

## MINUTES

Monday, April 17, 2017  
10:00 A.M.

Manistee County Blacker Airport  
Conference Room

Members Present: Brook Shafer, Chair; Doug Bell, Vice Chair; Mark Bergstrom; Jeff Dontz; Gerry Haw; Barry Peterson; and Paul Schulert

Members Absent: None

Others Present: Barry Lind, Airport Director; and Rachel Nelson, Airport Authority Secretary

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

**There was a motion by Mr. Schulert, supported by Mr. Bergstrom, to approve the meeting agenda as presented. Motion carried by unanimous vote.**

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, March 20, 2017.

**There was a motion by Mr. Bergstrom, supported by Mr. Haw, to approve the Airport Authority regular meeting minutes of Monday, March 20, 2017, as presented. Motion carried by unanimous vote.**

The Federal marketing grant funds have still not been received. Mr. Pomeroy has submitted everything and received confirmation that it was received and that the approval process has begun.

The Executive Committee and Budget Committee did not meet this month. The Budget Committee will need to meet soon to discuss the FY 2017/18 budget.

The Bylaws Committee met and Mr. Haw is working on notes from the meeting.

The Hangar Expansion Committee met this morning. Mr. Lind noted that a \$28,000 insurance check was received for the door repair, but he is uncertain where those funds were deposited. Mr. Bell will look into the cost of only replacing the door. It was noted that there is only one year left on the contract with the airline.

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 (APPENDIX A). Mr. Lind presented information on airplane passenger numbers for 2017 as well as the previous five years (APPENDIX B). March had approximately 13% passenger growth compared to last year. It was the best March ever with 557 passengers, with the next best being 1969 (553 passengers) and 1972 (551 passengers). April is also looking good. There were no canceled flights in March.

Mr. Lind has been contacted by the Yankee Air Museum. They would like to bring the B-17 to the airport during the Forest Festival and are willing to waive the appearance fee (normally \$6,000). They have requested that the cost of fuel to get to Manistee and back (approximately 500 gallons), and the cost of lodging be covered. Manistee National will be covering the hotel cost through a trade deal, and marketing funds and Orchard Beach Aviation will cover the fuel cost. The Authority was in support of this event, which has been popular in the past.

Mr. Lind attended a meeting in Lansing with the FAA regarding PFCs (passenger facility charges) on April 12, 2017. PFC is a nationwide program through the FAA, and is a \$4.50 tax on airline tickets. Manistee started collecting PFCs in 2008, and a consultant does the quarterly reporting. The amount allowed (approximately \$400,000) is based on the local match of past projects, and it was anticipated that it would take until 2040 to re-coupe the funds. Now it is anticipated that it will only take until 2023 due to passenger growth, and then a new application can be submitted. PFC funds must go into a separate interest bearing account. Mr. Lind noted that airport security and how it relates to liability was also discussed at the meeting.

There was no update regarding the FAA grant/sponsor issue. The hangar addition, t-hangar painting, and property acquisition projects are on hold until the FAA issue is resolved.

The summer 2017 air service schedule has been released through September with the same structure as last year (19 seat service with 1-3 flights daily). Additional flights are already necessary over the 4<sup>th</sup> of July.

Senator Peters, who is on the Senate committee overseeing EAS, is hosting a meeting this Wednesday on EAS in Traverse City. This is the first time that Mr. Lind is aware of that Michigan has been represented on this committee. Michigan EAS airports wrote a joint letter to the Michigan Aeronautics Commission (APPENDIX C).

A weekend for two in Chicago (airfare and hotel) will be given away in April. Business After Hours will be held at the airport on May 11, 2017.

The RFP for the necessary tree clearing was ready to go out, but the window to do the work in the spring was missed. There was no update regarding the Coho Bend billboard or the airport zoning issue. The engineering consultant RFP is ready to go out.

The annual firefighter training will be held on May 19-20, 2017. A full scale exercise will also be done this year (required every 3 years).

Mr. Schulert noted that a homeowner's driveway is on airport property. Mr. Lind stated that Mr. Saylor's opinion is not to address the issue at this time.

Mr. Arens has not yet been informed about the decision that was made at last month's meeting regarding his sign request.

