

DRAFT

## **SPECIAL MEETING MINUTES**

Monday, April 13, 2015  
10:00 A.M.

Manistee County Blacker Airport  
Conference Room

**Members Present:** Paul Schulert, Chairperson; Brook Shafer, Vice-Chairperson; Alan Marshall; Dale Picardat; and Thom Smith

**Members Absent:** Mark Bergstrom

**Others Present:** Tamara Buswinka, Alliance for Economic Success; Barry Lind, Airport Manager; 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. Schulert explained that the reason for the special meeting was to continue the strategic planning process. Ms. Buswinka handed out the draft strategic plan (APPENDIX A) and discussed the goals. Many changes were made, and Ms. Buswinka will provide copies of the updated draft strategic plan on May 14, 2015, via email.

The Authority will continue the strategic planning process on Monday, May 18, 2015, at 11:00 A.M., during their normal monthly meeting.

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

Respectfully submitted,

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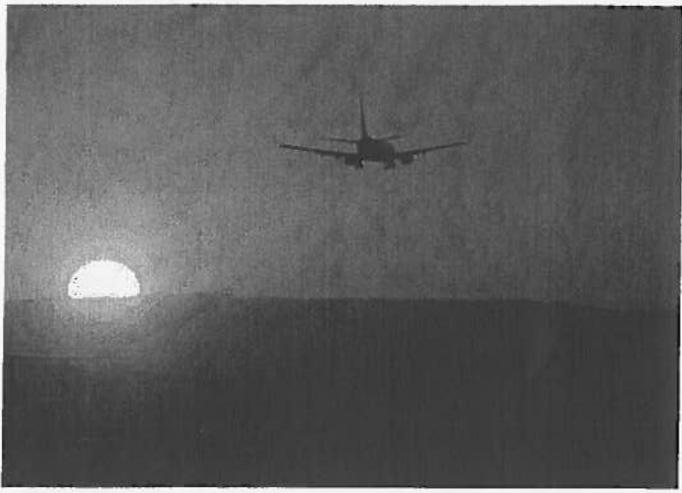
Rachel Nelson, Airport Authority Secretary

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# MANISTEE BLACKER AIRPORT AUTHORITY

STRATEGIC PLAN 2015-2020



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**INTRODUCTION**

**"THE AIRPORT RUNWAY IS THE MOST IMPORTANT MAIN STREET IN ANY TOWN."  
-NORM CRABTREE, FORMER AVIATION DIRECTOR FOR THE STATE OF OHIO**

**Manistee County Blacker Airport**

**Manistee Blacker Airport Authority**

**THE CURRENT APPROACH**

The Manistee County Blacker Airport is a north to south directed 5000 foot long runway that supports 19-30 seat turbo prop aircraft with associated newly built terminal and older hangers. Funding for the airport is procured by a revenue stream that is not able to meet the demands necessary to keep the airport in step with a changing and more modern aviation industry. The budget is funded by a mixture of Federal and State monies relying on the Alternative Essential Air Service designation to support the airline carrier and the Passenger Facility Charge and other fees and contributions from the County of Manistee. With the changes in the airline industry it has become apparent that the runway is not long enough to accommodate the industry preferred size aircraft, the hangers do not accommodate modern private or industry aircraft nor are they desired by private aviation owners, the funding for capital improvements is not readily available as the number of enplanements is less than half what it needs to be in order to receive full Federal grant funding and the level of local match dollars are not in keeping with similar airports in Michigan leaving the airport unable to undertake capital improvement projects . While aggressive work is being done to develop innovative marketing strategies and then actualize the strategies in order to increase enplanements and demonstrate a "need", the Catch 22 is that most of these efforts require improved infrastructure and lengthened run way to be realized.

**A NEW APPROACH**

The Manistee County Blacker Airport demonstrated a need and is therefore serviced by a north to south 6500 foot long runway able to accommodate in all seasons a 50+ seat regional jet with the ability to meet the changing industry trends towards a 70 seat jet. Yearly the airport sees over 10,000 enplanements and thus is able to receive a higher level of Federal grants funding. Manistee County, with an understanding that their return on investment is immeasurable, along with other funding streams is more than adequate to meet the operating expenses as well as revenue generating capital expenses. Funding sources have positioned the airport on secure financial footings. Therefore, the hangers and other infrastructure and services offered by the Airport meets the demand of the aviation industry and users. Relationships with stakeholders capitalize on innovative opportunities to market the services of the Airport and broaden the Blacker Airport prestige throughout the County, Michigan, Illinois and other states. These

connections allow for creative and functional use of the Airport, during all seasons of Northern Michigan, as new markets are discovered and capitalized upon.

