

DRAFT

MINUTES

Monday, December 9, 2013
10:00 A.M.

Manistee County Blacker Airport
Conference Room

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

Members Absent: None

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. Marshall, 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, November 18, 2013.

There was a motion by Mr. Bergstrom, supported by Mr. Shafer, to approve the Airport Authority regular meeting minutes of Monday, November 18, 2013, as presented. Motion carried by unanimous vote.

The Budget Committee did not meet and is not planning to until the new year.

The Promotion Committee did not meet, but attended Business After Hours and had good conversations.

The Rules and Regulations Committee did not meet.

The Executive Committee met and provided minutes from their meeting (APPENDIX A).

Due to Mr. Pomeroy's absence, the October and November 2013 Accounts Payable Report and October and November 2013 Financial Statement were not available for review.

Mr. Lind handed out personalized business cards to the Airport Authority members. Mr. Lind reported that there were no airport incidents. One quote has been received for approximately \$38,000 for the hangar door that was damaged by a flight student. Mr. Lind is working on getting a second quote, which is required for the insurance, but has been hard to acquire. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon for travel in January 2014 (APPENDIX B). Mr. Lind presented information on airplane passenger numbers for 2013 as well as the previous five years (APPENDIX C).

Mr. Lind reminded the Authority that he, Mr. Schulert, and Mr. Spencer met with Explorer Solutions, which is a company that focuses on business development for airports. They have worked successfully with other rural airports in Michigan. There is a significant cost, but they focus on economic development opportunities in the region. Explorer Solutions will be repeating this presentation for the Alliance for Economic Success (AES) on December 10th, and Mr. Lind invited any interested Airport Authority members to attend this presentation.

Mr. Lind stated that the State Office of Aeronautics funding has been decreasing annually. The funding is provided through a \$0.03 per gallon fuel tax, which was set in 1938, and has never changed. Since aircraft have become more efficient, and there is less general aviation, fuel sales have decreased. The State has been working to find a funding solution, and last year there was a temporary sales tax diversion. There are currently three bills in the works that would provide a tax cut (no \$0.03 per gallon fuel tax), and divert 2% of the 6% sales tax on aviation fuel to the Office of Aeronautics, however, there needs to be something to offset the education fund loss. This funding is important since the Office of Aeronautics provides grants for marketing, funding for local airport capital improvement projects, and administers grants, among other things.

Mr. Lind had the annual MAP meeting with the FAA on November 19, 2013. At the meeting, they reviewed the 10 year capital plan, which includes re-doing the porous friction course (PFC) on top of the major runway. This material costs more than asphalt, and has been eliminated as an option for fundable airport projects since it doesn't do well in all climates. It does do well in northern Michigan, and Mr. Lind was concerned about the cost if it isn't a fundable project since asphalt is more expensive and a thicker coat would be required than with the PFC. The State is trying to get this to be a fundable option again. They also discussed the ownership of the airport, which needs to be addressed with the FAA. Long-term financial viability of the Airport Authority needs to be established, and there are additional issues with the 1998 transfer document, which will need to be cleaned up.

The airport signs have all been received and are being installed. The rest of the airport projects are scheduled for the spring of 2014.

Overall, air service continues to be reliable, and demand for December is stronger than November, as anticipated. Approximately 10 days ago, the DOT issued a Show Cause Order for approval of daily service by CFM. There is a 14 day comment period, and no comments have been received yet. Final approval is expected by the end of December. It is anticipated that Tuesday and Wednesday flights can be added starting March 1, 2014, with Saturday flights added at a later date.

Mr. Lind presented four charts (APPENDIX E). The yield is the average price per seat.

Weekly marketing meetings with Public Charters continue, and work has begun on the marketing budget/plan for 2014. Overall, the marketing effort is less now to follow the seasonality of demand.

No progress has been made on the Coho Bend sign. Draft language has been received from the Tribe regarding the necessary tree cutting, and this will be discussed next month after Mr. Saylor has reviewed it.

The RightSide Design contract was discussed. Since a few changes were necessary, the contract was tabled until next month when a final copy can be provided.

Mr. Lind stated that there has not been any follow-up yet regarding the leaking hangar.