Brandon Jensen from RIGHTside Design presented a marketing update (APPENDIX D).

Mr. Shafer reminded the Authority that a special meeting is scheduled for Wednesday, April 26<sup>th</sup>. The time of the meeting was changed from 9:00 A.M. to 8:00 A.M.

There being no further business to come before the Authority, the meeting was adjourned at 11:50 A.M.

Respectfully Submitted,

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Rachel Nelson, Airport Authority Secretary

Visit: [www.manisteecountymi.gov](http://www.manisteecountymi.gov) to view Calendar of Events, County Board Agendas/Minutes, Committee Meeting Minutes, Airport Authority Minutes (under More Departments and Services), etc.

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# APPENDIX A

## May Travel as of 4/14/17

### Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	293 WN	446 AA	277 DL	290 UA
Boston (BOS)	361 DL	412 DL	252 UA	248 UA
Chicago (MDW or ORD)	149 P1	329 AA	144 WN	356 UA
Dallas (DFW)	355 DL	362 UA	244 DL	338 UA
Denver (DEN)	383 WN	521 DL	328 WN	424 UA
Houston (HOU)	343 DL	446 DL	334 WN	494 UA
Kansas City (MCI)	343 WN	396 AA	288 UA	334 UA
Las Vegas (LAS)	385 WN	486 AA	332 DL	400 UA
Los Angeles (LAX)	421 WN	486 UA	332 WN	394 UA
Minneapolis (MSP)	285 WN	356 UA	272 WN	306 UA
New York Area (NYC)	324 WN	396 DL	193 UA	323 UA
Orlando (MCO)	384 WN	446 DL	229 UA/AA	279 UA
Philadelphia (PHL)	385 WN	396 DL	230 WN	405 UA
Phoenix (PHX)	440 WN	501 AA	346 UA	528 UA
Portland (PDX)	573 WN	572 UA	376 WN	400 UA
San Diego (SAN)	502 WN	486 UA	378 UA	400 UA
San Francisco (SFO)	478 WN	486 DL	362 DL	400 UA
Seattle (SEA)	567 WN	574 UA	444 DL	492 UA
St Louis (STL)	369 WN	356 AA	240 AA	252 UA
Washington DC Area (WA)	305 WN	396 DL	189 UA	215 UA

Average Fare	\$382.25	\$442.45	\$288.30	\$363.90
Change from one month	\$22.60	\$98.30	\$5.30	\$20.45
Change from two months	\$25.25	\$9.95	\$8.00	\$32.75

Fares Pulled 4/14/17 for travel 5/10/17 - 5/17/17

### Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	293 WN	486 AA	331 DL	325 UA
Boston (BOS)	361 DL	452 DL	306 UA	283 UA
Chicago (MDW or ORD)	149 P1	369 AA	198 WN	391 UA
Dallas (DFW)	355 DL	402 UA	298 DL	373 UA
Denver (DEN)	383 WN	561 DL	382 WN	459 UA
Houston (HOU)	343 DL	486 DL	388 WN	529 UA
Kansas City (MCI)	343 WN	436 AA	340 UA	369 UA
Las Vegas (LAS)	385 WN	526 AA	386 DL	435 UA
Los Angeles (LAX)	421 WN	526 UA	386 WN	429 UA
Minneapolis (MSP)	285 WN	396 UA	326 WN	341 UA
New York Area (NYC)	324 WN	436 DL	247 UA	358 UA
Orlando (MCO)	384 WN	486 DL	283 UA/AA	314 UA
Philadelphia (PHL)	385 WN	436 DL	284 WN	440 UA
Phoenix (PHX)	440 WN	541 AA	400 UA	563 UA
Portland (PDX)	573 WN	612 UA	430 WN	435 UA
San Diego (SAN)	502 WN	526 UA	430 UA	435 UA
San Francisco (SFO)	478 WN	526 DL	416 DL	435 UA
Seattle (SEA)	567 WN	614 UA	498 DL	527 UA
St Louis (STL)	369 WN	396 AA	294 AA	287 UA
Washington DC Area (WA)	305 WN	436 DL	223 UA	250 UA

Average Fare	\$382.25	\$482.45	\$342.30	\$398.90
Change from one month	\$22.60	\$98.30	\$5.30	\$20.45
Change from two months	\$25.25	\$9.95	\$8.00	\$32.75

