

**West Michigan Regional Airport Authority**

**MEETING MINUTES**

**November 12, 2024**

**4:00PM- 5:30PM**

**Present:** Corbin, Gruppen, Murray, Brandson, Storey, Blanton, Hoekwater, Byrd, Keeter

**Absent:** Dannenberg

**Others Present:** Leanne Schaeffer, Lynn McCammon, Rick Thompson, Courtney Sawyer, Sue Lamar, Drew Rothstein, Nile Leonard, Rachel Hillegonds

*Board Chair Murray called to order 4:00pm*

**11.12.01      Roll Call**

**11.12.02      Public Comment**

Rick Thompson, owner of 4OneAir, presented to the board.

**11.12.03      Approval of Agenda (3 Minutes):**

Motion by Corbin, Support by Byrd.

Motion Carries.

**11.12.04      Approval of Prior Meeting Minutes:**

October 14, 2024, Minutes

Motion to approve by Corbin, Support by Gruppen.

Motion Carries.

October 25, 2024, Special Meeting Minutes

Motion to approve by Hoekwater, Support by Brandsen.

Motion Carries.

**11.12.05      Approval of Consent Agenda**

Motion to approve the consent agenda by Corbin, Support by Byrd.

Motion Carries.

**11.12.06 Decision on scheduling a Public Hearing (date and time) regarding the North-South Runway and the Airport Overlay Plan**

Keeter & Storey recommend a second public hearing date with a decision at the December 9th board meeting. Storey recommends that Mead & Hunt to present at the meeting.

Corbin motions to set the meeting to December 2<sup>nd</sup> at 4pm with a location to be set by the Airport Manager, support by Byrd.

Motion Carries.

**11.12.07 Closed Session for Legal Opinion Letter**

Motion to enter closed session moved by Blanton, support by Keeter.

**Roll Call Vote:**

Aye: Corbin, Byrd, Gruppen, Blanton, Hoekwater, Keeter, Brandsen, Murray

Nay: none

Motion Carries.

*4:22pm*

*4:56pm*

Motion to enter open session moved by Corbin, Support by Byrd.

Motion Carries.

**11.12.08 4 One Air LLC request for WMAA to Waive All Franchise Fees from February 2023 to December 2029.**

Murray presents the request for fee cancellation from Rick Thompson:

"I, Rick Thompson, Owner of 4 One Air LLC, formally request the cancellation of all operating fees incurred for previous years and any current operating fees until the year 2029, payable to the West Michigan Airport Authority. I acquired a struggling flight school 2022 and am in the process of rebuilding it. Due to the financial challenges associated with this restructuring, 4 One Air LLC is currently unable to meet these financial obligations. I respectfully request that these fees

be waived, effective immediately, to support the company's recovery and long-term sustainability. I appreciate your prompt consideration of this request."

Murray presents that 4 One Air LLC sought and received a franchise agreement in February 2023 to operate a flight school at WMRA. The contract was signed effective 2023, with identified franchise payments due 1st business day of each calendar month. 4 One Air was a signatory. The Chairperson of WMAA was a signatory and the document was approved by WMAA counsel. The contract was not forwarded to Holland City Finance. We're unsure why. It is customary to send invoices but not required. In spring 2024, the former director advised the agreement had not been sent to finance and the franchisee had not been invoiced. Invoicing is not a requirement of the agreement; at most it would be a courtesy. Through the agreement, the franchisee was responsible for paying the fee each month.

Murray stated in spring 2024, an invoice or statement seeking payment was sent to 4 One Air. The amount was significant as no fees had been paid per the terms of the Agreement. Fees were due and owing back to February 2023. 4 One Air may have had direct contact with the former director on payment. After the departure of the former director, the Board Chair reached out via email to 4 One Air seeking to discuss the situation and find options to resolve it. Email received from 4 One Air conveyed its belief that WMAA/WMRA violated terms of the agreement, was in violation of the terms, and stated negative consequences to WMAA/WMRA if payment was sought. 4 One Air also stated it could relocate the operations to another facility. The chair obtained and reviewed the agreement and began communications with WMAA Counsel as 4 One Air indicated potential legal action. Counsel took over negotiations with 4 One Air. After discussion through counsel, and with consent of the Executive Committee, the Chair offered a payment structure to allow 4 One Air to come current on fees due and owing over 2 years. The chair received word from Counsel the offer had been verbally agreed to. Finance received a certain payment in line with the proposed terms by the requested payment date. 4 One Air then advised Counsel it rejected the proposed revised terms and would seek a full waiver of all franchise fees. WMAA received at prior board meeting a document purported endorsed by the airport advisory group supporting full waiver of franchise fees for 4 One Air. The document was not signed by anyone in the Advisory Group.

Murray presented that the agreement does permit, with board concurrence, an option to waive certain fees. The estimated cost, if approved by the WMAA, is approximately \$66,000 in revenue.

