

DRAFT

## MINUTES

Monday, July 8, 2013  
10:00 A.M.

Manistee County Blacker Airport  
Conference Room

**Members Present:** Paul Schulert, Chairperson; Ross Spencer, Vice-Chairperson; Mark Bergstrom; Dale Picardat; Brook Shafer; and Thom Smith

**Members Absent:** Alan Marshall

**Others Present:** Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Meg LeDuc, Manistee News Advocate; and Rachel Nelson, Airport Authority 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. Bergstrom, supported by Mr. Shafer, to approve the meeting agenda as presented. Motion carried by unanimous vote.**

There was no public comment.

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, June 10, 2013.

**There was a motion by Mr. Bergstrom, supported by Mr. Smith, to approve the Airport Authority regular meeting minutes of Monday, June 10, 2013, as presented. Motion carried by unanimous vote.**

The Authority next reviewed the June 2013 Accounts Payable Report (APPENDIX A). The Sparling Corporation payment is for the annual fuel farm inspection and maintenance, and to replace the hose on the jet fuel pump. The Custom Sheet Metal and Temperature Control payments are for the heating system and training. Mr. Lind explained that the payment to RightSide Design includes two months of website maintenance, three months of the billboard, and the tv advertisement.

**There was a motion by Mr. Shafer, supported by Mr. Bergstrom, to approve the June 2013 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$46,350.74.**

**A roll call vote was taken:**

**Yeas: 6 (Schulert; Spencer; Bergstrom; Picardat; Shafer; Smith)**

**Nays: 0**

**Absent: 1 (Marshall)**

**Motion carried.**

The Authority also reviewed the June 2013 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. Lind reminded the Authority that reimbursement has not yet been received from the advertising grants that were awarded to the airport.

**There was a motion by Mr. Shafer, supported by Mr. Spencer, to approve the June 2013 Financial Statement. Motion carried by unanimous vote.**

The Orchard Beach Aviation rent information was also provided (APPENDIX C).

The Budget Committee will meet this month to review the tentative FY 2013/14 budget, which will need to be approved at the next Airport Authority meeting.

The Promotions Committee did not meet. Customer surveys have continued to be received with good reviews.

The Rules & Regulations Committee met and provided a draft of potential changes (APPENDIX D). The Committee will continue to work on the Rules & Regulations document before asking the Airport Authority to approve anything.

Mr. Lind stated that brochures and magnets have been printed. Around 1,500 magnets were handed out during the 4<sup>th</sup> of July parade. Billboards will go up today in Traverse City. Mr. Lind will also be on the local WLDN (98.7) radio station monthly.

Mr. Lind reported that there were no airport incidents. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon for travel in August 2013 (APPENDIX E). Mr. Lind presented information on airplane passenger numbers for 2013 as well as the previous five years (APPENDIX F).

Mr. Lind stated that the annual airport inspection will be on July 15, 2013.

Mr. Lind provided an update on the 2013 airport construction projects. The low bid for the SRE building expansion was about \$100,000 lower than expected. The low bid for the sand bucket loader was lower than anticipated, however, the low bid for the SRE sweeper was a bit higher than anticipated. The pavement crack sealing will be completed if time allows this year. The pavement remarking will be done through the state program. The sand storage building is currently on hold because the FAA is saying that it is not eligible for funding. It was designed to be a minimal structure consisting of a concrete pad, block wall, and tarp cover, and would cost approximately \$7,500. The FAA is saying that it would need to be an actual building, which would cost around \$150,000. Mr. Lind is trying to discuss this situation with the FAA.

Public Charters/CFM continues to be very reliable. Starting June 25, 2013, Tuesday flights are available with regional jet service being provided by Ultimate Jet. These flights will continue to be available through August. Summer demand is here and the next four weeks should be the busiest of the year, both in terms of ticket sales and flying passengers. Tickets are on sale through November 14, 2013. Flights are available 5 days per week during the summer, but currently only 4 days per week in September and November. CFM and Ultimate Jet are still awaiting DOT approval for daily service. This delay is now impacting the planned fall return to daily service.

Mr. Lind presented charts showing passengers numbers compared to what was planned, the average yield per seat compared to what was planned, and the amount of revenue compared to what was planned (APPENDIX G).

Minor updates to the website continue. The facebook and Google campaigns continue. The Google ads have been expanded with additional funding from Public Charters. 15% of the website traffic comes from Google advertising. The WLDN Tigers sponsorship also continues. A new tv ad debuted on June 24, 2013, and will continue for 8 weeks. Two email blasts have gone out to past flyers in the last month. Public Charters has purchased new uniforms for station personnel and they should arrive this week. Upcoming marketing tasks include in-terminal signage, an updated WLDN radio spot, continued website improvements, and planning for fall promotions.

The Airport Authority next reviewed a \$25,000 marketing grant agreement (APPENDIX H). Mr. Saylor has reviewed the agreement and stated that it is fairly standard. After discussion,

**There was a motion by Mr. Bergstrom, supported by Mr. Smith, to approve the Michigan Air Service Program Grant Contract for Airport Authority or Eligible Government Agency Airport Awareness Projects, Contract No. 2013-0303, and to authorize the Airport Authority Chair to execute the agreement.**

**A roll call vote was taken:**

**Yeas: 6 (Smith; Shafer; Picardat; Bergstrom; Spencer; Schulert)**

**Nays: 0**

**Absent: 1 (Marshall)**

**Motion carried.**

Mr. Schulert stated that it's State law and also in the Rules & Regulations that there shouldn't be smoking within 25 feet of the entrance of the airport. The cigarette receptacle needs to be relocated. After discussion, it was decided that a new receptacle should be purchased that can be located at least 25 feet from the entrance, and that a sign be put in place informing individuals of this policy. There was also discussion regarding smoking in Airport Authority owned vehicles.

