

DRAFT

MINUTES

Monday, January 13, 2014
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; Thomas Kaminski, Manistee County Controller/Administrator; Justine McGuire, Manistee News Advocate; and Rachel Nelson, Airport Authority Secretary

Paul Schulert, 2013 Chairperson, called the meeting to order at 10:00 A.M. Roll was taken by the Secretary.

Mr. Schulert called for nominations of Officers.

There was a motion by Mr. Bergstrom, supported by Mr. Spencer, to nominate Paul Schulert as Chairperson, close nominations and cast a unanimous ballot for Paul Schulert for the position of 2014 Chairperson.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

There was a motion by Mr. Schulert, supported by Mr. Picardat, to nominate Ross Spencer as Vice-Chairperson, close nominations and cast a unanimous ballot for Ross Spencer for the position of 2014 Vice-Chairperson.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

There was a motion by Mr. Spencer, supported by Mr. Bergstrom, to nominate Rachel Nelson as Secretary, close nominations and cast a unanimous ballot for Rachel Nelson for the position of 2014 Secretary.

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

Nays: 0

Absent: 0

Motion carried.

Mr. Spencer expressed interest in exploring the options for the Airport Treasurer. He felt that Mr. Pomeroy should be involved in that process. Others didn't see a reason to change, but agreed that this should be discussed with Mr. Pomeroy to see what his feelings are. Mr. Schulert and Mr. Lind will meet with Mr. Pomeroy. It was noted that the Airport Authority pays \$3,000 annually for the services of Mr. Pomeroy and Ms. Nelson.

There was a motion by Mr. Bergstrom, supported by Mr. Shafer, to nominate Russell Pomeroy as Treasurer, close nominations and cast a unanimous ballot for Russell Pomeroy for the position of 2014 Treasurer.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

Mr. Marshall requested that reviewing the bylaws be added to the agenda under Old Business. Re-establishing the committees was added under New Business.

There was a motion by Mr. Spencer, supported by Mr. Shafer, to approve the meeting agenda with the noted changes. Motion carried by unanimous vote.

During public comment, Justine McGuire was introduced as the new reporter with the Manistee News Advocate.

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, December 9, 2013.

There was a motion by Mr. Shafer, supported by Mr. Smith, to approve the Airport Authority regular meeting minutes of Monday, December 9, 2013, as presented. Motion carried by unanimous vote.

Due to Mr. Pomeroy's absence, the October, November, and December 2013 Accounts Payable Reports and October, November, and December 2013 Financial Statements were not available for review. Mr. Wilson was not at the meeting to provide a presentation on the FY 2011/12 audit. Mr. Lind noted that the auditors were at the airport last week for the FY 2012/13 audit. This audit will be more detailed than in the past since a single audit is now required due to the AEAS program.

The Budget Committee did not meet.

The Promotion Committee did not meet, but attended Business After Hours.

The Rules and Regulations Committee did not meet. It was noted that the Rules and Regulations document needs to be updated with the changes that were approved.

The Executive Committee did not meet.

Mr. Lind reported that there were no airport incidents. Mr. Lind is still working with the insurance company regarding the hangar door that was damaged by a flight student since he was only able to acquire one quote. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon for travel in February 2014 (APPENDIX A). Mr. Lind presented information on airplane passenger numbers for 2013 as well as the previous five years (APPENDIX B).

Mr. Lind stated that a second meeting was held with Explorer Solutions on December 10, 2013. The Alliance for Economic Success (AES) was in attendance at the meeting. AES will be taking the next steps, which includes setting up a meeting with the local stakeholders (tribe, casino, township, hospital, county, airport), investigating funding opportunities, and issuing a request for proposals (RFP).

The new loader/tractor was received just after Christmas. All the other airport construction projects are on hold until spring.

Overall, air service continues to be reliable. The demand for December met Mr. Lind's expectations, however, demand for January has been lighter than anticipated. CFM is still waiting for the final DOT approval for daily service. The plan is still to expand the schedule starting March 1st by adding Tuesday and Wednesday flights, however, that may be delayed a week or two depending on when the final DOT approval is received.

