

DRAFT

MINUTES

Monday, October 13, 2014
10:00 A.M.

Manistee County Blacker Airport
Conference Room

Members Present: Paul Schulert, Chairperson; Ross Spencer, Vice-Chairperson (via phone); Mark Bergstrom (arrived 10:05 A.M.); Alan Marshall; Dale Picardat; Brook Shafer (arrived 10:05 A.M.); and Thom Smith

Members Absent: None

Others Present: Barry Lind, Airport Director; George Saylor, Airport Legal Counsel; Neil Johnson, Johnson Diversified; Justine McGuire, 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. Mr. Lind requested that approval of a State grant agreement be added under New Business.

There was a motion by Mr. Marshall, supported by Mr. Smith, to approve the meeting agenda, with the addition of approval of a State grant agreement under New Business. Motion carried by majority vote (Bergstrom and Shafer absent).

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, September 8, 2014.

There was a motion by Mr. Marshall, supported by Mr. Smith, to approve the Airport Authority regular meeting minutes of Monday, September 8, 2014, as presented. Motion carried by majority vote (Bergstrom and Shafer absent).

Mr. Pomeroy was not able to be at the meeting. The Accounts Payable and Financial Statements for August and September will be reviewed next month. Mr. Lind noted that he met with Mr. Pomeroy recently, and he feels their working relationship has improved. There is an outstanding \$50,000 receivable for a federal grant reimbursement, and Mr. Pomeroy is in the process of submitting the final paperwork to receive the funds.

The Legal Representation Search Committee has not met, but intends to have a meeting before the next Airport Authority meeting.

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 November 2014 (APPENDIX A). Mr. Lind presented information on airplane passenger numbers for 2014 as well as the previous five years (APPENDIX B).

Mr. Lind and Mr. Johnson provided an update on the construction projects. Johnson Diversified is the general contractor. A design issue was discovered approximately 10 days ago, and Mr. Johnson is working with the engineer and architect to resolve the issue, but this is causing another delay. The sand storage structure is complete except for the cover. The airport sign project is mostly complete. The grant which was received for the signage also included the purchase and installation of an Automated External Defibrillator (AED), and this has occurred.

Monday, October 13, 2014

Page 2 of 3

The hangar door has been removed, and the airline will be able to use the hangar this winter, which will reduce the need for de-icing and provide a shelter for maintenance. The tail of the airplane will stick out since the building is not large enough to house the entire plane. There is still the possibility of expanding the building in the future.

Mr. Lind stated that the airline schedule is available for booking through mid May 2015. Overall, service continues to be reliable. Demand for fall and into winter is trending well. Planning has begun for the summer 2015 schedule.

Mr. Lind informed the Authority that Victoria, Texas, will start AEAS service with Public Charters and Corporate Flight Management on November 2, 2014. Up until this point, Manistee was the only AEAS airport in the country. A third airport has also applied for AEAS.

There continues to be good feedback from customer surveys, and an active online marketing campaign continues. The FY 2015 marketing plan will focus on a rewards/referral plan. The focus of the long-term marketing plan is to reach 10,000 enplanements at the end of four years (the end of the current AEAS contract).

Mr. Lind reminded the Authority that based on enplanements during the 2012 calendar year, the airport went from a non-primary (State block grant) to a primary (FAA) airport for the Airport Improvement Program (AIP). Due to this change, the airport received \$1,000,000 in federal capital improvement funds during FY 2013, and an issue was raised by the FAA on ownership of the airport. A one time waiver was granted, but no funding was received in FY 2014 due to the issue, and FY 2015 funding could also be impacted. There are four years to resolve the issue and request the funds, so at this point, no fund have been permanently lost, but there are short term impacts. Mr. Lind proposed working with the FAA to clean up the ownership issue by first removing the City of Manistee from their records. In the long term, he suggests pursuing further clean up by having the Airport Authority be the sole responsible legal entity, but it is uncertain if the FAA will allow that. After discussion,

There was a motion by Mr. Shafer, supported by Mr. Schulert, to give the Airport Director the authority to pursue removing the City of Manistee from the FAA's records to show a joint ownership of the airport between the County of Manistee and the Airport Authority for the FAA funding process.