**There was a motion by Mr. Spencer, supported by Mr. Smith, that smoking will not be allowed in any Airport Authority owned vehicles.**

**A roll call vote was taken:**

**Yeas: 6 (Picardat; Shafer; Smith; Schulert; Spencer; Bergstrom)**

**Nays: 0**

**Absent: 1 (Marshall)**

**Motion carried.**

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

## JUNE 2013 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,400.00
	CONSUMERS ENERGY	\$ -
	A T & T	\$ 46.76
	MICHCON (DTE ENERGY)	\$ 207.96
	GOCKERMAN, WILSON, SAYLOR	\$ -
	NAPA AUTO PARTS	\$ -
	ACE HARDWARE	\$ 164.25
	FASTENAL	\$ -
	DIRECT TV	\$ -
	PIPER MCCREDIE AGENCY	\$ -
	BLARNEY CASTLE	\$ -
	SPARLING CORPORATION	\$ 3,390.98
	BLUE GLOBES, LLC	\$ 29.24
	CUSTOM SHEET METAL & HEATING	\$ 555.74
	TEMPERATURE CONTROL, INC.	\$ 1,430.77
	PRIMARY AIRPORT SERVICES	\$ -
	ORCHARD BEACH AVIATION	\$ 435.54
	<b>TOTAL</b>	<b>\$ 9,661.24</b>
	<b>ADVERTISING INVOICES</b>	
	HIBU-YELLOW BOOK	\$ 136.00
	TRAVERSE MAGAZINE	\$ 300.00
	RIGHTSIDE DESIGN, LLC	\$ 14,418.75
	WKLA RADIO	\$ -
	CHARTER MEDIA	\$ 240.00
	ORCHARD BEACH AVIATION	\$ 1,024.00
	<b>TOTAL</b>	<b>\$ 16,118.75</b>
	<b>ORCHARD BEACH AVIATION</b>	<b>\$ 20,570.75</b>
	REGULAR HOURS	360 @ 16.50      5,940.00
	MAINTENANCE HOURS	145.5 @ 16.50      2,400.75
	PART 139 LABOR	12,200.00
	INTERNET	30.00
	<b>GRAND TOTAL</b>	<b>\$ 46,350.74</b>

## MANISTEE COUNTY BLACKER AIRPORT

	JUNE 2013 REVENUE & EXPENSES			BUDGET REMAINING		25%
	PREVIOUS MONTH	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
<b>INCOME:</b>						
FEDERAL GRANT - AEAS	\$ 125,679.00	\$ 144,119.00	\$ 969,087.00	\$ 2,009,960.00	\$ 1,040,873.00	52%
HANGER RENTAL	\$ 2,994.80	\$ 2,100.00	\$ 17,022.94	\$ 28,600.00	\$ 11,577.06	40%
LANDING FEES - PUBLIC CHARTERS	\$ 17,594.89	\$ 17,594.89	\$ 158,354.01	\$ 210,000.00	\$ 51,645.99	25%
LANDING FEES - GENERAL AVIATION	\$ 36.00	\$ 54.00	\$ 225.00	\$ 1,250.00	\$ 1,025.00	82%
AUTO RENTAL SPACE	\$ -	\$ -	\$ 2,712.64	\$ 5,000.00	\$ 2,287.36	46%
OFFICE RENT	\$ 970.00	\$ 970.00	\$ 8,655.00	\$ 12,600.00	\$ 3,945.00	31%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 9,583.00	\$ 86,247.00	\$ 115,000.00	\$ 28,753.00	25%
CONTRIBUTIONS-MARKETING	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	100%
PASSENGER FACILITY CHARGES	\$ -	\$ -	\$ 4,770.00	\$ 25,000.00	\$ 20,230.00	81%
FUEL SALES	\$ 648.28	\$ 1,246.98	\$ 6,441.10	\$ 10,000.00	\$ 3,558.90	36%
SIGN LEASE	\$ 200.00	\$ -	\$ 2,800.00	\$ 3,800.00	\$ 1,000.00	26%
MISCELLANEOUS	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	100%
<b>TOTAL INCOME</b>	<b>\$ 157,705.97</b>	<b>\$ 175,667.87</b>	<b>\$ 1,256,314.69</b>	<b>\$ 2,447,210.00</b>	<b>\$ 1,190,895.31</b>	<b>49%</b>
<b>EXPENSES:</b>						
AEAS CONTRACT-PUBLIC CHARTER	\$ 125,679.00	\$ 144,119.00	\$ 969,087.00	\$ 2,009,960.00	\$ 1,040,873.00	52%
PERSONNEL - MANAGEMENT	\$ 3,400.00	\$ 3,400.00	\$ 30,600.00	\$ 41,000.00	\$ 10,400.00	25%
PERSONNEL - OP & MAINT	\$ 19,699.25	\$ 20,540.75	\$ 171,836.50	\$ 240,000.00	\$ 68,163.50	28%
DUES & FEES	\$ -	\$ -	\$ 635.00	\$ 800.00	\$ 165.00	21%
SUPPLIES	\$ 435.54	\$ -	\$ 1,374.08	\$ 3,000.00	\$ 1,625.92	54%
UTILITIES	\$ 4,531.15	\$ 237.96	\$ 22,915.68	\$ 32,000.00	\$ 9,084.32	28%
FUEL	\$ -	\$ -	\$ 8,724.20	\$ 9,000.00	\$ 275.80	3%
REPAIRS & MAINTENANCE	\$ 635.82	\$ 5,570.98	\$ 12,243.06	\$ 15,000.00	\$ 2,756.94	18%
CONTRACTED SERVICES	\$ -	\$ -	\$ 702.60	\$ 1,700.00	\$ 997.40	59%
LEGAL	\$ 247.25	\$ -	\$ 5,451.00	\$ 4,000.00	\$ (1,451.00)	-36%
AUDIT	\$ 1,700.00	\$ -	\$ 1,700.00	\$ 2,000.00	\$ 300.00	15%
ADVERTISING	\$ 1,674.00	\$ 16,118.75	\$ 49,341.31	\$ 34,000.00	\$ (15,341.31)	0%
TELEPHONE	\$ 48.35	\$ 46.76	\$ 507.34	\$ 300.00	\$ (207.34)	-69%
INSURANCE	\$ -	\$ -	\$ 20,799.87	\$ 21,000.00	\$ 200.13	1%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ -	\$ -	0%
EQUIPMENT	\$ -	\$ -	\$ -	\$ 4,450.00	\$ 4,450.00	0%
BOOKKEEPING	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ -	\$ -	\$ 4,363.00	\$ 25,000.00	\$ 20,637.00	100%
MISCELLANEOUS	\$ -	\$ -	\$ 732.69	\$ 1,000.00	\$ 267.31	27%
	<b>\$ 158,050.36</b>	<b>\$ 190,034.20</b>	<b>\$ 1,301,013.33</b>	<b>\$ 2,447,210.00</b>	<b>\$ 1,146,196.67</b>	<b>47%</b>
<b>EXCESS REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>\$ (14,366.33)</b>		<b>\$ (44,698.64)</b>			
<b>BALANCE ON HAND - AIRPORT FUND</b>						
BEGINNING BALANCE 06/01/2013		\$ 112,560.13				
JUNE RECEIPTS		\$ 175,051.17				
MAY DISBURSEMENTS		\$ (158,050.36)				
		<b>\$ 129,560.94</b>				

