

MINUTES

Monday, March 8, 2010
12:00 Noon

Manistee County Blacker Airport
Conference Room

Members Present: Ervin Kowalski, Chairperson; Paul Schulert, Vice-Chairperson; Ed Haik; Dale Picardat; Glenn Lottie; Bob Wilson; and Ross Spencer

Members Absent: None

Others Present: Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Ken Grabowski, Manistee News Advocate; and Rachel Nelson, Airport Authority Secretary

Ervin Kowalski, Chairperson, called the meeting to order at 12:00 P.M. Roll was taken by the Secretary.

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 8, 2010.

There was a motion by Mr. Schulert, supported by Mr. Lottie to approve the Airport Authority regular meeting Minutes of Monday, February 8, 2010, as presented. Motion carried by unanimous vote.

The Authority next reviewed the February 2010 Accounts Payable Report (APPENDIX A).

There was a motion by Mr. Lottie, supported by Mr. Wilson to approve the February 2010, Accounts Payable Report and authorize payment of the outstanding invoices totaling \$29,451.90.

A roll call vote was taken:

Yeas: 7 (Kowalski; Schulert; Haik; Picardat; Lottie; Wilson; Spencer)

Nays: 0

Absent: 0

Motion carried.

The Authority next reviewed the February 2010 Financial Statement (APPENDIX B) which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Public Improvement Fund. It was noted that the "Auto Rental Space" is a 10% airport tax on auto rentals, and that there are eight rental cars at the airport.

There was a motion by Mr. Picardat, supported by Mr. Wilson to approve the February 2010 Financial Statement.

A roll call vote was taken:

Yeas: 7 (Spencer; Wilson; Lottie; Picardat; Haik; Schulert; Kowalski)

Nays: 0

Absent: 0

Motion carried.

Mr. Lind stated that the Alliance for Economic Success has submitted a grant application that would include a strategic plan for the Airport.

Mr. Lind reported that he had attended the Michigan Association of Airport Executives/MDOT Bureau of Aeronautics winter conference in February. It was noted that the Michigan DNRE has been looking into the use of deicing fluids at airports. There may be changes required for the Airport Emergency Plan. The Bureau of Aeronautics has been underfunded for the last 5-6 years, and there is currently a bill before the House of Representatives to address this issue. There may be an increase in aviation fuel tax, which has not been increased since it was created in 1929.

Four years ago, a wildlife survey was done at the Airport by the Department of Agriculture Wildlife Services, and the results were received last fall. A Wildlife Management Plan needs to be done by May 1, 2010, and Mr. Lind plans to do most of the work to avoid large expenses.

Mr. Lind informed the Authority that 100 yards of the Airport fence off the edge of the North/South runway has been damaged. The damage is due to the location of the fence and the way that snow blows and piles up on the fence and then melts. This damage will be covered by the insurance and they are in the process of sending out an adjuster. Mr. Lind hopes they will be willing to change the fence somehow to avoid this situation in the future.

Mr. Lind stated that Manistee Blacker Airport will be completing the required firefighter training by joining up with all of the Upper Peninsula cities, who will do their training in Escanaba on May 26, 2010. He would like to have training on location in Manistee every other year to be able to include the townships.

Mr. Lind reminded the Authority that the capital improvement project this year at the Airport will be the taxiway lighting project. There will be a pre-bid meeting next week and bids will be due in April. All funding for the project will come from federal grants (the Airport receives \$150,000 per year for capital improvement projects, and not all of the money from last year was used). It is estimated that the project will cost \$260,000. The runways will need to be closed at certain times, but it will be scheduled so that no flights are lost.

There are eight billboards on Airport property - six with Lamar and two with Wolverine Sign. Mr. Lind recently received a new contract from Lamar, which states that if the contract is not canceled within 60 days before the end of the contract, it will automatically renew for 10 years. The last contract, which paid the Airport \$2,000 per year, expired on February 1, 2010. The new contract will pay \$2,400 per year. This amount seems very low and Mr. Lind and Mr. Saylor are looking into this issue.

Great Lakes code share with Frontier has still not started, but Mr. Lind expects that it will soon. This will make online reservations easier for those flying from Manistee and connecting with Frontier Airlines in Milwaukee.

Mr. Lottie expressed concern that passenger counts might start to go down due to Great Lakes' poor service. Mr. Haik added that he knew of some Great Lakes passengers that ended up stuck in Milwaukee and they were offered the option of a charter flight to Manistee by Orchard Beach Aviation. Mr. Haik stated that this could appear as a conflict of interest. Mr. Lind explained that the airline approached him about offering this service when Great Lakes flights are canceled. It is common practice that the airline would try to find a way for the passenger to reach their destination as soon as possible. Mr. Lind added that if the cancellation is due to mechanical issues, the passenger should be reimbursed for their unused Great Lakes fare, but if the cancellation is due to weather, the passenger is not reimbursed by Great Lakes. Mr. Lind also noted that he has received complaints about poor customer service by the Great Lakes employees in Milwaukee.

