

## MINUTES

Monday, December 21, 2015  
10:00 A.M.

Manistee County Blacker Airport  
Conference Room

**Members Present:** Paul Schulert, Chair; Brook Shafer, Vice-Chair; Doug Bell; Mark Bergstrom (arrived at 10:05 A.M.); Alan Marshall; Dale Picardat; and Thom Smith

**Members Absent:** None

**Others Present:** Barry Lind, Airport Director; Russell Pomeroy, Airport Treasurer; Dylan Savela, Manistee News Advocate; and Rachel Nelson, Airport Authority Secretary

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

**There was a motion by Mr. Shafer, supported by Mr. Bell, to approve the meeting agenda as presented. Motion carried by majority vote (Bergstrom absent).**

There was no public comment.

The Chair confirmed that each member had received a copy and had an opportunity to review the minutes from the regular meeting of the Airport Authority held on Monday, November 16, 2015.

**There was a motion by Mr. Smith, supported by Mr. Shafer, to approve the Airport Authority regular meeting minutes of Monday, November 16, 2015, as presented. Motion carried by majority vote (Bergstrom absent).**

The Authority next reviewed the November 2015 Accounts Payable Report (APPENDIX A). Mr. Pomeroy explained that Mr. Lind's new monthly salary per contract is \$3,500. He was paid \$3,600 in November to make up for only being paid \$3,400 in October, which was the old contract amount. The Prein & Newhof payment was made from the PFC fund and is for the land acquisition project, which will hopefully be reimbursed in the future. The payment to Napa Auto Parts is for various filters, and the payment to Northern Pump Services is for the inspection and cleaning of the fuel tanks.

**There was a motion by Mr. Bell, supported by Mr. Shafer, to approve the November 2015 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$43,521.37.**

**A roll call vote was taken:**

**Yeas: 6 (Schulert; Shafer; Bell; Marshall; Picardat; Smith)**

**Nays: 0**

**Absent: 1 (Bergstrom)**

**Motion carried**

Mr. Bergstrom arrived at the meeting.

The Authority also reviewed the November 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.

**There was a motion by Mr. Picardat, supported by Mr. Smith, to approve the November 2015 Financial Statement. Motion carried by unanimous vote.**

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

Mr. Pomeroy stated that the auditors were supposed to be here last week, but they had to reschedule to January. A revised September 2015 report and budget amendments will be ready after the auditors' visit.

The Executive Committee did not meet.

The Budget Committee did not meet.

The Bylaws Committee did not meet. Mr. Marshall stated that the bylaws should be reviewed every January, however, since they were just amended, it wouldn't make sense to start the review process right away again, and recommended waiting until January 2017.

The Hangar Expansion Committee did not meet, but an update will be provided during Mr. Lind's report.

Mr. Lind stated that he attended a webinar last week by Boyd Group International. The main theme of the webinar was that aviation is changing, and there will be a growth in large aircraft (regional jets with fewer than 75 seats will decrease), fewer flights, and an explosion of business aviation. General aviation will be shrinking, and the availability of 100LL fuel is questionable.

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 January 2016 (APPENDIX D). Mr. Lind presented information on airplane passenger numbers for 2015 as well as the previous five years (APPENDIX E). It was noted that the weather has become a budget blessing. Mr. Lind stated that the top five items entering 2016 are the FAA sponsorship, SRE building closeout, hangar expansion/repair, property acquisition, and the State Air Service Plan.

Work continues on the final outstanding item before resubmitting the FAA grant/sponsor information to the FAA. A title agency is doing a title search on a parcel, which is currently documented in "Exhibit A" as "Area 1 Acquired Before 05-13-46".

A final response letter (APPENDIX F) was sent to the contractor of the 2014 construction project requesting a response or closure by December 30, 2015. Mr. Lind is uncertain what the next steps would be if an agreement is not reached.

The hangar expansion/door repair project is at a standstill. The engineer was supposed to coordinate with Prein & Newhof to submit the plans to the FAA. The engineer has not responded to Mr. Lind's emails requesting updates, and Prein & Newhof have not heard from him either. Mr. Lind does not believe the plans have yet been submitted for FAA review.

Mr. Lind reminded the Authority that the State is updating their Air Service Plan. He provided a copy of a letter from the EAS/AEAS airports in Michigan to the Chair of the Air Service Committee (APPENDIX G). The letter requests postponement of adoption of the Plan, and also requests a joint meeting in February. Mr. Schulert stated that he also discussed this issue with a local representative.

The sidewalk repairs have been mostly completed. The asphalt will be repaired in the spring. The fuel tank cleaning was completed. The tractor aviation radio is still not fixed. A Ludington radio firm suspects that other electronics are interfering with the power supply, and suggested running the radio directly from the battery, however, they are not willing to do the work.

November passenger numbers were down 5%, and December is looking the same. Future bookings are flat. Fares were adjusted last Friday to see if that is the cause. The number of seats available and how far in advance it is are now both taken into consideration when determining a fare.