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*

		2012		2013		2014		2015		2016		2017	
		Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	F9	523/366	889	134/126	260	161/107	268	188/162	350	218/185	403	228/211	439
Feb		462/431	893	128/120	248	136/124	260	207/191	398	226/219	445	243/231	474
Mar		112/176	288	162/173	335	191/175	366	217/216	433	247/240	487	<b>289/268</b>	<b>557</b>
Apr		0/0	0	158/158	316	194/218	412	240/254	494	258/254	512		
May	P1	71/58	129	189/189	378	251/255	506	346/356	718	327/331	658		
Jun		234/250	484	239/288	527	346/405	751	406/478	912	427/496	923		
Jul		465/467	932	421/409	830	653/659	1312	1016/1050	2066	787/762	1549		
Aug		497/500	997	391/413	804	663/685	1348	889/787	1676	740/668	1408		
Sep		362/297	659	248/237	485	391/312	703	390/378	768	458/445	903		
Oct		150/149	299	229/215	444	338/335	673	349/346	695	378/353	731		
Nov		36/33	69	168/198	366	275/266	541	249/266	515	314/322	636		
Dec		131/138	269	197/200	397	295/293	588	291/295	586	349/358	707		
Total			5908		5390		7728		9611		9362		1470

*On-time Performance*

	2012		2013		2014		2015		2016		2017	
	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time
Jan	12%/8%	80%	0%/15%	85%	0%/14%	86%	2%/27%	71%	4%/13%	83%	0%/24%	76%
Feb	6%/11%	83%	6%/16%	78%	9%/3%	88%	9%/9%	82%	2%/22%	76%	0%/8%	92%
Mar	14%/8%	78%	0%/0%	100%	0%/7%	93%	0%/9%	91%	0%/13%	87%	0%/7%	93%
Apr	***	***	0%/3%	97%	0%/4%	96%	3%/5%	92%	0%/13%	87%		
May	0%/10%	90%	0%/6%	94%	0%/4%	96%	0%/18%	82%	9%/20%	71%		
Jun	0%/6%	94%	0%/3%	97%	0%/15%	85%	0%/13%	87%	3%/17%	80%		
Jul	0%/7%	93%	0%/19%	81%	1%/20%	79%	0%/32%	68%	3%/21%	76%		
Aug	0%/8%	92%	2%/16%	82%	1%/19%	80%	0%/14%	86%	2%/24%	74%		
Sep	0%/5%	95%	0%/0%	100%	0%/15%	85%	0%/16%	84%	8%/15%	77%		
Oct	0%/22%	78%	0%/9%	91%	0%/18%	82%	0%/2%	98%	0%/8%	92%		
Nov	0%/5%	95%	6%/6%	88%	2%/19%	79%	0%/15%	85%	0%/25%	75%		
Dec	0%/11%	89%	3%/19%	78%	0%/15%	85%	5%/19%	76%	3%/23%	74%		

APPENDIX B



Chippewa County International Airport



Muskegon County Airport



EAS/AEAS Airports  
Servicing the State of Michigan

April 4, 2017

Honorable Russ Kavalhuna, Chairman  
Michigan Aeronautics Commission

Re: MAC Letter to Michigan Congressional Delegation

Dear Chairman Kavalhuna:

On March 29, 2017, the Michigan Aeronautics Commission (MAC) relayed their intent to prepare a letter to Michigan House and Senate representatives in Washington, D.C. (Michigan Congressional Delegation) representing MAC's position on a number of key federal budget and policy issues affecting aviation. More specifically, MAC indicated it is opposed to ATC privatization and user fees, positions which the airports represented in this letter agree with.

However, our concern relates directly to another critical issue potentially facing our airports. Although identified as a proposed budget line item to be eliminated in its entirety, it is our understanding MAC has indicated it **will not** include its opposition to the proposed elimination of Essential Air Service (EAS) program funding in the letter to our legislators.

Collectively, the Michigan airports currently operating under the Essential Airport Service (EAS), and Alternate Essential Airport Service (AEAS) programs request MAC include opposition to the proposed elimination of EAS funding in this letter for the following reasons.