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# MANISTEE COUNTY BLACKER AIRPORT

## JUNE 2013 2012 BALANCE SHEET

<b>ASSETS</b>	<b>6/30/2013</b>	<b>5/31/2013</b>
CASH	\$ 129,560.94	\$ 112,560.13
CASH - PFC ACCOUNT	\$ 80,987.50	\$ 80,987.50
ACCOUNTS RECEIVABLE		
PUBLIC CHARTERS	\$ 17,594.89	\$ 17,594.89
AUTO RENTAL	\$ -	\$ -
MISC.	\$ 1,840.98	\$ 1,224.28
<b>TOTAL ASSETS</b>	<b>\$ 229,984.31</b>	<b>\$ 212,366.80</b>

<b>LIABILITIES</b>	<b>6/30/2013</b>	<b>5/31/2013</b>
ACCOUNTS PAYABLE - TRADE	\$ 190,034.20	\$ 158,050.36
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 190,034.20</b>	<b>\$ 158,050.36</b>

<b>FUND BALANCE</b>	<b>\$ 39,950.11</b>	<b>\$ 54,316.44</b>
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<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 229,984.31</b>	<b>\$ 212,366.80</b>
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<b>PASSENGER FACILITY CHARGES COLLECTED THROUGH 06/30/2013</b>	<b>\$ 93,109.82</b>
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ (7,625.00)
CONSUMERS ENERGY	\$ (313.50)
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ 313.50
TRANSFER OF PUBLIC IMPROVEMENT FUNDS	\$ 683.39
MANISTEE COUNTY ROAD COMMISSION	\$ (817.71)
STATE OF MICHIGAN (RAMP AREAS)	\$ (4,363.00)
<b>PFC FUNDS AVAILABLE</b>	<b>\$ 80,987.50</b>

<b>PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 06/30/2013</b>	<b>\$ -</b>
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<b>AUTO RENTAL REVENUE BY COMPANY THROUGH 06/30/2013</b>	
ENTERPRISE CAR RENTALS	\$ -
MOWERY LEASING & RENTAL	\$ 2,712.64
GWK AGENCY	\$ -
<b>TOTAL</b>	<b>\$ 2,712.64</b>

ORCHARD BEACH AVIATION

June 2013

## RENT

OFFICE	\$340.00	
HANGER	\$200.00	
FUEL	\$1246.98	
DIESEL FUEL	\$0.00	
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$54.00	(3 @ \$18)
TOTAL	\$1840.98	
100	2212.2 Gal	
JET	6826.4 Gal	
TOTAL	9038.6 Gal	
General	5484.2 Gal @ .15 = 822.63	
PublicCharters	1000.0 Gal @ .15 = 150.00	
PublicCharters	977.4 Gal @ .08 = 78.19	
PublicCharters	0.0 Gal @ .02 = 0.00	
Orchard Beach	1000.0 Gal @ .15 = 150.00	
Orchard Beach	577.0 Gal @ .08 = 46.16	
DIESEL	0.0 Gal	

**SECTION 200.18 STRUCTURAL AND DECORATIVE CHANGES**

No lessee or tenant shall effect structural changes or additions of any type without prior written permission of the Airport Director. No Lessee or tenant of a building owned by the airport shall effect decorative changes of any type without prior written permission of the Airport Director; such permission shall not unreasonably be withheld.

No lessee or tenant shall effect structural changes, place permanent or temporary additions of any type, or make modification of any type to the leased property without prior written permission of the Airport Director. All approved modifications or changes will be:

- A. Removed at the termination of the lease (as defined in the written permission). or
- B. Retained as an integral part of the property, owned wholly and without cost to the leasor.

No Lessee or tenant of a building owned by the airport shall effect decorative changes of any type without prior written permission of the Airport Director; such permission shall not unreasonably be withheld.

**SECTION 200.18.1 STRUCTURAL ADDITIONS TO LEASED, VACANT PROPERTY**

A lessee may, after the following conditions have been met, cause to be constructed private hanger facilities.

- A. Written approval of site and design plan from Airport Director. Airport Director will use design template approved by Airport Authority which complies with the airports master plan.
- B. Documentation is in place which conveys ownership of all lessee or tenant structures to leasor upon termination of lease.
- C. Endorsement of Airport Directors approval by Airport Authority.

Private hanger design template will be reviewed bi-annually to insure it complies with changes in regulation and airport master plan.

**August Travel as of 07/06/13**

**Best Fares**

	MBL	TVC	GRR	MKG
Atlanta (ATL)	448 FL	428 DL	<b>366</b> DL	490 UA
Boston (BOS)	420 WN	510 DL	<b>348</b> UA	492 UA
Chicago (MDW or ORD)	<b>120</b> P1	370 AA	451 AA	206 UA
Dallas (DFW)	446 WN	<b>424</b> DL	484 AA	510 UA
Denver (DEN)	472 WN	692 UA	<b>381</b> F9	467 UA
Houston (HOU)	477 WN	<b>431</b> DL	588 UA	517 UA
Kansas City (MCI)	358 WN	350 DL	<b>300</b> UA	444 UA
Las Vegas (LAS)	555 DL	594 DL	<b>451</b> DL/F9	565 UA
Los Angeles (LAX)	537 WN	564 DL	<b>514</b> DL	548 UA
Minneapolis (MSP)	<b>319</b> WN	468 DL	400 DL	404 UA
New York Area (NYC)	440 WN	428 DL	<b>325</b> DL	500 UA
Orlando (MCO)	472 FL	310 DL	<b>308</b> FL	538 UA
Philadelphia (PHL)	526 WN	528 DL	<b>458</b> UA	490 UA
Phoenix (PHX)	552 WN	398 DL	<b>378</b> DL	548 UA
Portland (PDX)	797 DL	670 DL	<b>532</b> US/F9	679 UA
San Diego (SAN)	634 WN	642 DL	559 AA	<b>550</b> UA
San Francisco (SFO)	596 SY/WN	564 DL	<b>484</b> US	651 UA
Seattle (SEA)	743 WN	643 DL	<b>618</b> AA	727 UA
St Louis (STL)	<b>320</b> WN	430 DL	360 UA	430 UA
Washington DC Area (WAS)	432 WN	354 DL	<b>292</b> FL	490 UA