Mr. Lind reminded the Authority that there had been discussion about possibly adding a weekly flight to Nashville. DOT has rejected this request since the grant agreement specifies flights to Chicago, and it would therefore require a grant amendment. This type of flexibility might be something to consider with the new AEAS grant agreement. There is still the possibility that the flight could continue on from Manistee to Traverse City. DOT has tentatively approved this, but is waiting for final approval. The flight segment from Manistee to Traverse City would be unsubsidized. Full flights would justify more flights and larger aircraft. Mr. Lind noted that this is something that Traverse City approached Public Charters about.

The current AEAS contract expires on May 3, 2014. Mr. Lind is anticipating that the DOT will issue a standard EAS RFP this week. There is a 30 day submittal period. Due to the timeline, there may need to be a delayed or special Airport Authority meeting next month to review the RFP responses. Mr. Lind plans to submit the next AEAS proposal to the DOT after that meeting. The alternate EAS program cannot cost more than the standard EAS program. Mr. Lind brought up several components that could be included in the new AEAS proposal. He would like to have a 4 year agreement (which is what the standard EAS program is moving to), flexibility to fly to any medium or large hub airport within 500 nautical miles, continued flexibility on aircraft size and frequency to support seasonal factors, and to allow for continuing service to any upstream airports.

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

Mr. Lind stated that the weekly marketing meetings with Public Charters and RightSide Design have continued. A marketing budget/plan for 2014 is now in place. Work has continued on winter ski packages with Crystal Mountain. There has also been work on air service branding with Public Charters to help avoid confusion in the market place. Public Charters is going to be starting up service in Pikesville, KY, and will be branded as Appalachian Air there.

Mr. Lind stated that the following plan has been discussed with the Little River Band of Ottawa Indians (LRBOI) officials. The airport would provide LRBOI DNR a mixture of bare root whip trees (approximately 1" diameter) in a number equivalent to the diameter breast height (DBH) of trees removed. The LRBOI will plant and maintain the bare root whip trees at their discretion, but not within the air space. Tree removal will be the airport's responsibility, and tree limbs will be removed offsite. The main tree trunks will be cut into 6' to 8' lengths, to the extent possible, and left in an accessible location near the tree removal location. The ground and vegetation adjacent to the trees removed will be disturbed to the least extent possible. Uneven ground will be leveled. Mr. Lind stated that the engineering firm has indicated that this is a typical proposal for tree removal. Mr. Lind added that if the Airport Authority agrees with the outline, they will proceed to a formal agreement, which will come before the Airport Authority for their approval. It is estimated that the project will cost \$5,000 to \$10,000, and should take care of the problem for at least five years.

There was a motion by Mr. Bergstrom, supported by Mr. Smith, to proceed with the tree removal project in the format described by Mr. Lind.

A roll call vote was taken:

Yeas: 5 (Schulert; Spencer; Bergstrom; Marshall; Smith)

Nays: 2 (Picardat; Shafer)

Absent: 0

Motion carried.

There was no update on the Coho Bend sign, leaking hangar, or Airport Road sign.

The Authority next reviewed the RightSide Design contract (APPENDIX D). Mr. Spencer noted that the last sentence of the Terms section should say "...of its intent not to renew this Agreement." instead of "...if its intent not to renew this Agreement."

There was a motion by Mr. Bergstrom, supported by Mr. Shafer, to approve the contract between the Airport Authority and RightSide Design for January 1, 2014, through December 31, 2014, with the one change from "if" to "of" as noted.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

The Authority next discussed the bylaws. Mr. Marshall stated that he feels sections 3.2, 3.3, 4.4, and 12.2 need discussion and possible changes. In section 3.2, he doesn't feel the City recommendation should have been eliminated. In section 3.3, the County can appoint three members, and always has, but the new Airport Authority terms do not coincide with the County Commissioners terms. In section 4.4, he feels the Chair should be removed as ex-officio of all committees. In section 12.2, he does not like the 2/3 majority required to change the bylaws. After discussion,

There was a motion by Mr. Marshall, supported by Mr. Picardat, to form a committee to review the Airport Authority bylaws.

A roll call vote was taken:

Yeas: 3 (Picardat; Marshall; Bergstrom)

Nays: 4 (Smith; Shafer; Spencer; Schulert)

Absent: 0

Motion carried.

Only three votes are required for a review of the bylaws. Mr. Schulert appointed Mr. Picardat, Mr. Marshall, and Mr. Bergstrom to the Bylaws Committee, with Mr. Bergstrom as the Chair.