The Crystal Mountain Senior Ski School was cancelled due to the lack of snow. The Cyber Monday promotion received a better response than last year, and a Winter Solstice promotion is going out today. With a smaller marketing budget this year, more will be done with social media. A referral/frequent flyer program is the next marketing project to be tackled.

Mr. Lind provided copies of the proposed contracts with Wolverine Sign Works and The Lamar Sign Company (APPENDIX H). Mr. Saylor authored the contracts, as well as a similar one for Coho Bend, however, Coho Bend is now trying to claim adverse possession. Each contract is for five years, and a rate of \$450 per year per sign face.

**There was a motion by Mr. Shafer, supported by Mr. Smith, to approve the license agreements with Wolverine Sign Works and The Lamar Sign Company, and to authorize the Airport Authority Chair to execute the agreements.**

**A roll call vote was taken:**

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

**Nays: 0**

**Absent: 0**

**Motion carried**

There was no update on the tree cutting or septic issue.

Mr. Schulert thanked Mr. Smith for his time on the Airport Authority. Mr. Smith's term expires on December 31, 2015, and he chose not to reapply, so this will be his last meeting.

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

Respectfully Submitted,

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Rachel Nelson, Airport Authority Secretary

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# MANISTEE COUNTY BLACKER AIRPORT

## NOVEMBER 2015 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,600.00
	CONSUMERS ENERGY	\$ 40.24
	A T & T	\$ 24.08
	MICHCON (DTE ENERGY)	\$ 318.52
	MIKA MEYERS BECKETT & JONES	\$ -
	LAW WEATHERS	\$ -
	ACE HARDWARE	\$ 109.98
	FASTENAL	\$ -
	PREIN & NEWHOF	\$ 10,180.05
	DIRECT TV	\$ -
	NICK'S RADIO	\$ 120.00
	BLARNEY CASTLE	\$ 458.44
	PIPER MCCREDIE AGENCY	\$ -
	KENDALL ELECTRIC	\$ 410.87
	ORCHARD BEACH AVIATION	\$ 212.69
	NAPA AUTO PARTS	\$ 904.97
	PRIMARY AIRPORT SERVICES	\$ -
	NORTHERN PUMP SERVICES	\$ 5,010.00
	<b>TOTAL</b>	<b>\$ 21,389.84</b>
	<b>ADVERTISING INVOICES</b>	
	MANISTEE CHAMBER OF COMMERCE	\$ 350.00
	CADILLAC AREA CHAMBER OF COMMERCE	\$ -
	RIGHTSIDE DESIGN, LLC	\$ 2,761.77
	WKLA RADIO	\$ -
	MIDWESTERN BROADCASTING (WTCM RADIO)	\$ -
	ORCHARD BEACH AVIATION	\$ 386.01
	<b>TOTAL</b>	<b>\$ 3,497.78</b>
	<b>ORCHARD BEACH AVIATION</b>	<b>\$ 18,633.75</b>
	REGULAR HOURS                      261 @ 16.50	4,306.50
	MAINTENANCE HOURS                126.5 @ 16.50	2,087.25
	PART 139 LABOR	12,200.00
	INTERNET	40.00
	<b>GRAND TOTAL</b>	<b>\$ 43,521.37</b>