A roll call vote was taken:

Yeas: 5 (Schulert; Spencer; Picardat; Shafer; Smith)

Nays: 2 (Bergstrom; Marshall)

Absent: 0

Motion carried.

Mr. Lind stated that the Michigan Air Tour presented the airport with two plaques, and also provided a community benefit assessment (APPENDIX C).

The Authority next discussed a \$2,000 State grant for aircraft rescue and firefighter training (APPENDIX D). These grant funds will offset the required FAA training that took place in May 2014. Mr. Saylor has reviewed the contract.

There was a motion by Mr. Bergstrom, supported by Mr. Shafer, to approve the Michigan Department of Transportation Contract for Aircraft Rescue and Firefighter Training, Contract No. 2014-1028, and to authorize the Airport Authority Chair to execute the contract.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

Manistee Blacker Airport Authority

Monday, October 13, 2014

Page 3 of 3

DRAFT

With there being no further business to come before the Authority, the meeting was adjourned at approximately 11:05 A.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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November Travel as of 10/11/14**Best Fares**

	MBL	TVC	GRR	MKG
Atlanta (ATL)	387 WN	386 DL	299 UA	404 UA
Boston (BOS)	323 WN	194 UA	187 AA	310 UA
Chicago (MDW or ORD)	129 P1	290 DL	257 DL	159 UA
Dallas (DFW)	245 WN	344 AA	303 UA	262 UA
Denver (DEN)	294 F9	434 AA	316 DL	381 UA
Houston (HOU)	407 DL	352 UA	357 AA	367 UA
Kansas City (MCI)	271 WN	342 AA	294 AA	282 UA
Las Vegas (LAS)	407 F9	400 AA	382 UA	470 UA
Los Angeles (LAX)	479 WN	400 AA	394 AA	445 UA
Minneapolis (MSP)	307 WN	362 DL	327 UA	324 UA
New York Area (NYC)	381 WN	278 DL	243 UA	404 UA
Orlando (MCO)	395 WN	316 DL	266 UA	361 UA
Philadelphia (PHL)	419 WN	417 DL	306 DL	436 UA
Phoenix (PHX)	359 WN	388 DL	342 UA	443 UA
Portland (PDX)	547 WN	486 AA	402 DL	567 UA
San Diego (SAN)	513 WN	400 AA	392 UA	493 UA
San Francisco (SFO)	423 WN	400 UA	400 UA	424 UA
Seattle (SEA)	465 WN	403 AA	382 AA	445 UA
St Louis (STL)	345 WN	248 UA	208 UA	362 UA
Washington DC Area (WA)	411 WN	278 DL	262 UA	424 UA

Average Fare	\$375.35	\$355.90	\$315.95	\$388.15
Change from last month	-\$36.95	-\$45.00	-\$19.00	\$8.90
Change from two months	\$5.40	-\$39.25	\$3.35	\$10.25
Fares Pulled 09/05/14 for travel 10/16/14 - 10/23/14				

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	387 WN	426 DL	353 UA	439 UA
Boston (BOS)	323 WN	234 UA	241 AA	345 UA
Chicago (MDW or ORD)	129 P1	330 DL	311 DL	194 UA
Dallas (DFW)	245 WN	384 AA	357 UA	297 UA
Denver (DEN)	294 F9	474 AA	370 DL	416 UA
Houston (HOU)	407 DL	392 UA	411 AA	402 UA
Kansas City (MCI)	271 WN	382 AA	348 AA	317 UA
Las Vegas (LAS)	407 F9	440 AA	436 UA	505 UA
Los Angeles (LAX)	479 WN	440 AA	448 AA	480 UA
Minneapolis (MSP)	307 WN	402 DL	381 UA	359 UA
New York Area (NYC)	381 WN	318 DL	297 UA	439 UA
Orlando (MCO)	395 WN	356 DL	320 UA	396 UA
Philadelphia (PHL)	419 WN	457 DL	360 DL	471 UA
Phoenix (PHX)	359 WN	428 DL	396 UA	478 UA
Portland (PDX)	547 WN	526 AA	456 DL	602 UA
San Diego (SAN)	513 WN	440 AA	446 UA	528 UA
San Francisco (SFO)	423 WN	440 UA	454 UA	459 UA
Seattle (SEA)	465 WN	443 AA	436 AA	480 UA
St Louis (STL)	345 WN	288 UA	262 UA	397 UA
Washington DC Area (WA)	411 WN	318 DL	316 UA	459 UA

