

DRAFT

## MINUTES

Monday, October 10, 2011  
10:00 A.M.

Manistee County Blacker Airport  
Conference Room

Members Present: Ervin Kowalski, Chairperson; Paul Schulert, Vice-Chairperson; Duane Anderson; Glenn Lottie (10:30 - 11:00 A.M.); Ross Spencer; and Bob Wilson

Members Absent: Dale Picardat

Others Present: Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel (left at 11:15 A.M.); Russell Pomeroy, Airport Authority Treasurer (left at 11:00 A.M.); Ken Grabowski, Manistee News Advocate; and Rachel Nelson, Airport Authority Secretary

Ervin Kowalski, Chairperson, called the meeting to order at 10:00 A.M. Roll was taken by the Secretary.

The Chairman confirmed that each member had received a copy and had an opportunity to review the minutes from the regular meeting of the Airport Authority held on Monday, September 12, 2011.

**There was a motion by Mr. Anderson, supported by Mr. Schulert to approve the Airport Authority regular meeting minutes of Monday, September 12, 2011, as presented. Motion carried by unanimous vote.**

The Authority next reviewed the September 2011 Accounts Payable Report (APPENDIX A). Mr. Pomeroy noted that the payment to the Manistee Artists Mall is for frames for the lobby; the payment to Blue Globes is for lamps for the runways; and the payment to Glass Specialties is for glass for the t-hangar. It was noted that there is a credit balance with MS Creative since the casino paid them directly for advertising for the airport.

**There was a motion by Mr. Wilson, supported by Mr. Spencer to approve the September 2011 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$24,475.51.**

**A roll call vote was taken:**

**Yeas: 5 (Kowalski; Schulert; Anderson; Spencer; Wilson)**

**Nays: 0**

**Absent: 2 (Picardat; Lottie)**

**Motion carried.**

The Authority next reviewed the September 2011 Financial Statement (APPENDIX B) which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Passenger Facility Charges collected. Mr. Pomeroy noted that a revised report will be provided at next month's meeting since there are still revenues and expenses that will be received for FY 2010/11 (10/1/10-9/30/11).

**There was a motion by Mr. Schulert, supported by Mr. Wilson to approve the September 2011 Financial Statement. Motion carried by unanimous vote.**

There was no report from the Promotion Committee. The Bylaws Committee stated that they have been working on updating the Airport Authority Bylaws and will present them at next month's meeting.

Mr. Lind stated that Congress has passed the 22<sup>nd</sup> extension of the FAA reauthorization bill to January 2012. There are no changes for EAS in this extension. Mr. Lind reminded the Authority that the Rural Air Service Alliance (RASA) would like the Airport Authority to join its membership. RASA is a grass roots effort to promote the interests of small airports since generally, airlines and large airports have the most clout in legislation. They are asking for an annual membership fee of \$2,000, but they are willing to negotiate this fee. After discussion,

**There was a motion by Mr. Spencer, supported by Mr. Anderson to offer up to \$750 for annual membership with the Rural Air Service Alliance.**

**A roll call vote was taken:**

**Yeas: 5 (Wilson; Spencer; Anderson; Schulert; Kowalski)**

**Nays: 0**

**Absent: 2 (Picardat; Lottie)**

**Motion carried.**

Frontier gave their 180 day notice to the Department of Transportation (DOT) on September 9, 2011 that they intend to end service at Manistee on March 8, 2012. Frontier requested an "out clause" during the bidding process, which is not allowed by statute, however, the Airport Authority approved it, so Frontier is not required to stay until another carrier takes over. The DOT is expected to issue the request for bids for service at the airport (as well as Ironwood and Rhinelander) before October 17, 2011. This will be followed by a 30 day response time, then a 30 day comment period, and then it should take approximately 30 days for a decision to be made. Mr. Lind stated that there are 30 cities that are currently up for bid or will be soon. Mr. Lind feels that it might be difficult to get the attention of carriers since bids for 23 cities are due on October 12<sup>th</sup>, and he is concerned that there might be more cities available than aircraft to service them. Mr. Lind presented information on several carriers, in alphabetical order, that he feels might bid on service at Manistee. The first is Charter Air Transport, who would be an alternate EAS bid, using EMB-120 30 seat turbo-prop aircraft, with service to Milwaukee or Chicago Midway. The second is Great Lakes using Beech 1900 19 seat turbo-prop aircraft, with service to Chicago O'Hare (with a United code share). The third is Gulfstream International using either Beech 1900 19 seat aircraft or Saab 340 34 seat turbo-prop aircraft, with service to either Cleveland as Continental/United Express or Detroit as Gulfstream (no code share). The fourth is SkyWest using either EMB-120 30 seat turbo-prop aircraft or CRJ-200 50 seat regional jets, with service to Chicago O'Hare. Mr. Lind explained that in the alternate EAS program, the Airport Authority would propose the service and directly receive the EAS funding. To date, no one has utilized this program. Mr. Lind noted that there has been a strong push by interstate bus lines to be the service of choice. Another option is to exit the EAS program. The Airport Authority would receive a buyout for two years of the subsidy (\$3.4 million plus \$1 million in capital funds), however, then the airport would be out of the EAS program for 10 years.

