

MBS INTERNATIONAL AIRPORT COMMISSION

August 20, 2020

MINUTES

The meeting was held in the Eugene F. Gwizdala Conference Room, 8500 Garfield Road, Freeland, Michigan 48623. Brad Kaye, Chairman, called the meeting to order at 1:31 p.m. Roll was called by Nicole Moses.

Due to the COVID-19 Executive Orders issued by Governor Whitmer, board members and the public had the option to dial in via conference call to comply with the Open Meetings Act.

Conference Call Details: Call: (669) 224-3412; Access Code: 988-747-581

COMMISSIONERS

<u>Present</u>	<u>Absent & Excused</u>	<u>Staff</u>	<u>Guest</u>
Brad Kaye (Dialed In)	Ernie Krygier	James Canders	David Joye-RS&H
John Milne		Amy Lusk	
Steve Arnosky		Nicole Moses	
Tim Morales (Dialed In)			
Tom Ryder (Dialed In)			
Tom Miller, Jr. (Dialed In)			
Brad Gray			
Tom Herek (Dialed In)			

PLEDGE OF ALLEGIANCE

MINUTES

Mr. Arnosky made a motion to approve the minutes of the Regular Commission Meeting held on July 16, 2020. Mr. Gray seconded the motion. The motion was unanimously approved by the Board.

JULY 2020 WARRANTS AND CASH & INVESTMENT SUMMARY

Mr. Milne made a motion to approve the Warrant Registers for the July 2020 Payroll Advice Numbers 006910-006963, Check Numbers 086820-086821, July 2020 Operations & Maintenance Check Numbers 047858-047899, 20-0059-20-0073 and July 2020 Cash and Investment Summaries. Mr. Arnosky seconded the motion and the Board unanimously approved them.

PUBLIC COMMENT: NONE

ENTERPRISE / NATIONAL DELINQUENT LEASE PAYMENT

Enterprise/National Rental Car has had a rolling outstanding balance due in regards to their lease space at the new terminal dating back to 2012. A Customer Facility Charge (CFC) abatement was

put in place in 2014 so that the CFC's would reimburse the airport for the car rental area of the new terminal. The abatement was set to expire on December 31, 2017 or when the amount was paid in full, whichever was earlier. The abatement was reimbursed in full by May 31, 2017, after which all rates and charges reverted to the original 2012 lease. The current rates and charges were established January 1, 2018 but there has been outstanding payments due since the CFC abatement period expired. A letter was sent to Enterprise on June 26, 2020 by Gilbert & Smith, P.C. indicating the amount due, the time frame for full payment and consequences of non-payment. Upon receipt of this letter, Enterprise/National opened up further discussions with MBS Administrative staff.

From those discussions, it was determined that the amount due for extra storage parking space was the major point of contention. Enterprise was unwilling to pay for the 150 storage parking spaces shown on the past due invoices, due to the fact that Enterprise/National never had a need for that many spaces. The Airport's position was that before any conciliatory action could be taken on the part of MBS regarding storage parking, all other past due payments must be made in full. On August 13, 2020 a past due payment of \$11,841.72 was made, settling that portion of the account.

The amount of \$30,450 for 150 storage parking spaces was the remaining account balance due. The Airport looked at the past leases for Enterprise/National and determined that past storage parking areas at the old terminal would have held approximately 75 vehicles. It also appears that during the transition to the new terminal in 2012 there was a misunderstanding by both parties caused by the CFC abatement and subsequent transition of costs/parking figures. This misunderstanding ultimately led to the lease stating 150 parking spaces versus 75 spaces from the previous lease. The Airport has met with Enterprise/National and both parties are willing to agree on a final payment of \$12,500 for overdue storage parking.

The Finance Committee met on August 17, 2020 to discuss the acceptance of \$12,500 for past due storage parking and a motion was passed.

Mr. Morales made a motion to accept \$12,500 as the final payment due for overdue storage parking from Enterprise / National Rental Car. Mr. Arnosky seconded the motion and the motion passed unanimously.

SURPLUS VEHICLE

The Airport Maintenance Supervisor recently completed an evaluation of older maintenance vehicles. The purchase of the 2019 MTE units was intended to replace some aging snow removal plows and brooms purchased over 20 years ago. After his evaluation, the Maintenance Supervisor decided that the following piece of snow removal equipment can be declared surplus for the 2020-21 winter season.

Broom #38 - 1995 Stewart Stevenson 4x4 with 14 foot front mount broom

The other pieces of equipment to be replaced by the MTEs are still in good working order and will be kept in active service as backup units for the time being.