Ultimately, the airport's ability to leverage itself as a catalyst for economic development in Manistee County is realized evident by the contributions of the airport to transport people to the County, transport regional users to their destinations and their ability to service the airline industry in a way that meets their needs.

**CURRENT FUNDING SOURCES**

Currently the financial mixture of the Airport for capital and operating expenses is met by the following mix of Federal and matching funds: 95% Federal grants with a 5% State of Michigan and local match. The 95% contribution by the Federal government equates to \$150,000.00 capital improvement fund for non-revenue generating projects and a 2.3 million Alternative Service Grant, which is dispersed yearly. The Alternative Service Grant is simply "passed through" the airport directly to the airline carrier, meaning that the airport may not use these funds. The 5% match is met by a half-n-half contribution from the State of Michigan and local funds: 2.5% State of Michigan grants and 2.5% local funds.

Of the 2.5% local funds the financial mixture is as follows: 50% from airlines fees, 25% fees from services (such as landing fees, tax fuels, hanger rents, car rental fees and Passenger Facility Charges), and 25% from Manistee County. The 25% derived from services and PFC equals about \$24,000.00 yearly. The PFC is only used as a match for Federal Capital Improvement Grants and other non-revenue generating capital improvement projects and to purchase other non-revenue generating capital such as maintenance equipment. The PFC is based on enplanements (about 4,000 a year). While the PFC charge may not be used for revenue generating capital improvements, the other fees that make up the 25% may be used for revenue generating capital improvements such as a new larger hanger that could be leased or used for the airlines to repair planes. Finally, the other 25% that comprise the 2.5% local funds is derived from the County of Manistee which contributes \$115,000.00 yearly in appropriations.

The Operating Budget for the airport totals about \$450,000/year and is derived from the 2.5% local funding match. 50% comes from airlines fees (\$250,000), 25% Manistee County (\$115,000) and 25% other fees and PFC (\$85,000). The Operating Budget pays for the operations of the Airport and does not fund federally approved large capital improvements (like a runway expansion) but will pay for maintenance equipment such as trucks and lawn mowers. However, the opportunity does exist to increase the amount of Federal dollars available for the Operating Budget if the Airport can reach the goal of 10,000 enplanements a year. The number of enplanements, or the number of times a passenger boards a plane, must increase from the current level of approximately 4,000 to 10,000 a year. At the 10,000 mark the Federal

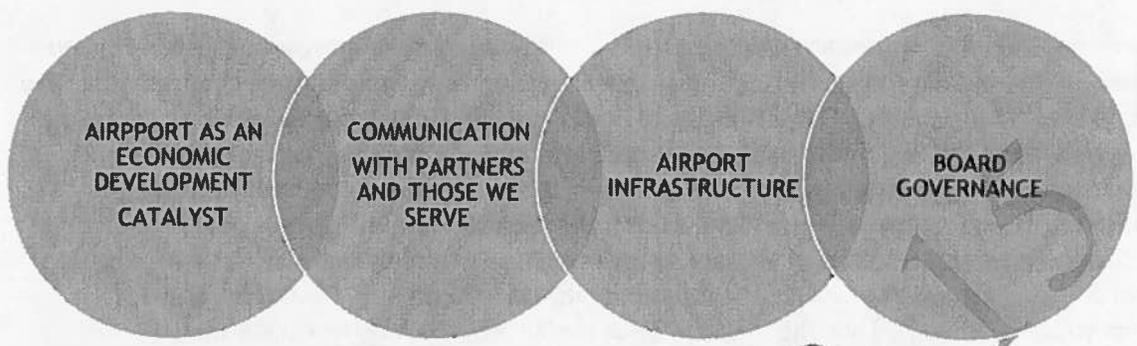
government increases their funding from \$150,000.00 a year for the operating budget to \$1 million a year. This money could be used for capital improvements.

The various funding sources are restricted to their use and may be categorized as non-revenue generating capital improvement funds and revenue generating capital improvement funds. The 95% Federal funds and the 2.5% of the State and Local Match may be used for large capital improvements. The PFC portions of the airport Operating Budget may not be used to fund revenue generating capital improvements. The only funds that may be used for revenue generating capital improvements is the various fees that the airport levees. A capital improvement project, such as a runway expansion, is an example of where the non-revenue generating funds may be used. But these funds may only be used if the airport can demonstrate a "need". Thus the "Catch 22" as the airport must demonstrate that enplanements and other indices will increase once the airport can accommodate larger planes but how do you do this if you don't actually have the facilities to accommodate the larger aircraft?