This requested policy position is consistent with:

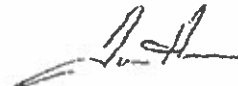
- 1) The 2015 Policy Plan for Michigan Air Service approved by the MAC
- 2) The MAC's support and approval of our annual state-issued Air Service Grants
- 3) The role of EAS airport's in Michigan as reinforced by the Draft 2017 Michigan Airport System Plan; and
- 4) Current written positions by the Michigan Congressional Delegation

If this request is not able to be accommodated, we would respectfully request an explanation of why the MAC is not willing or able to support the state's EAS airports it represents. The continued support of the EAS program is vital to the state's smaller commercial services airports and the communities they serve.

Sincerely,



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



Tim Howen  
Ford Airport, IMT  
thowen58@hotmail.com



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



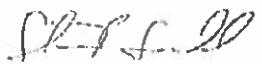
Tami Beseau  
Chippewa County Airport, CIU  
chippewacountyairport@outlook.com



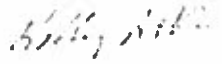
Mike Harna  
Gogebic-Iron County Airport, IWD  
airport@gogebic.org



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



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



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

*Benjamin E. Cross* <sup>RML</sup>

Benjamin E. Cross  
Chair, Muskegon County Board of Commissioners  
Muskegon County Airport, MKG  
CrossBe@co.muskegon.mi.us

Cc: Michigan Aeronautics Commission – Air Service Committee  
Mike Trout – Director Michigan Office of Aeronautics  
Matt Brinker - Michigan Office of Aeronautics

**Fwd: EAS Information**

1 message

Kelly Smith [redacted] Mon, Apr 10, 2017 at 8:43 AM  
To: Dennis Hext [redacted], Tim Howen [redacted], Mike Harma [redacted],  
Steve Smigelski [redacted], Barry Lind [redacted], Tami Beseau [redacted],  
[redacted], trippje [redacted], Kelley Atkins [redacted]

Please see below the email I received from Judy Baker, MAC secretary.  
Just for your info.  
Kelly

I have received two other pieces I will send. I will keep sending information as I receive it for your files.

Kelly Smith, Manager  
Delta County Airport: *The "EASY" Way to Travel!*  
3300 Airport Road  
Escanaba, MI 49829  
906-786-4902  
906-786-2583 (f)  
www.deltacountymi.org  
FB: Delta County Airport

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**From:** "Kelly Smith" [redacted]  
**To:** "Judy Baker, MDOT" [redacted]  
**Cc:** "Troutm1" [redacted], "Bryan Budds, MDOT" [redacted]  
**Sent:** Monday, April 10, 2017 8:40:13 AM  
**Subject:** Re: EAS Information

Thank you Judy. Appreciate the update.  
Kelly

Kelly Smith, Manager  
Delta County Airport: *The "EASY" Way to Travel!*  
3300 Airport Road  
Escanaba, MI 49829  
906-786-4902  
906-786-2583 (f)  
www.deltacountymi.org  
FB: Delta County Airport

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**From:** "Judy Baker, MDOT" [redacted]  
**To:** "Kelly Smith" [redacted]  
**Cc:** "Troutm1" [redacted], "Budds, Bryan (MDOT)" [redacted]



**Sent:** Monday, April 10, 2017 8:38:12 AM  
**Subject:** EAS Information

C-4

Good Morning:

We have shared your letter with the Commission and they are considering a response, but in the meantime we've also shared your concerns with our state aviation association in Washington, and they sent back additional information on Friday (see below). We will continue to monitor this process and keep you updated.

Thank you.

Judy Baker

Office of Aeronautics

Michigan Department of Transportation

Yesterday the Senate Commerce Subcommittee on Aviation convened a hearing that focused on federal efforts to improve access and safety, including the Federal Contract Tower (FCT) program, the Essential Air Service (EAS) program, and the Small Community Air Service Development Program (SCASDP) as well as initiatives that could bolster rural air service and the general aviation (GA) community.

Several subcommittee members voiced their strong support for the EAS program and the critical impact the program has on many rural economies. Chairman Roy Blunt (R-MO) pointed out that the overall economic impact of reliable air service in small communities is roughly \$121 billion, and it supports over 1.1 million jobs. Chairman John Thune (R-SD) said, "Access to the national air transportation system is a serious concern for those who live or work long distances from even the smallest airport."