## MANISTEE COUNTY BLACKER AIRPORT

NOVEMBER 2015 REVENUE & EXPENSES				BUDGET REMAINING		83%
INCOME:	PREVIOUS MONTH	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
FEDERAL GRANT - AEAS	\$215,846.00	\$ 178,436.00	\$ 394,282.00	\$2,328,104.00	\$ 1,933,822.00	83%
HANGER RENTAL	\$ 2,100.00	\$ 2,100.00	\$ 4,200.00	\$ 31,000.00	\$ 26,800.00	86%
LANDING FEES - PUBLIC CHARTERS	\$ 18,382.10	\$ 18,382.10	\$ 36,764.20	\$ 220,585.00	\$ 183,820.80	83%
LANDING FEES - GENERAL AVIATION	\$ 63.00	\$ 36.00	\$ 99.00	\$ 750.00	\$ 651.00	87%
AUTO RENTAL SPACE	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	100%
OFFICE RENT	\$ 1,065.00	\$ 1,065.00	\$ 2,130.00	\$ 13,500.00	\$ 11,370.00	84%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 9,583.00	\$ 19,166.00	\$ 115,000.00	\$ 95,834.00	83%
STATE REIMB-MARKETING	\$ -	\$ -	\$ -	\$ 20,000.00	\$ 20,000.00	100%
PASSENGER FACILITY CHARGES	\$ -	\$ 13,023.00	\$ 13,023.00	\$ 22,500.00	\$ 9,477.00	42%
FUEL SALES	\$ 836.84	\$ 486.30	\$ 1,323.14	\$ 11,000.00	\$ 9,676.86	88%
SIGN LEASE	\$ -	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	100%
MISCELLANEOUS	\$ 12.00	\$ -	\$ 12.00	\$ 6,000.00	\$ 5,988.00	100%
<b>TOTAL INCOME</b>	<b>\$247,887.94</b>	<b>\$ 223,111.40</b>	<b>\$ 470,999.34</b>	<b>\$ 2,778,439.00</b>	<b>\$ 2,307,439.66</b>	<b>83%</b>
<b>EXPENSES:</b>						
AEAS CONTRACT-PUBLIC CHARTERS	\$215,846.00	\$ 178,436.00	\$ 394,282.00	\$2,328,104.00	\$ 1,933,822.00	83%
PERSONNEL - MANAGEMENT	\$ 3,400.00	\$ 3,600.00	\$ 7,000.00	\$ 42,000.00	\$ 35,000.00	83%
PERSONNEL - OP & MAINT	\$ 18,981.50	\$ 18,593.75	\$ 37,575.25	\$ 240,000.00	\$ 202,424.75	84%
DUES & FEES	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	100%
SUPPLIES	\$ 292.87	\$ -	\$ 292.87	\$ 2,000.00	\$ 1,707.13	85%
UTILITIES	\$ 1,743.31	\$ 398.76	\$ 2,142.07	\$ 29,000.00	\$ 26,857.93	93%
FUEL	\$ 989.08	\$ 458.44	\$ 1,447.52	\$ 9,000.00	\$ 7,552.48	84%
REPAIRS & MAINTENANCE	\$ 5,260.92	\$ 6,768.51	\$ 12,029.43	\$ 17,000.00	\$ 4,970.57	29%
CONTRACTED SERVICES	\$ 201.00	\$ -	\$ 201.00	\$ 1,200.00	\$ 999.00	83%
LEGAL	\$ 913.00	\$ -	\$ 913.00	\$ 6,000.00	\$ 5,087.00	85%
AUDIT	\$ -	\$ -	\$ -	\$ 3,100.00	\$ 3,100.00	100%
ADVERTISING	\$ 4,053.34	\$ 3,497.78	\$ 7,551.12	\$ 40,000.00	\$ 32,448.88	0%
TELEPHONE	\$ 24.07	\$ 24.08	\$ 48.15	\$ 500.00	\$ 451.85	90%
TRAVEL	\$ -	\$ -	\$ -	\$ 500.00	\$ 500.00	100%
INSURANCE	\$ 253.00	\$ -	\$ 253.00	\$ 22,000.00	\$ 21,747.00	99%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	0%
EQUIPMENT	\$ -	\$ -	\$ -	\$ 8,535.00	\$ 8,535.00	0%
BOOKKEEPING	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ -	\$ 10,180.05	\$ 10,180.05	\$ 22,500.00	\$ 12,319.95	55%
MISCELLANEOUS	\$ 327.21	\$ -	\$ 327.21	\$ 1,000.00	\$ 672.79	67%
	<b>\$252,285.30</b>	<b>\$ 221,957.37</b>	<b>\$ 474,242.67</b>	<b>\$ 2,778,439.00</b>	<b>\$ 2,304,196.33</b>	<b>83%</b>
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 1,154.03	\$ (3,243.33)				
<b>BALANCE ON HAND - AIRPORT FUND</b>						
BEGINNING BALANCE 10/01/2015		\$ 169,156.26				
OCTOBER RECEIPTS		\$ 192,095.84				
SEPTEMBER DISBURSEMENTS		\$ (252,285.30)				
		<b>\$ 108,966.80</b>				

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# MANISTEE COUNTY BLACKER AIRPORT

## NOVEMBER 2015 BALANCE SHEET

ASSETS	11/30/2015	10/31/2015
CASH	\$ 108,966.80	\$ 169,156.26
CASH - PFC ACCOUNT	\$ 71,929.59	\$ 78,872.69
ACCOUNTS RECEIVABLE		
PUBLIC CHARTERS	\$ 18,382.10	\$ -
ADVERTISING GRANT	\$ 50,000.00	\$ 50,000.00
STATE GRANT	\$ -	\$ -
MISC.	\$ 1,062.30	\$ 1,451.84
<b>TOTAL ASSETS</b>	<b>\$ 250,340.79</b>	<b>\$ 299,480.79</b>
<b>LIABILITIES</b>	<b>11/30/2015</b>	<b>10/31/2015</b>
ACCOUNTS PAYABLE - TRADE	\$ 221,957.37	\$ 252,285.30
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 221,957.37</b>	<b>\$ 252,285.30</b>
<b>FUND BALANCE</b>	<b>\$ 48,349.52</b>	<b>\$ 47,195.49</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 270,306.89</b>	<b>\$ 299,480.79</b>

<b>PASSENGER FACILITY CHARGES COLLECTED THROUGH 10/31/2015</b>	<b>\$ 137,639.23</b>
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)
PREIN & NEWHOF	\$ (9,786.05)
PREIN & NEWHOF	\$ (10,180.05)
<b>PFC FUNDS AVAILABLE</b>	<b>\$ 71,929.59</b>

<b>AUTO RENTAL REVENUE BY COMPANY THROUGH 10/31/2015</b>	
ENTERPRISE CAR RENTALS	\$ -
MOWERY LEASING & RENTAL	\$ 2,182.52
GWK AGENCY	\$ 100.92
<b>TOTAL</b>	<b>\$ 2,283.44</b>