Sheets were handed out showing airplane passenger numbers for 2011 as well as the previous six years (APPENDIX C), and the Orchard Beach Aviation rent information (APPENDIX D). There were no Airport incidents to report. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City and Grand Rapids for travel in November 2011 (APPENDIX E).

Mr. Lind reported that Enterprise has paid on time, however, they have still not signed the contract. Due to this, Mr. Lind has still not listed them on the airport's website. Mr. Spencer suggested sending a copy of the airport's rules and regulations, which require a signed contract for them to operate at the airport. Mr. Lind noted that Mowry Leasing & Rental has still routinely had all of their vehicles rented.

Mr. Lind informed the Authority that the FAA requires a selection process for the airport's Engineer of Record every 5 years. Mr. Lind is unsure when this was last done, however, with the changeover from Peckham Engineering to Prein & Newhof, it is a logical time to reevaluate. Prein & Newhof is preparing an RFP (request for proposals), however, Mr. Lind feels a committee should be appointed to work on the RFP and conduct the selection process. Mr. Wilson, Mr. Spencer, and Mr. Anderson volunteered to be on the Engineer of Record RFP Committee, with Mr. Anderson as the Chair of the committee. The committee will work towards the selection of an Engineer of Record before the end of winter.

Mr. Lind reported that the parking lot construction project was delayed due to paperwork at the State. Mr. Lind received notice from the State last week to proceed with the project, so Elmers will begin once they have a crew available. Mr. Lind received the contract for the t-hangar project, which was previously approved. The project is still planned to be completed this fall. Mr. Lind reminded the Authority that a

new issue regarding the runway safety area grading was discovered during the September airport inspection. The northeast corner of the east/west runway needs to have the grading extended 30 feet. Since Elmers will already have the equipment at the airport to do this, it will be combined with the parking lot grading, and the State and FAA have agreed to this addition to the project. Mr. Lind is also working with Elmers to have the existing parking lot lines re-marked. He is unsure yet if funds will be available from the parking lot project for this.

Mr. Lind stated that he will be meeting with Bob Peckham regarding the trees that might need to be cut off the north side of the airport, which were discussed at last month's meeting. The fuel farm upgrades are on hold pending the outcome of the EAS bids. The new hose will still be purchased since it needs to be replaced, which will cost approximately \$1,000. The full scale emergency exercise is now planned for early spring 2012, rather than November 2011. This is being planned by Manistee County's Emergency Management Coordinator and will not cost anything for the airport. Mr. Lind attended the MAAE fall conference on September 13-15, 2011, and EAS was the main topic.

Mr. Lind reported that Frontier's advanced bookings have started to slow down for the fall, as expected. He expects that there will be approximately 1,900 to 2,000 passengers in October and the same in November due to the Thanksgiving holiday. If this happens, the airport should pass 10,000 enplanements for the year around Thanksgiving, which would dramatically increase the amount of federal funds available for capital improvement projects. Frontier has updated their schedule beginning November 1, 2011, and will finally have connections available to Florida.

Mr. Lind informed the Authority that the airport has been awarded a \$50,000 Small Community Air Service Development Program (SCASDP) grant for marketing. The contract will need to be approved, pending Mr. Saylor's approval.

**There was a motion by Mr. Schulert, supported by Mr. Spencer to approve the contract with the Small Community Air Service Development Program for a \$50,000 grant for marketing and to authorize the Airport Authority Chairman to execute the contract, pending legal review.**

**A roll call vote was taken:**

**Yeas: 5 (Anderson; Spencer; Wilson; Schulert; Kowalski)**

**Nays: 0**

**Absent: 2 (Picardat; Lottie)**

**Motion carried.**

Mr. Lind stated that the existing advertising will continue, with tv/cable ads running periodically through November. November will be the last Frontier themed advertising.

