

MINUTES

Monday, March 12, 2012
10:00 A.M.

Manistee County Blacker Airport
Conference Room

Members Present: Paul Schulert, Chairperson; Ross Spencer, Vice-Chairperson; Duane Anderson; Glenn Lottie; Dale Picardat; and Bob Wilson

Members Absent: Ervin Kowalski

Others Present: Barry Lind, Airport Manager; Ken Grabowski, Manistee News Advocate; and Jeri Lyn Prielipp, Recording Secretary

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

There was a motion by Mr. Anderson, supported by Mr. Spencer to approve the meeting agenda as presented. Motion carried by unanimous vote.

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, February 13, 2012.

There was a motion by Mr. Spencer, supported by Mr. Picardat to approve the Airport Authority regular meeting minutes of Monday, February 13, 2012, as presented. Motion carried by unanimous vote.

Mr. Wilson, Chair of the By-laws Committee, suggested that the proposed amended by-laws be approved. The proposed amended Section 3.3 reads as follows:

All members of the Authority Board shall be appointed to a term of three years. To help promote continuity, the terms of at least two members of the Authority shall expire each calendar year. In order that two member terms expire each calendar year, for the five Authority Board members with terms expiring on December 31, 2012, one current or new member shall be appointed for a "one year" term; two current or new members shall be appointed for a "two year" term; and "two" current or new members shall be appointed for a "three year" term. Thereafter, all terms for current or new members shall be for terms of three years. Members appointed to an un-expired term shall be appointed only for the remainder of the un-expired term.

It was explained that alternating three year terms will help promote continuity on the Airport Authority. Mr. Pomeroy noted that the County Board of Commissioners has dealt with other instances when a Commissioner's term on a board lasts longer than their term on the County Board by asking that person to step down so that a current County Commissioner can be appointed to fill the remainder of the term. It was noted that the changes to Section 3.3 remove the City's official appointed position on the Airport Authority (although a City position could still be appointed by the County Board of Commissioners).

There was a motion by Mr. Spencer, supported by Mr. Wilson to approve the amended by-laws, which were mailed to the Airport Authority members on November 4, 2011, with the changes mentioned above to Section 3.3. Motion withdrawn.

Mr. Saylor pointed out that the by-laws require that the proposed changes be submitted to the Airport Authority members by first-class mail to be voted upon at a subsequent meeting. Mr. Saylor also stated that the agenda should specifically state that the proposed changes will be voted on. Mr. Picardat expressed that he is not in support of removing the City's position.

There was a motion by Mr. Anderson, supported by Mr. Lottie to table the proposed amended by-laws until the next meeting. Motion carried by unanimous vote.

The proposed amended by-laws will be sent by first-class mail to the Airport Authority members prior to the next meeting, and a vote on the by-laws will be on the agenda.

The Authority next reviewed the November 2011 Accounts Payable Report (APPENDIX A). Mr. Pomeroy explained that the LNT Solutions payment is for runway deicing.

There was a motion by Mr. Lottie, supported by Mr. Anderson to approve the November 2011 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$28,005.21.

A roll call vote was taken:

Yeas: 6 (Schulert; Spencer; Anderson; Lottie; Picardat; Wilson)

Nays: 0

Absent: 1 (Kowalski)

Motion carried.

The Authority next reviewed the November 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.

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

The Authority next reviewed the February 2012 Accounts Payable Report (APPENDIX C). Mr. Pomeroy explained that the Consumers Energy payment is for two months; the Manistee Welding & Piping payment is for repairs to the plow truck; and the Primary Airport Services payment is the quarterly payment for the federal PFC reporting.

There was a motion by Mr. Wilson, supported by Mr. Anderson to approve the February 2012 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$29,406.85.

A roll call vote was taken:

Yeas: 6 (Schulert; Spencer; Anderson; Lottie; Picardat; Wilson)

Nays: 0

Absent: 1 (Kowalski)

Motion carried.

The Authority next reviewed the February 2012 Financial Statement (APPENDIX D) 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 the hangar rental income is high this month because Ted Arens has paid his annual rental. Mr. Arens built his own hangar on airport property and just pays for the ground rental. Mr. Pomeroy noted that the cash flow is getting a little tight since payments haven't been received from Frontier for three months.

There was a motion by Mr. Anderson, supported by Mr. Wilson to approve the February 2012 Financial Statement. Motion carried by unanimous vote.

