

MINUTES
WAYNE COUNTY AIRPORT AUTHORITY
FY 2011 BUDGET STUDY SESSION
September 9, 2010

I. Roll Call

Study Session of the Wayne County Airport Authority Board was called to order at 1:30 p.m. at the Westin Hotel, Detroit Metropolitan Airport:

Charlie Williams, Chairperson
Reneè Pipis Axt, Vice Chairperson
Mary Zuckerman, Secretary
Bernard Parker
James Settles, Jr.

Excused: James Nicholson
Samuel Nouhan

Also Present: See attached sign-in sheet.

II. FY 2011 Proposed Budget Overview

Genelle Allen, Interim Chief Executive Officer, informed the Board that the Fiscal Year 2011 (FY 2011) Budget includes three critical components: deferred maintenance, regulatory compliance issues pertaining to the American with Disabilities Act and Title VI of the Civil Rights Act of 1964 and the depletion of the Passenger Facility Charges (PFCs) reserve. Ms. Allen reported that since the July Budget Study Session there are some changes that have had a positive impact on the overall budget – increased projections in enplanements, landed weights and non-airline revenues, resulting in a net reduction of close to \$2 million in costs to the airlines.

III. FY 2011 Operating Budget Update

Dina Reed, Director of Financial Planning and Analysis, presented the changes that have occurred in the Airport Authority's proposed FY 2011 operating budget since the July 13th Budget Study Session. Ms. Reed reported that the enplanement estimates were increased to \$16.1 million, approximately 1.9% above the current year projections, landed weight estimates were increased to \$21 million, approximately 4.5% above the current year projections and concession and car rental revenues were increased \$1.7 million.

Dina Reed reported on the meeting with the Detroit Airline Airport Affairs Committee (DAAAC) that was held on August 17, 2010. Ms. Reed informed the Board that a copy of the letter that the DAAAC Committee sent on September 3, 2010 requesting additional details is provided in their meeting materials and the Airport Authority will respond to the airlines next week.

Dina Reed reviewed the most recent Airports Council International – North America (ACI-NA) Airport Performance Benchmarking Survey results and pointed out that, compared to peer airports, Detroit Metropolitan Airport is positioned in the middle in most categories. Ms. Reed remarked that historically Detroit Metropolitan Airport has been positioned much lower in the Debt Service per Enplanement category compared to peer airports and in FY 2011 Debt Service will increase and move Detroit Metropolitan Airport up to a position in the middle. Ms. Reed reported that the Airport Authority will work with the airlines in regard to the Debt Service increase and will try to come to a positive resolution. Dina Reed reported that the Cost per Enplanement will increase in FY 2011 to approximately \$10.00; however, Detroit Metropolitan Airport should still be positioned in the middle compared to peer airports.

Dina Reed reviewed current airline industry updates that will affect Detroit Metropolitan Airport in 2011 and beyond.

IV. Capital Improvement Program (CIP) Overview

Jon Hypnar, Senior Vice President – Planning, Facilities and Maintenance, presented the list of projects included in the Capital Improvement Program for Detroit Metropolitan Airport. Mr. Hypnar commented that this Program focuses on airport infrastructure and runways, bringing Detroit Metropolitan Airport up to modern standards. Mr. Hypnar reported the Capital Improvement Program, approximately \$50 million over 5 years, is part of the proposed FY 2011 Budget which will be presented to the Board for approval at the September 23rd meeting. Jon Hypnar clarified this Capital Improvement Program is in addition to the Capital Maintenance and Replacement Program that was presented at the July 13th Budget Study Session. Jon Hypnar reviewed two significant projects in the Capital Improvement Program for Detroit Metropolitan Airport, Reconstruction of Runways 4R/22L and 3L/21R.

Mr. Hypnar presented the list of projects included in the Capital Improvement Program for Willow Run Airport. Jon Hypnar reviewed one significant project in the Capital Improvement Program for Willow Run Airport, Reconstruction of Runway 5R/23L.

At the request of Mary Zuckerman, Thomas Naughton, Executive Vice President & Chief Financial Officer, explained the revenue sources that will support the Capital Improvement Programs.

Mr. Naughton explained the process to apply for Federal stimulus money for runways at the request of Bernard Parker.

Thomas Naughton clarified for Ms. Axt that if a project is listed in the Capital Improvement Program or the Capital Maintenance and Replacement Program, it is a need and critical, not a want. Mr. Hypnar clarified the Capital Improvement Program presented today is in addition to the Capital Maintenance and Replacement Program that was presented at the July 13 Budget Study Session.

Charlie Williams asked about how runway numbers are assigned and Jon Hypnar agreed to provide this information.

Jon Hypnar provided additional information about the FAA instrument landing system used at Willow Run Airport at the request of Charlie Williams.