ORCHARD BEACH AVIATION

November 2015

## RENT

OFFICE	\$340.00	
HANGER	\$200.00	
FUEL	\$486.30	
T-SHIRT SALES	\$0.00	(0 @ \$12)
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$36.00	(2 @ \$18)
TOTAL	\$1062.30	

FUEL SALES NOVEMBER 2015

100LL 651.2 Gal

JET 3475.6 Gal

TOTAL 4126.8 Gal

General	572.8 Gal @ .15 = \$85.92
PublicCharters	1000.0 Gal @ .15 = \$150.00
PublicCharters	2192.5 Gal @ .08 = \$175.40
PublicCharters	0.0 Gal @ .02 = \$0.00
Orchard Beach	361.5 Gal @ .15 = \$54.23
Orchard Beach	0.0 Gal @ .08 = \$0.00

DIESEL FUEL 8.3 Gal @ \$2.50 = \$20.75

**January Travel as of 12/13/15**

**Best Fares**

	MBL	TVC	GRR	MKG
Atlanta (ATL)	269 WN	408 AA	260 UA	375 UA
Boston (BOS)	311 WN	427 AA	280 UA	305 UA
Chicago (MDW or ORD)	145 P1	280 DL	260 DL	328 UA
Dallas (DFW)	323 WN	300 UA	214 UA	357 UA
Denver (DEN)	349 DL	402 AA	224 UA	351 UA
Houston (HOU)	309 WN	335 AA	222 AA	453 UA
Kansas City (MCI)	337 DL	360 AA	310 UA	305 UA
Las Vegas (LAS)	409 DL	398 AA	344 DL	359 UA
Los Angeles (LAX)	343 WN	436 UA	376 UA	371 UA
Minneapolis (MSP)	318 WN	154 AA	237 AA	419 UA
New York Area (NYC)	312 WN	246 AA/DL	182 UA/AA	301 UA
Orlando (MCO)	303 WN	268 AA	222 DL/AA	239 UA
Philadelphia (PHL)	323 WN	370 AA	174 DL	305 UA
Phoenix (PHX)	454 WN	392 UA	330 UA	435 UA
Portland (PDX)	611 WN	466 AA	376 UA	463 UA
San Diego (SAN)	419 DL	426 AA	376 UA	464 UA
San Francisco (SFO)	419 DL	416 UA	376 UA	371 UA
Seattle (SEA)	465 WN	436 AA	376 UA	375 UA
St Louis (STL)	357 DL	268 AA	154 AA	223 UA
Washington DC Area (WA)	283 WN	314 DL	184 UA	219 UA

Average Fare	\$352.95	\$355.10	\$273.85	\$350.90
Change from last month	\$0.10	-\$13.20	-\$4.00	-\$3.70
Change from two months	\$17.95	-\$36.30	\$2.65	\$29.95
Fares Pulled 12/13/15 for travel 1/21/16 - 1/28/16				

**Best Fares +7 days parking**

	MBL	TVC	GRR	MKG
Atlanta (ATL)	269 WN	448 AA	314 UA	410 UA
Boston (BOS)	311 WN	467 AA	334 UA	340 UA
Chicago (MDW or ORD)	145 P1	320 DL	314 DL	363 UA
Dallas (DFW)	323 WN	340 UA	268 UA	392 UA
Denver (DEN)	349 DL	442 AA	278 UA	386 UA
Houston (HOU)	309 WN	375 AA	276 AA	488 UA
Kansas City (MCI)	337 DL	400 AA	364 UA	340 UA
Las Vegas (LAS)	409 DL	438 AA	398 DL	394 UA
Los Angeles (LAX)	343 WN	476 UA	430 UA	406 UA
Minneapolis (MSP)	318 WN	194 AA	291 AA	454 UA
New York Area (NYC)	312 WN	286 AA/DL	236 UA/AA	336 UA
Orlando (MCO)	303 WN	308 AA	276 DL/AA	274 UA
Philadelphia (PHL)	323 WN	410 AA	228 DL	340 UA
Phoenix (PHX)	454 WN	432 UA	384 UA	470 UA
Portland (PDX)	611 WN	506 AA	430 UA	498 UA
San Diego (SAN)	419 DL	466 AA	430 UA	499 UA
San Francisco (SFO)	419 DL	456 UA	430 UA	406 UA
Seattle (SEA)	465 WN	476 AA	430 UA	410 UA
St Louis (STL)	357 DL	308 AA	208 AA	258 UA
Washington DC Area (WA)	283 WN	354 DL	238 UA	254 UA

Average Fare	\$352.95	\$395.10	\$327.85	\$385.90
Change from last month	\$0.10	-\$13.20	-\$4.00	-\$3.70
Change from two months	\$17.95	-\$36.30	\$2.65	\$29.95