Mr. Spencer asked about having someone review the airport's electricity use, since it seems high. This has been discussed in the past, and Mr. Lind feels that once a new Engineer of Record is selected, this would be something to discuss with them.

Mr. Wilson reported that he spoke with an instructor at West Shore Community College and they could provide students to ask survey questions and do a summary report after January 1, 2012. Mr. Lind feels that it's ok to wait, but it would be nice to do the survey before Frontier leaves on March 8, 2012.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 11:30 A.M.

Respectfully submitted,

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Rachel Nelson, Airport Authority Secretary

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## MANISTEE COUNTY BLACKER AIRPORT

### SEPTEMBER 2011 REVENUE & EXPENSES      BUDGET REMAINING      0%

INCOME:	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
HANGER RENTAL	\$ 1,525.00	\$ 17,854.80	\$ 20,400.00	\$ 2,545.20	12%
LANDING FEES - GREAT LAKES/FRONTIER	\$ 17,667.39	\$ 213,405.99	\$ 212,882.00	\$ (523.99)	0%
LANDING FEES - GENERAL AVIATION	\$ 189.00	\$ 1,089.00	\$ 1,250.00	\$ 161.00	13%
AUTO RENTAL SPACE	\$ 674.80	\$ 7,075.68	\$ 5,000.00	\$ (2,075.68)	-42%
OFFICE RENT	\$ 955.00	\$ 11,460.00	\$ 11,460.00	\$ -	0%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 114,996.00	\$ 115,000.00	\$ 4.00	0%
FUEL SALES	\$ 1,054.65	\$ 7,338.73	\$ 6,500.00	\$ (838.73)	-13%
SIGN LEASE	\$ -	\$ 3,300.00	\$ 3,800.00	\$ 500.00	13%
MISCELLANEOUS	\$ -	\$ 13,870.00	\$ 1,000.00	\$ (12,870.00)	100%
<b>TOTAL INCOME</b>	<b>\$ 31,648.84</b>	<b>\$ 390,390.20</b>	<b>\$ 377,292.00</b>	<b>\$ (13,098.20)</b>	<b>-3%</b>

#### EXPENSES:

PERSONNEL - MANAGEMENT	\$ 3,278.18	\$ 39,338.16	\$ 39,340.00	\$ 1.84	0%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 18,087.66	\$ 218,491.92	\$ 218,872.00	\$ 380.08	0%
DUES & FEES	\$ -	\$ 545.00	\$ 800.00	\$ 255.00	32%
SUPPLIES	\$ 339.24	\$ 2,646.87	\$ 4,000.00	\$ 1,353.13	34%
UTILITIES	\$ 2,272.62	\$ 37,676.03	\$ 35,000.00	\$ (2,676.03)	-8%
FUEL	\$ -	\$ 9,400.60	\$ 6,500.00	\$ (2,900.60)	-45%
REPAIRS & MAINTENANCE	\$ 479.21	\$ 15,937.46	\$ 10,000.00	\$ (5,937.46)	-59%
TERMINAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	\$ -	\$ 1,428.00	\$ 1,600.00	\$ 172.00	11%
LEGAL	\$ -	\$ 4,186.00	\$ 5,000.00	\$ 814.00	16%
AUDIT	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	0%
ADVERTISING	\$ -	\$ 19,938.35	\$ 5,880.00	\$ (14,058.35)	0%
TELEPHONE	\$ 18.60	\$ 233.79	\$ 300.00	\$ 66.21	22%
INSURANCE	\$ -	\$ 19,941.39	\$ 22,000.00	\$ 2,058.61	9%
TRAINING (FIRE FIGHTER)	\$ -	\$ 8,708.60	\$ 1,000.00	\$ (7,708.60)	0%
EQUIPMENT	\$ -	\$ -	\$ 19,500.00	\$ 19,500.00	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
NOTES PAYABLE	\$ -	\$ -	\$ -	\$ -	0%
TRANSFER OUT/FUND BALANCE	\$ -	\$ -	\$ -	\$ -	100%
MISCELLANEOUS	\$ -	\$ 2,052.28	\$ 3,000.00	\$ 947.72	32%
	<b>\$ 24,475.51</b>	<b>\$ 382,024.45</b>	<b>\$ 377,292.00</b>	<b>\$ (4,732.45)</b>	<b>-1%</b>

EXCESS REVENUE OVER/(UNDER) EXPENDITURES \$ 7,173.33 \$ 8,365.75

#### BALANCE ON HAND - AIRPORT FUND

BEGINNING BALANCE 09/01/11	\$ 46,481.29
SEPTEMBER RECEIPTS	\$ 13,646.88
AUGUST DISBURSEMENTS	<u>\$ (35,393.41)</u>

\$ 24,734.76

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# MANISTEE COUNTY BLACKER AIRPORT