Average Fare	\$375.35	\$395.90	\$369.95	\$423.15
Change from last month	-\$36.95	-\$45.00	-\$19.00	\$8.90
Change from two months	\$5.40	-\$39.25	\$3.35	\$10.25

Parking Fees for one week are \$0 at Manistee, \$40 at Traverse City, \$54 at Grand Rapids, \$35 at Muskegon

Manistee County Blacker Airport

Enplaned/Deplaned

	2009		2010		2011		2012		2013		2014	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	GL 138/106	244	GL 212/145	357	GL 201/169	370	F9 523/366	889	134/126	260	161/107	268
Feb	112/93	205	196/150	346	202/194	396	462/431	893	128/120	248	136/124	260
Mar	149/139	288	216/231	447	225/215	440	112/176	288	162/173	335	191/175	366
Apr	119/140	259	272/255	527	L 147/171 F9 488/388	1193	0/0	0	158/158	316	198/227	425
May	184/180	364	263/302	565	1454/1525	2979	P1 71/58	129	189/189	378	262/264	526
Jun	166/213	379	311/366	677	1206/1342	2548	234/250	484	239/288	527	353/423	776
Jul	388/439	827	521/551	1072	1595/1568	3163	465/467	932	421/409	830	653/659	1312
Aug	429/359	788	482/395	877	1833/1567	3400	497/500	997	391/413	804	672/693	1365
Sep	285/293	578	240/233	473	1332/1234	2566	362/297	659	248/237	485		723
Oct	282/275	557	270/246	516	1024/1004	2028	150/149	299	229/215	444		
Nov	257/269	526	236/242	478	722/715	1437	36/33	69	168/198	366		
Dec	228/279	507	194/235	429	674/798	1472	131/138	269	197/200	397		
Total		5522		6764		21992		5908		5390		6021

On-time Performance

	2009		2010		2011		2012		2013		2014	
	Cancel/Delay	On-time										
Jan	13%/25%	62%	23%/22%	55%	15%/38%	48%	12%/8%	80%	0%/15%	85%	0%/14%	86%
Feb	18%/16%	66%	13%/32%	55%	15%/28%	58%	6%/11%	83%	6%/16%	78%	9%/3%	88%
Mar	8%/11%	79%	11%/19%	70%	21%/19%	60%	14%/8%	78%	0%/0%	100%	0%/7%	93%
Apr	10%/16%	74%	13%/17%	70%	***	***	***	***	0%/3%	97%	0%/4%	96%
May	2%/10%	88%	12%/10%	78%	3%/25%	72%	0%/10%	90%	0%/6%	94%	0%/4%	96%
Jun	7%/18%	75%	6%/26%	68%	6%/20%	74%	0%/6%	94%	0%/3%	97%	0%/15%	85%
Jul	4%/16%	80%	5%/19%	76%	0%/37%	63%	0%/7%	93%	0%/19%	81%	1%/20%	79%
Aug	2%/12%	86%	4%/5%	91%	0%/36%	64%	0%/8%	92%	2%/16%	82%	1%/19%	80%
Sep	0%/9%	91%	18%/16%	66%	0%/23%	77%	0%/5%	95%	0%/0%	100%	0%/15%	85%
Oct	10%/8%	81%	15%/13%	72%	1%/5%	94%	0%/22%	78%	0%/9%	91%		
Nov	3%/10%	87%	16%/16%	68%	2%/11%	87%	0%/5%	95%	6%/6%	88%		
Dec	25%/39%	36%	32%/25%	43%	2%/15%	83%	0%/11%	89%	3%/19%	78%		