**WHY STRATEGIC PLAN?**

The purpose of a strategic plan is to help chart a course of direction that the Board of Directors will follow in their tasks of providing leadership and governance for the Manistee Airport Authority for the next 5 years. The Strategic Plan identifies goals, strategies and action items that will need to be taken to achieve the goals. A goal is a broad primary outcome, or a "what", that the organization wants to achieve. It takes a look at the organization from a broad lens. An Action Item is the identified priorities and/or steps, or the "how", that need to be taken to achieve the goal. The goals are based on an understanding of the organizations strengths, weaknesses, opportunities and challenges as well as, and more importantly, the needs of the Airport Authority. The Action Items are based upon a true understanding of the authority of the Airport Authority Board as decision makers, staffing capacity and capabilities as well as budgetary constraints. Nothing is unachievable but a realistic outlook is prudent. With that said, by identifying goals, the organization can work diligently to seek resources such as talent and funding to make their goals a reality.

**AREAS OF STRATEGIC FOCUS**



**MISSION STATEMENT OF THE MANISTEE BLACKER AIRPORT AUTHORITY**

Provide high quality and sustainable aviation services and facilities.

**VISION STATEMENT OF THE MANISTEE BLACKER AIRPORT AUTHORITY**

The Manistee County Blacker Airport will be instrumental to the economic well being of the region.

**VALUES**

The Manistee Black Airport Authority values:

- being good stewards of the public funds;
- providing excellent air service to and from Manistee County and the region;
- our assets;
- maintaining good communication with all of our stakeholders;
- maintaining a distinguished reputation for the services we provide; and
- transparency;
- affordability;
- continuing prosperity of the region;
- providing excellent customer service.

**REGIONAL ANALYSIS**

**MAP OF SERVICE AREA**

**USER COUNTS**

**MARKET CAPTURE**

	<b>United States</b>	<b>Michigan</b>	<b>Manistee County</b>
<b>Total Population</b>	316,128,839	9,895,622	24,733



Source: 2010 U.S. Census

**GOALS**

The following is a list of the goals under each area of focus identified during an input session. These goals are meant to guide and direct decision making for the next 5 years.

**Goal #1**

Secure the

**Goal #2**

**Goal #3**

**Goal #4**

**Goal #5**

**GOALS, STRATEGIES AND ACTION ITEMS**

## 1. GOAL #1 ECONOMIC DEVELOPMENT

**INCREASE AND DIVERSIFY THE REVENUE AND BUSINESS ACTIVITIES TO CREATE DYNAMIC, LONG TERM ECONOMIC GROWTH, STABILITY AND SOLVENCY OF THE AIRPORT.**

### STRATEGIC DIRECTION AND RATIONALE

#### 1.1. STRATEGY: DAYS IN SERVICE

Increase the number of days of service to get to the desired number of passengers annually.

#### 1.2. STRATEGY: POINTS ALLOCATION

Increase the number of points awarded by the State and Federal government to allow for better positioning of the airport to gain access to additional grant dollars.

##### 1.2.1. TASKS

Initiate projects that would qualify for increasing points awarded; such as a runway expansion project.

#### 1.3. STRATEGY: ENPLANEMENTS

Increase enplanements to 10,000 a year thus allowing for the increase in Federal funding from current \$150,000.00 to \$1 million.

#### 1.4. STRATEGY: GROW AIRPORT

Work to grow the airport annually by 20% in 4 years by customer service recommendations and reputation (organically).

#### 1.5. STRATEGY: FUND DEVELOPMENT

Convene a group of volunteers to spear head a fund development drive that would fund infrastructure improvements that Federal and State dollars do not fund.

#### 1.6. STRATEGY: ECONOMIC DEVELOPMENT ON AIRPORT PROPERTY

Increase economic development opportunities on airport property.

## 2. GOAL #2 COMMUNICATION

**CREATE MARKETING AND COLLABORATIVE OPPORTUNITIES WHILE CONTINUING TO UTILIZE EXISTING EFFORTS TO STRATEGICALLY POSITION THE AIRPORT THROUGHOUT THE REGION, STATE AND BEYOND AS A "GO TO" AIRPORT FOR NORTHERN MICHIGAN.**

**STRATEGIC DIRECTION AND RATIONALE**

**2.1. STRATEGY: COLLABORATE WITH STAKEHOLDERS**

Work to collaborate with strategic stakeholders to achieve common goals.