Average Fare	\$483.20	\$489.90	\$429.85	\$512.30
Change from last month	\$16.15	-\$2.40	\$12.25	\$19.05
Change from two months ago	-\$22.00	-\$18.25	\$9.40	\$5.15
Fares Pulled 07/06/13 for travel 08/01/13 - 08/08/13				

**Best Fares +7 days parking**

	MBL	TVC	GRR	MKG
Atlanta (ATL)	448 FL	468 DL	<b>420</b> DL	518 UA
Boston (BOS)	420 WN	550 DL	<b>402</b> UA	520 UA
Chicago (MDW or ORD)	<b>120</b> P1	410 AA	505 AA	234 UA
Dallas (DFW)	<b>446</b> WN	464 DL	538 AA	538 UA
Denver (DEN)	472 WN	732 UA	<b>435</b> F9	495 UA
Houston (HOU)	477 WN	<b>471</b> DL	642 UA	545 UA
Kansas City (MCI)	358 WN	390 DL	<b>354</b> UA	472 UA
Las Vegas (LAS)	555 DL	634 DL	<b>505</b> DL/F9	593 UA
Los Angeles (LAX)	<b>537</b> WN	604 DL	568 DL	576 UA
Minneapolis (MSP)	<b>319</b> WN	508 DL	454 DL	432 UA
New York Area (NYC)	440 WN	468 DL	<b>379</b> DL	528 UA
Orlando (MCO)	472 FL	<b>350</b> DL	362 FL	566 UA
Philadelphia (PHL)	526 WN	568 DL	<b>512</b> UA	518 UA
Phoenix (PHX)	552 WN	438 DL	<b>432</b> DL	576 UA
Portland (PDX)	797 DL	710 DL	<b>586</b> US/F9	707 UA
San Diego (SAN)	634 WN	682 DL	613 AA	<b>578</b> UA
San Francisco (SFO)	596 SY/WN	604 DL	<b>538</b> US	679 UA
Seattle (SEA)	743 WN	683 DL	<b>672</b> AA	755 UA
St Louis (STL)	<b>320</b> WN	470 DL	414 UA	458 UA
Washington DC Area (WAS)	432 WN	394 DL	<b>346</b> FL	518 UA

Average Fare	\$483.20	\$529.90	\$483.85	\$540.30
Change from last month	\$16.15	-\$2.40	\$12.25	\$19.05
Change from two months ago	-\$22.00	-\$18.25	\$9.40	\$5.15

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

Manistee County Blacker Airport

**Enplaned/Deplaned**

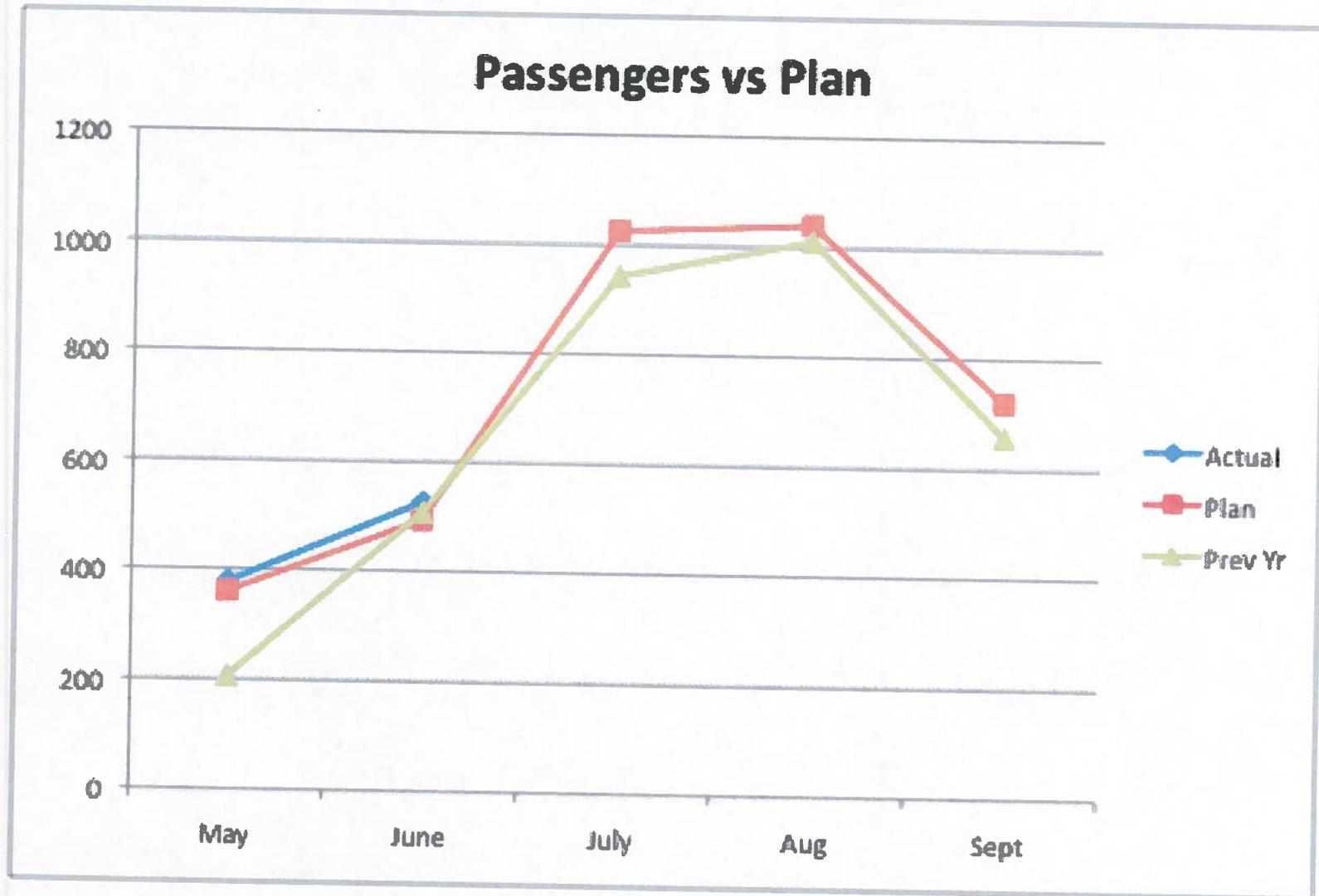
	2008		2009		2010		2011		2012		2013	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	MW 234/169	403	GL 138/106	244	GL 212/145	357	GL 201/169	370	F9 523/366	889	134/126	260
Feb	215/200	413	112/93	205	196/150	346	202/194	396	462/431	893	128/120	248
Mar	213/200	413	149/139	288	216/231	447	225/215	440	112/176	288	162/173	335
Apr	18/38	56	119/140	259	272/255	527	47/171 F9 486/389	1193	0/0	0	158/158	316
May	0/0	0	184/180	364	263/302	565	1454/1525	2979	P1 71/58	129	189/189	378
Jun	GL 94/113	207	166/213	379	311/366	677	1206/1342	2548	234/250	484	<b>239/288</b>	<b>527</b>
Jul	278/301	579	388/439	827	521/551	1072	1595/1568	3163	465/467	932		
Aug	300/293	593	429/359	788	482/395	877	1833/1567	3400	497/500	997		
Sep	219/190	409	285/293	578	240/233	473	1332/1234	2566	362/297	659		
Oct	173/174	347	282/275	557	270/246	516	1024/1004	2028	150/149	299		
Nov	168/166	334	257/269	526	236/242	478	722/715	1437	36/33	69		
Dec	159/122	281	228/279	507	194/235	429	674/798	1472	131/138	269		
Total		4035		5522		6764		21992		5908		2064