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	188/162	350
Feb	196/150	346	202/194	396	462/431	893	128/120	248	136/124	260	207/191	398
Mar	216/231	447	225/215	440	112/176	288	162/173	335	191/175	366	217/216	433
Apr	272/255	527	GL 147/171 F9 488/389	1193	0/0	0	158/158	316	194/218	412	240/254	494
May	263/302	565	1454/1525	2979	P1 71/58	129	189/189	378	251/255	506	346/356	718
Jun	311/366	677	1206/1342	2548	234/250	484	239/288	527	346/405	751	406/478	912
Jul	521/551	1072	1595/1568	3163	465/467	932	421/409	830	653/659	1312	1016/1050	2066
Aug	482/395	877	1833/1567	3400	497/500	997	391/413	804	663/685	1348	889/787	1676
Sep	240/233	473	1332/1234	2566	362/297	659	248/237	485	391/312	703	390/378	768
Oct	270/246	516	1024/1004	2028	150/149	299	229/215	444	338/335	673	349/346	695
Nov	236/242	478	722/715	1437	36/33	69	168/198	366	275/266	541	249/266	515
Dec	194/235	429	674/798	1472	131/138	269	197/200	397	295/293	588		
<b>Total</b>		6764		21992		5908		5390		7728		9025

***Ontime Performance***

	2010		2011		2012		2013		2014		2015	
	Cancel/Delay	Ontime										
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%	0%/9%	91%
Apr	13%/17%	70%	***	***	***	***	0%/3%	97%	0%/4%	96%	3%/5%	92%
May	12%/10%	78%	3%/25%	72%	0%/10%	90%	0%/6%	94%	0%/4%	96%	0%/18%	82%
Jun	6%/26%	68%	6%/20%	74%	0%/6%	94%	0%/3%	97%	0%/15%	85%	0%/13%	87%
Jul	5%/19%	76%	0%/37%	63%	0%/7%	93%	0%/19%	81%	1%/20%	79%	0%/32%	68%
Aug	4%/5%	91%	0%/36%	64%	0%/8%	92%	2%/16%	82%	1%/19%	80%	0%/14%	86%
Sep	18%/16%	66%	0%/23%	77%	0%/5%	95%	0%/0%	100%	0%/15%	85%	0%/16%	84%
Oct	15%/13%	72%	1%/5%	94%	0%/22%	78%	0%/9%	91%	0%/18%	82%	0%/2%	98%
Nov	16%/16%	68%	2%/11%	87%	0%/5%	95%	6%/6%	88%	2%/19%	79%	0%/15%	85%
Dec	32%/25%	43%	2%/15%	83%	0%/11%	89%	3%/19%	78%	0%/15%	85%		

APPENDIX E

December 11, 2015

Mr. Neal Johnson  
Johnson Diversified Services, Inc.  
312 North Street  
Mason, Michigan 48854

Re: Manistee Blacker Airport (MBL)  
Snow Removal Equipment Building Expansion  
Project No. 3-26-0059-0513  
Contract No. FM 51-01-C61  
Performance, Payment, Labor, Material & Maintenance Bonds # 66169692

Dear Mr. Johnson:

The Manistee Blacker Airport Authority (Authority) responds as follows to your October 30, 2015 letter:

1) New Punchlist/Warranty Item

Thank you for addressing this item. We concur it is complete and acceptable.

2) Time Extension discussion per the October 30, 2015 Revised Time Extension Request (attached)

- a) The Authority is willing to accept the 9 calendar day extension request for pump item.
- b) This claim related to foundation and column issues has not yet been substantiated. Please provide your written request to P&N to provide the foundation modification, your written request to Chief buildings, and their written response for our review.
- c) Upon further review, the Authority's calculation of the ridge height and eave extension delay timeframes is not consistent with your calculations. Please see the below timeframes referencing this issue:

- Ridge height issue identified – 9/30/14
- Eave extension identified – 10/16/14 (approx.)
- Work by JDS continues until stop order requested – 11/13/14
- Work order resolving both ridge height and eave extension issued – 11/14/14
- Force Account work started – 12/5/14
- Force Account work completed – 12/8/15

Based upon the above, the Authority is aware of 25 calendar days of time extension for the force account work (11/13/14 to 12/8/15). You were able to complete additional project work unrelated to this claimed issue from 9/30/14 to 11/13/14. The Authority is accommodating 40 of these 44 calendar days as part of your original time extension. A time extension beyond this original concession has not substantiated.

d) The claim related to roofing materials has not been substantiated. Please provide documentation for requests, purchase orders, and delivery dates in order to allow for further review of this request.

e) The Authority is willing to accept the 6 calendar day holiday time extension request. However, please provide further detail and substantiate the 14 calendar days already submitted as a time extension request for weather and holidays. Without the proper documentation we cannot validate that all requested days are justified and not duplicated by the current additional request. Please refer to the documentation requirements for weather related time extension requests outlined in our October 12, 2015 letter.

f) The Authority is willing to accept the 18 calendar day extension request for inspection delays.