Mr. Pomeroy distributed copies of the Airport Authority's audit for FY 2010/11, and stated that Dave Wilson of Gabridge Wilson CPAs will be at next month's meeting to discuss the audit.

There was no report from the Promotion Committee.

Mr. Anderson reported that the Engineer of Record RFP Committee has met to discuss sending out RFPs. They will be discussing the aviation specific attorney issues at their next meeting.

Mr. Picardat stated that there isn't an even distribution of Airport Authority members on committees. Mr. Schulert stated that he's only on committees because he volunteered to be. Mr. Spencer agreed that there should be a more even distribution, and everyone agreed to keep this in mind in the future.

Sheets were handed out showing airplane passenger numbers for 2012 as well as the previous five years (APPENDIX E), and the Orchard Beach Aviation rent information (APPENDIX F). There were no airport incidents to report. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon for travel in April 2012 (APPENDIX G). The prices for flights from Manistee are based on what they would be if the alternate EAS proposal is approved.

Mr. Lind informed the Authority that the State has reinstated a marketing grant program for small airports. \$100,000 could be distributed to 10 airports, so it is possible that there will be an additional \$10,000 for marketing. Applications are due today. Mr. Pomeroy stated that when Manistee participated in this grant program in the past, it was for \$25,000, but the Airport Authority had to contribute 10%.

To conform with FAA requirements, a full scale emergency exercise is scheduled to be held at the airport on March 26, 2012, at 4:00 P.M. A tabletop exercise was held at the EOC on March 10, 2012, with representatives from the entities that will be participating in the full scale emergency exercise.

Mr. Lind stated that the t-hangar project is mostly complete. A final inspection with the State is scheduled for March 20, 2012. The hangar area re-paving project is currently out for bids. A pre-bid meeting is scheduled for March 20, 2012, and it is expected that MDOT will award the bid on April 6, 2012. Mr. Lind expects to have the contract information for approval at next month's meeting. The contract will also need to be approved by the County Board of Commissioners.

Mr. Lind reminded the Authority of the tree issues off the north side of the airport. One company was contacted for a bid to get an estimate of the cost (\$8,500), however, the project will publicly go out for bids before completion. This project needs to be completed, and Mr. Lind wondered if the Airport Authority wanted to use local funds or federal funds. If federal funds are used, one of the other federal grant projects will need to be delayed (the hangar re-paving, replacing the beacon, or starting to update the airport layout plan). Mr. Lind reminded the Authority that due to the number of passengers last year, the federal funds available next year will be higher.

There was a motion by Mr. Anderson, supported by Mr. Lottie to utilize federal funds for the necessary tree cutting, with this project being a second priority to the hangar re-paving project.

A roll call vote was taken:

Yeas: 6 (Schulert; Spencer; Anderson; Lottie; Picardat; Wilson)

Nays: 0

Absent: 1 (Kowalski)

Motion carried.

Frontier's last flight was on March 11, 2012. All TSA positions locally have been eliminated, and existing TSA staff have been transferred to Grand Rapids or Traverse City or are on furlough. Frontier's local staff are without jobs, and Frontier will be removing their equipment this week. Mr. Lind is still waiting for DOT approval for the Alternate EAS program. On March 1, 2012, a conference call was held between Mr. Lind, Public Charters, and DOT, and a revised proposal was agreed upon (APPENDIX H). DOT had indicated that their goal was to have a response before Frontier left, and Mr. Lind noted that Senator Levin's office has been in contact with DOT. Mr. Lind reminded the Authority that the original proposal was for flights 12 times per week in the summer and 7 times per week in the winter with a 30 seat EMB-120 aircraft for an annual subsidy of \$2.3 million, with an anticipated start date of May 1, 2012. The revised proposal includes flights 10 times per week in the summer of 2012 with a 30 seat EMB-120, and 10 flights per week during the winter of 2012/13 and thereafter with a 19 seat JetStream 31/32, for an annual subsidy of \$2.1 million, with an anticipated start date of May 1, 2012. It was noted that these are minimum levels of service, and the hope is that they will be able to continue to use the 30 seat aircraft based on other circumstances. It was noted that the airline would be operated by Public Charters, Inc. (sell tickets, etc.) and Charter Air Transport (aircraft operator). Their current two letter code is P1, and the intent is to use this as the brand name for the airline.

There was a motion by Mr. Wilson, supported by Mr. Lottie to approve the Revised Alternate Essential Air Service (EAS) Proposal dated March 1, 2012.