**2.2. STRATEGY: BUILD PARTNERSHIPS**

Develop a minimum of two strategic partners a year. (Interlochen, Fly-Fishing Guides, golf, Mountain Biking Big-M, brewery tours ...to create packages of activities)

**2.3. STRATEGY: PUBLIC RELATIONS**

Improve public relations.

**2.3.1. TASK**

Establish a rewards and loyalty program.

**2.4. STRATEGY: GROUND TRANSPORTATION**

Create connections and foster partnerships with local businesses to improve rental car availability.

**2.5. STRATEGY: COMMUNITY PERCEPTION**

**2.5.1. Task**

Utilize indices to express the economic impact that the airport has on the local economy.

**3. GOAL #3 AIRPORT INFRASTRUCTURE**

**IMPROVE THE INFRASTRUCTURE SO THAT IT IS IN KEEPING WITH, AND FUNCTIONING AT, INDUSTRY STANDARDS AND NEEDS.**

**STRATEGIC DIRECTION AND RATIONALE**

**3.1. STRATEGY: ASSET MANAGEMENT PLAN**

Conduct an Asset Management Plan to understand the assets condition, use and current status.

**3.2. STRATEGY: RESURFACING RUNWAY**

Resurface the existing runway.

**3.3. STRATEGY: LENGTHEN RUNWAY**

Lengthen the runway.

**3.3.1. TASK**

Purchasing 40 acres to the east of the Airport to accommodate the lengthening of the airport.

**3.4. STRATEGY: HANGERS**

Level the existing damaged hanger and replace with a new, correctly sized hanger that is able to accommodate industry appropriate airplanes.

**3.5. STRATEGY: CAR RENTAL**

Improve transportation opportunities for travelers.

**3.5.1. TASK**

Create partnerships and connections with local operators, such as auto body shops and car dealerships, to provide car rental options.

**3.5.2. TASK**

Work with national car rental chains to establish a nationally recognized service provider in the County.

**3.5.3. TASK**

Provide an on-line car rental booking option on the airport webpage.

**4. GOAL #4. BOARD GOVERNANCE**

**ENSURE THAT THE AIRPORT BOARD GOVERNANCE IS FUNCTIONING AND OPERATING IN A MANNER IN KEEPING WITH THEIR VALUES, EXPECTATIONS AND DUTIES.**

**STRATEGIC DIRECTION AND RATIONALE**

**4.1. STRATEGY: AIRPORT FUNCTION**

Conduct a series of conversations, facilitated by AES, to methodically and analytically evaluate the different options for the airports longevity.

**4.1.1. TASK**

Establish a schedule and parameters for the discussion about the different options for the airport (general aviation focus or commuter aviation focus or other) and then conduct the forum.

**4.2. STRATEGY: ADDRESS BY-LAWS**

Conduct a formal process of, and then undertake, updating the By-Laws

**4.2.1. TASK**

Develop a process, and then execute, to update the By-Laws.

**4.3. STRATEGY: INCREASE BOARD CAPACITY**

Review, discuss and refine the committees to ensure they are in keeping with the Authorities needs and are aligned with implementing the Strategic Plan.

**4.4. STRATEGY: STAFF ENVIRONMENT**

Evaluate, yearly, the Executive Director at the beginning of the budget cycle to align expectations and provide for accountability.