Michigan Air Tour 2014
Community Benefit Assessment Data

General Aviation Airports are a vital asset to their communities. The economic impact of the airport on the community is estimated from extrapolation methodology developed by the Economic Development Research Group (EDR). There are three components of the estimation. The first is the direct economic impact. A direct economic impact is the dollars that are brought in to the community as a direct result of the airport such as jobs at the airport, fuel sales, and money spent by pilots visiting the community. The indirect economic impact is defined as those dollars which are generated by the presence of the airport. For example, the dollar an airport employee spends on groceries generates a dollar of income for the grocer who then spends that dollar on wages for his employees. The employees' wages would be an indirect economic impact of the airport employees' dollar. Indirect economic impact also includes the dollars generated in the community because of the airport, such as a new home which is built, in part, because of a business expansion or relocation which is partly due to the presence of the airport. These two measures are then added together to get the total economic impact of the airport on the community.

Example: Manistee, Blacker Airport

❖ Direct Economic Impact	\$11,471,648
❖ Indirect Economic Impact	\$4,612,259
❖ Total Economic Impact	\$16,083,907

➤ The total economic impact of the airports included in the 2014 Michigan air tour is \$224,947,844 annually.

AIRPORT	ECONOMIC IMPACT	STUDY YEAR
Pontiac, Oakland County Int'l	\$175,000,000	2012
Benton Harbor, S.W MI Reg	\$30,455,729	2014
Manistee, Blacker Airport	\$16,083,907	2014
West Branch, West Branch Community	\$3,408,208	2014
Total	\$224,947,844	



C-2

CBA Community Benefits Assessment

Airport Role in Economy

Airport: Blacker
 City: Manistee
 County: Manistee
 Ownership: Public
 Scenario: Current
 Service Area: Manistee
 Run Date: 8/21/2014 3:40:48 PM

	Current	MASP Ultimate
Airport Class	C-II	C-II
Airport Features		
Runway Type	Paved	Paved
Primary Runway Length	5,500	5,000
Primary Runway Width	100	100
Lighting System	MIRL	MIRL
All Weather Access	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Snow Removal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fuel Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
REIL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rotating Beacon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Seg Crd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lighted Wind Indicator	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Instrument Approach	Precision	Precision

Evaluated for Year: 2014

Activity Data	
Total Operations:	6,800
Total Aircraft:	12
Total Passengers:	155,800
Total Cargo Tons:	0

On-going Contribution to the County Economy

	Jobs		Income (\$)		Output (\$)	
	Local	State	Local	State	Local	State
Direct Effect						
1. Airport (Incl. FBO and air related tenants)	16	16	\$804,725	\$804,725	\$2,065,250	\$2,065,250
2. Airport Tenants: non-air related	0	0	\$0	\$0	\$0	\$0
3. Off-Site: Supported by Visitor Spending	121	121	\$2,054,056	\$2,054,056	\$6,840,750	\$6,840,750
4. Off-Site: Staff or Cargo Reliant	24	24	\$757,824	\$757,824	\$2,565,648	\$2,565,648
Supplier and income re-spending effects*						
5. -due to Airport and Related Activities**	23	40	\$705,121	\$977,128	\$1,986,581	\$4,003,226
6. -due to Visitor Spending	31	45	\$986,583	\$1,553,542	\$2,625,678	\$5,619,446
7. -due to Reliance on Air Transport	0	0	\$0	\$0	\$0	\$0
8. Total Impact from Airport Activities	215	246	\$5,308,309	\$6,147,274	\$16,083,907	\$21,094,320

Tax Generated by Aviation-Related Activity

	At-Airport	Off-Site
9. State Income Tax	\$45,794	\$112,191
10. State Sales Tax	\$364,109	\$901,551

Annual Capital Expenditures (if known)

	Total	Federal \$	State \$	Local \$
2014 Budget:	0	0	0	0

Transportation Value

MASP 2000 System Goals

Serve Significant Population Centers (C-II)	tier 1
Serve Significant Business Centers (C-II)	tier 1
Serve Significant Tourism/Convention Centers (B-II)	tier 2
Provide Access to the General Population (B-II)	tier 1
Provide Adequate Land Area Coverage (B-I)	tier 1
Preserve Regional Capacity (B-I)	-
Serve Seasonally Isolated Areas (B-I)	-