President Trump's FY2018 budget blueprint proposed eliminating funding for the EAS program. Yesterday, Sen. Gary Peters (D-MI) led 20 of his Senate colleagues in a bipartisan letter calling for robust funding for EAS. The letter was sent to Senate Transportation Appropriations Subcommittee Chair Susan Collins (R-ME) and Ranking Member Jack Reed (D-RI).

"The USDOT's Essential Air Service program connects over 170 small communities in the United States to the National Air Transportation System, providing them an essential connection point for travel throughout the country," wrote the Senators. "Without this program, these communities would lose air service as airlines would move to only serve more profitable markets. That would leave some communities hundreds of miles away from the nearest large- or medium-hub airport."



RE: Marketing Overview  
Client: FLYmanistee/Manistee Airport  
Date Presented: 4-17-17

NORTH COUNTRY



FLYmanistee.com



# DEMOGRAPHICS

## TARGET MARKETS

### ● SOCIAL-BLUE REGIONS

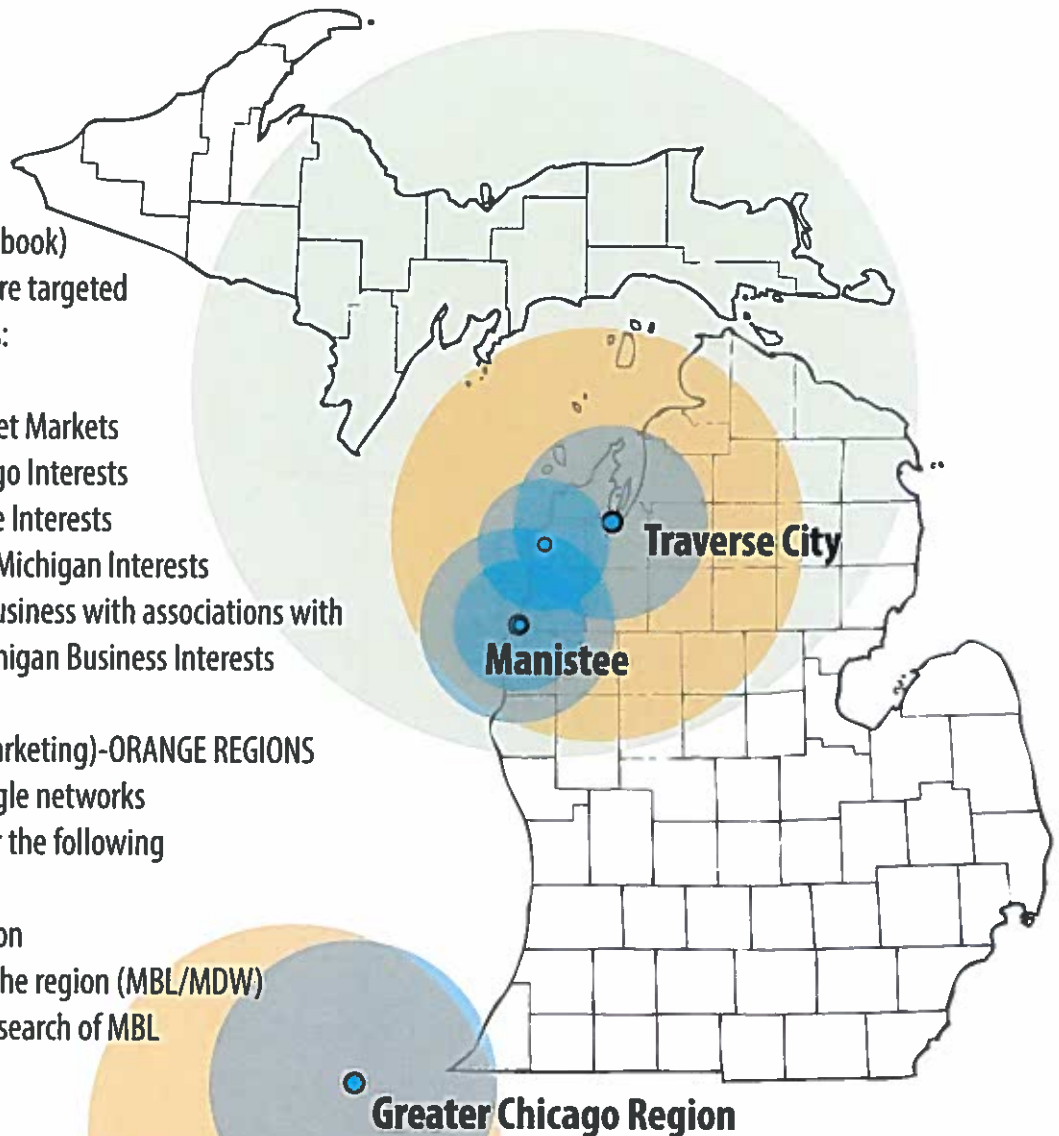
- Target markets for social (Facebook) ad networks. These networks are targeted for the following demographics:
  - Male/Females: 35-65+
  - Interests (N. Michigan): Blanket Markets  
Chicago Interests  
Airline Interests
  - Interests (Chicago): Northern Michigan Interests  
Blanket Business with associations with  
N. Michigan Business Interests

