

DRAFT

MINUTES

Monday, March 16, 2015
10:00 A.M.

Manistee County Blacker Airport
Conference Room

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

Members Absent: None

Others Present: Barry Lind, Airport Manager; Russell Pomeroy, Airport Treasurer (left at 10:10 A.M.); Justine McGuire, Manistee News Advocate; Tamara Buswinka, Alliance for Economic Success (arrived at 10:55 A.M.); 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 a memorandum from Bob Buchanan of Law Weathers be added to the agenda under new business.

There was a motion by Mr. Shafer, supported by Mr. Smith, to approve the meeting agenda, with the addition noted. Motion carried by majority vote (Spencer 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, February 9, 2015.

There was a motion by Mr. Smith, supported by Mr. Shafer, to approve the Airport Authority regular meeting minutes of Monday, February 9, 2015, as presented. Motion carried by majority vote (Spencer absent).

The Authority next reviewed the February 2015 Accounts Payable Report (APPENDIX A). Mr. Pomeroy stated that the Primary Airport Services payment is for managing the PFC funds, and the Piper McCredie Agency payment is the final insurance payment for the year. Mr. Lind added that the utilities seem high and he is investigating the runway lights as a possible reason.

There was a motion by Mr. Smith, supported by Mr. Marshall, to approve the February 2015 Accounts Payable Reports and authorize payment of the outstanding invoices totaling \$43,024.19.

A roll call vote was taken:

Yeas: 6 (Smith; Picardat; Marshall; Bergstrom; Shafer; Schulert)

Nays: 0

Absent: 1 (Spencer)

Motion carried.

The Authority also reviewed the February 2015 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. Pomeroy noted that he has sent in everything required for the FAA advertising grant, however, there has been a delay since it needs to be submitted online.

There was a motion by Mr. Picardat, supported by Mr. Shafer, to approve the February 2015 Financial Statement. Motion carried by majority vote (Spencer absent).

The Orchard Beach Aviation rent information was also provided, as well as fuel sales (APPENDIX C).

The Budget Committee will meet sometime in April.

The Executive Committee will meet on March 18, 2015, at 10:30 A.M. at the airport.

The Hangar Expansion Committee met, and a report will be included in Mr. Lind's report.

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 April 2015 (APPENDIX D). Mr. Lind presented information on airplane passenger numbers for 2015 as well as the previous five years (APPENDIX E).

Mr. Lind has received a second quote to fix the fence that was damaged by snow. He is still waiting for a third quote, but noted that he has already contacted all companies from Ludington to Traverse City to Cadillac. Mr. Lind added that the current low bid is within his spending limit. The Airport Authority directed Mr. Lind to proceed with the project even though there are only two bids.

Mr. Lind and Mr. Schulert attended the State Airports Conference in Lansing February 18-19, 2015. Mr. Lind stated that there was lots of discussion regarding funding, which is a common topic. Mr. Schulert added that he had many good conversations, and that they are currently looking for people to serve on various State Boards and Commissions. He offered to provide the contact information to anyone that was interested.

The 2014 building project is complete, with only the final plumbing inspection remaining. The sand storage is complete, but the cover still needs attention. Issues may arise as the projects wrap up regarding who is responsible for paying for certain things. The State could withhold payment if necessary until everyone is in agreement.

Mr. Lind has not made any progress on the tree removal, partially due to it being approximately a \$10,000 expense. Mr. Bergstrom felt that it is an important issue to take care of.

The Hangar Expansion Committee met and reviewed the options, which greatly range in cost. The Committee directed Mr. Lind to consider all the options, and the next step is having a discussion with Public Charters regarding their participation.

The air service schedule is available for booking through Labor Day. The partial summer schedule was released mid-February, with the complete schedule to be released tomorrow. The summer schedule will use a 30 seat aircraft for all flights June 15th through Labor Day. There will be 11 weekly flights to Chicago, which is the same number as last year, however, there are 30% more available seats compared to last summer due to the size of the aircraft. The aircraft will continue on to another northern Michigan destination 4 days per week since CFM agreed to charge a rate similar to last summer for the 30 seat aircraft. A formal announcement regarding this service will be made on April 7, 2015.