* on the Service-area economy as defined by the user

** Supplier and income re-spending effects pertain only to air-related and air support activities

CONTRACT NO. 2014-1028

MICHIGAN DEPARTMENT OF TRANSPORTATION
~~MANISTEE COUNTY BOARD OF COMMISSIONERS~~
BLACKER AIRPORT AUTHORITY

CONTRACT FOR

AIRCRAFT RESCUE AND FIREFIGHTING TRAINING

This Contract is made and entered into this date of _____ by and between the Michigan Department of Transportation (MDOT) and the Manistee ~~County Board of commissioners~~ (SPONSOR) for the purpose of retroactively fixing the rights and obligations of the parties in agreeing to the following training at Manistee County Blacker Airport, whose associated city is Manistee, Michigan. *Blacker Airport Authority*

PROJECT DESCRIPTION: Aircraft Rescue and Fire Fighting (ARFF) training provided by a training provider using a mobile fire training unit (TRAINING).

The parties agree that:

1. The term "TRAINING COST(S)," as herein used, is defined as the cost of the TRAINING by a training provider. Administrative costs incurred by the SPONSOR are not eligible TRAINING COSTS.
2. The SPONSOR may choose the training provider it will use for the TRAINING. Training providers for the TRAINING include, but are not limited to, Kellogg Community College, Lake Superior College, and ARFF Specialists.

Federal Aviation Administration (FAA) Advisory Circular (AC) No. 150/5210-17B provides information on courses and reference materials for the training of ARFF personnel at civil airports, and the FAA recommends that the guidance and specifications in this AC be used for ARFF training programs.

3. The SPONSOR will coordinate with the training provider for the performance of the necessary TRAINING. The SPONSOR will ensure that the TRAINING meets the requirements set forth in 14 CFR Part 139.
4. The SPONSOR will have the SPONSOR's TRAINING by the training provider approved by MDOT prior to the completion of the TRAINING.

5. The SPONSOR will pledge sufficient funds to meet its obligations as outlined in this Contract.
6. The SPONSOR will review and approve for payment invoices for TRAINING COSTS submitted by the training provider. The SPONSOR will forward the approved invoices to MDOT for payment, as set forth in Section 9, upon completion of the TRAINING. The SPONSOR will also send to MDOT, at the same time the TRAINING COST invoices are forwarded to MDOT, a check for the SPONSOR's share of the TRAINING COSTS, as determined in accordance with Section 11.

The SPONSOR 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 SPONSOR 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.

7. With regard to audits and record-keeping:
 - a. The SPONSOR 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 (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Contract.
 - b. Audit and Inspection. The SPONSOR will comply with the provisions of 1951 PA 51; MCL 247.660h.
 - c. The SPONSOR 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 SPONSOR 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 SPONSOR will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.
8. In the performance of this Contract, by itself or by anyone acting on its behalf, the SPONSOR agrees that it will comply with all applicable 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.

- 9. Upon receipt of invoices for the TRAINING COSTS approved by the SPONSOR and of the SPONSOR's share of the TRAINING COSTS, MDOT will process payment to the training provider. Following payment to the training provider and completion of necessary audits, MDOT will make a final accounting to the SPONSOR.
- 10. The TRAINING COST participation is limited to the SPONSOR's TRAINING charges billed by the training provider. The actual MDOT and SPONSOR shares of the TRAINING COSTS will be determined at the time of financial closure of the Contract.
- 11. The TRAINING COSTS will be met in part by contributions from MDOT. MDOT funds will be applied to the eligible TRAINING COSTS at a rate of ninety percent (90%) of the training provider invoice amount, with the MDOT participation not to exceed Two Thousand Dollars (\$2,000.00). Any items of the TRAINING COSTS not funded with MDOT funds will be the sole responsibility of the SPONSOR.

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.