### ● DIGITAL (Search & Display Remarketing)-ORANGE REGIONS

- Target markets for digital Google networks  
These networks are targeted for the following demographics:
  - Interests in the Manistee Region
  - Tourism assets in and around the region (MBL/MDW)
  - National exposure with direct search of MBL

### ● TRADITIONAL-GREEN REGIONS

- Target markets for traditional advertising such as TV, Radio, Print, and Outdoor. Past media include 9/10, 7/4 Charter, Lamar Outdoor, WTCM, WQCT, & WMTE Radio and Manistee News Advocate & various digital news websites.
- Interests/Demographics generally include Females 35-65+



# WHO IS USING OUR SERVICE

**Existing Passenger Surveys**  
Results compiled from the last year 2016

■ **How did you encounter our air service:** [standing survey question - 12 month approximation]

- Referral - 50% - 70%**
- Internet (inc. social) - 20%-30%**
- Newspaper - 5%-10%**
- All other forms of media - <5% - 10%**

■ **Why are you flying with us:** [standing survey question - 12 month approximation]

- Visiting Friends/Family - 50%-80%**
- Second/Vacation Home - 5%-15%**
- Business - <5% - 10%**
- Tourism - <5% - 10%**

■ **Final Destinations of Travelers flying into MBL:** [standing survey question - 12 month approximation]

- Manistee Area  Typically 50%-70% of all travelers fall within these two regions**
- Traverse City**
- Frankfort - <5% - 10%**

■ **Top Influence for choosing MBL:** [Top rank to bottom rank - standing survey question - 12 month approximation]

- Convenience**
- Cost  Will flip flop between seasons**
- Free Parking**
- Midway Airport**
- Schedule/Personnel**

D-4

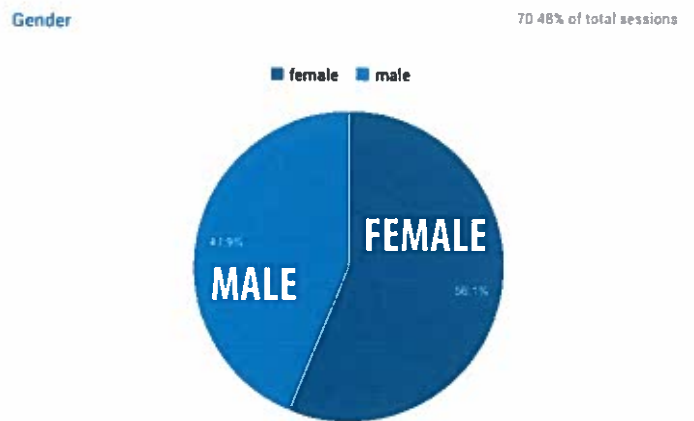
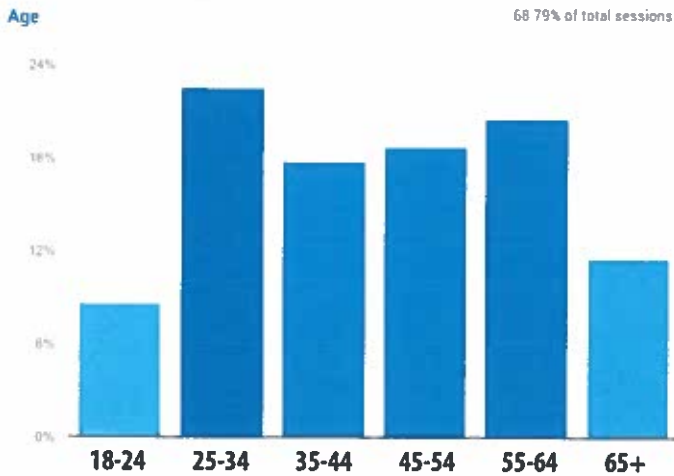
# WHO IS ACCESSING OUR CONTENT = DIGITAL CHANNELS