**On-time Performance**

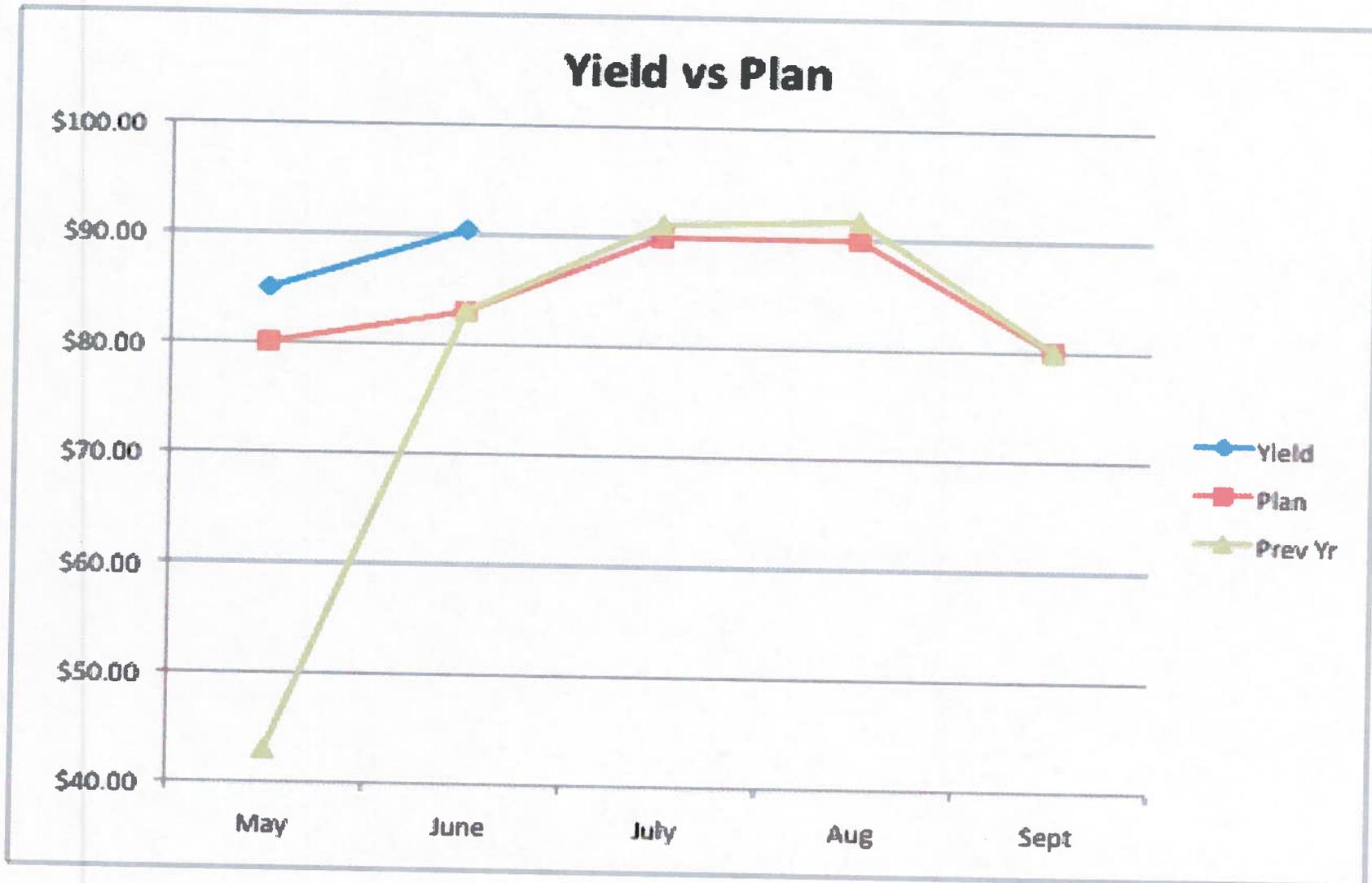
	2008		2009		2010		2011		2012		2013	
	Cancel/Delay	On-time										
Jan			13%/25%	62%	23%/22%	55%	15%/38%	48%	12%/8%	80%	0%/15%	85%
Feb			18%/16%	66%	13%/32%	55%	15%/28%	58%	6%/11%	83%	6%/16%	78%
Mar			8%/11%	79%	11%/19%	70%	21%/19%	60%	14%/8%	78%	0%/0%	100%
Apr			10%/16%	74%	13%/17%	70%	***	***	***	***	0%/3%	97%
May			2%/10%	88%	12%/10%	78%	3%/25%	72%	0%/10%	90%	0%/6%	94%
Jun			7%/18%	75%	6%/26%	68%	6%/20%	74%	0%/6%	94%	0%/3%	97%
Jul			4%/16%	80%	5%/19%	76%	0%/37%	63%	0%/7%	93%		
Aug			2%/12%	86%	4%/5%	91%	0%/36%	64%	0%/8%	92%		
Sep			0%/9%	91%	18%/16%	66%	0%/23%	77%	0%/5%	95%		
Oct	11%/31%	57%	10%/8%	81%	15%/13%	72%	1%/5%	94%	0%/22%	78%		
Nov	13%/32%	55%	3%/10%	87%	16%/16%	68%	2%/11%	87%	0%/5%	95%		
Dec	36%/44%	20%	25%/39%	36%	32%/25%	43%	2%/15%	83%	0%/11%	89%		