Overall, service continues to be good, although February was a tough month. February 11th had freezing

rain, followed by blizzard conditions on February 14th. The airport was mostly closed February 11th through 14th. Public Charters repositioned to Traverse City to continue operations. The Valentine's "2 for 1" promotion was very successful and generated about 10% of the total passengers for the month, although there were issues with the weather that weekend as mentioned.

The "North Country Sky" branding will be announced on March 17, 2015. The new name will impact signage (ready in Chicago, some ready in Manistee), marketing collateral, and all messaging. The new FLYmanistee.com website will be launched tomorrow along with the new airline brand.

Mr. Lind stated that the Wolverine and Coho Bend contracts are ready. He has been waiting for the owners of Coho Bend to return. Everything should be ready to be addressed at next month's meeting.

The builder of the leaking hangar has stated that they are waiting for the snow to melt to come look at the hangar. Mr. Lind stated that they have been notified that the snow has melted off the hangar.

Mr. Lind and Mr. Shafer are planning to meet to discuss possibilities for the projector/screen for the airport conference room.

Mr. Lind reminded the Authority that the airport is currently ineligible for the AIP (Airport Improvement Program) grants (\$150,000/year) due to the FAA not being made aware of the legal standing of the Airport Authority. Mr. Buchanan of Law Weathers has met with Mr. Saylor and the local office of the FAA to discuss the history of this issue, and has made a recommendation (APPENDIX F). After discussion,

There was a motion by Mr. Shafer, supported by Mr. Marshall, to allow Law Weathers to proceed in the direction outlined in the memorandum dated March 6, 2015, from Bob Buchanan, which is pursuing joint sponsorship between the Manistee Blacker Airport Authority and Manistee County.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

The Authority continued the strategic planning process with Ms. Buswinka. Results from the stakeholder interviews were discussed, and a draft strategic plan was reviewed. A special two hour Airport Authority meeting was scheduled for Monday, April 13, 2015, at 10:00 A.M. in the airport conference room to continue discussion on the draft strategic plan.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 12:30 P.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2015 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,400.00
	CONSUMERS ENERGY	\$ 3,251.75
	A T & T	\$ 47.75
	MICHCON (DTE ENERGY)	\$ 1,842.47
	MIKA MEYERS BECKETT & JONES	\$ -
	NAPA AUTO PARTS	\$ 75.27
	ACE HARDWARE	\$ 280.35
	FASTENAL	\$ 187.08
	MANISTEE TIRE	\$ -
	DIRECT TV	\$ 48.99
	WAHR HARDWARE	\$ -
	PIPER MCCREDIE AGENCY	\$ 7,579.06
	BLARNEY CASTLE	\$ 1,042.88
	MANISTEE COUNTY ROAD COMM	\$ 81.86
	KENDALL ELECTRIC	\$ 323.25
	PRIMARY AIRPORT SERVICES	\$ 300.60
	ORCHARD BEACH AVIATION - MAAE	\$ -
	TOTAL	\$ 18,461.31
	ADVERTISING INVOICES	
	LUDINGTON AREA CVB	\$ -
	THE PIONEER GROUP	\$ -
	RIGHTSIDE DESIGN, LLC	\$ 4,456.86
	WKLA RADIO	\$ 99.00
	MIDWESTERN BROADCASTING (WTCM RADIO)	\$ -
	ORCHARD BEACH AVIATION	\$ 671.02
	TOTAL	\$ 5,226.88
	ORCHARD BEACH AVIATION	\$ 19,336.00
	REGULAR HOURS	252 @ 16.50 4,158.00
	MAINTENANCE HOURS	172 @ 16.50 2,838.00
	PART 139 LABOR	12,200.00
	INTERNET	140.00
	GRAND TOTAL	\$ 43,024.19

MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2015 REVENUE & EXPENSES				BUDGET REMAINING	58%	
INCOME:	PREVIOUS MONTH	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
FEDERAL GRANT - AEAS	\$ 178,436.00	\$ 149,656.00	\$ 921,110.00	\$ 2,300,000.00	\$ 1,378,890.00	60%
HANGER RENTAL	\$ 2,100.00	\$ 2,100.00	\$ 11,160.00	\$ 31,000.00	\$ 19,840.00	64%
LANDING FEES - PUBLIC CHARTERS	\$ 18,382.10	\$ 18,382.10	\$ 91,910.50	\$ 211,138.00	\$ 119,227.50	56%
LANDING FEES - GENERAL AVIATION	\$ 18.00	\$ 18.00	\$ 90.00	\$ 1,000.00	\$ 910.00	91%
AUTO RENTAL SPACE	\$ -	\$ -	\$ -	\$ 6,500.00	\$ 6,500.00	100%
OFFICE RENT	\$ 1,065.00	\$ 1,065.00	\$ 5,325.00	\$ 12,780.00	\$ 7,455.00	58%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 9,583.00	\$ 47,915.00	\$ 115,000.00	\$ 67,085.00	58%
STATE REIMB-MARKETING	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	100%
PASSENGER FACILITY CHARGES	\$ -	\$ 14,170.50	\$ 14,170.50	\$ 24,000.00	\$ 9,829.50	41%
FUEL SALES	\$ 455.11	\$ 323.81	\$ 2,683.07	\$ 10,000.00	\$ 7,316.93	73%
SIGN LEASE	\$ -	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	100%
MISCELLANEOUS	\$ 1,690.34	\$ -	\$ 1,690.34	\$ 6,000.00	\$ 4,309.66	100%
TOTAL INCOME	\$ 211,729.55	\$ 195,298.41	\$ 1,096,054.41	\$ 2,746,418.00	\$ 1,650,363.59	60%
EXPENSES:						
AEAS CONTRACT-PUBLIC CHARTER:	\$ 178,436.00	\$ 149,656.00	\$ 921,110.00	\$ 2,300,000.00	\$ 1,378,890.00	60%
PERSONNEL - MANAGEMENT	\$ 3,400.00	\$ 3,400.00	\$ 17,000.00	\$ 42,000.00	\$ 25,000.00	60%
PERSONNEL - OP & MAINT	\$ 19,361.00	\$ 19,196.00	\$ 94,041.25	\$ 240,000.00	\$ 145,958.75	61%
DUES & FEES	\$ 400.00	\$ -	\$ 400.00	\$ 1,000.00	\$ 600.00	60%
SUPPLIES	\$ 367.76	\$ 187.08	\$ 1,120.48	\$ 2,000.00	\$ 879.52	44%
UTILITIES	\$ 4,264.30	\$ 5,283.21	\$ 16,915.51	\$ 28,000.00	\$ 11,084.49	40%
FUEL	\$ -	\$ 1,042.88	\$ 4,088.61	\$ 9,000.00	\$ 4,911.39	55%
REPAIRS & MAINTENANCE	\$ 607.41	\$ 760.73	\$ 5,104.62	\$ 17,000.00	\$ 11,895.38	70%
CONTRACTED SERVICES	\$ -	\$ 300.60	\$ 551.55	\$ 1,200.00	\$ 648.45	54%
LEGAL	\$ -	\$ -	\$ 402.50	\$ 6,000.00	\$ 5,597.50	93%
AUDIT	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
ADVERTISING	\$ 6,363.30	\$ 5,226.88	\$ 17,372.75	\$ 35,000.00	\$ 17,627.25	0%
TELEPHONE	\$ 49.42	\$ 47.75	\$ 184.91	\$ 500.00	\$ 315.09	63%
TRAVEL	\$ -	\$ -	\$ -	\$ 500.00	\$ 500.00	100%
INSURANCE	\$ 13,307.45	\$ 7,579.06	\$ 22,651.51	\$ 22,000.00	\$ (651.51)	-3%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
EQUIPMENT	\$ -	\$ -	\$ -	\$ 6,218.00	\$ 6,218.00	0%
BOOKKEEPING	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ -	\$ -	\$ 6,800.00	\$ 24,000.00	\$ 17,200.00	100%
MISCELLANEOUS	\$ 2,062.20	\$ -	\$ 2,492.67	\$ 1,000.00	\$ (1,492.67)	#####
	\$ 228,618.84	\$ 192,680.19	\$ 1,110,236.36	\$ 2,746,418.00	\$ 1,636,181.64	60%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 2,618.22		\$ (14,181.95)			
BALANCE ON HAND - AIRPORT FUND						
BEGINNING BALANCE 02/01/2015	\$ 145,108.82					
FEBRUARY RECEIPTS	\$ 162,877.11					
JANUARY DISBURSEMENTS	\$ (228,618.84)					
	\$ 79,367.09					

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MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2015 BALANCE SHEET