The Authority next discussed the update to Section 300.1 and 300.2 of the Rules and Regulations document (APPENDIX E). After discussion, the word "annual" was removed from Section 300.1 A1, and "or business entity" was removed since "person" is defined in the document.

There was a motion by Mr. Bergstrom, supported by Mr. Shafer, to approve the changes to Section 300.1 and 300.2 of the Rules and Regulations document, with the noted changes.

A roll call vote was taken:

Yeas: 7 (Schulert; Spencer; Bergstrom; Marshall; Picardat; Shafer; Smith)

Nays: 0

Absent: 0

Motion carried.

Mr. Schulert reminded the Authority that the bylaws should be reviewed annually.

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

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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Manistee County Blacker Airport Authority

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

Wednesday, December 4, 2013
Manistee County Blacker Airport
Conference Room

Airport Authority Executive Committee

Committee Members Present: Chair Paul Schulert, Ross Spencer

Committee Members Absent: Thomas Smith

Others: None

Called to order at 2:00pm by Chair Paul Schulert

Discussion revolved around an evaluation for the Airport Director. What is trying to be accomplished is to give feed back on performance and opportunities for change, and to afford the Director an opportunity to make recommendations that will positively impact future performance. Format should promote open discussion. Following are possible questions:

Evaluate your strong points or what you do well based over the last 12 months.

Where do you feel improvements can be made and how can this be facilitated?

What do you expect the Authority to do to help you in performance of your duties?

What are your objectives for the next 12 months and how can they be met?

Discussion then turned to how this should be administered and who should submit responses for the evaluation. It was determined that all board members should help determine questions and also once they are determined all should submit responses to questions.

With this in mind the whole board will be asked to submit questions. Once the Executive Committee determines which will be used, the board members will be asked to respond to them. Once complete, the Executive Committee will meet with the Director.

Meeting was adjourned at 2:35 pm.

Submitted by Paul Schulert

January Travel as of 12/08/13

Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	400 WN	408 AA	346 DL	396 UA
Boston (BOS)	300 WN	378 AA	312 AA	296 UA
Chicago (MDW or ORD)	120 P1	340 UA	304 DL	116 UA
Dallas (DFW)	342 WN	384 AA	304 DL	370 UA
Denver (DEN)	318 WN	497 DL	313 UA	355 UA
Houston (HOU)	427 WN	391 AA	417 DL	392 UA
Kansas City (MCI)	320 WN	412 AA	262 UA	316 UA
Las Vegas (LAS)	498 WN	556 DL	408 DL	465 UA
Los Angeles (LAX)	357 WN	444 AA	391 UA	334 UA
Minneapolis (MSP)	286 WN	402 UA	380 DL	282 UA
New York Area (NYC)	338 WN	366 DL	304 DL	408 UA
Orlando (MCO)	441 WN	436 AA	296 DL	464 UA
Philadelphia (PHL)	434 WN	354 DL	354 DL	430 UA
Phoenix (PHX)	427 DL	537 AA	417 UA	335 UA
Portland (PDX)	349 WN	548 UA	419 UA	334 UA
San Diego (SAN)	368 DL	532 UA	419 UA	348 UA
San Francisco (SFO)	405 WN	444 UA	391 UA	364 UA
Seattle (SEA)	360 DL	444 DL	393 UA	314 UA
St Louis (STL)	306 WN	202 DL	182 UA	302 UA
Washington DC Area (WAS)	412 WN	334 DL	254 UA	408 UA

Average Fare	\$360.40	\$420.45	\$343.30	\$351.45
Change from last month	-\$88.50	-\$37.40	-\$16.20	-\$73.30
Change from two months ago	-\$19.55	\$84.85	-\$3.35	-\$69.95
Fares Pulled 12/08/13 for travel 01/16/14 - 01/23/14				