APPENDIX F

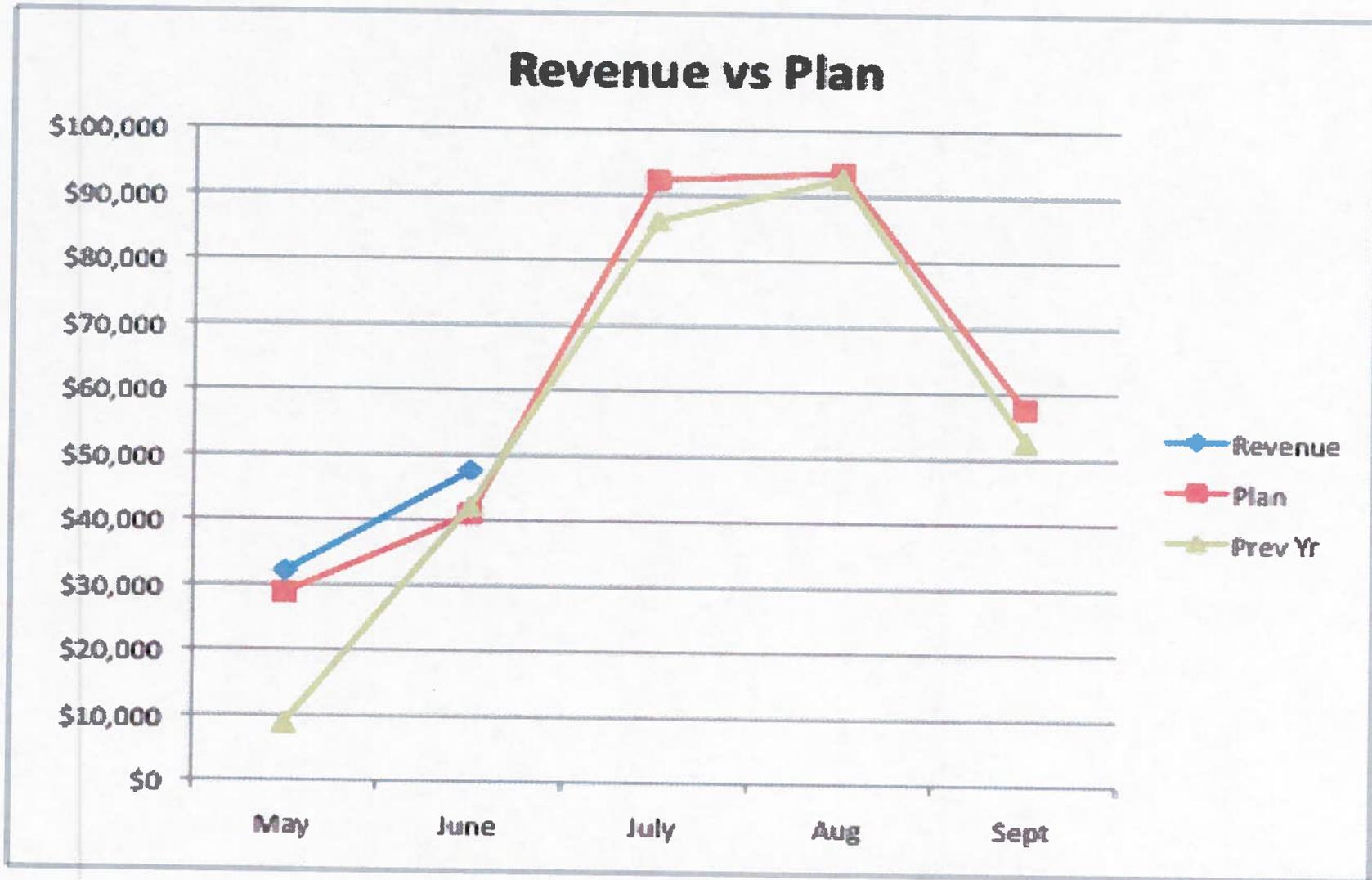
# Air Service Update 7/8/13



# Air Service Update 7/8/13



# Air Service Update 7/8/13



**MICHIGAN AIR SERVICE PROGRAM GRANT CONTRACT  
FOR  
AIRPORT AUTHORITY OR ELIGIBLE GOVERNMENT AGENCY  
AIRPORT AWARENESS PROJECTS**

THIS CONTRACT is made and entered into this date of \_\_\_\_\_ by and between the Michigan Department of Transportation (MDOT) and Manistee County Blacker Airport Authority (AGENCY) for the purpose of MDOT assisting the AGENCY with cooperative airport awareness efforts.

The parties agree that:

**1. DEFINITIONS**

As used in this Contract:

- GUIDELINES - Means the Michigan Air Service Program Guidelines, dated January 2012, as approved on February 7, 2012, incorporated herein by reference.
- OFFICE - Means the Office of Aeronautics of MDOT.
- PLAN - Means the cooperative Airport Awareness Activity Plan submitted by the AGENCY and approved in writing by MDOT in accordance with the GUIDELINES.
- PROJECT - Means the preparation of the PLAN and the performance of the work set forth in the approved PLAN.
- STATE - Means the State of Michigan.

**2. PURPOSE**

This Contract sets forth a grant from MDOT to the AGENCY for the purpose of performing or causing to be performed the PROJECT.

The AGENCY will begin, carry on, and complete the PROJECT with all practical dispatch in a sound, economical, and efficient manner and in accordance with the provisions of this Contract and with all applicable laws.

The AGENCY will initiate and prosecute to completion all proceedings necessary to enable the AGENCY to commit its share of the PROJECT costs at or prior to the time that such funds are needed to meet PROJECT commitments.

**3. FUNDS**

The following is MDOT's maximum obligation for funds for the PROJECT.

The PROJECT cost participation is estimated to be shown below:

Maximum MDOT Funds (90).....	\$25,000.00
Estimated AGENCY Funds (10) .....	<u>\$2,778.00</u>
<i>Estimated Total</i> .....	\$27,778.00

The maximum amount of MDOT funds or the percentage share shown here will not be increased without a prior written amendment to this Contract. Payments to the AGENCY under this Contract will be subject to the availability of sufficient funds as certified by MDOT.