The Authority next discussed the four existing committees.

There was a motion by Mr. Schulert, supported by Mr. Marshall, to appoint Mr. Schulert, Mr. Spencer, and Mr. Smith to the Executive Committee. Motion carried by unanimous vote.

There was a motion by Mr. Schulert, supported by Mr. Smith, to appoint Mr. Picardat, Mr. Shafer, and Mr. Bergstrom to the Budget Committee. Motion carried by unanimous vote.

There was a motion by Mr. Shafer, supported by Mr. Marshall, to appoint Mr. Spencer, Mr. Marshall, and Mr. Smith to the Promotion Committee. Motion carried by unanimous vote.

There was a motion by Mr. Marshall, supported by Mr. Smith, to appoint Mr. Shafer, Mr. Spencer, and Mr. Picardat to the Rules and Regulations Committee. Motion carried by unanimous vote.

Meeting dates and times for 2014 were discussed.

There was a motion by Mr. Spencer, supported by Mr. Bergstrom, that the Airport Authority will meet on the second Monday of the month at 10:00 A.M. in the conference room at the airport for February 2014 through January 2015. Mr. Spencer and Mr. Bergstrom amended the motion to include that the Airport Authority Secretary will post the meetings at the Courthouse and at the Airport. Motion carried by unanimous vote.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 12:00 P.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

Visit: www.manisteecountymi.gov
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.

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February Travel as of 1/12/14

Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	384 DL	353 UA	308 DL	380 UA
Boston (BOS)	300 WN	330 DL	314 UA	296 UA
Chicago (MDW or ORD)	120 P1	292 UA	226 AA	116 UA
Dallas (DFW)	348 WN	334 DL	306 DL	347 UA
Denver (DEN)	372 WN	472 UA	380 UA	335 UA
Houston (HOU)	411 WN	339 UA	417 UA	392 UA
Kansas City (MCI)	320 WN	356 DL	262 AA	316 UA
Las Vegas (LAS)	500 WN	518 UA	421 UA	514 UA
Los Angeles (LAX)	417 WN	398 UA	393 UA	342 UA
Minneapolis (MSP)	258 WN	348 DL	326 DL	256 UA
New York Area (NYC)	354 WN	316 DL	262 DL	408 UA
Orlando (MCO)	482 WN	452 UA	400 UA	478 UA
Philadelphia (PHL)	418 WN	308 DL	301 UA	414 UA
Phoenix (PHX)	430 WN	529 UA	483 AA	485 UA
Portland (PDX)	434 WN	489 UA	420 DL	429 UA
San Diego (SAN)	411 WN	462 UA	449 AA	415 UA
San Francisco (SFO)	461 WN	398 UA	393 UA	364 UA
Seattle (SEA)	431 DL	398 UA	391 UA	363 UA
St Louis (STL)	306 WN	252 DL	162 DL	302 UA
Washington DC Area (WAS)	338 WN	285 UA	254 DL	334 UA

Average Fare	\$374.75	\$381.45	\$343.40	\$364.30
Change from last month	\$14.35	-\$39.00	\$0.10	\$12.85
Change from two months ago	-\$74.15	-\$76.40	-\$16.10	-\$60.45
Fares Pulled 01/12/14 for travel 02/13/14 - 02/20/14				

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	384 DL	393 UA	362 DL	408 UA
Boston (BOS)	300 WN	370 DL	368 UA	324 UA
Chicago (MDW or ORD)	120 P1	332 UA	280 AA	144 UA
Dallas (DFW)	348 WN	374 DL	360 DL	375 UA
Denver (DEN)	372 WN	512 UA	434 UA	363 UA
Houston (HOU)	411 WN	379 UA	471 UA	420 UA
Kansas City (MCI)	320 WN	396 DL	316 AA	344 UA
Las Vegas (LAS)	500 WN	558 UA	475 UA	542 UA
Los Angeles (LAX)	417 WN	438 UA	447 UA	370 UA
Minneapolis (MSP)	258 WN	388 DL	380 DL	284 UA
New York Area (NYC)	354 WN	356 DL	316 DL	436 UA
Orlando (MCO)	482 WN	492 UA	454 UA	506 UA
Philadelphia (PHL)	418 WN	348 DL	355 UA	442 UA
Phoenix (PHX)	430 WN	569 UA	537 AA	513 UA
Portland (PDX)	434 WN	529 UA	474 DL	457 UA
San Diego (SAN)	411 WN	502 UA	503 AA	443 UA
San Francisco (SFO)	461 WN	438 UA	447 UA	392 UA
Seattle (SEA)	431 DL	438 UA	445 UA	391 UA
St Louis (STL)	306 WN	292 DL	216 DL	330 UA
Washington DC Area (WAS)	338 WN	325 UA	308 DL	362 UA