- 12. 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 SPONSOR a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the SPONSOR at the completion of an audit.

Within sixty (60) days after the date of Notice of Audit Results, the SPONSOR will (a) respond in writing to the responsible Bureau or Office 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 (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 SPONSOR 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 SPONSOR 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 SPONSOR, the SPONSOR 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 SPONSOR fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the SPONSOR agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the SPONSOR under this Contract or any other agreement or payable to the SPONSOR under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payment 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 SPONSOR 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 SPONSOR in a timely filed RESPONSE.

- 13. Any change in the scope of the TRAINING, MDOT's share of the TRAINING COSTS, or the term of this Contract will be by award of a prior written amendment to this Contract by the parties.
- 14. Payment of or reimbursement to the SPONSOR of any cost by MDOT 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 to by the SPONSOR. MDOT will make final determination as to the allowability of such cost only after final audit of the TRAINING.
- 15. This Contract will be in effect from April 1, 2014, through October 1, 2015.
- 16. With regard to non-discrimination requirements:
 - a. In connection with the performance of this Contract, the SPONSOR (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, dated June 2011. This provision will be included in all subcontracts relating to this Contract.
 - b. During the performance of this Contract, the SPONSOR, for itself, its assignees, and its successors in interest (hereinafter in Appendix B referred to as the "contractor") agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, dated June 2011. This provision will be included in all subcontracts relating to this Contract.

17. In accordance with 1980 PA 278, MCL 423.321 *et seq.*, the SPONSOR, 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 SPONSOR or the name of a subcontractor, manufacturer, or supplier utilized by the SPONSOR in the performance of this Contract subsequently appears in the register during the performance of this Contract.

18. MDOT's sole reason for entering into this Contract is to enable the SPONSOR to obtain and use MDOT funds to pay for the TRAINING in accordance with Section 11.

Any and all approvals, reviews, and recommendations regarding the TRAINING, the TRAINING COSTS, permits, plans, specifications, or documents of any nature, or any inspections of work by MDOT pursuant to the terms of this Contract, are done to assist the SPONSOR in qualifying for available MDOT funds for ARFF training. Such approvals, reviews, inspections, and recommendations by MDOT will not relieve the SPONSOR of its ultimate control or its obligations hereunder and will not be construed as a warranty as to the propriety of the SPONSOR's performance or to mean that MDOT is assuming any liability, ownership, control, or jurisdiction.

When providing approvals, reviews, inspections, and recommendations under this Contract, MDOT is performing a governmental function, as that term is defined in MCL 691.1401, that is incidental to the completion of the TRAINING.

In any instance of dispute and/or litigation concerning the TRAINING, the resolution thereof will be the sole responsibility of the parties to the contract that is the subject of the controversy. It is understood and agreed that any legal representation of the SPONSOR in pursuing the resolution of any dispute and/or litigation will be the responsibility of the SPONSOR.

19. MDOT and the FAA will not be subject to any obligations or liabilities by contractors of the SPONSOR or their subcontractors or any other person not a party to the contract without their specific consent and notwithstanding their concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

20. Each party to this Contract will remain responsible for any claims arising out of that party's performance of this Contract as provided by this Contract or by law.

This Contract is not intended to increase or decrease either party's liability for or immunity from tort claims.

This Contract is not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this Contract.

- 21. With regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract, the SPONSOR hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The SPONSOR 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 of Michigan or MDOT with regard to claims based on goods or services that were used to meet the SPONSOR'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 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The SPONSOR 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 SPONSOR's obligation to MDOT under this Contract may have occurred or is threatened to occur. The SPONSOR 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 SPONSOR's obligation to MDOT under this Contract.

- 22. In case of any discrepancies between the body of this Contract and any exhibits hereto, the body of the Contract will govern.

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

BLACKER AIRPORT AUTHORITY
~~MANISTEE COUNTY BOARD OF COMMISSIONERS~~

By: *[Signature]*
Title: *Chairman*

MICHIGAN DEPARTMENT OF TRANSPORTATION

9-18-14

[Signature]
[Stamp]

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 or 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.**