A roll call vote was taken:

Yeas: 6 (Schulert; Spencer; Anderson; Lottie; Picardat; Wilson)

Nays: 0

Absent: 1 (Kowalski)

Motion carried.

TSA headquarters is determining if they will provide screening services at Manistee under the Alternate EAS proposal. Mr. Lind stated that his primary goal is a good quality customer experience as it relates to security. Mr. Lind does not feel it would be acceptable to not have security screening at Manistee, and then need to go through screening at Midway. If service is not restarted by June 1, 2012, the airport would need to completely restart the TSA application process to receive their services.

Mr. Lind stated that in their third round of bidding, Alpena only received one bid from Air Choice One. Alpena's deadline for response regarding this bid to DOT is March 15, 2012. Public Charters, Inc. and Charter Air Transport will meet with Alpena on March 13, 2012 to discuss the possibilities if they would like to consider pursuing the Alternate EAS program, with the possibility of connecting Alpena into the Manistee to Chicago service.

Mr. Lind stated that the electrician has been in contact with Consumers Energy regarding the high energy usage. Consumers has stated that their meter can't be at fault because of its design, and they would like the electrician to provide more evidence that there's a problem. There is a device on the meter that allows you to view the energy load throughout the day, and this has never worked. It will be repaired to help identify the problem and/or prove that there's an issue with the meter.

There was discussion regarding the Orchard Beach Aviation contract since there is no longer an airline at the airport. It was noted that the last time this happened, the Airport Authority suspended the Part 139

portion of the contract. It doesn't make sense for the Airport Authority to pay for services that they aren't receiving and don't need due to the lack of an airline.

There was a motion by Mr. Lottie, supported by Mr. Spencer to suspend the Orchard Beach Aviation Part 139 contract for the month of April 2012.

A roll call vote was taken:

Yeas: 6 (Schulert; Spencer; Anderson; Lottie; Picardat; Wilson)

Nays: 0

Absent: 1 (Kowalski)

Motion carried.

On behalf of Orchard Beach Aviation, Mr. Lind acknowledged receipt of this notice regarding the change to the contract.

Mr. Schulert stated that as the Chair, he is a non-voting member of all committees. Since he was a member of the Bylaws Committee, this leaves a vacancy, and he nominated Dale Picardat to be a member of the Bylaws Committee. It was noted that having three committee members plus the Chair would be a quorum, so the committee meetings will need to be posted to comply with the Open Meetings Act.

There was a motion to appoint Dale Picardat to the Bylaws Committee to replace the position held by Paul Schulert. Motion carried by unanimous vote.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 12:10 P.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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to view Calendar of Events, County Board Agendas and Minutes, Committee Meeting Reports (under Board of Commissioners), Airport Authority Minutes (under More Departments and Services), etc.

MANISTEE COUNTY BLACKER AIRPORT

NOVEMBER 2011 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,376.53
	CONSUMERS ENERGY	\$ -
	A T & T	\$ 19.95
	MICHCON (DTE ENERGY)	\$ 154.31
	GOCKERMAN, WILSON, SAYLOR	\$ -
	NAPA AUTO PARTS	\$ 1,222.95
	ACE HARDWARE	\$ 46.50
	FASTENAL	\$ -
	DIRECT TV	\$ -
	PIPER MCCREDIE AGENCY	\$ -
	LNT SOLUTIONS	\$ 3,593.00
	BLARNEY CASTLE	\$ 1,527.32
	REITH RIELY	\$ 119.34
	PRIMARY AIRPORT SERVICES	\$ 306.15
	STATE OF MICHIGAN	\$ -
	TOTAL	\$ 10,366.05
	ADVERTISING INVOICES	
	MS CREATIVE SERVICES	\$ -
	TOTAL	\$ -
	ORCHARD BEACH AVIATION	\$ 17,639.16
	REGULAR HOURS 290 @ 15.50	4,495.00
	MAINTENANCE HOURS 88 @ 15.50	1,364.00
	PART 139 LABOR	11,630.16
	INTERNET	150.00
	GRAND TOTAL	\$ 28,005.21