Average Fare	\$374.75	\$421.45	\$397.40	\$392.30
Change from last month	\$14.35	-\$39.00	\$0.10	\$12.85
Change from two months ago	-\$74.15	-\$76.40	-\$16.10	-\$60.45

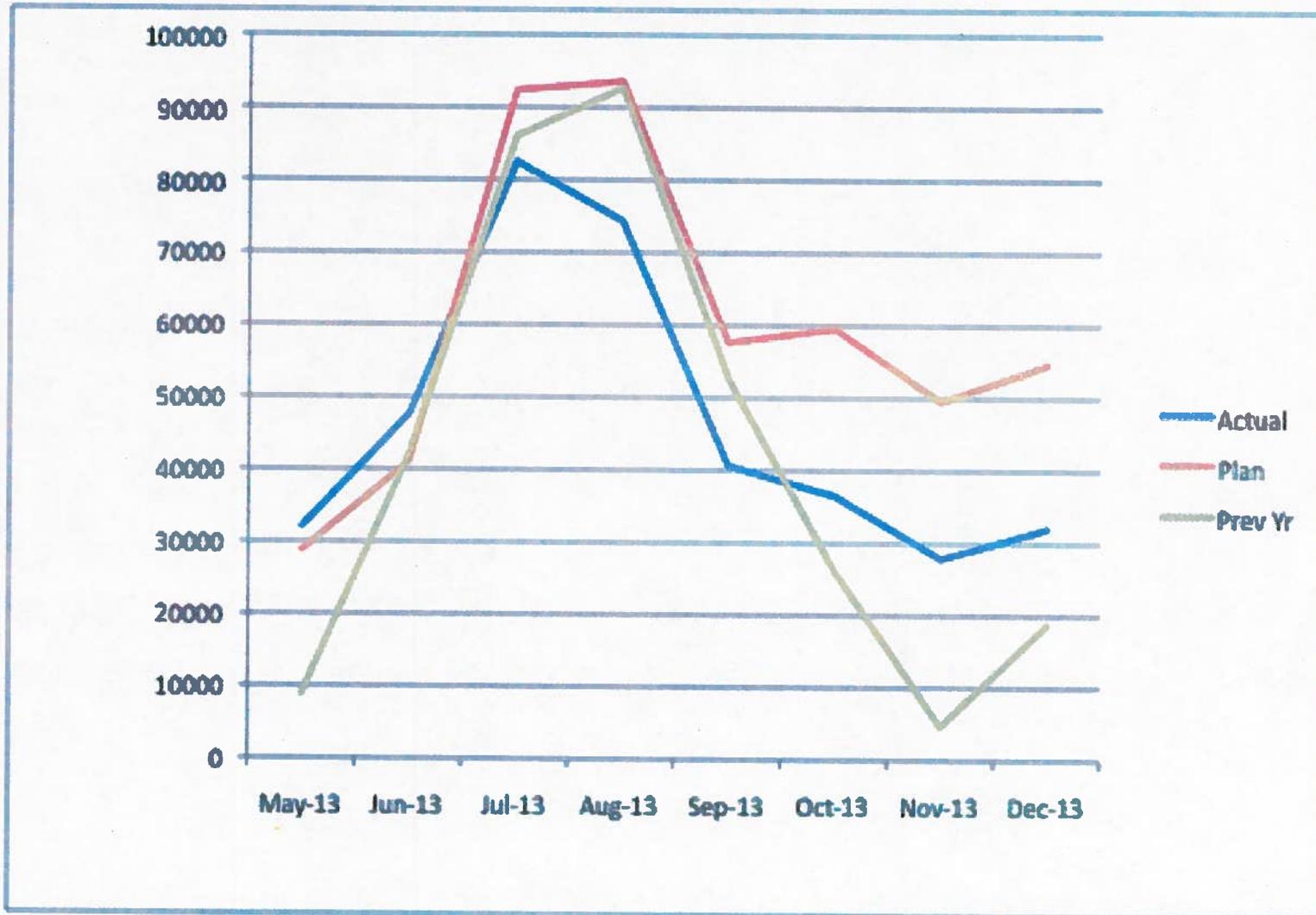
Parking Fees for one week are \$0 at Manistee, \$40 at Traverse City, \$54 at Grand Rapids, \$28 at Muskegon

