00 a.m.

Present: Ted Vonk, Pete Beukema, Dan Koorndyk, Birgit Klohs (via phone)

Also Present: Tory Richardson, Alex Peric, Stephen Clark, Margie Witbeck, Carolyn Schultz (Gallagher), Keith Potter (MMRMA)

Present via Teams: Casey Ries, Tom Cizauskas, Clint Nemeth, Matt Zeilstra, Scott Bolger (Gallagher), Matt Colson (Aon Risk Services), Emily Shatto Evans (Aon Risk Services), Brian Dougal (Aon Risk Services), Jon Couchenour

7-1 Minutes

Motion by Mr. Beukema, supported by Mr. Klohs, the Finance and Marketing Committee meeting minutes of June 24, 2020, were approved as submitted. Motion carried.

7-2 Public Comment

No public comment.

7-3 Resolution 20-32: Authority Insurance Renewal

Mr. Clark explained that staff through Michigan Municipal Risk Management Authority (“MMRMA”), Gallagher, and AON Risk Services provided quotes to procure insurance for aviation and general liability, workers compensation, pollution liability, public officials liability, crime liability, cyber liability, and auto liability. He said that the total premium had decreased by 9.99% from last year. The Authority will also receive \$16,723.00 Net Asset Distribution from MMRMA.

Ms. Carolyn Schultz provided a briefing of the Authority’s Aviation/Airport General Liability & General Liability Excess policy premium in comparison to peer airports. Ms. Schultz explained that the personal injury coverage represents the largest share of the premium, which increased throughout the marketplace due to several large claims at airports in the United States over the last several years.

Mr. Keith Potter reviewed the MMRMA’s General Liability policy, which was inclusive of cyber, directors and officers, professional liability, and auto coverages.

In response to Mr. Potter covering the MMRMA’s deductible requirements, Mr. Koorndyk said that he felt the \$1 million self-insured retention (“SIR”) was high when compared with the current budget situation presented by COVID-19. Mr. Beukema agreed.

In response, Mr. Potter said that for comparison, the City of Grand Rapids has a cap of \$1.5 million. Additionally, Mr. Potter stated that the Authority is provided a means to reduce its premium obligation through the Net Asset Distribution program that offers a refund to all MMRMA members when the program runs a profit for the previous period. Mr. Potter explained that the Authority was set to receive a distribution of \$16,723.00.

Mr. Potter continued by indicating the Authority’s total distribution share – while not guaranteed – does grow with longevity and limited claims activity. Lastly, all money held within the SIR fund remains accessible at all times earning interest that remains the property of the Authority.

Mr. Clark stated that he desires to market the entire program in 2021 with an aim at cost-saving and simplifying coverages.

Motion by Mrs. Klohs, supported by Mr. Beukema, the approval of a resolution allowing the Authority President and CEO to bind insurance coverage for the period effective August 1, 2020, through June 30, 2021. Motion carried.

7-4 **Other**

Mr. Richardson shared that the parking revenue was down 80% in the month of June compared to June 2019 and that the Airport is currently \$2 million less than projected. He also shared that the Airport has 90 days of cash on hand, but the \$16.2 Million granted through the CARES act is helping us to get through for now.

Mr. Koorndyk asked if the Airport will receive additional funds after the CARES funding ends, and Mr. Richardson said that at this point, he doesn't know, but he's hopeful.

Meeting adjourned at 8:27 a.m.

MAW