APPENDIX B

MANISTEE COUNTY BLACKER AIRPORT

	NOVEMBER 2011 REVENUE & EXPENSES		BUDGET REMAINING		83%
	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
INCOME:					
HANGER RENTAL	\$ 1,525.00	\$ 3,050.00	\$ 22,000.00	\$ 18,950.00	86%
LANDING FEES - GREAT LAKES/FRONTIER	\$ 17,667.39	\$ 35,334.78	\$ 212,008.00	\$ 176,673.22	83%
LANDING FEES - GENERAL AVIATION	\$ -	\$ 54.00	\$ 1,250.00	\$ 1,196.00	96%
AUTO RENTAL SPACE	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	100%
OFFICE RENT	\$ 955.00	\$ 1,910.00	\$ 11,460.00	\$ 9,550.00	83%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 14,166.00	\$ 105,000.00	\$ 90,834.00	87%
COUNTY OF MANISTEE-MARKETING	\$ -	\$ 5,000.00	\$ 10,000.00	\$ 5,000.00	50%
CONTRIBUTIONS-MARKETING			\$ 5,000.00	\$ 5,000.00	100%
PASSENGER FACILITY CHARGES	\$ 2,531.33	\$ 8,167.74	\$ 50,000.00	\$ 41,832.26	84%
FUEL SALES	\$ 293.42	\$ 947.56	\$ 6,600.00	\$ 5,652.44	86%
SIGN LEASE	\$ -	\$ -	\$ 3,800.00	\$ 3,800.00	100%
MISCELLANEOUS	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	100%
TOTAL INCOME	\$ 32,555.14	\$ 68,630.08	\$ 438,118.00	\$ 369,487.92	84%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,376.53	\$ 6,753.06	\$ 40,518.00	\$ 33,764.94	83%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 17,489.16	\$ 35,575.08	\$ 222,000.00	\$ 186,424.92	84%
DUES & FEES	\$ -	\$ -	\$ 800.00	\$ 800.00	100%
SUPPLIES	\$ 46.50	\$ 414.35	\$ 3,000.00	\$ 2,585.65	86%
UTILITIES	\$ 304.31	\$ 2,482.67	\$ 38,000.00	\$ 35,517.33	93%
FUEL	\$ 1,527.32	\$ 1,527.32	\$ 9,000.00	\$ 7,472.68	83%
REPAIRS & MAINTENANCE	\$ 4,935.29	\$ 6,248.03	\$ 12,000.00	\$ 5,751.97	48%
CONTRACTED SERVICES	\$ 306.15	\$ 306.15	\$ 2,000.00	\$ 1,693.85	85%
LEGAL	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	100%
AUDIT	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	100%
ADVERTISING	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	0%
TELEPHONE	\$ 19.95	\$ 38.32	\$ 300.00	\$ 261.68	87%
INSURANCE	\$ -	\$ 1,621.00	\$ 21,000.00	\$ 19,379.00	92%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ -	0%
EQUIPMENT	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	100%
MISCELLANEOUS	\$ -	\$ 950.48	\$ 1,000.00	\$ 49.52	5%
	\$ 28,005.21	\$ 55,916.46	\$ 438,118.00	\$ 382,201.54	87%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 4,549.93	\$ 12,713.62			
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 11/01/11	\$ 49,575.48				
NOVEMBER RECEIPTS	\$ 13,536.09				
OCTOBER DISBURSEMENTS	\$ (28,030.59)				
	\$ 35,080.98				

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MANISTEE COUNTY BLACKER AIRPORT

NOVEMBER 2011 BALANCE SHEET

ASSETS	11/30/2011	10/31/2011
CASH	\$ 35,080.98	\$ 49,575.48
ACCOUNTS RECEIVABLE		
FRONTIER AIRLINES	\$ 17,667.39	\$ -
AUTO RENTAL	\$ -	\$ -
MISC.	\$ 793.42	\$ 1,203.14
TOTAL ASSETS	\$ 53,541.79	\$ 50,778.62

LIABILITIES	11/30/2011	10/31/2011
ACCOUNTS PAYABLE - TRADE	\$ 30,726.88	\$ 28,030.59
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 30,726.88	\$ 28,030.59

FUND BALANCE	\$ 22,814.91	\$ 22,748.03
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TOTAL LIABILITIES AND FUND BALANCE	\$ 53,541.79	\$ 50,778.62
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 11/30/2011		\$ 73,549.10
PFC FUNDS AVAILABLE		\$ 73,549.10
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 10/31/2011		\$ 683.39

MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2012 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,376.53
	CONSUMERS ENERGY	\$ 5,199.50
	A T & T	\$ 19.68
	MICHCON (DTE ENERGY)	\$ 767.99
	GOCKERMAN, WILSON, SAYLOR	\$ 322.00
	FISCHER CORPORATION	\$ 18.29
	ACE HARDWARE	\$ -
	FASTENAL	\$ 181.73
	DIRECT TV	\$ 42.99
	PIPER MCCREDIE AGENCY	\$ -
	MANISTEE WELDING & PIPING	\$ 225.00
	BLARNEY CASTLE	\$ 1,340.88
	CONSUMERS ENERGY	\$ -
	PRIMARY AIRPORT SERVICES	\$ 404.85
	STATE OF MICHIGAN	\$ -
	TOTAL	\$ 11,899.44
	ADVERTISING INVOICES	
	MS CREATIVE SERVICES	\$ -
	TOTAL	\$ -
	ORCHARD BEACH AVIATION	\$ 17,507.41
	REGULAR HOURS 261 @ 15.50	4,045.50
	MAINTENANCE HOURS 108.5 @ 15.50	1,681.75
	PART 139 LABOR	11,630.16
	INTERNET	150.00
	GRAND TOTAL	\$ 29,406.85

MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2012 REVENUE & EXPENSES			BUDGET REMAINING		58%
INCOME:	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
HANGER RENTAL	\$ 2,819.80	\$ 9,429.80	\$ 22,000.00	\$ 12,570.20	57%
LANDING FEES - GREAT LAKES/FRONTIER	\$ 17,667.39	\$ 88,336.95	\$ 212,008.00	\$ 123,671.05	58%
LANDING FEES - GENERAL AVIATION	\$ -	\$ 117.00	\$ 1,250.00	\$ 1,133.00	91%
AUTO RENTAL SPACE	\$ 170.24	\$ 5,904.80	\$ 10,000.00	\$ 4,095.20	41%
OFFICE RENT	\$ 955.00	\$ 4,775.00	\$ 11,460.00	\$ 6,685.00	58%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 37,915.00	\$ 105,000.00	\$ 67,085.00	64%
COUNTY OF MANISTEE-MARKETING	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	0%
CONTRIBUTIONS-MARKETING			\$ 5,000.00	\$ 5,000.00	100%
PASSENGER FACILITY CHARGES	\$ 1,759.54	\$ 15,583.35	\$ 50,000.00	\$ 34,416.65	69%
FUEL SALES	\$ 120.99	\$ 1,408.94	\$ 6,600.00	\$ 5,191.06	79%
SIGN LEASE	\$ -	\$ -	\$ 3,800.00	\$ 3,800.00	100%
MISCELLANEOUS	\$ -	\$ 450.00	\$ 1,000.00	\$ 550.00	100%
TOTAL INCOME	\$ 33,075.96	\$ 173,920.84	\$ 438,118.00	\$ 264,197.16	60%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,376.53	\$ 16,882.65	\$ 40,518.00	\$ 23,635.35	58%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 17,357.41	\$ 89,398.81	\$ 222,000.00	\$ 132,601.19	60%
DUES & FEES	\$ -	\$ 345.00	\$ 800.00	\$ 455.00	57%
SUPPLIES	\$ 181.73	\$ 1,540.77	\$ 3,000.00	\$ 1,459.23	49%
UTILITIES	\$ 6,160.48	\$ 15,727.31	\$ 38,000.00	\$ 22,272.69	59%
FUEL	\$ 1,340.88	\$ 4,129.69	\$ 9,000.00	\$ 4,870.31	54%
REPAIRS & MAINTENANCE	\$ 243.29	\$ 9,709.28	\$ 12,000.00	\$ 2,290.72	19%
CONTRACTED SERVICES	\$ 404.85	\$ 711.00	\$ 2,000.00	\$ 1,289.00	64%
LEGAL	\$ 322.00	\$ 1,191.75	\$ 4,000.00	\$ 2,808.25	70%
AUDIT	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	100%
ADVERTISING	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	0%
TELEPHONE	\$ 19.68	\$ 100.48	\$ 300.00	\$ 199.52	67%
INSURANCE	\$ -	\$ 13,271.13	\$ 21,000.00	\$ 7,728.87	37%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ -	0%
EQUIPMENT	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ -	\$ 7,938.50	\$ 50,000.00	\$ 42,061.50	100%
MISCELLANEOUS	\$ -	\$ 950.48	\$ 1,000.00	\$ 49.52	5%
	\$ 29,406.85	\$ 161,896.85	\$ 438,118.00	\$ 276,221.15	63%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 3,669.11	\$ 12,023.99			
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 02/01/12	\$ 37,608.16				
FEBRUARY RECEIPTS	\$ 13,807.33				
JANUARY DISBURSEMENTS	\$ (50,178.99)				
	\$ 1,236.50				

