

MINUTES

Tuesday, June 2, 2008
7:45 A.M.

Manistee County Blacker Airport
Conference Room

Members Present: Ervin Kowalski, Chairperson; Charles Brooks, Vice-Chairperson; Ed Haik; Glenn Lottie; Dale Picardat; Robert Wilson; and Paul Schulert

Others Present: William House, Airport Manager; George Saylor, Airport Legal Counsel; Thomas D. Kaminski, County Controller/Administrator; Russell Pomeroy, Airport Authority Treasurer; and Rachel Nelson, Airport Authority Secretary

Ervin Kowalski, Chairperson, called the meeting to order at 7:45 A.M. Roll was taken by the Secretary.

The purpose of the special meeting was to discuss the Great Lakes Airlines contract for the EAS service.

Mr. House handed out a sheet showing the recently terminated Midwest contract, the contract that had been proposed to Great Lakes Airlines, and the contract that Great Lakes Airlines had returned (APPENDIX A). The problem that Great Lakes Airlines had with the proposed contract was the handling fees. Great Lakes Airlines had not looked at the contract when they placed a bid for the service out of Manistee, and did not realize that there were handling fees. Manistee is the only municipality in the EAS program to pass on the Part 139 fees through a handling fee. The DOT informed Mr. House that they don't regularly pay these fees, however, the fees had been paid by Midwest without any problem. After conversations, Great Lakes will pay a handling fee of \$100 per flight, instead of the proposed \$240. Great Lakes is the only EAS carrier left, and there are many cities that would like the service, so Mr. House feels that it would be unreasonable to try to demand a higher handling fee at this time.

Mr. House has laid off one employee permanently to help with the situation. This takes an annual amount of \$33,000 off of the fees. The Airport Authority has enough funds saved up to continue through this fiscal year and the next without asking for help from the County, but it would deplete those funds. \$20,000 was put into the fund balance for this fiscal year, which can be used. More money will probably be requested from the County for the next fiscal year.

If the Airport Authority were to decide to stop the EAS program, it would mean that four Great Lakes Airlines employees, six federal TSA employees, and four Blacker Airport employees would lose their jobs. The Airport Authority felt that the EAS program should not be stopped.

Mr. House feels that when the 2 year contract with Great Lakes Airlines ends in 2010, they might be willing to pay a higher handling fee.

Great Lakes Airlines service at Blacker Airport began on June 1, 2008, without a contract.

After discussion,

There was a motion by Mr. Schulert, supported by Mr. Haik to approve the Airport Lease Contract with Great Lakes Airlines, beginning June 1, 2008, and ending May 30, 2010, with handling fees of \$100 per flight, and to allow the Chairman to sign the contract.

A roll call vote was taken:

Yeas: 6 (Kowalski; Brooks; Haik; Lottie; Picardat; Wilson; Schulert)

Nays: 0

Absent: 0

Motion carried.

There was a motion by Mr. Brooks, supported by Mr. Wilson to approve the Independent Contract with Orchard Beach Aviation reflecting \$33,000 less annually than previously approved, and to allow the Chairman to sign the contract.

A roll call vote was taken:

Yeas: 6 (Kowalski; Brooks; Haik; Lottie; Picardat; Wilson; Schulert)

Nays: 0

Absent: 0

Motion carried.

Mr. Haik requested that Mr. House put together a chart of fees that are charged to private users by other EAS airports, as well as airports in the surrounding area.

Mr. Picardat wondered if Great Lakes Airlines is going to improve their service by allowing package tickets to be purchased. Currently, tickets can only be purchased to Milwaukee, WI, and other tickets must be purchased to the final destination. Package tickets can only be obtained from local travel agents and various online sites.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 8:35 A.M.

Respectfully submitted,



Rachel Nelson, Airport Authority Secretary

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APPENDIX A

Current Midwest Contract:

Monthly Rent (terminal space and electricity reimbursement)*	\$ 3,040.24
Monthly Landing Fee*	\$1,200.00
Monthly Handling Fee as follows:	
• Weekday fees (((\$200 x 3) x 257 weekdays):	
Monthly fee (\$154,200.00 per year)**	\$12,850.00
• Weekend fees (((\$200 x 2) x 105 weekend days)	
Monthly amount (\$42,000.00 per year)***	<u>\$3,500.00</u>
Total monthly fees	\$20,590.24

Contracts previously approved:

Great Lakes:

Monthly Rent (terminal space and electricity reimbursement)*	\$ 3,040.24
Monthly Landing Fee*	\$1,200.00
Monthly Handling Fee as follows:	
• Weekday fees (((\$240 x 3) x 257 weekdays):	
Monthly fee (\$185,040.00 per year)**	\$15,420.00
• Weekend fees (((\$240 x 3) x 105 weekend days)	
Monthly amount (\$75,600.00 per year)***	<u>\$6,300.00</u>
Total monthly fees	\$25,960.24

Orchard Beach Aviation:

June 1, 2008 – May 30, 2009 (\$168,353.16 per year)	\$14,029.43
June 1, 2009 – May 30, 2010 (\$172,561.92 per year)	\$14,380.16

* Same charge as under Midwest Contract.

** Increase of \$40 (\$30,840/\$2,570 annual/monthly) from Midwest Contract.

*** Increase of \$40 per flight (\$33,600/\$2,800 annual/monthly) from Midwest Contract. Increase in per landing fee and increase in weekend charges by one additional flight.

Proposed contracts:

Great Lakes:

Monthly Rent (terminal space and electricity reimbursement)*	\$ 3,040.24
Monthly Landing Fee*	\$1,200.00
Monthly Handling Fee as follows:	
• Weekday fees (((\$100 x 3) x 257 weekdays):	
Monthly fee (\$77,100.00 per year)**	\$6,425.00
• Weekend fees (((\$100 x 3) x 105 weekend days)	
Monthly amount (\$31,500.00 per year)***	<u>\$2,625.00</u>
Total monthly fees	\$13,290.24

Orchard Beach Aviation monthly fees:

June 1, 2008 – May 30, 2009 (\$135,353.16 per year)****	\$11,279.43
June 1, 2009 – May 30, 2010 (\$139,561.92 per year)****	\$11,630.16

* Same charge as under Midwest Contract.

** 50% reduction from Midwest Contract.

*** 50% reduction per handling fee from Midwest Contract, however weekend fees include one extra flight. Revenue reduction from Midwest Contract is \$10,500/\$875 per year/month.

****\$33,000/\$2,750 annual/monthly reduction from previously approved amount.