

MEETING MINUTES
KENT COUNTY AERONAUTICS BOARD
August 26, 2009

A quorum being present and in accordance with notice being duly given, Chair Van Laar called the meeting of the Aeronautics Board to order on August 26, 2009 at 8:30 a.m.

Board Members Present: John Van Laar, Dean Agee, Joseph Tomaselli, Richard Vander Molen and Floyd Wilson, Jr. – 5

Absent: Theodore Vonk - 1

Also Present:

James Koslosky – Executive Director
Brian Picardat – Finance and Administration Director
Thomas Ecklund, Facilities Director
Robert Buchanan – Airport Attorney
Donna Thomas – Recording Secretary
Joel Burgess – Properties Administrator
Ward Walters – Civil Engineer
Roy Hawkins – Planning Engineer
Bob Kreps – Financial Supervisor
Dan Villalobos – Parking and Ground Transportation Supervisor
Dave Wills – Chief Law Enforcement Officer
Myron Huebner – Engineering Technician
Susan Sherman – Community Relations Coordinator
Dan Ochse – Jacobs Consultancy
Kevin Mersman – Century A/E
Diana Weiss – United Airlines
Jim Munslow – FAA ATCT
Roger Dubuc – Transportation Security Administration
Jeff Anderson – Northern Jet
Al Pramuk – Gresham, Smith, & Partners
Clint Nemeth – RW Armstrong
Charles McArdle – Gresham, Smith, & Partners
Kyla King – *The Grand Rapids Press*

8-1 Approval of Minutes – Meeting of July 22, 2009

Motion by Mr. Agee, supported by Mr. Vander Molen, to approve the minutes of the meeting of July 22, 2009 as printed. Motion carried.

8-2 Public Comment

There was no public comment.

8-3 Special Recognition

This item was deferred to the September 30 Board meeting.

8-4 Parking Presentation – 5-Year Financial Plan – Jacobs Consultancy

Mr. Koslosky introduced Mr. Dan Ochse of Jacobs Consultancy which functions as the Department's financial consulting firm.

Mr. Ochse reviewed the most recent 40-year history of passenger traffic and noted there have been only four anomalies during that period which have all been followed by periods of significant growth. He indicated the current recession and the significant reduction in airline seats have impacted travel nationwide with downturns in passenger, cargo and general aviation traffic. The Midwest, in particular, has been hit extremely hard as a result. He noted very conservative growth figures were used in the mathematical model to develop the proposed parking rates. He also explained the key assumptions that were a part of the projections.

Mr. Ochse presented the proposed parking rates to become effective at the opening of the parking structure:

- Parking Garage Rate: \$12.00 per day
- Long Term (surface parking) Lot Rate: \$10.00 per day
- Economy Lot Rate: \$9.00 per day
- Valet: \$18.00 per day

He reviewed the surplus amounts for years 2009 through 2013 and noted there would be more than enough funding to cover all expenses including debt service.

Mr. Tomaselli asked why there was a dramatic difference in the surplus numbers from 2009 and 2010. Mr. Ochse explained 2010 shows debt service for a full year. Mr. Picardat said the debt service in 2010 is about \$3 million more than in 2009.

Mr. Agee noted the July activity numbers were up approximately 7% possibly indicating a strong leisure market. He reiterated the fact that the project is being completed with no general tax dollars.

Mr. Van Laar asked if the five-year projections included another rate increase. Mr. Ochse said no.

Mr. Wilson commented that the focus on Grand Rapids as a healthcare destination could positively drive the local economy.

Mr. Tomaselli said he favored the conservative approach used in the mathematical model due to the high cost of airline fares in Grand Rapids.

Mr. Van Laar and the other Board members thanked Mr. Ochse for his presentation.

8-5 Adoption of the Amended 2009 Parking Rates

Mr. Picardat presented the item for approval.

Mr. Tomaselli stated he agreed with the rates and encouraged staff to monitor them and increase where appropriate.

Mr. Agee indicated he was pleased to see the final parking rates at the low end of the estimated range used during the TAPIP planning and programming process.

The Finance, Administration & Public Relations Committee met August 12, 2009 and recommends approval.

Motion by Mr. Agee, supported by Mr. Tomaselli, to approve the amended 2009 parking rates to be effective on the opening day of the parking structure. Motion carried.