## SEPTEMBER 2011 BALANCE SHEET

ASSETS	9/30/2011	8/31/2011
CASH	\$ 24,734.76	\$ 46,481.29
ACCOUNTS RECEIVABLE		
FRONTIER AIRLINES	\$ 17,667.39	\$ -
AUTO RENTAL	\$ 674.80	\$ -
MISC.	\$ 1,743.65	\$ 2,083.88
<b>TOTAL ASSETS</b>	<b>\$ 44,820.60</b>	<b>\$ 48,565.17</b>

  

LIABILITIES	9/30/2011	8/31/2011
ACCOUNTS PAYABLE - TRADE	\$ 24,475.51	\$ 35,393.41
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 24,475.51</b>	<b>\$ 35,393.41</b>

  

<b>FUND BALANCE</b>	<b>\$ 20,345.09</b>	<b>\$ 13,171.76</b>
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<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 44,820.60</b>	<b>\$ 48,565.17</b>
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 09/30/2011		\$ 65,381.36
PFC FUNDS AVAILABLE		\$ 65,381.36
BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:	9/30/2009	\$ 19,577.36
BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:	7/1/2010	\$ 16,228.49
BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:	9/30/2010	\$ -
PUBLIC IMPROVEMENT FUND - CASH AVAILABLE		\$ 24,686.88
PAYOFF FUEL FARM FROM PUBLIC IMPROVEMENT FUND (per Board of Commissioner action 7/20/2010)		\$ (16,228.49)
STATE OF MICHIGAN - TAXIWAY LIGHTING PROJECT		\$ (475.00)
STATE OF MICHIGAN - PAVEMENT MARKING PROJECT		\$ (1,400.00)
STATE OF MICHIGAN - TAXIWAY LIGHTING PROJECT		\$ (5,900.00)
PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 08/31/2011		\$ 683.39

Manistee County Blacker Airport

	2005		2006		Enplaned/Deplaned			2008		2009		2010		2011	
	Out/In	Total	Out/In	Total	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	MW 141/118	259	MW 150/101	251	MW 210/164	374	MW 234/169	403	GL 138/106	244	GL 212/145	357	GL 201/169	370	
Feb	183/147	330	137/133	270	198/184	382	215/200	413	112/93	205	196/150	346	202/194	396	
Mar	168/199	367	197/203	400	224/229	453	213/200	413	149/139	288	216/231	447	225/215	440	
Apr	132/152	284	191/218	409	183/239	422	18/38	56	119/140	259	272/255	527	GL 147/171 F9 486/389	1193	
May	162/152	314	200/217	417	238/251	489	0/0	0	184/180	364	263/302	565	1454/1525	2979	
Jun	147/169	316	233/283	516	252/309	561	GL 94/113	207	166/213	379	311/366	677	1206/1342	2548	
Jul	232/208	440	318/332	650	340/348	688	278/301	579	388/439	827	521/551	1072	1595/1568	3163	
Aug	223/228	451	349/358	707	348/305	653	300/293	593	429/359	788	482/395	877	1833/1567	3400	
Sep	171/158	329	268/267	535	278/217	495	219/190	409	285/293	578	240/233	473	<b>1332/1234</b>	<b>2566</b>	
Oct	131/135	266	263/221	484	276/248	524	173/174	347	282/275	557	270/246	516			
Nov	159/148	307	210/205	415	275/280	555	168/166	334	257/269	526	236/242	478			
Dec	142/146	288	224/242	466	203/205	408	159/122	281	228/279	507	194/235	429			
Total		3951		5520		6004		4035		5522		6764		17055	

	2005		2006		On-time Performance			2008		2009		2010		2011	
	Cancel/Delay	On-time	Cancel/Delay	On-time	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time
Jan															
Feb															
Mar										13%/25%	62%	23%/22%	55%	15%/38%	48%
Apr										18%/16%	66%	13%/32%	55%	15%/28%	58%
May										8%/11%	79%	11%/19%	70%	21%/19%	60%
Jun										10%/16%	74%	13%/17%	70%	***	***
Jul										2%/10%	88%	12%/10%	78%	3%/25%	72%
Aug										7%/18%	75%	6%/26%	68%	6%/20%	74%
Sep										4%/16%	80%	5%/19%	76%	0%/37%	63%
Oct										2%/12%	86%	4%/5%	91%	0%/36%	64%
Nov										0%/9%	91%	18%/16%	66%	<b>0%/23%</b>	<b>77%</b>
Dec										11%/31%	57%	10%/8%	81%	15%/13%	72%
										13%/32%	55%	3%/10%	87%	16%/16%	68%
										36%/44%	20%	25%/39%	36%	32%/25%	43%