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	197/200	397		
Total			4035		5522		6764		21992		5908		5390		

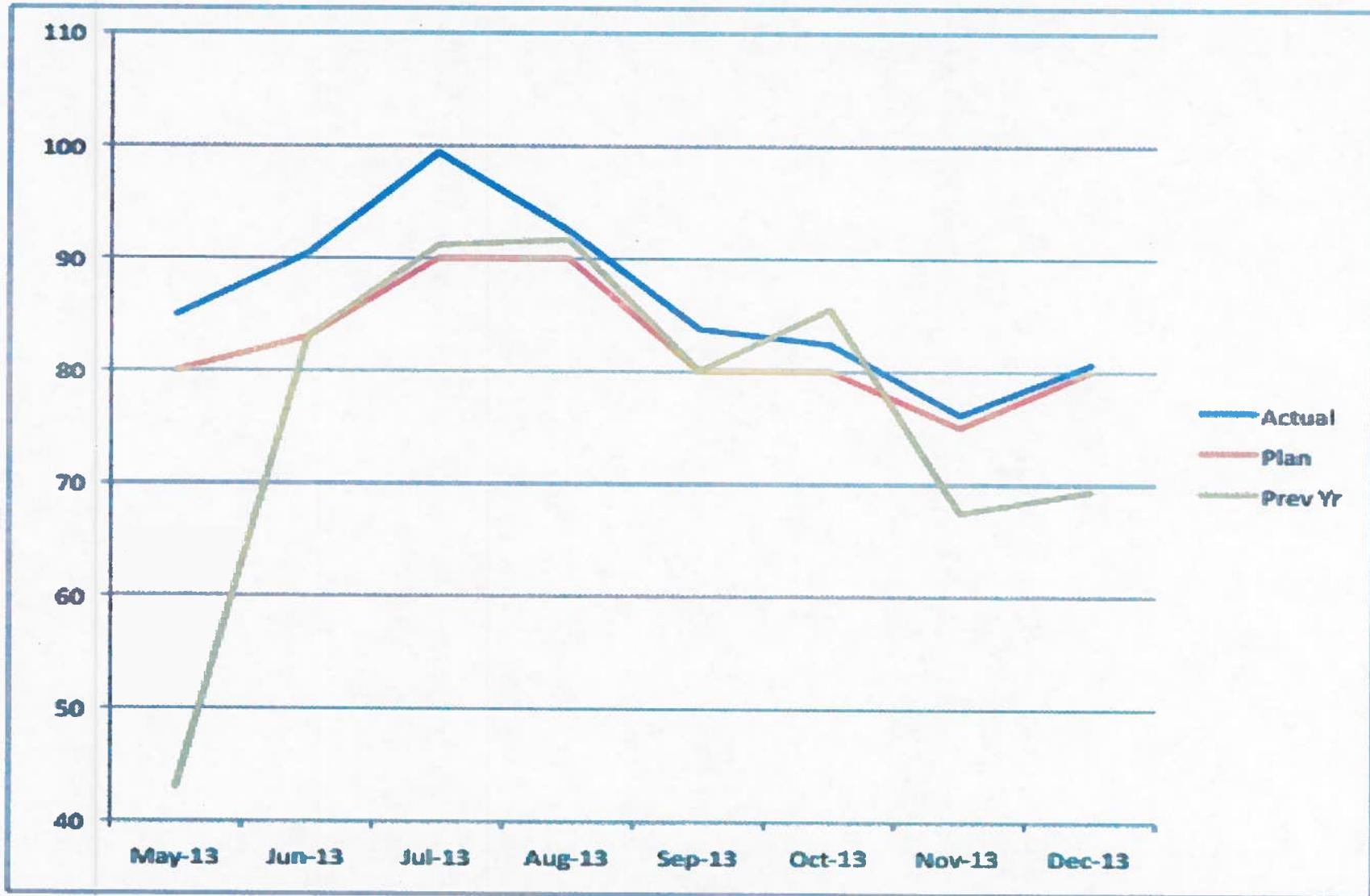
		Ontime Performance											
		2008		2009		2010		2011		2012		2013	
		Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime
Jan				13%/25%	62%	23%/22%	55%	15%/38%	48%	12%/8%	80%	0%/15%	85%
Feb				18%/16%	66%	13%/32%	55%	15%/28%	58%	6%/11%	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%	3%/19%	78%