8-6 Redbox – Agreement Term Amendment

Mr. Burgess reported Redbox has a pilot agreement with the Airport and would like to extend the agreement to May 31, 2010. The company is looking to expand its West Michigan market and, if successful at the Airport, will come back to the Board with a new agreement prior to the 2010 termination.

Mr. Tomaselli asked how much revenue is generated by this concession. Mr. Burgess said Redbox revenue is approximately \$500-600 monthly and the concession is considered a customer amenity. Mr. Koslosky added there are a number of customer conveniences at the Airport such as the business center, free WIFI service, etc. that generate little or no revenue, but are maintained for the convenience of the travelling public.

The Finance, Administration & Public Relations Committee met August 12, 2009 and recommends approval.

Motion by Mr. Vander Molen, supported by Mr. Wilson, to approve a term amendment to the Automated DVD Pilot Terms Sheet with Redbox Automated Retail, LLC. Motion carried.

8-7 FAA – NAVAID Memorandum of Agreement

Mr. Burgess stated the FAA owns and operates Navigational Aid (NAVAID) and weather observing equipment at various locations around the airfield. The existing non-revenue Memorandum of Agreement (MOA) expires on September 30, 2010. The new MOA is for a period of twenty years unless sooner terminated by the FAA.

Mr. Van Laar asked if the Airport's Doppler radar comes under this agreement. Mr. Burgess said it comes under a separate agreement with the National Weather Service.

The Finance, Administration & Public Relations Committee met August 12, 2009 and recommends approval.

Motion by Mr. Vander Molen, supported by Mr. Wilson, to approve a twenty (20) year Memorandum of Agreement between the Kent County Department of Aeronautics and the Federal Aviation Administration. Motion carried.

8-8 2009 Rules and Regulations Update

Mr. Burgess reported the update to the Airport's *Rules and Regulations* is completed every two to three years to keep it current with federal mandates and to make certain it agrees with the Airport's *Minimum Standards, Rates and Charges, and General Use Conditions*. He noted this update includes revisions to reflect new operating procedures associated with TAPIP as well as additional violations and fines dealing with de-icing operations.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Agee, supported by Mr. Tomaselli, to approve the 2009 update to the Gerald R. Ford International Airport Rules and Regulations. Motion carried.

8-9 Terminal Area and Parking Improvement Program, Contract C-194, Change Order #23

Mr. Ecklund indicated this change order is an increase in the amount of \$32,676 and includes additional work items and some deletions. Some of the major items are the installation of sliding doors at the bottom of the terminal escalator cores and additional pavement markings for shuttle stops and valet areas, as well as lane markings near the Gateway entrance.

Mr. Van Laar asked if there would be a credit for the old doors being replaced by the sliders. Mr. Ecklund said these doors would be turned over to KCDA and stored because the restocking fee was too costly.

Mr. Agee referred to the Change Order Summary and noted the project remains under budget.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Agee, supported by Mr. Vander Molen, to approve Terminal Area and Parking Improvement Program, Contract C-194, Change Order #23 in the amount of \$32,676 to The Christman Company, and authorizing the Chair to sign. Motion carried.

8-10 Agreement with Environmental Quality for Recycling of Aircraft Deicing Fluids

Mr. Ecklund stated Environmental Quality is the only company in Michigan, of which staff is aware, that provides recycling of aircraft deicing fluids. The company collects the fluid from holding tanks and transports it to their recycling facility in Romulus Michigan. He indicated the \$100,000 budget is spread over 2009 and 2010.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Wilson, supported by Mr. Vander Molen, to approve an agreement with Environmental Quality Company for the transportation and recycling of deicing fluids for the 2009-2010 snow-ice control season, and authorizing the Chair to sign. Motion carried.

8-11 Engineering Contract – Airfield Lighting Analysis

Mr. Ecklund reported the Board approved the firm of Burns & McDonnell on June 24, 2009 to complete the Airfield Lighting Analysis. Staff has negotiated a scope of work and fee. He explained the proposed fee of \$142,464 is 95% reimbursable with AIP funds. The project will be included in the 2010 grant request to FAA. The work is scheduled to be done in December and will include a review of the Airport's lighting control panel in the tower. He noted the analysis will also include a review of airfield energy efficiencies including the use of LED.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Agee, supported by Mr. Tomaselli, to approve a contract with Burns & McDonnell in the amount of \$142,464 for the Airfield Lighting Analysis project, and authorizing the Chair to sign. Motion carried.

