



Manistee County Blacker Airport Authority

2323 Airport Road • Manistee, Michigan 49660 • (231) 723-4351

Contracts Committee Meeting Minutes

Friday, September 28, 2012
Manistee County Blacker Airport
Conference Room

Committee Members

Present: Chairman Duane Anderson,
Ross Spencer, Robert Wilson

Members Absent: none

Others Present: Barry Lind, Airport Director

The meeting was called to order by Chairman Anderson at 2:10 PM.

The Orchard Beach Aviation Inc. (OBA) contract was being reviewed. This contract provides, among other things, for services provided by OBA at the airport in the operation of a Fixed Base Operation, provides for terminal office space and hangar space rented by OBA, for the collection of certain fees charged by and collected on behalf of the Authority by OBA, and hourly payment rates for labor costs for services provided by OBA to the Authority.

The contract term was set for a period of three years with a start date of October 2012. The prior contract was for a five year term.

The rent for a 40' by 60' hangar space, for OBA's exclusive use, was increased by approximately 14.3% bringing it more in line with the rent paid for the new row of hangars just constructed.

The contract language providing for the collection of Fuel Flow Fees, Landing Fees, and other consideration by ODA as an agent for the Authority was clarified.

Space utilized by both OBA, in their role as a Fixed Base Operation, and Barry Lind and his employees, in his role as Director of the Manistee County Blacker Airport, overlap. The committee concluded that a reasonable way to determine the usage was to create a drawing with square footage of the area shared by both organizations. It was determined that this space consists of the manager's office and the operations office

equals approximately 425 square feet of office space. The committee then concluded that approximately 188 square feet is utilized by OBA and 237 square feet is utilized by the airport for airport operations.

Using the same rate as paid by the airlines for office space, \$21.70 per square foot per year, OBA would therefore pay \$340.00 per month for the space they utilize. This equals an approximate increase of 4.6% over the prior contract.

A new rate was established for services charged to the Airport Authority, for the labor provided by OBA for airport maintenance, repair and snow removal. This rate is \$16.50 per hour and is approximately a 6.5% increase over the prior contract that was increased annually.

All of the rates established in the new contract are to continue for the three year term of the contract.

The meeting was adjourned at 3:30 PM.

Respectfully submitted,

Ross Spencer