### 3) Disadvantaged Business Enterprise (DBE) Documentation.

Based upon your response, the Authority requested guidance from Michigan Department of Transportation (MDOT) Office of Aeronautics to better understand DBE requirements and regulations for compliance with our grant obligations. We have been informed that after you did not receive the State registration for DBE, you did not inform the Authority and you elected to not appeal to the Federal Government. Per your written response, you also did not elect to perform or document Good Faith Efforts to at least provide for the DBE Goal stated in the contract. We are obligated to refer this matter to the MDOT Office of Aeronautics.

### 4) Lien Waivers and Consent of Surety

Lien waivers have been received, but the consent of surety remains pending.

### 5) Storm Sewer Cost backup Adjustments

Please see the attached adjustment to your request which explains the variances. The value of \$15,621.32 is \$684.89 lower than your request. The final value with markup is \$16,558.60, which is \$725.98 lower than your request.

Please provide a response to items 2-b) through 2-e) by December 30th, 2015, so the Authority can finalize the time extension request. If no response is received, the Authority will execute the attached change order.

Sincerely,

**Manistee County Blacker Airport Authority**

*Barry Lind*

Barry Lind  
Airport Director

Enc.

CC: Jim House, Auto Owner's Insurance Company  
Brett Whitmore, MDOT Office of Aeronautics  
Bob Nelesen, PE, Prein & Newhof  
George Saylor, Mika Meyers PLC  
Richard Baron, Foley, Baron, Metzger & Juip PLLC  
Ted Stroud, Oade, Stroud, & Kleiman



APPENDIX G



**EAS/AEAS Airports  
Servicing the State of Michigan**

December 10, 2015

Honorable Russ Kavalhuna, Chairman  
Air Service Committee  
Michigan Aeronautics Commission

Re: July 2015 Draft Policy Plan for Michigan Air Service (PPMAS)

Dear Chairman Kavalhuna:

Collectively, we as the Essential Airport Service (EAS) and Alternate Essential Airport Service Airports (AEAS) of Michigan, would like to take this opportunity to thank the Aeronautics Commission Members for delaying the recommendation and approval of the Draft July 2015 PPMAS (Draft PPMAS) at the November commission meeting. We agree there is a need to update the current 2001 PPMAS based upon changes in the air service industry. We also appreciate the committee's initiative and mandate to address this complex issue, but feel further engagement and development of the Draft PPMAS document is warranted.

The EAS/AEAS Airports reviewed the Draft PPMAS together on December 2, 2015. As those who are the greatest policy stakeholders, our primary request is to have a chance to collaborate with you and your consultant to become an effective part of the PPMAS plan development. We believe a productive first step would be to set up a meeting with the Air Service Committee and the EAS/AEAS airports at the MAAE Winter Conference in February, 2016 in Lansing. Given the above, we also respectfully request the recommendation to approve the Draft PPMAS at the Commission's meeting in January be tabled.

We believe a positively focused meeting in February will provide us the chance to address concerns, discuss additional ideas, and develop workable solutions. This policy has far reaching economic impacts to communities, regions, and the State of Michigan that need further evaluation. A collaborative approach will allow our EAS/AEAS Michigan communities to better prepare for and mitigate the associated economic impacts, and ultimately provide the State with the framework to develop a sustainable plan for the Michigan Airport network and infrastructure.

Thank you for your consideration of this request. We would appreciate any response you are able to provide in advance of the January commission meeting.

Sincerely,

*Kelly Smith*

Kelly Smith, Delta County Airport, ESC  
ksmith@deltacountymi.org

*Dennis M. Hext*

Dennis Hext, Houghton County Memorial, CMX  
dhext@cmxairport.com

*Mike Harma*

Mike Harma, Gogebic-Iron County Airport, IWD  
airport@gogebic.org

*Steve Smilgelski*

Steve Smilgelski, Alpena County Airport, APN  
smigelskis@alpenacounty.org<email>

*Robert M. Lukens*

Robert Lukens, Muskegon County Airport, MKG  
lukensro@co.muskegon.mi.us

Cc:

Michigan Aeronautics Commission – Air Service Committee

Mike Trout – Director Michigan Office of Aeronautics

Matt Brinker - Michigan Office of Aeronautics

*Tim Howen*

Tim Howen, Ford Airport, IMT  
thowen58@hotmail.com

*Tami Beseau*

Tami Beseau, Chippewa County Airport, CIU  
chippewacountyairport@outlook.com

*Barry Lind*

Barry Lind, Manistee Blacker Airport, MBL  
manisteeairport@gmail.com

*Kelley Atkins*

Kelley Atkins, Pellston Regional Airport, PLN  
katkins@emmetcounty.org

**LICENSE AGREEMENT**

**THIS AGREEMENT** is entered into on the dates shown below, and dated as of the date the last party signs, by and between the **Manistee County Blacker Airport Authority**, a Michigan corporation, of 2323 Airport Road, Manistee, Michigan, 49660 ("Licensor") and **Wolverine Sign Works** of 923 Bradley St, Owosso, Michigan, 48867 ("Licensee");

**WITNESSETH:**

**WHEREAS**, Licensor is the owner of the following described lands situated in the Township of Manistee, County of Manistee and State of Michigan and further described as follows, to wit:

Parcel of land located South of Airport Road, in Manistee Township, Manistee County, Michigan. (The "premises")

**WHEREAS**, Licensee has previously erected and maintained Two (2) illuminated highway signs approximately 10'x25' on airport premises located South of Airport Road east of US-31; and,

**WHEREAS**, Licensor is willing to allow such sign to continue to be located and maintained in its current location and form under the terms of this License Agreement,;

**NOW THEREFORE**, the parties agree as follows:

1. **Grant of License.** Licensor hereby grants to Licensee a license to use the portion of the Premises now occupied by its highway sign, with reasonable access thereto for purposes of maintaining and improving the sign, subject to the terms and conditions of this Agreement. Licensee shall use the Premises only for the maintenance and display of a sign advertising Licensee's business, Wolverine Sign Works, which is currently in place and located on Licensor's property, and for no other purpose. Licensee shall observe and comply with all federal, state and local laws and regulations in the placement and maintenance of the sign described in this agreement. Licensee may clear and remove trees and underbrush that may interfere with the visibility from US-31 of the highway sign, upon written approval of Licensor.

2. **Duration of License.** The license herein granted shall continue until it is terminated. Licensor may terminate the license as follows:

A. At any time Licensee damages the Premises in any way; or,

B. At any time Licensee uses the Premises in any manner that is in violation of the terms of this Agreement, including failure to pay the annual license fee called for herein.

C. At any time Licensee transfers, assigns, sells or in any other way conveys its interest in the highway sign to anyone, regardless whether such transfer, assignment, sale or conveyance is voluntary, involuntary, or under threat of eminent domain or other judicial or administrative proceedings.

D. At any time should the highway sign become illegal under or by virtue of any federal, state or local law or regulation.

3. License Fee. Licensee shall pay to Licensor, annually, beginning effective June 12, 2016 for a term of Five (5) years the sum of Nine Hundred (\$900) Dollars. If the license herein granted is terminated for any reason other than the Licensee's breach of this Agreement, and such termination is effective as of a date other than an anniversary date hereof, Licensee shall be entitled to a pro-rata return of the licensing fee, paid in advance, but otherwise shall have no rights or interest in the Premises or the proceeds from the sale or other voluntary or involuntary transfer of the Premises, the return of a pro-rata portion of the licensing fee being Licensee's sole and exclusive remedy upon termination of the license herein granted.

4. Licensor's Agreement. Licensor agrees that it will not grant any other licenses or other permission to any other person, firm or corporation to erect or maintain advertising or display signs (but not including highway directional or traffic signs) on the Premises that would obstruct the clear view of Licensee's highway sign from highway US-31.

5. Acknowledgment of Licensor's Title. Licensee does not claim title to or any interest in the Premises, except as a licensee pursuant to this Agreement, and expressly waives any such claim or claims. Licensee shall not have any expectation in the continuation of this License, all such property or liberty interests being expressly disclaimed by the parties hereto in recognition of the terminable nature of the license.

6. Acknowledgment of Licensee's Title. Licensor does not claim title to or any interest in the highway sign presently located on the Premises, all of which shall remain the sole property of Licensee and may be removed as such.

8. Indemnification. Licensee shall indemnify and hold harmless Licensor from and against all injury to persons (including death) and all damage to property arising from the erection, maintenance, improvement or removal of the highway sign or any part thereof, including all costs and expenses associated therewith, including actual attorney's fees, and, upon demand by Licensor, shall undertake the defense of all such claims that may be asserted or threatened against Licensor.

9. Transfer and Assignment. This license does not inure to the benefit of, nor does it bind, the parties' successors and assigns and shall terminate automatically upon the sale or other transfer of the Premises or upon the sale or other transfer of any interest in the highway sign. Licensor has no obligation or duty to offer a license to any successor or assign of Licensee.

10. Termination. Upon termination or expiration of this License Agreement, the Licensee shall be responsible for the complete removal and disposal of the highway sign licensed hereunder. Removal and disposal shall occur within Ninety (90) days of termination/expiration of this License Agreement and shall be at Licensee's expense. If Licensee fails to remove and dispose of the sign as required, Licensor, without further notice, may remove and dispose of the sign after which Licensee shall be responsible for all Licensor's expenses associated with the removal and disposal of the highway sign.

11. Governing Law. This Agreement shall be governed by Michigan law in its interpretation and enforcement.

11. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to its subject matter and there are no prior or contemporaneous agreements, oral or written, not superseded hereby.

12. Amendments. This Agreement may be amended only by another instrument in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties have set their hands on the dates indicated below.

