

GERALD R. FORD INTERNATIONAL AIRPORT AUTHORITY
FINANCE AND LEGISLATIVE COMMITTEE MINUTES
Wednesday, October 30, 2019
7:30 a.m.

Present: Ted Vonk-Chair, Steve Heacock, Dan Koorndyk

Also Present: Tory Richardson, Brian Picardat, Alex Peric, Tara Hernandez, Lisa Carr, Matt Zeilstra, Stephen Clark, Casey Ries, Moe Khattak, Laura Feigel, Tom Cizauskas, JJ Swain, Allan Fawcett, John and Zack from McFarland Johnson.

10-1 Minutes

The minutes of September 28, 2019 were approved as submitted.

10-2 Public Comment

No public comment.

Mr. Vonk altered the agenda to add move McFarland-Johnson, Inc. – Professional Planning Services Contract (Economic Market Analysis & Land Development Strategy) to after Steelcase Inc. – Hangar Lease First Renewal Agreement.

10-3 Resolution 19-38: Smarte Carte, Inc. – Concession Agreement

Mr. Clark explained that Smarte Carte, Inc. has provided self-service luggage carts and massage chairs at the airport since June 1, 2004 and that the renewed agreement is for 59 months otherwise, we would have to go out for prospects under DBE rules. The Authority will continue to receive a 5% concession fee on luggage cart rentals and a 10% concession fee on massage chair use. Smarte Carte has committed to updating all carts and massage chairs. They will continue to operate two luggage cart units in the baggage claim area and a total of four massage chairs located post-security. The anticipated revenue to the Authority will be approximately \$4,528.

Mr. Koorndyk asked Mr. Clark to consider foot massagers and Mr. Clark added that staff is looking into pricing and location.

Motion by Mr. Heacock, supported by Mr. Koorndyk, the approval of a self-service luggage cart and massage chair concession agreement between the Authority and Smarte Carte, Inc. Motion Carried.

10-5 Resolution 19-40: Prospect Airport Services – Skycap Services Agreement Extension

Mr. Clark explained that Prospect Airport Services provides skycap, porter, and wheelchair services to airport guests under a Skycap Services Agreement. In 2014, the Airport Board made the decision to contract these services in order to provide a higher level of customer service than the airline consortium was able to provide. He said the Third Amendment would increase the maximum number of daily billable hours from 130 to 176 to meet increased flight schedules and

resulting passenger demand while also raising team member wages to meet 2020 state mandated minimum wages. Mr. Clark said that in 2018, 53,000 passengers utilized the passenger assistance services and it is projected to increase to 75,000 in 2019. Airlines will continue to share a 50% responsibility for direct costs. The resulting wage and daily billable hour increase will raise the overall management fee to approximately \$1,049,050. This is a 38% increase over 2019. Final billed rates are dependent upon actual passenger usage of services.

Motion by Mr. Heacock, supported by Mr. Koorndyk, the approval to authorize the President and CEO to enter a Third Amendment between the Gerald R. Ford International Airport Authority and Prospect Airport Services, Inc. Motion carried.

10-6 **Resolution 19-41: Federal Express Corporation – Air Cargo and Trade Center Second Lease Renewal Agreement**

Mr. Clark explained that Federal Express Corporation (FedEx) has leased space within the Airport's Air Cargo and Trade Center since February 1, 1998 to facilitate their air cargo and freight service operation. FedEx seeks to renew their existing lease for an additional 10-year term.

Motion by Mr. Heacock, supported by Mr. Koorndyk, the approval to authorize the President and CEO to enter a Second Lease Renewal Agreement between the Gerald R. Ford International Airport Authority and Federal Express Corporation. Motion carried.

10-7 **Resolution 19-42: Steelcase Inc. – Hangar Lease First Renewal Agreement**

Mr. Clark explained that Steelcase has leased a 94,000 square foot ground parcel and an 8,000 square foot fuel farm parcel in support of their corporate flight department since November 19, 1979. The original 40-year lease expires this year and Steelcase would like to renew it. They seek to renew their existing lease for a final nine-year term to allow for the planning of a future facility on the airfield. Additionally, GFIAA staff successfully negotiated for Steelcase to provide \$230,000 worth of capital improvements to the facility over the next five years, exclusive of movable equipment and the cost of labor or design. The improvements include new roof, hangar door and motors, front entry, as well as paving the South parking lot.

Motion by Mr. Heacock, supported by Mr. Koorndyk, the approval to authorize the President and CEO to enter a First Lease Renewal Agreement between the Gerald R. Ford International Airport Authority and Steelcase Inc. Motion carried.

10-4 **Resolution 19-39: McFarland-Johnson, Inc. – Professional Planning Services Contract (Economic Market Analysis & Land Development Strategy)**

Mr. Vonk moved that the Board go into closed session for the purpose of considering material exempt from discussion or disclosure by state or federal statute under Section 8(h) of the Michigan Open Meetings Act, such material being information or records subject to the attorney-client privilege under Section 13(g) of the Michigan Freedom of Information Act.

Motion by roll call, 3 yeas, 0 nays. Motion carried.

Motion by Mr. Heacock, supported by Mr. Koorndyk, to return to public session.

Motion by roll call, 3 yeas, 0 nays. Motion carried.

Motion by Mr. Heacock, supported by Mr. Koorndyk, the approval to authorize the President and CEO to enter a Professional Planning Services Contract for an Economic Market Analysis & Land Development Strategy Services between the Gerald R. Ford International Airport Authority and McFarland-Johnson, Inc. Motion Carried.

10-8 2020 Annual Operating Budget

Mr. Picardat reviewed the 2020 Annual Operating Budget and provided updates since the Budget Workshop. He stated the Operating Budget, along with the Capitol Budget and CIP, will be brought before the Board this morning.

10-9 2020 Capital Budget

Mr. Picardat reviewed the 2020 Capital Budget updates since the Budget Workshop.

10-10 2021-2025 Capital Improvement Plan

Mr. Ries explained the 2021-2025 Capital Improvement Plan.

10-11 Cash Flow

Mr. Picardat presented the cash flow as of September 30, 2019.

Meeting adjourned at 8:25 a.m.

MAW