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	400 WN	448 AA	400 DL	424 UA
Boston (BOS)	300 WN	418 AA	366 AA	324 UA
Chicago (MDW or ORD)	120 P1	380 UA	358 DL	144 UA
Dallas (DFW)	342 WN	424 AA	358 DL	398 UA
Denver (DEN)	318 WN	537 DL	367 UA	383 UA
Houston (HOU)	427 WN	431 AA	471 DL	420 UA
Kansas City (MCI)	320 WN	452 AA	316 UA	344 UA
Las Vegas (LAS)	498 WN	596 DL	462 DL	493 UA
Los Angeles (LAX)	357 WN	484 AA	445 UA	362 UA
Minneapolis (MSP)	286 WN	442 UA	434 DL	310 UA
New York Area (NYC)	338 WN	406 DL	358 DL	436 UA
Orlando (MCO)	441 WN	476 AA	350 DL	492 UA
Philadelphia (PHL)	434 WN	394 DL	408 DL	458 UA
Phoenix (PHX)	427 DL	577 AA	471 UA	363 UA
Portland (PDX)	349 WN	588 UA	473 UA	362 UA
San Diego (SAN)	368 DL	572 UA	473 UA	376 UA
San Francisco (SFO)	405 WN	484 UA	445 UA	392 UA
Seattle (SEA)	360 DL	484 DL	447 UA	342 UA
St Louis (STL)	306 WN	242 DL	236 UA	330 UA
Washington DC Area (WAS)	412 WN	374 DL	308 UA	436 UA

Average Fare	\$360.40	\$460.45	\$397.30	\$379.45
Change from last month	-\$88.50	-\$37.40	-\$16.20	-\$73.30