4OneAir, Rick Thompson, presents to the board that when he was given the operating agreement he spoke with the previous director, Aaron Thelenwood, to discuss the fee, and that as a new business, he would not be able to take on the fee. When the year had gone in 2023, he was under the assumption that he was not being assessed the fees. Once he received the bill from the airport of about \$10,000. He was unsure how to proceed and was frustrated by the bill he received. He attended the user group to share his circumstances. He enjoys working with the public and inviting them to the airport. This fee could potentially close the doors at the flight school at the airport. He mentioned that he is a key fuel purchaser, community face, tenant hanger, and maintenance user. Appeals to the board to ask them to cancel the fees to continue operating and growing and re-access our approach to the flight school fees. Thompson's understanding was that the way Thelenwood came up with the fee was by the FBO's rates divided by four.

Corbin states that there was a lot of new information presented today that was not presented to counsel & the board chair. Concerned that there is too much new information to discuss and resolve today.

Murray states that we owe it to the community to determine tonight.

Byrd states that we do not have enough information to determine based on others' rates and understanding how the initial fee was accessed.

Thompson acknowledged that in his haste to open a business, he agreed to a contract that he should not have.

Gruppen acknowledged that there are two issues at hand. Believes the board needs to settle the original contract conversation before settling the fees going forward.

Corbin agrees with Gruppen that the first conversation should be the original contract and the second part should be renegotiation for the new contract. Believes that there was only one proposal received from the franchisee and it does not cover all of the information.

Blanton requests that we outline what additional information we'd like to consider if we were to table this. We're missing assessment information and financial information. Suggests that we solve the motion at hand and identify next steps. Acknowledges that we want to see success for the flight school and that we believe the proposal is not fair.

Corbin agrees would like to see additional data and have the flight school come back to present other options at another date.

McCammon shares that with the current contract agreement and proposal if the board were to waive the fees, it would be at the value of approx. \$66,000.

Murray presents that the default letter was sent out to October 15<sup>th</sup> and that the 30 day default timeline is almost expired. Believes we are a publicly funded organization and required to uphold the contract.

Gruppen and Byrd agree that it is not just about this contract but holding a precedent.

Corbin makes a motion to deny the request that is being proposed. Seconded by Keeter.

Roll Call Vote:

AYE: Corbin, Byrd, Gruppen, Blanton, Hoekwater, Keeter, Brandsen, Murray

Nay: none

Motion Carries.

Corbin requests that the airport manager understand the formula for pricing for the current contract and confirm the accuracy of the data presented by 4OneAir and lastly, if we were to consider changes to the agreement that it would be a short-term understanding of no more than one year.

Murray would like to see the financial details. The board needs to ensure that the school is viable. Recognizes that we have a default franchise agreement on Friday and looks to the board for unified direction.

Keeter would like to see the board sit on the default for a limited period of time. Second, he would like to see a proposal from 4OneAir that shows a graduated fee payment that helps to pay the fees. Would like to see a win-win and keep it fair to all of our franchisees.

Corbin states we need to treat everyone fairly to meet our federal obligations.

Byrd states that we want to see Rick succeed. But there are hurdles that we need to overcome to make sure we do it fairly and not set a precedent.

Corbin motions to allow the 4OneAir franchisee to continue for a period of 27 days ending December 9<sup>th</sup> 2024 and permit the executive group of the board to negotiate a new contract that would be acceptable to the authority and the default is still in place unless cured by November 14 by 4OneAir. Support by Keeter.

Roll Call Vote:

Aye: Corbin, Byrd, Gruppen, Blanton, Hoekwater, Keeter, Brandsen, Murray

Nay: none

Motion Carries.

Motion Carries.

#### **11.12.09 Airport Director Search Committee Report**

Blanton reports that Storey is established, and the committee has started searching for the permanent director and is partnering with the city of Holland. The committee will post the position on November 15<sup>th</sup>, and it will be open for one month. The committee will not have a recommendation for the December meeting but will aim to fill the position by early 2025.

#### **11.12.10 USDA Wildlife Management / Cooperative Services Agreement for CY 2025**

Keeter motions to move to December, support by Byrd.

Motion carries.

#### **11.12.11 MDOT Agreement Approval (north taxi lane project)**

Keeter motions to move to December, support by Brandsen.

Motion Carries.

#### **11.12.12 Financial Report**

Lynn presents that they have met with Storey, but will get ready for mid-year budget amendment.

Motion to accepted the report Keeter, second Byrd

Motions carries.

### **11.12.13 Chairman's Report**

The snowplow equipment is here in Holland and upon agreement of the insurance rider, WMRA will have the equipment on site.

In December we do need to present our 2025 dates.

The Manager will provide onboarding packets for new members and present the three members exiting: Keeter, Corbin & Blanton.

Storey presents that the FBO is getting certified to accept international waste off of airplanes.

### **11.12.14 Public Comment**

### **11.12.15 Adjourn**

Motion to end by Bryd, support by Keeter.

Motion Carries.