DRAFT

Manistee	Pellston
<b>Runway: Number &amp; Length</b>	2 Runways: 6,512 5,395
<b>Plane Types</b>	<b>Commercial:</b> CRJ200 50 seats CRJ900 70 seats
<b>Facilities Owned</b>	<ol style="list-style-type: none"> <li>1. Main Commercial Terminal (revenue generating): Commercial carrier, car rental, shuttle, full service restaurant</li> <li>2. Snow removal equipment/rescue firefighting building (non-revenue generating): Equipment storage and maintenance, storage of fire truck</li> <li>3. General Aviation Building (revenue generating): FBO/Unicom location. Money generated through fuel sales, ramp and landing fees, general aircraft service charges.</li> <li>4. Fuel Farm: three (3) 20,000 gallon Jet-A fuel tanks and one (1) 20,000 gallon tank for 100LL fuel. Diesel and gas for airport equipment and airlines.</li> <li>5. 7 privately owned hangars. County owns the land which they lease but the individuals build and own the hangar.</li> <li>6. 23 County owned hangars. County leases hangars to individuals.</li> </ol>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Manager is County employee.</li> <li>• Airport Committee comprised of 3 County Commissioners and 3 at large appointees.</li> <li>• Airport Committee makes recommendations to County Board of Commissioners who make the final decisions.</li> </ul>
<b>Funding Sources</b> <ul style="list-style-type: none"> <li>• Receives \$115,000.00 from Manistee County.</li> <li>• 95% and 5% funding ratio of Federal to Local match</li> <li>• AEAS designation</li> </ul>	<ul style="list-style-type: none"> <li>• Receives \$1 million a year due to &gt;10,000 enplanements.</li> <li>• 95% Federal, 2.5% State, 2.5% Local. 2.5% local match is covered by PFC.</li> <li>• EAS designation</li> <li>• Generates revenue from fuel sales, landing and ramp fees, aviation services, hangar and ground leases</li> <li>• County subsidizes the deficiency of revenue over expenses out of the County General Fund. In 2014 it was approximately \$600,000.00</li> <li>• No millage</li> <li>• MI Bureau of Aeronautics estimates airport generates \$3.8 million to local economy</li> </ul>
<b>Enplanements</b>	28,400 in 2014
<b>Type of Passenger</b>	Tourists, summer traffic, strong local support

IMPLEMENTATION

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**MEASUREMENTS OF SUCCESS**

**APPENDICES**

**STAKEHOLDERS**

- Residents of Manistee County
- Manistee County Government
- City of Manistee Government
- Township of Manistee Government
- Manistee, Mason, Benzie and Wexford County Chamber of Commerce
- Manistee, Mason, Benzie and Wexford County Visitors Bureau
- General Aviation Owners
- Manistee Manufacturers Council
- Little River Band of Ottawa Indians
- Arcadia Bluffs
- Crystal Mountain
- Caberfae Peaks Ski & Golf Resort
- Airline passengers
- Public Charters
- Federal Aviation Administration
- Michigan Department of Transportation
- Michigan Department of Natural Resources
- Neighboring Property Owners
- Mowry Leasing and Rental

**STAKEHOLDER QUESTIONS**

- What do you know about the airport?
- Do you value the airport?
- Do you use the airport?
- Do you have concerns about the airport?
- Do you have any ideas about opportunities involving the airport?
- If you could give one piece of advice to the Airport Authority Board what would it be?
- Do you think that the Airport Authority is being good stewards of the public funds?
- 

**BACKGROUND/BRIEF HISTORY**

**ORGANIZATIONAL STRUCTURE**

**RESPONSIBILITY**

The Airport Authority is responsible for all assets with the exception of the extra aviation tools, VOR, ILS and GPS, whose responsibility lies with the FAA.

**PLANNING PROCESS USED**  
**STRENGTHS, OPPORTUNITIES, CHALLENGES ANALYSIS**

**STRENGTHS: LIST OF ASSETS**

- runways
- building terminal
- maintenance building
- hangers
- aviation services
- fire trucks
- employees including the ground crew
- land- current used and other vacant land
- four year contract with the United States Department of Transportation 2014-2018
- "Essential Air Service" designation
- maintenance equipment: tractor, mower, two plow trucks, snow blower (1/2 million dollar investment)
- two underground fuel tanks to provide refueling capability
- runway lights
- aviation tools: VOR (**VHF Omni Directional Radio Range**), ILS (Instrument Landing System) and GPS Approach (Global Positioning System)
- aviation easements
- public support
- location

**OPPORTUNITIES**

- Ownership and/or issue of authority for governance
- Funding
- Increasing days of service to get to the desired number of passengers annually
- Extending runway
- Capturing more passengers through organic growth and by expanding the services towards destination flights
- Expand general aviation
- Become a hub of general aviation businesses

**CHALLENGES**

- Ownership and/or issue of authority for governance
- Unclear ownership/authority may jeopardize FAA grant opportunities
- Funding to achieve sustainability

- Increasing the number of passengers (need to generate 10,000 passengers over the next 4 years)
- Deterioration of assets- currently need to resurface the runway at approximately \$650,000.00
- Limitation of the north and south runway- limited ability to lengthen thus the airport is restricted to the current class of aircraft
- City of Manistee water well location/extraction issue

**MAPS**

**TOPOGRAPHY**

**SERVICE AREA**

**AVIATION EASEMENTS**

**CURRENT CAPITAL IMPROVEMENT PLAN**

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