ASSETS	2/28/2015	1/31/2015
CASH	\$ 79,367.09	\$ 145,108.82
CASH - PFC ACCOUNT	\$ 75,038.69	\$ 60,868.19
ACCOUNTS RECEIVABLE		
PUBLIC CHARTERS	\$ 36,764.20	\$ 18,382.10
ADVERTISING GRANT	\$ 50,000.00	\$ 50,000.00
STATE GRANT	\$ -	\$ -
MISC.	\$ 881.81	\$ 1,013.11
TOTAL ASSETS	\$ 242,051.79	\$ 275,372.22

LIABILITIES	2/28/2015	1/31/2015
ACCOUNTS PAYABLE - TRADE	\$ 192,680.19	\$ 228,618.84
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -

TOTAL LIABILITIES	\$ 192,680.19	\$ 228,618.84
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FUND BALANCE	\$ 49,371.60	\$ 46,753.38
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TOTAL LIABILITIES AND FUND BALANCE	\$ 242,051.79	\$ 275,372.22
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 02/28/2015	\$ 120,782.23
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)
J RANCK ELECTRIC	\$ (4,400.00)
STATE OF MICHIGAN	\$ (22,740.00)
STATE OF MICHIGAN (TAXIWAY)	\$ 38.92
STATE OF MICHIGAN (T-HANGAR ETC.)	\$ 279.86
JOHNSON DIVERSIFIED SERVICES	\$ (6,800.00)
PFC FUNDS AVAILABLE	\$ 75,038.69

AUTO RENTAL REVENUE BY COMPANY THROUGH 02/28/2015

ENTERPRISE CAR RENTALS	\$ -
MOWERY LEASING & RENTAL	\$ -
GWK AGENCY	\$ -
TOTAL	\$ -

ORCHARD BEACH AVIATION

February 2015

RENT

OFFICE	\$340.00	
HANGER	\$200.00	
FUEL	\$323.81	
T-SHIRT SALES	\$0.00	(0 @ \$12)
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$18.00	(1 @ \$18)
TOTAL	\$881.81	

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FUEL SALES FEBRUARY 2015

100LL **183.7 Gal**

JET **2166.8 Gal**

TOTAL **2350.5 Gal**

General	496.2 Gal @ .15 = \$74.43
PublicCharters	1000.0 Gal @ .15 = \$150.00
PublicCharters	717.3 Gal @ .08 = \$57.38
PublicCharters	0.0 Gal @ .02 = \$0.00
Orchard Beach	137.0 Gal @ .15 = \$20.55
Orchard Beach	0.0 Gal @ .08 = \$0.00

DIESEL FUEL **6.5 Gal @ \$3.30 = \$21.45**

April Travel as of 3/15/15

Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	377 WN	456 DL	253 AA	396 UA
Boston (BOS)	363 DL	224 AA	218 DL	313 UA
Chicago (MDW or ORD)	129 P1	279 AA	279 AA	160 UA
Dallas (DFW)	276 WN	354 AA	307 AA	324 UA
Denver (DEN)	427 WN	386 AA	324 UA	336 UA
Houston (HOU)	313 DL	418 UA	253 AA	286 UA
Kansas City (MCI)	294 WN	402 AA	354 AA	299 UA
Las Vegas (LAS)	411 WN	436 AA	386 UA	414 UA
Los Angeles (LAX)	442 WN	470 AA	392 AA	411 UA
Minneapolis (MSP)	235 WN	364 AA	315 AA	344 UA
New York Area (NYC)	323 DL	306 DL	253 AA	278 UA
Orlando (MCO)	415 DL	330 UA	318 AA	471 UA
Philadelphia (PHL)	367 WN	482 UA	316 DL	326 UA
Phoenix (PHX)	368 DL	392 AA	346 DL	406 UA
Portland (PDX)	521 WN	514 AA	441 AA	522 UA
San Diego (SAN)	519 DL	442 AA	392 UA	458 UA
San Francisco (SFO)	395 DL	500 AA	473 AA	399 UA
Seattle (SEA)	511 DL	444 AA	398 UA	493 UA
St Louis (STL)	349 WN	252 AA	212 DL	208 UA
Washington DC Area (WA)	431 DL	306 DL	223 UA	262 UA