Change from two months ago	-\$19.55	\$84.85	-\$3.35	-\$69.95

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

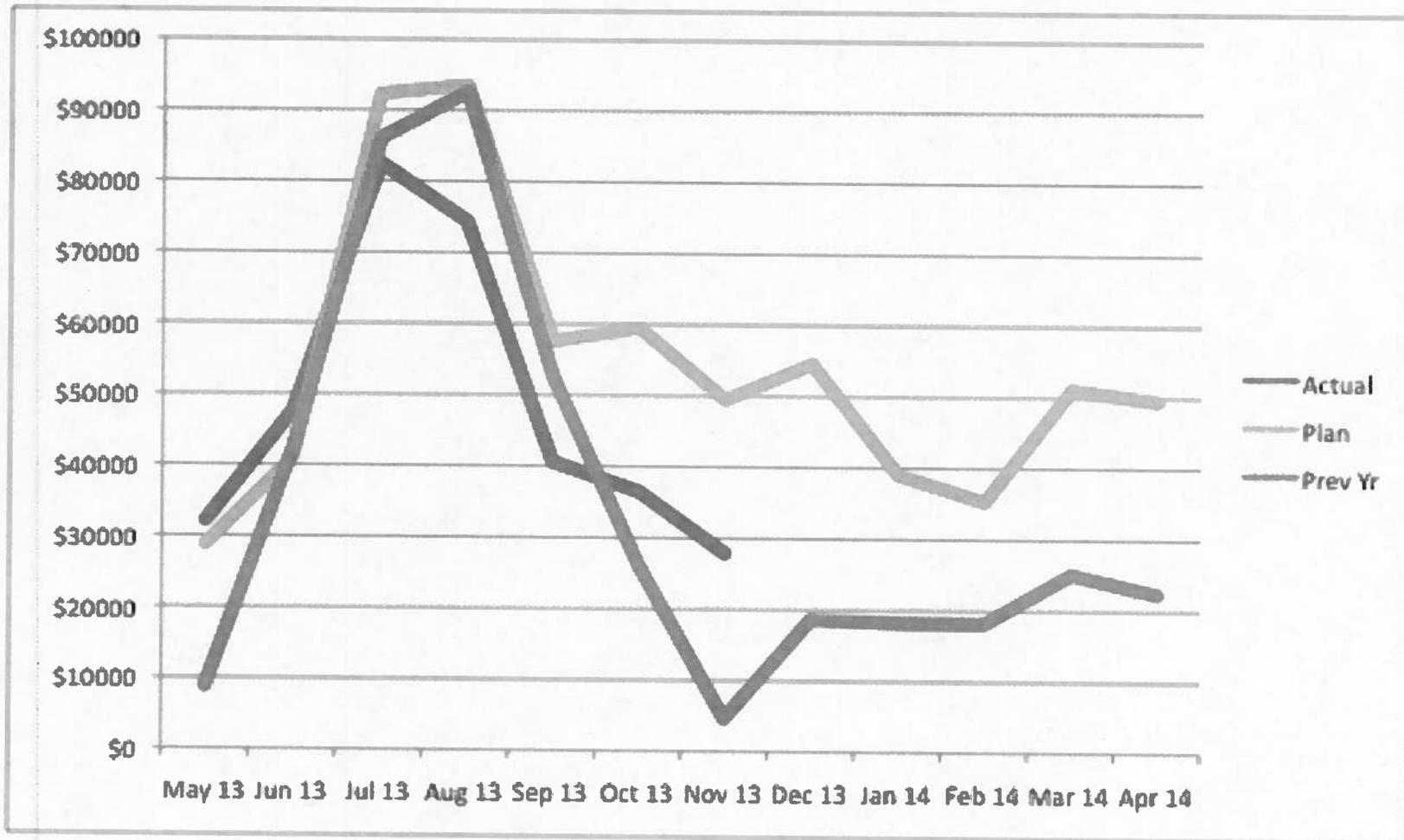
	2008		2009		2010		2011		2012		2013	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	MW 234/169	403	GL 138/106	244	GL 212/145	357	GL 201/169	370	F9 523/366	889	134/126	260
Feb	215/200	413	112/93	205	196/150	346	202/194	396	462/431	893	128/120	248
Mar	213/200	413	149/139	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	239/288	527
Jul	278/301	579	388/439	827	521/551	1072	1595/1568	3163	465/467	932	421/409	830
Aug	300/293	593	429/359	788	482/395	877	1833/1567	3400	497/500	997	391/413	804
Sep	219/190	409	285/293	578	240/233	473	1332/1234	2566	362/297	659	248/237	485
Oct	173/174	347	282/275	557	270/246	516	1024/1004	2028	150/149	299	229/215	444
Nov	168/166	334	257/269	526	236/242	478	722/715	1437	36/33	69	168/198	366
Dec	159/122	281	228/279	507	194/235	429	674/798	1472	131/138	269		
Total		4035		5522		6764		21992		5908		4993