MDOT funds in this Contract made available through legislative appropriation are based on projected revenue estimates. MDOT may reduce the amount of this Contract if the revenue actually received is insufficient to support the appropriation under which this Contract is made.

**4. ELIGIBLE PROJECT COSTS**

- a. Eligible PROJECT costs are limited to (1) the costs of the PROJECT items and activities shown in the approved PLAN, subject to the provisions of the GUIDELINES; and (2) PLAN preparation costs incurred after the award of this Contract and prior to the approval of the PLAN (if a consultant is used in accordance with the GUIDELINES), up to three percent (3%) of the PROJECT total.
- b. AGENCY administrative costs and in-kind services of AGENCY staff are not eligible PROJECT costs.

- c. Any costs incurred prior to the award of this Contract will not be eligible for MDOT participation.
- d. Any costs incurred in the performance of the PROJECT prior to the written approval of the PLAN by MDOT will not be eligible for MDOT participation.
- e. The AGENCY agrees that the costs reported to MDOT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The AGENCY also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.

## 5. PAYMENTS

In order to receive funds under this Contract, the AGENCY must:

- a. Submit progress billings to the OFFICE for payment at least quarterly. The grant amount will be provided to cover allowable costs as indicated in the approved PLAN.
- b. Within sixty (60) days after PROJECT completion or termination, the AGENCY will submit to MDOT a billing designated as "final billing" to be charged against the Contract, with supporting documentation to substantiate the request for payment. Upon written request by the AGENCY to MDOT within the sixty (60) day period, which request will include documentation of the circumstances that prevent timely submissions of all billings that support the final billing, MDOT may, in writing, extend the sixty (60) day period to a date certain. If the AGENCY fails to provide all billings and supporting documentation for the final billing sixty (60) days after the date of PROJECT completion or termination, or before or upon the extended date certain established by MDOT, MDOT may elect not to accept any further billings, regardless of whether or not the costs are otherwise allowable under this Contract.
- c. Reimbursement for any costs pursuant to this section will not constitute a final determination by MDOT of the allowability of such cost and will not constitute a waiver by MDOT of any violation of the terms of this Contract committed by the AGENCY. The final cost for services performed under this Contract will be determined only after completion of any audit by MDOT pursuant to the terms of Section 7 hereof. The provisions of this section will be included in all subcontracts relating to this Contract.

**6. TERMINATION OR SUSPENSION**

For any reason, MDOT may, by thirty (30) days written notice to the AGENCY, suspend any or all of the rights and obligations under this Contract until such time as the event or condition resulting in such suspension has ceased or been corrected, or MDOT may, by thirty (30) days written notice to the AGENCY, terminate any or all of the rights and obligations under this Contract.

In the event that termination by MDOT is necessitated by any wrongful breach, failure, default, or omission by the AGENCY, MDOT will be entitled to pursue whatever remedy is available to it, including, but not limited to, withholding funds or setting-off against funds owed to the AGENCY under this Contract, as well as any other existing or future contracts between the AGENCY and MDOT for any and all damages and costs incurred or sustained by MDOT as a result of its termination of this Contract due to the wrongful breach, failure, default, or omission by the AGENCY.

**7. ACCOUNTING RECORDS AND DOCUMENTATION**

- a. The AGENCY will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Contract, said records to be hereinafter referred to as the "RECORDS." Separate accounts shall be established and maintained for all costs incurred under this Contract.
- b. Audit and Inspection: The AGENCY will comply with the provisions of 1951 PA 51; MCL 247.660h.
- c. The AGENCY will maintain the RECORDS for at least three (3) years from the date of final payment made by MDOT under this Contract. In the event of a dispute with regard to the allowable expenses or any other issue under this Contract, the AGENCY will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.
- d. MDOT or its representative may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.
- e. If any part of the work is subcontracted, the AGENCY will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.

**8. AUDIT AND REPAYMENT**

In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, MDOT will promptly submit to the AGENCY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the AGENCY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the AGENCY will (a) respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE." The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the AGENCY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the contract. The AGENCY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the AGENCY, the AGENCY will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the AGENCY fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the AGENCY agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the AGENCY under this Contract, or any other agreement, or payable to the AGENCY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The AGENCY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the AGENCY in a timely filed RESPONSE.

**9. THIRD-PARTY CONTRACT PROCEDURES**

- a. The AGENCY will not sublet any portion of the Contract without the prior written approval of MDOT, and any such subcontracts will include all applicable provisions of this Contract.

All subcontracts, including amendments, in excess of Twenty-Five Thousand Dollars (\$25,000.00) will be submitted to and approved by MDOT prior to being signed by the AGENCY. The AGENCY will not enter into multiple subcontracts of lesser amounts for the purpose of avoiding such approval process.

Approval of said contracts is given solely for the purposes of MDOT. Approval does not constitute an assumption of liability, a waiver, or an estoppel to enforce any of the requirements of this Contract, nor will any such approvals by MDOT be construed as a warranty of the third party's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity.

- b. PROJECT Related Procurement Documents: The AGENCY will submit to the OFFICE copies of the following procurement documents:

- i. Invitations for Bids (IFBs) - to be submitted by the AGENCY upon distribution; and
- ii. Amendments to the above - to be submitted by the AGENCY prior to distribution.

- c. Competitive Bidding: The AGENCY:

- i. Will document competitive quotations utilizing local procurement procedures for third-party contractual agreements of Twenty-Five Thousand Dollars (\$25,000.00) and under;
- ii. Will advertise for competitive bids on third-party contractual agreements over Twenty-Five Thousand Dollars (\$25,000.00), except for contracts for professional and consulting services;
- iii. Will solicit proposals from an adequate number of sources to permit reasonable competition for contracts for professional and consulting services over Twenty-Five Thousand Dollars (\$25,000.00); and
- iv. May award a contract to a responsible bidder other than the lowest in price, provided that appropriate provision for such action is included in the IFB upon which bids are invited. Justification of such selection will be provided to the OFFICE prior to the award of the contract.

- d. All agreements and/or contracts or supply requisitions will be in accordance with the edition of the Office of Management and Budget Circular A-102 that is current at the time of award of this Contract.