Average Fare	\$373.30	\$387.85	\$322.65	\$355.30
Change from last month	\$14.95	\$28.60	\$4.55	\$36.50
Change from two months	-\$25.25	-\$31.50	-\$23.15	-\$5.35
Fares Pulled 3/15/15 for travel 04/22/15 - 04/29/15				

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	377 WN	496 DL	307 AA	431 UA
Boston (BOS)	363 DL	264 AA	272 DL	348 UA
Chicago (MDW or ORD)	129 P1	319 AA	333 AA	195 UA
Dallas (DFW)	276 WN	394 AA	361 AA	359 UA
Denver (DEN)	427 WN	426 AA	378 UA	371 UA
Houston (HOU)	313 DL	458 UA	307 AA	321 UA
Kansas City (MCI)	294 WN	442 AA	408 AA	334 UA
Las Vegas (LAS)	411 WN	476 AA	440 UA	449 UA
Los Angeles (LAX)	442 WN	510 AA	446 AA	446 UA
Minneapolis (MSP)	235 WN	404 AA	369 AA	379 UA
New York Area (NYC)	323 DL	346 DL	307 AA	313 UA
Orlando (MCO)	415 DL	370 UA	372 AA	506 UA
Philadelphia (PHL)	367 WN	522 UA	370 DL	361 UA
Phoenix (PHX)	368 DL	432 AA	400 DL	441 UA
Portland (PDX)	521 WN	554 AA	495 AA	557 UA
San Diego (SAN)	519 DL	482 AA	446 UA	493 UA
San Francisco (SFO)	395 DL	540 AA	527 AA	434 UA
Seattle (SEA)	511 DL	484 AA	452 UA	528 UA
St Louis (STL)	349 WN	292 AA	266 DL	243 UA
Washington DC Area (WA)	431 DL	346 DL	277 UA	297 UA

Average Fare	\$373.30	\$427.85	\$376.65	\$390.30
Change from last month	\$14.95	\$28.60	\$4.55	\$36.50
Change from two months	-\$25.25	-\$31.50	-\$23.15	-\$5.35

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

	2010		2011		2012		2013		2014		2015	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	GL 212/145	357	GL 201/169	370	F9 523/366	889	134/126	260	161/107	268	198/167	365
Feb	196/150	346	202/194	396	462/431	893	128/120	248	136/124	260	220/206	426
Mar	216/231	447	225/215	440	112/176	288	162/173	335	191/175	366		
Apr	272/255	527	GL 147/171 F9 488/389	1193	0/0	0	158/158	316	194/218	412		
May	263/302	565	1454/1525	2979	P1 71/58	129	189/189	378	251/255	506		
Jun	311/366	677	1206/1342	2548	234/250	484	239/288	527	346/405	751		
Jul	521/551	1072	1595/1568	3163	465/467	932	421/409	830	653/659	1312		
Aug	482/395	877	1833/1567	3400	497/500	997	391/413	804	663/685	1348		
Sep	240/233	473	1332/1234	2566	362/297	659	248/237	485	391/312	703		
Oct	270/246	516	1024/1004	2028	150/149	299	229/215	444	338/335	673		
Nov	236/242	478	722/715	1437	36/33	69	168/198	366	275/266	541		
Dec	194/235	429	674/798	1472	131/138	269	197/200	397	295/293	588		
Total		6764		21992		5908		5390		7728		

On-time Performance

	2010		2011		2012		2013		2014		2015	
	Cancel/Delay	On-time										
Jan	23%/22%	55%	15%/38%	48%	12%/8%	80%	0%/15%	85%	0%/14%	86%	2%/27%	71%
Feb	13%/32%	55%	15%/28%	58%	6%/11%	83%	6%/16%	78%	9%/3%	88%	9%/9%	82%
Mar	11%/19%	70%	21%/19%	60%	14%/8%	78%	0%/0%	100%	0%/7%	93%		
Apr	13%/17%	70%	***	***	***	***	0%/3%	97%	0%/4%	96%		
May	12%/10%	78%	3%/25%	72%	0%/10%	90%	0%/6%	94%	0%/4%	96%		
Jun	6%/26%	68%	6%/20%	74%	0%/6%	94%	0%/3%	97%	0%/15%	85%		
Jul	5%/19%	76%	0%/37%	63%	0%/7%	93%	0%/19%	81%	1%/20%	79%		
Aug	4%/5%	91%	0%/36%	64%	0%/8%	92%	2%/16%	82%	1%/19%	80%		
Sep	18%/16%	66%	0%/23%	77%	0%/5%	95%	0%/0%	100%	0%/15%	85%		
Oct	15%/13%	72%	1%/5%	94%	0%/22%	78%	0%/9%	91%	0%/18%	82%		
Nov	16%/16%	68%	2%/11%	87%	0%/5%	95%	6%/6%	88%	2%/19%	79%		
Dec	32%/25%	43%	2%/15%	83%	0%/11%	89%	3%/19%	78%	0%/15%	85%		