APPENDIX C

ORCHARD BEACH AVIATION

September 2011

## RENT

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$1054.65	
LANDING FEES		
TWIN	\$9.00	(1 @ \$9)
JET	\$180.00	(10 @ \$18)
TOTAL	\$1743.65	
100	2181.5 Gal	
JET	4849.5 Gal	
TOTAL	7031.0 Gal	

**November Travel as of 10/7/11****Best Fares**

	MBL	TVC	GRR
Atlanta (ATL)	527 F9/UA	417 UA	<b>363</b> DL
Boston (BOS)	362 F9/UA	319 DL	<b>284</b> F9
Dallas (DFW)	310 F9	407 UA	<b>261</b> UA
Denver (DEN)	333 F9	406 UA	<b>263</b> AA
Houston (HOU)	449 F9	446 UA	<b>368</b> UA
Kansas City (MCI)	<b>210</b> F9	281 DL	235 DL
Las Vegas (LAS)	393 F9	352 DL	<b>350</b> DL
Los Angeles (LAX)	393 F9	311 DL	<b>308</b> DL
Milwaukee (MKE)	<b>199</b> F9	349 DL	199 DL
Minneapolis (MSP)	<b>361</b> F9	386 US	395 DL
New York Area (NYC)	260 F9	321 DL	<b>251</b> DL
Orlando (MCO)	444 F9/UA	341 DL	<b>246</b> FL
Philadelphia (PHL)	<b>290</b> F9	381 DL	378 DL
Phoenix (PHX)	<b>300</b> F9	325 UA	319 F9
Portland (PDX)	398 F9	338 DL	<b>329</b> UA
San Diego (SAN)	408 F9	429 UA	<b>324</b> DL
San Francisco (SFO)	348 F9	341 DL	<b>331</b> UA
Seattle (SEA)	358 F9	351 DL	<b>349</b> DL
St Louis (STL)	429 F9/WN	333 AA	<b>273</b> AA
Washington DC Area (WAS)	290 F9	285 DL	<b>223</b> FL

Average Fare	\$353.10	\$355.95	\$302.45
Change from last month	\$14.35	-\$68.55	-\$5.20
Fares Pulled 10/7/11 for travel 11/9/11 - 11/16/11			

**Best Fares +7 days parking**

	MBL	TVC	GRR
Atlanta (ATL)	527 F9/UA	457 UA	<b>417</b> DL
Boston (BOS)	362 F9/UA	359 DL	<b>338</b> F9
Dallas (DFW)	<b>310</b> F9	447 UA	315 UA
Denver (DEN)	333 F9	446 UA	<b>317</b> AA
Houston (HOU)	449 F9	486 UA	<b>422</b> UA
Kansas City (MCI)	<b>210</b> F9	321 DL	289 DL
Las Vegas (LAS)	393 F9	<b>392</b> DL	404 DL
Los Angeles (LAX)	393 F9	<b>351</b> DL	362 DL
Milwaukee (MKE)	<b>199</b> F9	389 DL	253 DL
Minneapolis (MSP)	<b>361</b> F9	426 US	449 DL
New York Area (NYC)	<b>260</b> F9	361 DL	305 DL
Orlando (MCO)	444 F9/UA	381 DL	<b>300</b> FL
Philadelphia (PHL)	<b>290</b> F9	421 DL	432 DL
Phoenix (PHX)	<b>300</b> F9	365 UA	373 F9
Portland (PDX)	398 F9	<b>378</b> DL	383 UA
San Diego (SAN)	408 F9	469 UA	<b>378</b> DL
San Francisco (SFO)	<b>348</b> F9	381 DL	385 UA
Seattle (SEA)	<b>358</b> F9	391 DL	403 DL
St Louis (STL)	429 F9/WN	373 AA	<b>327</b> AA
Washington DC Area (WAS)	290 F9	325 DL	<b>277</b> FL

Average Fare	\$353.10	\$395.95	\$356.45
Change from last month	\$14.35	-\$68.55	-\$5.20
Parking Fees for one week are \$0 at Manistee, \$40 at Traverse City and \$54 at Grand Rapids			
Fares Pulled 10/7/11 for travel 11/9/11 - 11/16/11			