## 10. APPROVALS

Any approvals, reviews, acceptances, and inspections of any nature by MDOT will not be construed as a warranty or assumption of liability on the part of MDOT. It is expressly understood and agreed that the same are for the sole and exclusive purposes of MDOT, which is acting in a governmental capacity under this Contract, and that such approvals are a governmental function incidental to the services under this Contract.

Any such approvals, reviews, acceptances, and inspections by MDOT will not relieve the AGENCY of its obligations hereunder, nor are such approvals, reviews, acceptances, and inspections by MDOT to be construed as a warranty as to the propriety of the AGENCY's performance but are undertaken for the sole use and information of MDOT.

## 11. ACCESS

The AGENCY agrees to provide and will require its contractors to provide access by MDOT to all technical data, reports, documents, and work in process pertaining to the PROJECT. Copies of technical data, reports, and other documents will be provided by the AGENCY or its contractors to MDOT upon request.

## 12. INDEMNIFICATION

In addition to the protection afforded by any policy of insurance, the AGENCY agrees to indemnify and save harmless the STATE, MDOT, the Michigan State Transportation Commission, the Michigan Aeronautics Commission, and all officers, agents, and employees thereof:

- a. From any and all claims by persons, firms, or corporations for labor, services, materials, or supplies provided to the AGENCY in connection with the AGENCY's performance of the PROJECT; and
- b. From any and all claims for injuries to or death of any and all persons, for loss of or damage to property, for environmental damage, degradation, and response and clean up costs, and for attorney fees and related costs arising out of, under, or by reason of the AGENCY's performance of the services under this Contract, except claims resulting from the sole negligence of said indemnitee, its agents, or its employees.

MDOT will not be subject to any obligations or liabilities by contractors of the AGENCY or their subcontractors or any other person not a party to the Contract without

its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the AGENCY will take no action or conduct that arises either directly or indirectly out of its obligations, responsibilities, and duties under this Contract that results in claims being asserted against or judgments being imposed against the STATE, MDOT, the Michigan State Transportation Commission, and/or the Michigan Aeronautics Commission.

In the event that the same occurs, it will be considered as a breach of this Contract, thereby giving the STATE, MDOT, the Michigan State Transportation Commission, and/or the Michigan Aeronautics Commission a right to seek and obtain any necessary relief or remedy, including, but not limited to a judgment for money damages.

**13. PROHIBITION OF DISCRIMINATION**

In connection with the acceptance of this Contract, the AGENCY (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the STATE provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, attached hereto and made a part hereof. The AGENCY further covenants that it will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, and the Regulations of the United States Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of the PROJECT for which this Contract is made.

**14. UNFAIR LABOR PRACTICES**

In accordance with 1980 PA 278, MCL 423.321, *et seq.*, the AGENCY, in the performance of this Contract, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) separate occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Contract if the name of the AGENCY or the name of a subcontractor, manufacturer, or supplier utilized by the AGENCY in the performance of this Contract subsequently appears in the register during the performance period of this Contract.

15. MISCELLANEOUS PROVISIONS

- a. The AGENCY will comply with any and all state, federal, and local statutes, ordinances, and regulations and will obtain all permits that are applicable to the entry into and the performance of this Contract.
- b. Neither the AGENCY nor any of its contractors nor their subcontractors will enter into any contract or arrangement in connection with the PROJECT in which any member, officer, or employee of the AGENCY during his/her tenure or for one (1) year thereafter has any interest, direct or indirect. If any such present or former member, officer, or employee acquires, prior to or during his/her tenure, any such interest, and if such interest is immediately disclosed to the AGENCY and such disclosure is entered upon the minutes of the governing board of the AGENCY, the AGENCY, with the prior written approval of MDOT, may waive the imposition of the prohibition contained in this subsection, provided that any such present member, officer, or employee will not participate in any action by the AGENCY relating to such contract, subcontract, or arrangement.

The AGENCY will insert in all of its contracts in connection with the PROJECT and will require its contractors to insert in each of their subcontracts the following provision:

*"No member, officer, or employee of the Michigan Department of Transportation or the Manistee County Blacker Airport Authority during his/her tenure or for one (1) year thereafter will have any interest, direct or indirect, in this Contract or the proceeds thereof."*

The provisions of this subsection will not be applicable to any agreement between the AGENCY and its fiscal depositories or to any agreement for utility services the rates for which are fixed or controlled by a STATE agency.

- c. The AGENCY warrants that it has no interest and will not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Contract. The AGENCY further warrants that no person having any such interest will be employed in the performance of this Contract.
- d. None of the funds, materials, property, or services obtained by MDOT or the AGENCY under this Contract will be used for any partisan political activity or to further the election or defeat of any candidate for public office.
- e. No portion of the PROJECT will be assigned.

**16. ASSIGNMENT OF ANTI-TRUST RIGHTS**

With regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract, the AGENCY hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the STATE or MDOT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - .788, excluding Section 4a, to the STATE or MDOT.

The AGENCY shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the STATE or MDOT with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - .788, excluding Section 4a, to the STATE or MDOT as a third-party beneficiary.

The AGENCY shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract may have occurred or is threatened to occur. The AGENCY shall also notify MDOT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract.

**17. TERM OF CONTRACT**

This Contract will be in effect from the date of award through twelve (12) months; all PROJECT activities will be completed within this period.

Prior to expiration, the time for completion of performance under this Contract may be extended by MDOT upon written request and justification from the AGENCY. Upon approval and authorization by the OFFICE, a written time extension amendment will be prepared and issued by MDOT. Any such extension will not operate as a waiver by MDOT of any of its rights herein set forth.

The AGENCY agrees to notify MDOT of any event that may have significant potential impact on PROJECT progress.

**18. SIGNING**

This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the AGENCY and MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective representative(s) of the AGENCY, a certified copy of which resolution will be sent to MDOT with this Contract, as applicable.

**MANISTEE COUNTY BLACKER AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Title:

**MICHIGAN DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_  
Title: Department Director

**APPENDIX A  
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS**

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
  
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
  
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

**Appendix B**  
*(Aeronautics)*

**CIVIL RIGHTS ACT OF 1964, TITLE VI - 49 CFR PART 21**  
**CONTRACTUAL REQUIREMENTS**

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations.** The contractor will comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurement of materials of leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports.** The contractor will provide all information and reports required by the Regulations or directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor will so certify to the sponsor of the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
  - b. Cancellation, termination, or suspension of the contract, in whole or in part.
6. **Incorporation of Provisions.** The contractor will include the provisions of paragraphs 1 through 5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directive issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.