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MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2012 BALANCE SHEET

ASSETS	2/29/2012	1/31/2012
CASH	\$ 1,236.50	\$ 37,608.16
CASH - PFC ACCOUNT	\$ 73,339.71	\$ 71,580.17
ACCOUNTS RECEIVABLE		
FRONTIER AIRLINES	\$ 53,002.17	\$ 35,334.78
AUTO RENTAL	\$ -	
MISC.	\$ 620.99	\$ 779.29
TOTAL ASSETS	\$ 128,199.37	\$ 145,302.40

LIABILITIES	2/29/2012	1/31/2012
ACCOUNTS PAYABLE - TRADE	\$ 29,406.85	\$ 50,178.99
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -

TOTAL LIABILITIES	\$ 29,406.85	\$ 50,178.99
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FUND BALANCE	\$ 98,792.52	\$ 95,123.41
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TOTAL LIABILITIES AND FUND BALANCE	\$ 128,199.37	\$ 145,302.40
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 02/29/2012	\$ 80,964.71
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ (7,625.00)
CONSUMERS ENERGY	\$ (313.50)

PFC FUNDS AVAILABLE	\$ 73,339.71
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PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 02/29/2012	\$ 683.39
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AUTO RENTAL REVENUE BY COMPANY THROUGH 02/29/2012

ENTERPRISE CAR RENTALS	\$ 2,072.37
MOWERY LEASING & RENTAL	\$ 3,257.20
GWK AGENCY	\$ 575.23
TOTAL	\$ 5,904.80

Manistee County Blacker Airport

Enplaned/Deplaned

	2007		2008		2009		2010		2011		2012	
	MW	Total	MW	Total	GL	Total	GL	Total	GL	Total	F9	Total
Jan	210/164	374	234/169	403	138/106	244	212/145	357	201/169	370	523/366	889
Feb	198/184	382	215/200	413	112/93	205	196/150	346	202/194	396	462/431	893
Mar	224/229	453	213/200	413	149/139	288	216/231	447	225/215	440	112/176	288
Apr	183/239	422	18/38	56	119/140	259	272/255	527	47/171 F9 486/389	1193		
May	238/251	489	0/0	0	184/180	364	263/302	565	1454/1525	2979		
Jun	252/309	561	GL 94/113	207	166/213	379	311/366	677	1206/1342	2548		
Jul	340/348	688	278/301	579	388/439	827	521/551	1072	1595/1568	3163		
Aug	348/305	653	300/293	593	429/359	788	482/395	877	1833/1567	3400		
Sep	278/217	495	219/190	409	285/293	578	240/233	473	1332/1234	2566		
Oct	276/248	524	173/174	347	282/275	557	270/246	516	1024/1004	2028		
Nov	275/280	555	168/166	334	257/269	526	236/242	478	722/715	1437		
Dec	203/205	408	159/122	281	228/279	507	194/235	429	674/798	1472		
Total		6004		4035		5522		6764		21992		2070

On-time Performance

	2007		2008		2009		2010		2011		2012	
	Cancel/Delay	On-time	Cancel/Delay	On-time								
Jan					13%/25%	62%	23%/22%	55%	15%/38%	48%	12%/8%	80%
Feb					18%/16%	66%	13%/32%	55%	15%/28%	58%	6%/11%	83%
Mar					8%/11%	79%	11%/19%	70%	21%/19%	60%	14%/8%	78%
Apr					10%/16%	74%	13%/17%	70%	***	***		
May					2%/10%	88%	12%/10%	78%	3%/25%	72%		
Jun					7%/18%	75%	6%/26%	68%	6%/20%	74%		
Jul					4%/16%	80%	5%/19%	76%	0%/37%	63%		
Aug					2%/12%	86%	4%/5%	91%	0%/36%	64%		
Sep					0%/9%	91%	18%/16%	66%	0%/23%	77%		
Oct			11%/31%	57%	10%/8%	81%	15%/13%	72%	1%/5%	94%		
Nov			13%/32%	55%	3%/10%	87%	16%/16%	68%	2%/11%	87%		
Dec			36%/44%	20%	25%/39%	36%	32%/25%	43%	2%/15%	83%		