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%	0%/19%	81%
Aug			2%/12%	86%	4%/5%	91%	0%/36%	64%	0%/8%	92%	2%/16%	82%
Sep			0%/9%	91%	18%/16%	66%	0%/23%	77%	0%/5%	95%	0%/0%	100%
Oct	11%/31%	57%	10%/8%	81%	15%/13%	72%	1%/5%	94%	0%/22%	78%	0%/9%	91%
Nov	13%/32%	55%	3%/10%	87%	16%/16%	68%	2%/11%	87%	0%/5%	95%	6%/6%	88%
Dec	36%/44%	20%	25%/39%	36%	32%/25%	43%	2%/15%	83%	0%/11%	89%		

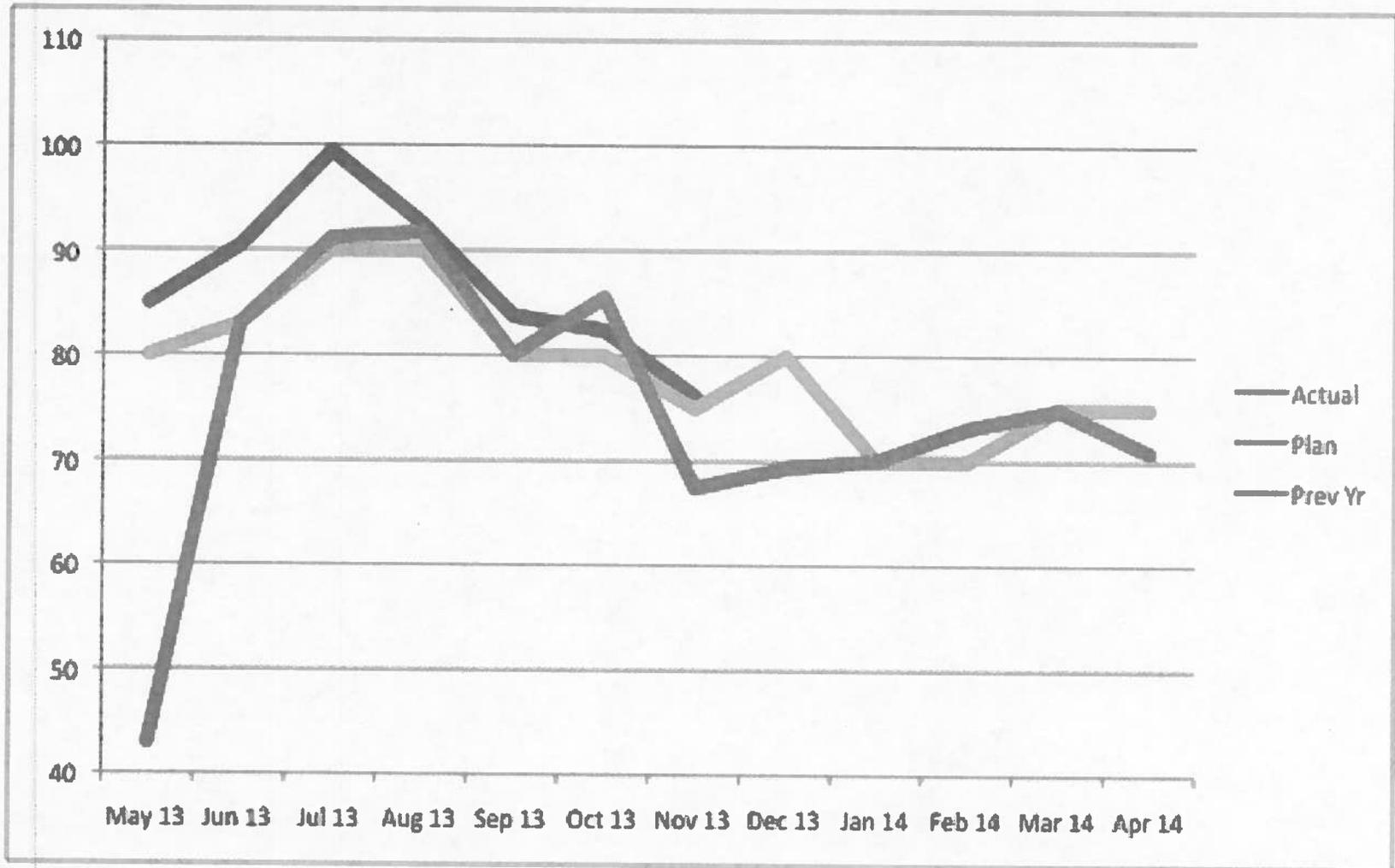
APPENDIX C

Revenue vs Plan 12/09/13

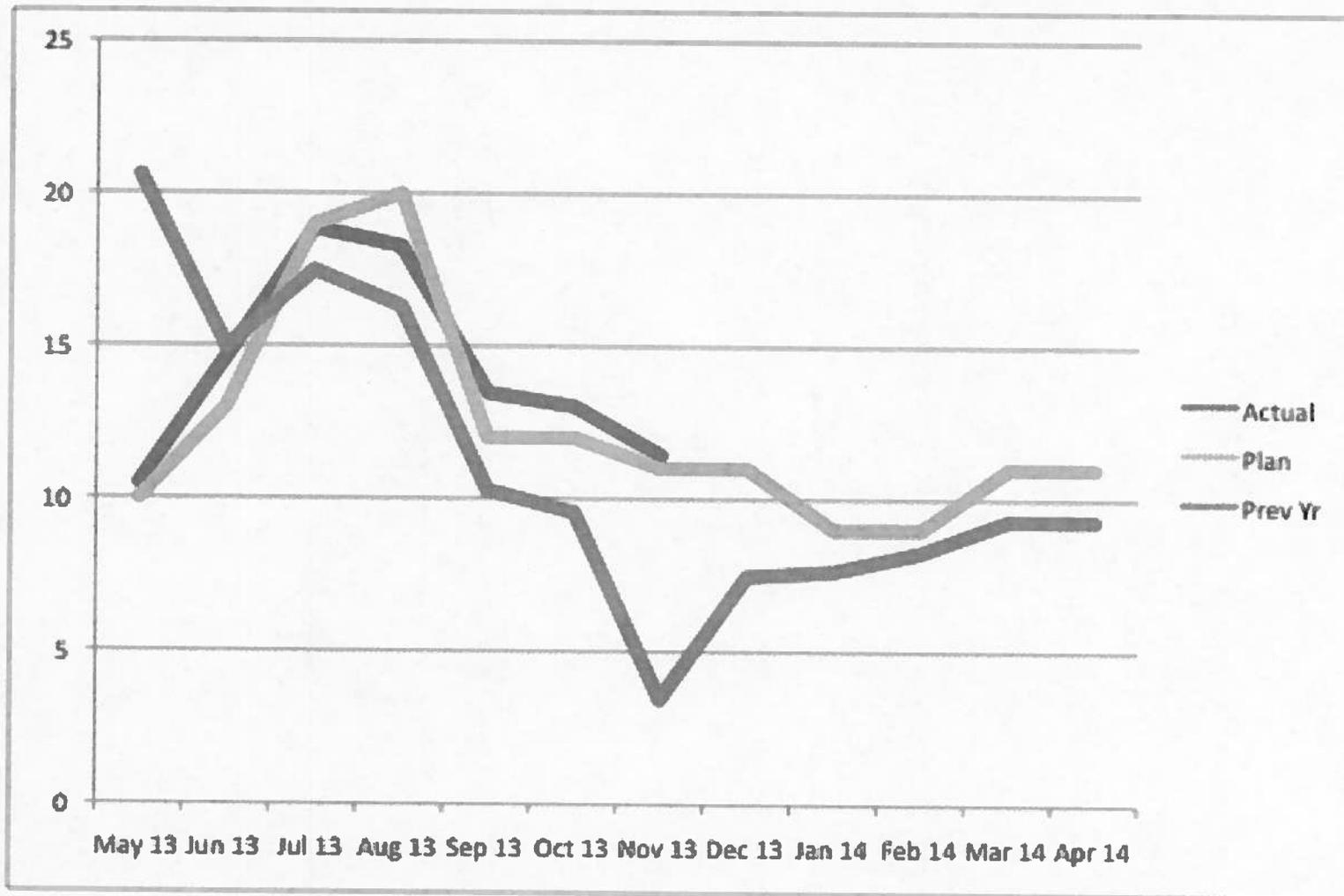


APPENDIX D

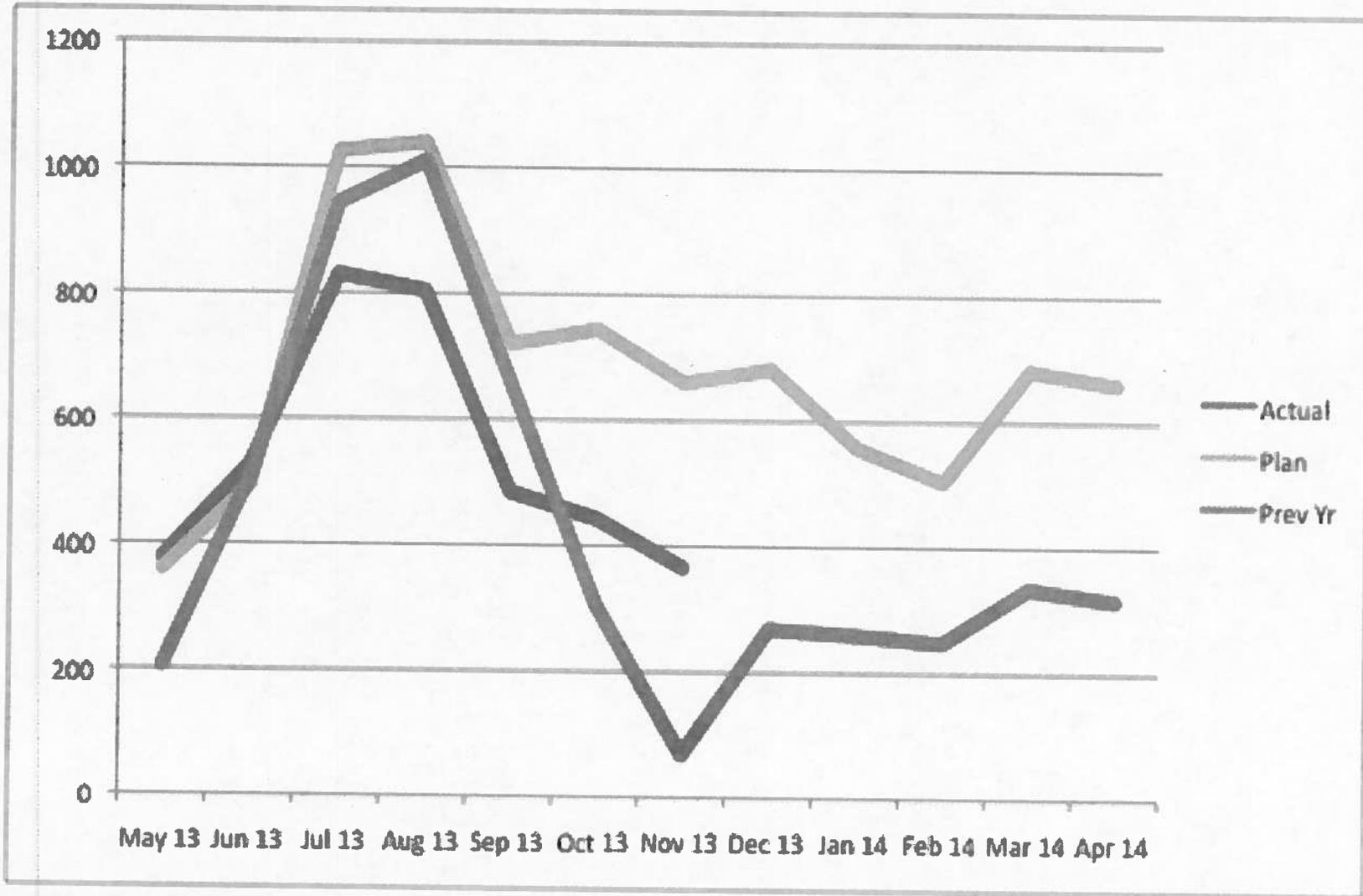
Yield vs Plan 12/09/13



Passengers Per Flight vs Plan 12/09/13



Passengers vs Plan 12/09/13



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SECTION 300.1 REQUIREMENTS FOR BUSINESS ACTIVITIES

- A. No person shall provide any services to the public on the airport without having:
1. A lease (if required) from the Airport Authority authorizing that person to conduct such activity on the airport and be current in the payment of the prescribed annual fee; and/or