**64%** = NEW VISITOR TO FLYMANISTEE.COM

**36%** = RETURNING VISITOR TO FLYMANISTEE.COM

## FLYMANISTEE.COM WEB DEMOGRAPHICS

+/- 70% of total internet sessions on FLYmanistee.com



## SOCIAL MEDIA DEMOGRAPHICS

Target audience groups are indicated on prior pages. Outlined below are the baseline averages frequently



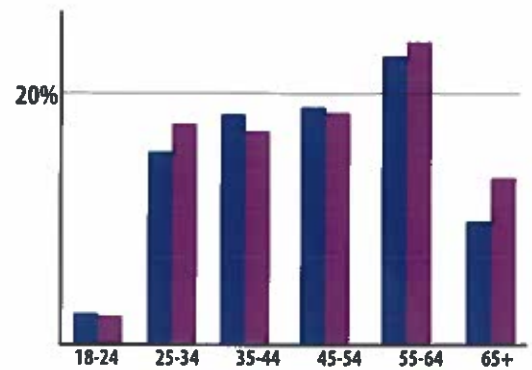
**57%** ACTIVELY ENGAGE WITH ADS ON FACEBOOK

8.63% % of yearly site traffic on FLYmanistee.com from social campaigns



**43%** ACTIVELY ENGAGE WITH ADS ON FACEBOOK

4.89% % of yearly site traffic on FLYmanistee.com from social campaigns



**Over 1,200,000 impressions in 2016 on social media**

## HOW WE PROMOTE MBL

### SOCIAL MEDIA

Over 195,000 reached/month (peak)  
Over 85,000 reached/month (off-season)

Over 7,200 engaged/month (peak)  
Over 3,250 reached/month (off-season)

### E-MARKETING

6,877 existing customers in database  
Mailed 2 times/month (peak) 1/month (off-season)  
Average Open Rates: 11%-30% / newsletter

### WEBSITE

60%-75% of customers/month are new  
Comprehensive search & display marketing strategies

### GOOGLE MARKETING

2,478,000 impressions - 9,449 clicks  
Display Marketing Segment: 1,990,000  
Search Marketing Segment: 578,000

### MEDIA PARTNERSHIPS

MBL engages with local/regional TV, radio and print (where applicable) to trade advertising time for tickets provided by Public Charters/NCS.  
2016 - 8.5 weeks of on air time + 12 weeks of radio coverage

### PHYSICAL PLANT

New onsite signage & brand development at both MBL and MDW  
Development of print/customer outreach materials over the past 3 years

## 2017 SUMMARY

### BUDGET SUMMARY

Jan-Dec 2013 : Total Budget - \$75,000  
Jan-Oct 2014 : Total Budget - \$40,000  
Oct 2014 - April 2015 : Total Budget - \$20,000  
May 2015 - Sept 2015 : Total Budget - \$15,000 \$35,000  
Oct 2015 - Sept 2016 : Total Budget - \$35,000  
**Oct 2016 - Sept 2017 : Total Budget - \$39,000**

### FUNDING SOURCES

MBL - Annual Contribution  
NCS/Public Charters - Annual Contract Contribution  
MDOT Aeronautics Airport Awareness Grant(s)

### AREAS OF GROWTH/FOCUS

 **+50% BUDGET INCREASE**  
High engagement rates and time on website has generated quality leads

 **INCREASED REMARKETING**  
Capturing new customers through social and google search marketing are being heavily marketed through the google display ad network