APPENDIX E

ORCHARD BEACH AVIATION

November 2011

RENT

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$293.42	
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$0.00	(0 @ \$18)
TOTAL	\$793.42	
100	800.5 Gal	
JET	1155.6 Gal	
TOTAL	1956.1 Gal	

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ORCHARD BEACH AVIATION

February 2012

RENT

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$120.99	
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$0.00	(0 @ \$18)
TOTAL	\$620.99	

100	721.3 Gal
JET	85.3 Gal
TOTAL	806.6 Gal

APPENDIX 6

April Travel as of 03/10/12

Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	380 FL	427 UA	380 DL	391 UA
Boston (BOS)	289 WN	393 DL	305 DL	343 UA
Chicago (MDW or ORD)	112 P1	294 AA	419 DL	164 UA
Dallas (DFW)	347 F9	483 AA	495 AA	397 UA
Denver (DEN)	321 WN	502 UA	293 DL	372 UA
Houston (HOU)	467 WN	551 UA	350 DL	480 UA
Kansas City (MCI)	312 WN	297 DL	250 UA	301 UA
Las Vegas (LAS)	392 WN	451 UA	410 UA	447 UA
Los Angeles (LAX)	333 F9	503 AA	350 UA	525 UA
Minneapolis (MSP)	312 WN	373 UA	470 DL	525 UA
New York Area (NYC)	322 WN	329 AA	272 DL	336 UA
Orlando (MCO)	338 FL	295 AA	254 DL	356 UA
Philadelphia (PHL)	417 DL	437 UA	409 UA	447 UA
Phoenix (PHX)	478 F9	503 UA	440 UA	493 UA
Portland (PDX)	468 WN	587 UA	546 UA	519 UA
San Diego (SAN)	408 WN	575 UA	532 UA	459 UA
San Francisco (SFO)	410 WN	503 AA	461 UA	461 UA
Seattle (SEA)	412 WN	503 DL	460 UA	495 UA
St Louis (STL)	312 WN	370 DL	313 UA	301 UA
Washington DC Area (WAS)	438 WN	301 DL	233 UA	433 UA

Average Fare	\$363.40	\$433.85	\$382.10	\$390.60
Change from last month	\$24.90	\$9.15	\$43.30	40.65
Change from two months ago		\$29.20	\$88.00	
Fares Pulled 03/10/12 for travel 04/11/12 - 04/18/12				

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	380 FL	467 UA	434 DL	419 UA
Boston (BOS)	289 WN	433 DL	359 DL	371 UA
Chicago (MDW or ORD)	112 P1	334 AA	473 DL	192 UA
Dallas (DFW)	347 F9	523 AA	549 AA	425 UA
Denver (DEN)	321 WN	542 UA	347 DL	400 UA
Houston (HOU)	467 WN	591 UA	404 DL	508 UA
Kansas City (MCI)	312 WN	337 DL	304 UA	329 UA
Las Vegas (LAS)	392 WN	491 UA	464 UA	475 UA
Los Angeles (LAX)	333 F9	543 AA	404 UA	553 UA
Minneapolis (MSP)	312 WN	413 UA	524 DL	553 UA
New York Area (NYC)	322 WN	369 AA	326 DL	364 UA
Orlando (MCO)	338 FL	335 AA	308 DL	384 UA
Philadelphia (PHL)	417 DL	477 UA	463 UA	475 UA
Phoenix (PHX)	478 F9	543 UA	494 UA	521 UA
Portland (PDX)	468 WN	627 UA	600 UA	547 UA
San Diego (SAN)	408 WN	615 UA	586 UA	487 UA
San Francisco (SFO)	410 WN	543 AA	515 UA	489 UA
Seattle (SEA)	412 WN	543 DL	514 UA	523 UA
St Louis (STL)	312 WN	410 DL	367 UA	329 UA
Washington DC Area (WAS)	438 WN	341 DL	287 UA	461 UA

Average Fare	\$363.40	\$473.85	\$436.10	\$440.25
Change from last month	\$24.90	\$9.15	\$43.30	\$40.65
Change from two months ago		\$29.20	\$88.00	

Parking Fees for one week are \$0 at Manistee, \$40 at Traverse City, \$54 at Grand Rapids, \$28 at Muskegon