Revenue vs Plan 1/13/14

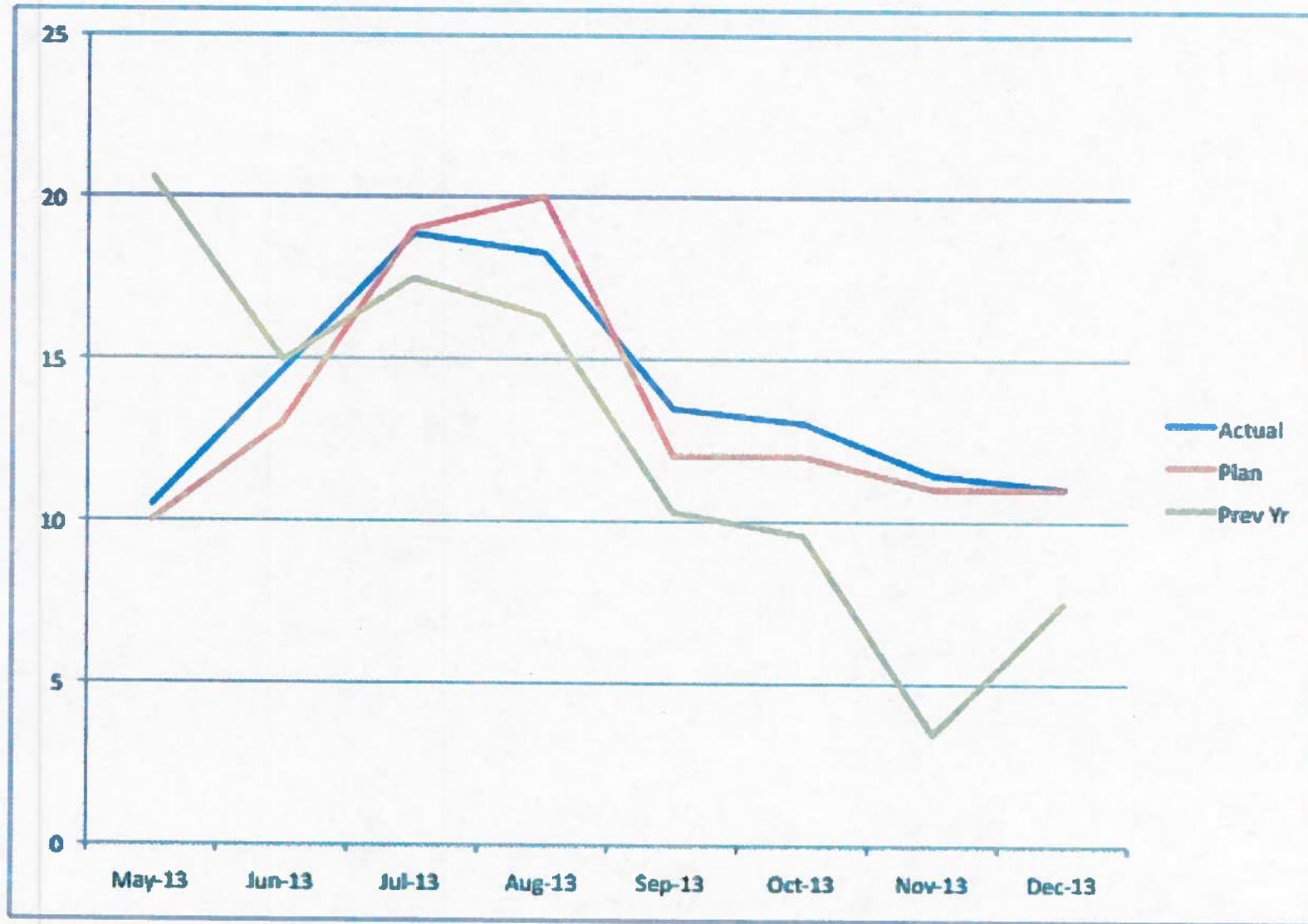


APPENDIX 2

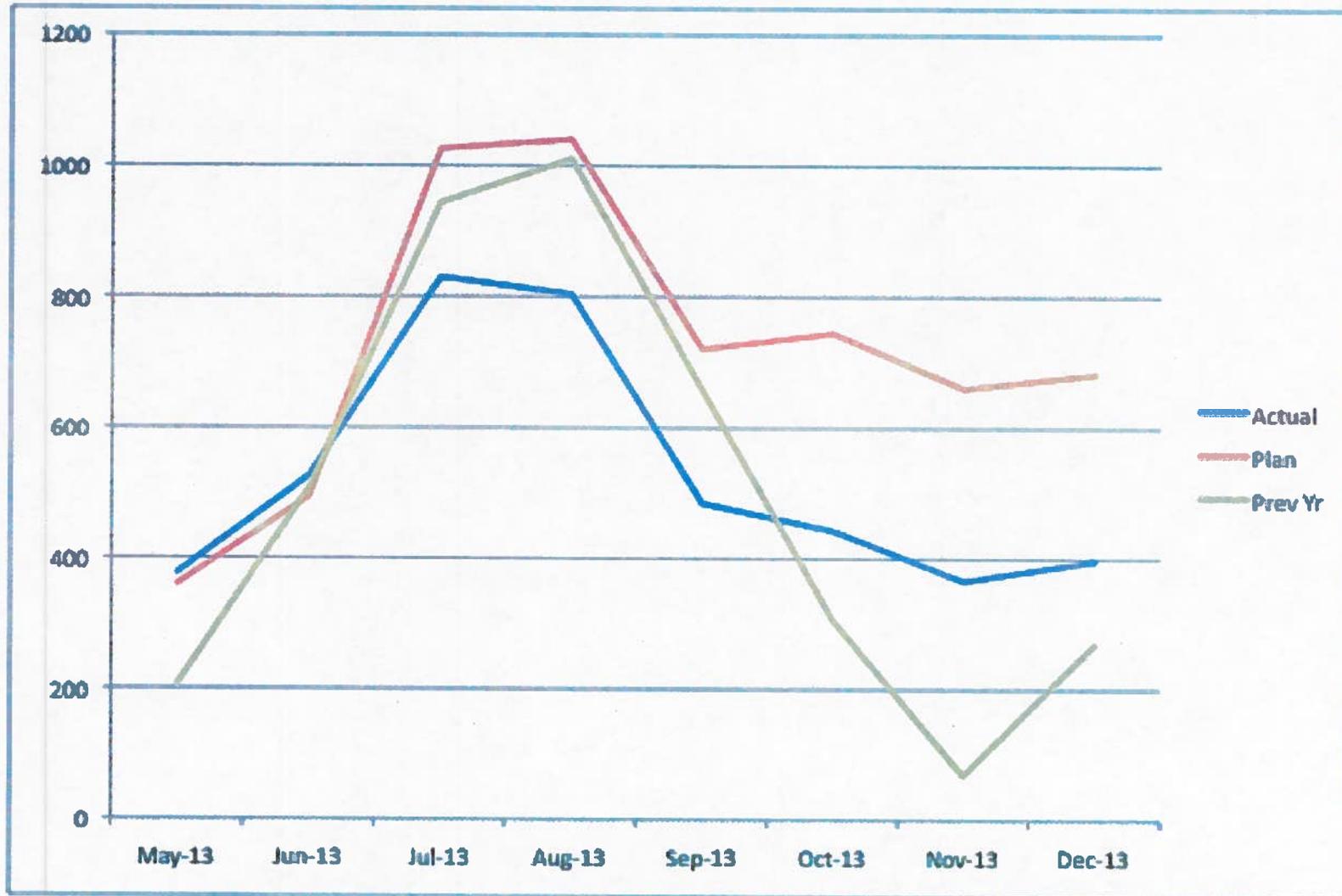
Yield vs Plan 1/13/14



Passengers Per Flight vs Plan 1/13/14



Passengers vs Plan 1/13/14



C-4

RIGHTside design

www.rightsidedesignstudio.com | 231.510.4929 | Box 791, Manistee, MI 49660

DESIGN SERVICE AGREEMENT

2014 MARKETING/ADVERTISING

Prepared For:
Manistee Blacker Airport Authority
 2323 Airport Road
 Manistee, MI 49660