Dated: \_\_\_\_\_

Manistee County Blacker Airport Authority,  
Licensor

By: \_\_\_\_\_

Its: Chairman

Wolverine Sign Works

Dated: \_\_\_\_\_

Jim Fox, Licensee

By: Tim Fox  
Its: Account Executive

**LICENSE AGREEMENT**

**THIS AGREEMENT** is entered into on the dates shown below, and dated as of the date the last party signs, by and between the **Manistee County Blacker Airport Authority**, a Michigan corporation, of 2323 Airport Road, Manistee, Michigan, 49660 ("Licensor") and **The Lamar Sign Company** of PO Box 152, Traverse City Michigan, 49685-0152 ("Licensee");

**WITNESSETH:**

WHEREAS, Licensor is the owner of the following described lands situated in the Township of Manistee, County of Manistee and State of Michigan and further described as follows, to wit:

Parcel of land South and North of Airport Road in Manistee Township, Manistee County, Michigan (the "Premises")

WHEREAS, Licensee has previously erected and maintained Six (6) illuminated highway signs approximately 10'x22' located on airport premises South and North of Airport Road east of US-31 and

WHEREAS, Licensor is willing to allow such sign to continue to be located and maintained in its current location and form under the terms of this License Agreement,;

NOW THEREFORE, the parties agree as follows:

1. Grant of License. Licensor hereby grants to Licensee a license to use the portion of the Premises now occupied by its highway sign, with reasonable access thereto for purposes of maintaining and improving the sign, subject to the terms and conditions of this Agreement. Licensee shall use the Premises only for the maintenance and display of a sign advertising Licensee's business, Lamar Sign Company, which is currently in place and located on Licensor's property, and for no other purpose. Licensee shall observe and comply with all federal, state and local laws and regulations in the placement and maintenance of the sign described in this agreement. Licensee may clear and remove trees and underbrush that may interfere with the visibility from US-31 of the highway sign, upon written approval of Licensor.

2. Duration of License. The license herein granted shall continue until it is terminated. Licensor may terminate the license as follows:

- A. At any time Licensee damages the Premises in any way; or,
- B. At any time Licensee uses the Premises in any manner that is in violation of the terms of this Agreement, including failure to pay the annual license fee called for herein.
- C. At any time Licensee transfers, assigns, sells or in any other way conveys its interest in the highway sign to anyone, regardless whether such transfer, assignment, sale or conveyance is voluntary, involuntary, or under threat of eminent domain or other judicial or administrative proceedings.
- D. At any time should the highway sign become illegal under or by virtue of any federal, state or local law or regulation.

3. License Fee. Licensee shall pay to Licensor, annually, beginning effective May 1, 2016 for a term of Five (5) years the sum of Two Thousand Seven Hundred (\$2,700) Dollars. If the license herein granted is terminated for any reason other than the Licensee's breach of this Agreement, and such termination is effective as of a date other than an anniversary date hereof, Licensee shall be entitled to a pro-rata return of the licensing fee, paid in advance, but otherwise shall have no rights or interest in the Premises or the proceeds from the sale or other voluntary or involuntary transfer of the Premises, the return of a pro-rata portion of the licensing fee being Licensee's sole and exclusive remedy upon termination of the license herein granted.

4. Licensor's Agreement. Licensor agrees that it will not grant any other licenses or other permission to any other person, firm or corporation to erect or maintain advertising or display signs (but not including highway directional or traffic signs) on the Premises that would obstruct the clear view of Licensee's highway sign from highway US-31.

5. Acknowledgment of Licensor's Title. Licensee does not claim title to or any interest in the Premises, except as a licensee pursuant to this Agreement, and expressly waives any such claim or claims. Licensee shall not have any expectation in the continuation of this License, all such property or liberty interests being expressly disclaimed by the parties hereto in recognition of the terminable nature of the license.

6. Acknowledgment of Licensee's Title. Licensor does not claim title to or any interest in the highway sign presently located on the Premises, all of which shall remain the sole property of Licensee and may be removed as such.

8. Indemnification. Licensee shall indemnify and hold harmless Licensor from and against all injury to persons (including death) and all damage to property arising from the erection, maintenance, improvement or removal of the highway sign or any part thereof, including all costs and expenses associated therewith, including actual attorney's fees, and, upon demand by Licensor, shall undertake the defense of all such claims that may be asserted or threatened against Licensor.

9. Transfer and Assignment. This license does not inure to the benefit of, nor does it bind, the parties' successors and assigns and shall terminate automatically upon the sale or other transfer of the Premises or upon the sale or other transfer of any interest in the highway sign. Licensor has no obligation or duty to offer a license to any successor or assign of Licensee.

10. Termination. Upon termination or expiration of this License Agreement, the Licensee shall be responsible for the complete removal and disposal of the highway sign licensed hereunder. Removal and disposal shall occur within Ninety (90) days of termination/expiration of this License Agreement and shall be at Licensee's expense. If Licensee fails to remove and dispose of the sign as required, Licensor, without further notice, may remove and dispose of the sign after which Licensee shall be responsible for all Licensor's expenses associated with the removal and disposal of the highway sign.

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11. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to its subject matter and there are no prior or contemporaneous agreements, oral or written, not superseded hereby.

12. Amendments. This Agreement may be amended only by another instrument in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties have set their hands on the dates indicated below.

Dated: \_\_\_\_\_

Manistee County Blacker Airport Authority,  
Licensor

By: \_\_\_\_\_

Its: Chairman

Dated: 12-11-15

*Dennis J. Lord*, Licensee

By: DENNIS J. LORD

Its: VP/GM