 2. An Operating Agreement or a permit issued by the Airport Director, authorizing that person to provide the aeronautical service at the airport. (The requirements of this section do not apply to any FAA designated examiner, person offering private aviation related services or flight instructor).
 3. Persons offering public related services must comply with the Minimum Standards.

No person ~~or business entity~~ shall provide any services to the public on the airport without having:

- 1. A lease (if required) from the Airport Authority authorizing that person ~~or business entity~~ to conduct such activity on the airport and be current in the payment of the prescribed annual fee; and/or*
- 2. An Operating Agreement or a permit issued by the Airport Director, authorizing that person ~~or business entity~~ to provide services, consumer goods or aeronautical service at the airport. (The requirements of this section do not apply to any FAA designated examiner, person offering private aviation related services or flight instructor).*
- 3. Persons offering public related services must comply with the Minimum Standards set by the Airport Authority.*
- 4. Unless otherwise stated in the Operating Agreement or specified in the permit, fees will be determined by chart of fees and charges maintained by Airport Director as approved by the Airport Authority.*

B. Operating agreement holders offering services shall furnish such services to the public at the airport in the following manner:

1. Business must be conducted in a fair, reasonable, and non-discriminatory basis to all users thereof, and

2. Charges for each unit or service must be fair, reasonable and not discriminatory provided that reasonable and nondiscriminatory discounts, rebates or other similar types of price reduction may be made to volume purchasers.

SECTION 300.2 CAR RENTAL COMPANIES/TAXIS/SHUTTLES

Car rental companies, taxis and shuttles must be issued a license by the Airport in order to operate on Airport property. Fees and terms of Licenses issued under this Section shall be set by the Airport Authority. *The chart of fees and charges will be maintained by the Airport Director (section 300.1)*