APPENDIX E

MEMORANDUM

TO: Barry Lind, Airport Director
Manistee Blacker Airport Authority Board

FROM: Bob Buchanan

DATE: March 6, 2015

RE: FAA Recognition of the Airport Authority

Based upon discussions with the FAA and consideration of alternative approaches, I am recommending that the Manistee Blacker Airport Authority seek recognition of the Authority as an Airport Sponsor for participation in the AIP program. This application process can take up to a year as FAA review winds its way up from the Detroit ADO, to Great Lakes Region, and finally, Washington. I am advised by FAA, however, that the process could be significantly expedited if we included the County as a "co-sponsor" of the obligations imposed by federal grants. FAA's concern stems from the fact that the Authority is financially dependent upon the County and does not assess a mill levy.

Subject to confirmation with FAA, the Application to the FAA will consist of the following:

1. Copies of City and County Resolutions creating the Authority.
2. Copy of a Certificate of Good Standing from the Michigan Secretary of State.
3. Copy of the Articles of Incorporation.
4. Copy of the Quitclaim Deed from the City to the County.
5. Copy of the Transfer Agreement between the City and the County.
6. Copy of the Quitclaim Deed from the County to the Authority.
7. Updated Title Search showing good title to all of the lands of the Airport in the Authority, subject to easements and restrictions of record.

8. Executed Assignment and Assumption Agreement from the County to the Authority with attached list of all open grants and PFC Records of Decision (obtained from the FAA ADO) and also containing "co-sponsorship" status with the County.

9. Executed Services Agreement between the County and the Authority setting out the Airport's option to purchase County services at fair value according to a cost allocation plan.

10. Copy of Quitclaim Deed from the Authority to the County granting a reversionary right, transferring all Airport land back to the County in the event the Authority is dissolved or the land is no longer used for airport purposes.

11. Attorney Opinion addressed to the FAA regarding the status of the Authority under Michigan law and the Authority's power to carry out all of the FAA Sponsor Assurances for the receipt of federal funds.

I am in possession of the first 6 items on this list. It may require furnishing FAA with certified copies, but that is easily accomplished. The title search, number 7, is easily obtained. George Saylor sent me a copy of title work from 2003 and I believe it is simply a matter of bringing that search forward. Item 8 is an agreement to be entered into between the Authority and the Board of Commissioners. It assigns all the grant obligations to the Authority and the Authority assumes and agrees to fulfill the Sponsor's Assurances. This document would contain the agreement of the County to act as co-sponsor. My current impression is that FAA will require both the Authority and the County to approve grants – a cumbersome procedure I hope to discuss further with the FAA.

Item 9 on the above list is a Services Agreement to be entered into between the Authority and the County. It establishes the right of the Authority to purchase services from the County such as administration, accounting, human resources, police, purchasing, risk management, IT, etc. The cost of such services is the direct and indirect cost of actual services and expenditures made in accordance with an established cost allocation plan.

I included item 10, quitclaim deed granting a right of reverter back to the County. The FAA will want certainty that the County resumes ownership of the land in the event the

Authority is dissolved. That is to assure the airport remains open for the life of any outstanding grant agreements. I did not find a right of reversion in the original deed from the County to the Authority.

Finally, the FAA requires an opinion of counsel that the Authority has been validly formed and has the power to enter into grant assurances under Michigan law.

My recommendation is to obtain approval from the Authority Board to begin the application process. The first step will be to engage the County and begin preparation of mutually satisfactory Assignment and Services Agreements. If the Board approves this recommendation, I would like someone designated to speak with the County about this. I will then prepare the agreements which are fairly simple and straightforward. Needless to say, I will make myself available to meet; but I am also open to coordinating my activities any way you think is the most efficient and cost effective.