**Revised Alternate Essential Air Service Proposal
for the Manistee County Blacker Airport
March 1st, 2012**

Summary of the Alternate Essential Air Service Proposal

The Manistee County Blacker Airport ("Airport") is proposing to provide for the air service needs of the Manistee/Ludington communities and surrounding areas by contracting with Public Charters, Inc., a Part 380 Indirect Air Carrier ("Indirect Air Carrier"). Such air transportation would be to Chicago Midway Airport, a medium hub with 30 seat EMB-120, 19 seat BAe JetStream 31, or equivalent twin-engine aircraft conducting regularly scheduled public charter flights. The frequency of flights may vary seasonally as required to meet demand. However, 520 annual round trips are planned (1040 segments averaging 10 round trips or 20 segments per week).

Alternate Essential Air Service Plan Proposal

This proposal is revised from the originally submitted January 5th, 2012 proposal following negotiations with US-DOT.

1. The Airport, in exchange for a Alternative EAS Grant from the Department in the amount \$2,143,294.14 for year one and \$2,055,781.55 for year two, will forego its participation in the traditional EAS program for a period of two (2) years commencing March 11, 2012 or when scheduled service under this program begins;
2. The Airport will contract with a Part 380 Indirect Air Carrier (Public Charters, Inc.) to provide 520 scheduled annual round trips to Chicago Midway Airport, a medium hub, with a minimum of twin engine 19 seat aircraft. Compensation necessary to provide such service will come from the Alternative EAS Grant funds;
3. Service for the first six (6) months would be scheduled with 30 seat EMB-120 equipment, for the remaining eighteen (18) months, service would be scheduled with 19 seat or greater equipment.
4. The Airport requests that subsidy be paid as follows during the first year:
 - o A \$200,000 one time payment be paid upon execution of the Grant Agreement to cover startup costs incurred including, but not limited to, pre-service marketing, station startup costs, personnel training, etc.
 - o \$1907.06 per completed flight segment for up to 1019 segments¹
 - o The cap on subsidy costs would be \$2,143,294.14 in year one.²
 - o In the event of early termination of this agreement before the end of the first year, the Airport and Indirect Air Carrier would refund a prorated amount of the initial \$200,000 payment at the rate of \$196.27 per segment for each segment less than 1019 completed during the period.³

¹ 1040 scheduled segments * 98% completion ratio = 1019 segments

² 1019 segments * \$1907.06/segment + \$200,000 = \$2,143,294.14

³ \$200,000 / 1019 segments = \$196.27/segment

5. The Airport requests that subsidy be paid as follows during the second year:
 - o \$2017.45 per completed flight segment for up to 1019 segments
 - o The cap on subsidy costs would be \$2,055,781.55 in year two.⁴
6. The Airport and Indirect Air Carrier reserve the right to provide equivalent service with substitute aircraft in the event of mechanical problems or other unforeseen circumstances. The Airport and Indirect Air Carrier also reserve the right to adjust frequency from time to time to reflect seasonal changes in demand and to provide greater frequency than planned, however any additional flight segments above 1019 per year would not be subsidized.
7. The Airport specifically reserves its right as a subsidy eligible EAS point to reinstatement in the traditional EAS program.

Additional Considerations

The Airport and Indirect Air Carrier, will enter into an agreement incorporating the above terms as well as the following additional considerations, among others:

- A Performance Clause
The failure of the Indirect Air Carrier to provide the agreed upon service in a reliable manner will be reason for early termination of the proposed service;
- An Early Termination Clause
In the event of early termination of the service, the Airport and the Indirect Air Carrier will agree to a "hold-in" period while the Airport and US-DOT secure replacement air service under the Essential Air Service or Alternate Essential Air Service programs. Both parties agree to take the following steps in the event of early termination:
 1. Written notice of Termination between the Airport and the Indirect Air Carrier
 2. The Airport notifies US-DOT of its intent to remain in either the Alternate EAS Program or to reenter the standard EAS program.
 3. The Airport and US-DOT will provide best efforts to secure replacement air service
 4. The Indirect Air Carrier will work with the replacement carrier on a transition date
- Sterile Operations
All scheduled flights are to be operated in a sterile environment, meaning passengers would be TSA screened at Midway and Manistee, and passengers would deplane into the Midway terminal sterile environment.

⁴ 1019 segments * \$2017.45/segment = \$2,055,781.55