Historically, the Airport Commission declares a vehicle as surplus and authorizes the Airport Director to sell it in accordance with FAA practices for federally funded snow removal equipment, typically a sealed bid procedure.

Mr. Arnosky made a motion to declare Broom #38 as surplus and authorize the Airport Director to dispose of the vehicle. Mr. Gray seconded the motion and the motion passed unanimously.

PERSONNEL COMMITTEE UPDATE

Since May of 2020, the Personnel Committee has met to establish the incoming Airport Director's 12 month goals and finalize the Airport Director Employment Agreement. Goals were established on June 11, 2020 and on July 14, 2020 the Employment Agreement was finalized.

An additional item that has been discussed over the past few months is a salary survey that was to be completed by Jacobsen Daniels. This survey was to be utilized to evaluate current Airport administration staffing salary models and potential wage adjustments. Wage adjustments for four (4) existing administration personnel (not including the Airport Director) that were planned for March 29, 2020 have been postponed pending the outcome of this survey. The original scope of work from Jacobsen Daniels stated a report would be available within 6 weeks of the Notice to Proceed, which was given on March 3, 2020. The Airport Director frequently reached out to Jacobsen Daniels for updates from June to August, but there was an overall lack of communication from Jacobsen Daniels. As of August 18, 2020 no salary survey report has been received, despite numerous requests by the Airport Director for the information. Invoices from Jacobsen Daniels for services rendered were received by MBS on July 23, 2020. The Airport Director advised Jacobsen Daniels on August 4, 2020 that payments on those invoices were being withheld until Jacobsen Daniels provided a salary survey report. Ultimately, Jacobsen Daniels was notified by the Airport Director on August 7, 2020 of their termination of services due to lack of communication and lack of results. This issue was brought to the attention of the Personnel Committee on August 18, 2020 and a motion was passed to terminate the services of Jacobsen Daniels and withhold any payment on invoices.

Mr. Arnosky made a motion to terminate services due to lack of performance with Jacobsen Daniels in regards to conducting a salary survey on behalf of MBS and not issue any payments on existing invoices. Mr. Gray seconded the motion and the motion passed unanimously.

ADMINISTRATIVE STAFF PAY ADJUSTMENT

During the Personnel Committee meeting on August 18, 2020 the issue was discussed of an existing salary freeze for four (4) administrative staff personnel, not including the Airport Director. The salary freeze was put in place in March of 2020 due the expectations of the Jacobsen Daniels salary survey generating changes in the overall pay structure for the administrative staff. Past practice for pay increases amongst administrative staff at MBS has been to increase wages in lockstep with any pay increases associated with the Collective Bargaining Agreement between MBS and the Teamsters, Chauffeurs, Warehousemen and Helpers Local Union No. 214. A new CBA was made effective March 29, 2020 and contained a \$300 lump sum payment and 3% increase in salary for March 29, 2020 through March 29, 2021.

The Airport Director is currently re-evaluating the overall staffing structure for the administrative office at MBS. The re-evaluation is expected to continue through the end of CY 2020 and will be presented to the Personnel Committee. Due to the length of time involved, the Airport Director recommended to the Personnel Committee on August 18, 2020 to increase the administrative wages accordingly, retroactive to March 29, 2020. A motion was passed by the Personnel Committee regarding the increase.

Mr. Milne made a motion to pay the four (4) administrative staff a lump sum payment of \$300 and increase wages by 3% retroactive to March 29, 2020. Mr. Morales seconded the motion and the motion passed unanimously.

OLD BUSINESS

The taxiway project is making good progress. The pavement is scheduled to be done around Labor Day. The pavement will need 30 days to cure and then the painting can be completed. Mr. Gray suggestion some kind of promotion for the completion of the project.

NEW BUSINESS –

August 19th was National Aviation Day. Airport Director James Canders was onsite in the passenger terminal with a mask and social distancing, to thank passengers for flying through MBS and handed out MBS branded goodies. The event was posted on Facebook.

ADMINISTRATIVE MATTERS

Mr. Milne asked what types of items are brought to the Operations Committee. Mr. Canders said that in the past the Operations Committee handle larger projects that require more intensive conversation, such as the new terminal construction project.

The next regular meeting is scheduled for September 17, 2020 at 1:30 p.m.

ADJOURNMENT

There being no further business, Mr. Gray made a motion to adjourn. Mr. Milne seconded and the Board unanimously passed the motion. The meeting adjourned at 2:15 p.m.

James Canders, Assistant Secretary