8-12 In-Line Baggage System Application

Mr. Ecklund reported staff has been working with Austin/AECOM, TSA and partner airlines on designs to remove the EDS machines from the terminal lobby to behind the ticket counters. The parties have agreed on a concept that is expected to receive favorable consideration by TSA. Staff will submit an application in September for funding to TSA and, if approved, will allow for preliminary and final designs of the project during 2010.

Mr. Van Laar confirmed that the \$15 million cost of this plan was about one-half the cost of the original plan. Mr. Ecklund said the original plan was significantly higher and that the annual O&M cost of that plan (approximately \$1½ - 2½ million) was too costly.

Mr. Van Laar noted there are smaller screening machines available and asked if the Airport would get this type of machine. Mr. Ecklund said there are smaller, faster machines, but did not think these would be a part of the new system since they have not been approved by TSA.

Mr. Tomaselli asked who is responsible for the machines and if travelers would bring their luggage to the counters. Mr. Koslosky indicated machines are owned and operated by the TSA and the new system would remove the machines from the lobby and be located behind the counters. He added the project would not start for 1-2 years.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Wilson, supported by Mr. Agee, to authorize staff to submit an application for funding to TSA for the design and construction of an in-line baggage screening system, and amend the 2010 Capital Improvement Program accordingly. Motion carried.

8-13 Contract Amendment - Gresham, Smith, & Partners

Mr. Ecklund reported staff requested various additional unforeseen work items be completed by Gresham, Smith, and Partners during TAPIP. The firm provided design and construction phase services for items such as the security bollards, flooring replacement and pet relief area among others. He said staff agrees the additional services were beyond their contracted scope of work and agrees with the fee of \$110,700. Legal Counsel has reviewed the amendment.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Wilson, supported by Mr. Vander Molen, to approve Amendment No. 7 with Gresham, Smith, & Partners for engineering services on the Terminal Area & Parking Improvement Program totaling \$110,700, and authorizing the Chair to sign. Motion carried.

8-14 Architectural/Engineering Services Contract Amendment

Mr. Ecklund explained staff negotiated a scope of work and fee with AECOM for design and construction phase services associated with the relocation of the Ford Mural.

Mr. Agee confirmed the purpose of the relocation is to make the mural more prominent. Mr. Ecklund said yes, and noted the project will be completed in November.

The Aeronautical, Facilities & Marketing Committee met August 13, 2009 and recommends approval.

Motion by Mr. Agee, supported by Mr. Vander Molen, to approve Amendment No.1 of the On-Call Architectural Services contract in the amount of \$20,234, and authorizing the Chair to sign. Motion carried.

8-15 Reports

Mr. Van Laar asked for an update on the terminal lobby flooring project. Mr. Ecklund said, due to the problems with the wave-style carpeting, staff has chosen to use the geometric style throughout the area accented by a contrasting border. He noted some of the vinyl flooring has already been installed.

Motion by Mr. Agee, supported by Mr. Tomaselli, to receive and file the reports. Motion carried.

8-16 Bills for Approval

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

8-17 Other Business

- Mr. Tomaselli asked if the FAA has any other alternatives to glycol. Mr. Koslosky said this is the product the FAA directs the airlines to use. He explained the Airport is responsible for the recovery of the material and noted its permit is up for renewal. He indicated the Airport may be looking at enhanced recovery methods that could include some type of capital investment.

- Mr. Tomaselli asked about curbside luggage service. Mr. Koslosky said it was offered by Northwest Airlines at one time, but it has become costly for airlines to continue. It is an airline function due to baggage security and liability.
- Mr. Tomaselli asked if the Airport could have some type of instant-pay option for the parking structure similar to the I-PASS on Illinois expressways. Mr. Picardat said it would be too costly to implement considering the number of patrons who would use it. He indicated the current credit card in/credit card out feature, which is being tested, is a more viable option.

8-18 Adjournment

The meeting was adjourned at 9:50 a.m.

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

dmt