Contact: Barry Lind
 p: 231.723.4351
 e: manisteeairport@gmail.com
 w: www.FlyManistee.com | www.ManisteeAirport.com

Prepared By:
 Brandon Jensen, Owner/designer
 361 River Street, Suite 206
 PO Box 791
 Manistee, MI. 49660

p: 231.510.4929
 e: bjensen@rightsidedesignstudio.com
 w: www.rightsidedesignstudio.com

Contract #: 1401-01

Agreement Date: 1-1-14

**Between: Manistee Blacker Airport Authority, (herein noted as Client) and
 RIGHTside design, LLC (herein noted as RSD)**

OVERVIEW OF SERVICES PROVIDED TO CLIENT |

OVERSIGHT & IMPLEMENTATION OF 2014 MARKETING/ADVERTISING BUDGET:

RSD will work with Manistee Blacker Airport Authority on strategic planning, brand identity and a comprehensive marketing/advertising plan to promote and advertise the airline servicing Manistee. RSD will implement a combination of marketing strategies including but not limited to:

- Target market advertising & demographic research
- Website development - creation of a combined website presence for both FlyManistee.com and ManisteeAirport.com
- Internet advertising - pay per click and other forms of internet based advertising
- Social Networking
- Television - broadcast and cable awareness campaigns
- Radio
- Outdoor Advertising
- Promotion/Community based marketing
- Advertising/Marketing positioning

MONTHLY MAINTENANCE:

The following services will be included in a \$500/monthly retainer:

- Weekly on-site marketing meeting at the airport by minimum one RSD representative at the scheduled time.

CONTRACT 1401-01

Client: Manistee County Blacker Airport

Page: 2

- Monthly phone and email correspondence with the Airport point of contact.
- Monthly overview report to the board of directors of the Manistee Blacker Airport Authority Authority - documented report.
- Grant reporting/administration as required by the awarding agency.

Standard hourly fee schedule is as follows: (The below rates shall apply to services performed outside of those services covered by the retainer)

Social media programming/email marketing campaign oversight:	\$40/hr.
Website Updating/Programming	\$50/hr.
Graphic Design/Brand Identity deliverables	\$60/hr.
Consulting/Strategic Planning:	\$70/hr.

TERMS |

The term of this contract will commence on January 1, 2014 and expire December 31, 2014. Either party may terminate this agreement upon 30 days written notice. If the agreement is terminated, the Client will be responsible to pay RSD for expenses incurred up to the termination date.

After the expiration of the initial agreement terms noted above, this Agreement shall automatically renew for an additional one (1) month term, commencing on the anniversary of the original commencement of this Agreement, unless one party notifies the other party, in writing, ~~if~~ ^{of} its intent not to renew this Agreement.

OWNERSHIP OF ARTWORK |

The material transferred can be used only for the purposes stated below. All other use(s) and modifications(s) is (are) prohibited. All rights not transferred remain the property of RSD.

All materials produced for MANISTEE BLACKER AIRPORT AUTHORITY is available for unrestricted use in the contracted/final delivered state

BILLING |

The Client will be responsible for all pre-approved media expenses. All creative, consulting services, and production services/materials will be outlined to the client during the monthly reporting period. All RSD invoices are due on receipt.

PROJECT ACCEPTANCE PROCEDURES |

RSD shall designate Brandon Jensen, Owner and the Client shall designate Barry Lind, Airport Director as the only designated persons who will send and accept all deliverables and receive and make all communications between RSD and the Client. Neither party shall have any obligation to consider for approval or respond to materials submitted other than through the designated persons listed above. Each party has the right to change its designated person if mutually agreed upon.

CONTRACT 1401-01
Client: Manistee County Blacker Airport
Page: 3

ACCEPTANCE OF TERMS |

The signature of both parties shall evidence acceptance of these terms and all associated content contained in this agreement:

Manistee Blacker Airport Authority:

Date:

Paul Schulert, Board Chairperson

RIGHTside design, LLC

Date:

Brandon Jensen, Owner