V. Capital Finance Program Overview

Terry Teifer, Vice President – Treasury, reviewed FY 2011 Budget Debt Assumptions and Debt Profile. Mr. Teifer reviewed the Airport Authority's FY 2011 Bond Refunding Program and reported that a Bond Refunding Ordinance will be presented to the Board for approval at the September 23rd meeting.

Terry Teifer and Thomas Naughton responded to Mary Zuckerman's questions regarding debt service and the operating budget.

Thomas Naughton and Dina Reed responded to Bernard Parker's questions regarding the FY 2011 Budget.

VI. Chairperson's Comments

Charlie Williams remarked that he thought the Airport Authority staff did an excellent job on the Budget presentation. Mr. Williams requested that, in the future, the Board would appreciate getting the report in advance of the meeting.

Mr. Williams announced that Genelle Allen is now a licensed Airport Manager, as she passed the test required by the State of Michigan, and congratulated her on this achievement.

Charlie Williams reminded the Board members to send their comments in regard to the Airport Authority's Chief Executive Officer job description to the Vice President - Human Resources.

VII. Interim Chief Executive Officer's Comments

Genelle Allen commented that the Airport Authority staff has worked very diligently to have a fiscally prudent and operationally sound budget and believes it is reflected in what is being proposed. Ms. Allen clarified that the Airport

Authority will continue to wisely manage the debt and expenses. Genelle Allen recommended the approval of the proposed FY 2011 Budget at the September 23rd Board meeting.

VIII. Public Comment

Charlie Williams opened the floor for Public Comment at 2:45 p.m. No public comment was received. Public Comment closed at 2:45 p.m.

IX. Next regular meeting of the Wayne County Airport Authority Board is scheduled for September 23, 2010 at 1:30 p.m. at the Westin Hotel.

X. Adjourn

Meeting was adjourned at 2:46 p.m.

Motion by James Settles; Supported by Mary Zuckerman
Motion unanimously approved.

ATTENDANCE RECORD

Meeting of: Wayne County Airport Authority FY 2011 Budget Study Session

Date/Time: Thursday, September 9, 2010 - 1:30 PM

Place of Meeting: The Westin - Detroit Metropolitan Airport

NAME	MAILING ADDRESS	REPRESENTING (Company, Community, etc.)	TITLE/POSITION	PHONE NUMBER
Cindy Singer	LC Smith Bldg-Mkzz	WCAA	Manager - Authority Affairs	(734) 942-1519
Soni McNeill	LC Smith Bldg-Mkzz	WCAA	Admin Asst - Authority Affairs	(734) 247-7370
MARC KEMPER		DELTA AIR LINES	REG. DIRECTOR	612 727-6596
Janet Parker	LC Smith	WCAA	Sec. Dir	734 942-3747
Gale LaRoche	LC Smith	WCAA	VP of HR	734 942-3728
MICHAEL CONWAY		WCAA	Dir. Pub. Affairs	734 942-3558
PETER GARGILLO	LC Smith	WCAA	Interim VP	734 955-5705
WAYNE SIKLOFF	LC Smith	WCAA	Director - PDC	734-247- 7371
Vicki Myler	LC Smith	WCAA	FPA #	734-247- 7322
David DiMaria	Hqrl Willow Run	WCAA	Director	734 485-6670

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Mary Lou Pose		WCAA		
MATT McManis		WCAA		
Sean A. Pava		WCAA	DEMO	955-8870
Alfonso Pava		WCAA	President	
Pete Brewis		Metro Parking	President	313-568-5681
EDUARDO STRADA		HWTS		313-961-3330
Michelle Cooper		WCAA		
Arun Gulati		WCAA		7-7379
Ed Glomb		WCAA	Chief of Police	942-5376

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Dianne Walker	L.C. Smith-Mezg	WCAA	Director-Airfield	734 9423571
Mary Sarva		WCAA	CONTROLLER	734- 247-6775
Richard Wallace	L.C. Smith	WCAA	Director - HR	247-7111
SCOTT WINTNER			Mgr PUBLIC AFFAIRS	734/ 955-3745
ROBERT GIACOPETTI	L.C. Smith	WCAA	FIN. ANALYST	734- 247-9460
Mark Zinkivach	L.C. Smith	WCAA	Financial Analyst	734-247-9460
Paul Redfern	L.C. Smith	WCAA	Audgrt	455-8782
Istakur Rahman	L.C. Smith	WCAA	VP-Internal Audit	7-7365
Eric Morris	333 Albert Suite 533 E. Lansing MI 48823	HNTR	PROJ. MGR	517-333-3330 x15606
Craig Carroll	L.C. Smith	W.C.A.A.	Exec Chief	734-942-0230

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JACK JANIGA	200 RIVIERA DETROIT	METRO. PARKING SVCS	U-P	313 5485672
WINSTON GLASS JR	535 GRISWOLD DETROIT 48226	ADVANCE CORP	UP	313-961-0084
ALI DIB	WCAA	WCAA	Facilities	734 9423676