Mr. Lind informed the Authority that the RFP for service at Manistee, Escanaba, Iron Mountain and Ironwood was issued on February 19, 2010. Bids are due on March 25, 2010. The RFP extended Great Lakes contract to August 31, 2010. The Airport Managers of the four cities are discussing the possibility of holding a pre-bid meeting on March 18, 2010. Airport Authority members would be welcome to participate in this meeting. Input on the bids will be due around April 20, 2010, so this will be the focus of the next Airport Authority meeting. Members of the public are invited to participate in this meeting if they would like to provide input regarding the bids. Mr. Lind has been in contact with carriers that will potentially bid to be the EAS provider in Manistee. Gulfstream International Airlines would use the same equipment as Great Lakes and they have stated that they will bid on all four cities. The Manistee flight would be in conjunction with a flight from Escanaba. They have been proactive in attaining a code share and would base three planes in Milwaukee with one as a spare. Charter Air Transport (CAT) has been operating for 12 years as a Part 135 charter operation. They are trying to get started in scheduled service and are very interested in bidding with four different proposals. The first proposal would have Milwaukee as the hub

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and use 30 seat planes with two flights per day, with the plane coming from Escanaba to Manistee and then to Milwaukee. The second proposal would be the same as the first, except with 19 seat planes and an extra flight from Escanaba and Iron Mountain each day. The third proposal would have service from each airport with 19 seat planes and two flights per day and Milwaukee as the hub. The fourth proposal would be the same as the third, except Chicago Midway would be the hub. Cape Air would use a 9 seat plane, but they have stated that they will not bid since it is taking them longer to get into Chicago O'Hare than anticipated. Mesaba is not planning to bid on service from Manistee, but does plan to bid on service from Escanaba and Iron Mountain, where they currently provide service. Mr. Lind did not have an update as to whether or not Great Lakes will bid. Mr. Lind added that he has talked with each potential carrier regarding the expectation of raised fees and provided them with a fee schedule. He suggested that the Airport Authority consider not charging the 15¢ per gallon flow fee on fuel for the successful bidder to compensate for the raised fees.

Mr. Haik expressed concern about whether or not Great Lakes will stay for the duration of their contract. Mr. Lind stated that Great Lakes would have to go out of business in order to get out of the contract, and since they have around 40 EAS cities, this would be unlikely. When Skyway left before the end of their contract, they were only able to do so because they shut down their flying operations. Great Lakes will also be forced to continue service in Manistee if a new carrier is the successful bidder and they are not ready to start providing service on September 1, 2010, however, Great Lakes will be able to negotiate a new subsidy rate at that time.

Sheets were handed out showing airplane passenger numbers for 2010 as well as the previous five years (APPENDIX C), and the Orchard Beach Aviation rent information (APPENDIX D). There were no Airport incidents to report. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City and Grand Rapids (APPENDIX E).

There was no report from the Promotion Committee.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 1:30 P.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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to view Calendar of Events, County Board Agendas and Minutes, Committee meeting reports (under Board of Commissioners); Airport Authority Minutes, link to Manistee Airport website, etc.

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MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2010 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,000.00
	CONSUMERS ENERGY	\$ 2,070.73
	A T & T	\$ 21.31
	MICHCON (DTE ENERGY)	\$ 1,027.40
	GOCKERMAN, WILSON, SAYLOR	\$ -
	BLARNEY CASTLE	\$ 836.14
	WEATHER SERVICES INTERNATIONAL	\$ -
	NAPA AUTO PARTS	\$ 3.98
	ACE HARDWARE	\$ 154.98
	FASTENAL	\$ 116.51
	DIRECT TV	\$ -
	ORCHARD BEACH AVIATION	\$ 495.00
	PECKHAM ENGINEERING	\$ 147.95
	PIPER McCREDIE AGENCY, INC.	\$ 5,126.00
	MANISTEE COUNTY ROAD COMMISSION	\$ 170.28
	OLD WORLD INDUSTRIES	\$ -
	MANISTEE COUNTY	\$ 219.48
	TOTAL	\$ 13,389.76
	ADVERTISING INVOICES	
	MS CREATIVE SERVICES	\$ -
	TOTAL	\$ -
	ORCHARD BEACH AVIATION	\$ 16,062.14
	REGULAR HOURS 252 @ 15.00	3,780.00
	MAINTENANCE HOURS 111 @ 15.00	1,665.00
	PART 139 LABOR	10,467.14
	INTERNET	150.00
	GRAND TOTAL	\$ 29,451.90
	PUBLIC IMPROVEMENT FUND	
	TOTAL PUBLIC IMPROVEMENT FUNDS	\$ -

MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2010 REVENUE & EXPENSES			BUDGET REMAINING		58%
INCOME:	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
HANGER RENTAL	\$ 1,375.00	\$ 8,979.80	\$ 17,940.00	\$ 8,960.20	50%
LANDING FEES - GREAT LAKES	\$ 13,290.24	\$ 66,451.40	\$ 184,320.00	\$ 117,868.60	64%
LANDING FEES - GENERAL AVIATION	\$ 18.00	\$ 216.00	\$ 1,500.00	\$ 1,284.00	86%
AUTO RENTAL SPACE	\$ 38.78	\$ 710.62	\$ 4,600.00	\$ 3,889.38	85%
OFFICE RENT	\$ 955.00	\$ 4,775.00	\$ 11,700.00	\$ 6,925.00	59%
COUNTY OF MANISTEE	\$ 9,625.00	\$ 48,125.00	\$ 115,500.00	\$ 67,375.00	58%
FUEL SALES	\$ 219.48	\$ 1,217.01	\$ 6,500.00	\$ 5,282.99	81%
SIGN LEASE	\$ -	\$ 2,000.00	\$ 3,400.00	\$ 1,400.00	41%
MISCELLANEOUS	\$ 272.15	\$ 883.63	\$ 1,000.00	\$ 116.37	12%
TOTAL INCOME	\$ 25,793.65	\$ 133,358.46	\$ 346,460.00	\$ 213,101.54	62%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,000.00	\$ 15,000.00	\$ 36,720.00	\$ 21,720.00	59%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 15,912.14	\$ 82,305.70	\$ 203,440.00	\$ 121,134.30	60%
DUES & MEETINGS	\$ 495.00	\$ 795.00	\$ 500.00	\$ (295.00)	-59%
SUPPLIES	\$ 116.51	\$ 519.63	\$ 1,500.00	\$ 980.37	65%
UTILITIES	\$ 3,248.13	\$ 13,757.47	\$ 35,000.00	\$ 21,242.53	61%
FUEL	\$ 836.14	\$ 4,591.30	\$ 5,000.00	\$ 408.70	8%
REPAIRS & MAINTENANCE	\$ 329.24	\$ 5,409.78	\$ 9,500.00	\$ 4,090.22	43%
TERMINAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	\$ -	\$ 714.00	\$ 2,000.00	\$ 1,286.00	64%
LEGAL	\$ -	\$ 724.50	\$ 5,000.00	\$ 4,275.50	86%
AUDIT	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	0%
ADVERTISING	\$ -	\$ -	\$ -	\$ -	0%
TELEPHONE	\$ 21.31	\$ 99.79	\$ 300.00	\$ 200.21	67%
INSURANCE	\$ 5,126.00	\$ 17,165.07	\$ 26,000.00	\$ 8,834.93	34%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ 8,500.00	\$ 8,500.00	0%
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
NOTES PAYABLE	\$ 219.48	\$ 1,217.01	\$ 6,500.00	\$ 5,282.99	81%
TRANSFER OUT/FUND BALANCE	\$ -	\$ -	\$ -	\$ -	100%
MISCELLANEOUS	\$ 147.95	\$ 594.85	\$ 2,000.00	\$ 1,405.15	70%
	\$ 29,451.90	\$ 144,394.10	\$ 346,460.00	\$ 202,065.90	58%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ (3,658.25) \$ (11,035.64)				
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 01/01/10	\$ 35,171.28				
JANUARY RECEIPTS	\$ 12,465.72				
DEC DISBURSEMENTS	\$ (31,295.43)				
	\$ 16,341.57				

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MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2010 BALANCE SHEET

ASSETS	2/28/2010	1/31/2010
CASH	\$ 16,341.57	\$ 35,171.28
ACCOUNTS RECEIVABLE		
GREAT LAKES AIRLINES	\$ 26,580.48	\$ 13,290.24
STATE OF AUTO RENTAL	\$ -	\$ -
MISC.	\$ 737.48	\$ 699.79
TOTAL ASSETS	\$ 43,659.53	\$ 49,161.31

LIABILITIES	2/28/2010	1/31/2010
ACCOUNTS PAYABLE - TRADE	\$ 29,451.90	\$ 31,295.43
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 29,451.90	\$ 31,295.43

FUND BALANCE	\$ 14,207.63	\$ 17,865.88
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TOTAL LIABILITIES AND FUND BALANCE	\$ 43,659.53	\$ 49,161.31
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TOTAL PUBLIC IMPROVEMENT FUNDS AVAILABLE		\$ 128,930.51
STATE OF MICHIGAN		\$ 3,375.00
STATE OF MICHIGAN		\$ 124,500.00
STATE OF MICHIGAN		\$ 2,475.00
STATE OF MICHIGAN		\$ 2,400.00
STATE OF MICHIGAN (REFUND GRANT CLOSE OUT)		\$ (36.60)
STATE OF MICHIGAN (REFUND GRANT CLOSE OUT)		\$ (8,106.42)
STATE OF MICHIGAN (SNOWBLOWER)		\$ 13,138.00
TULIP CITYAIR (SALE OF OLD SNOWBLOWER)		\$ (32,750.00)
STATE OF MICHIGAN (REFUND GRANT CLOSE OUT)		\$ (12.29)
STATE OF MICHIGAN (REFUND GRANT CLOSE OUT)		\$ (11.94)
STATE OF MICHIGAN (REFUND GRANT CLOSE OUT)		\$ (771.02)
STATE OF MICHIGAN		\$ 43.90
PUBLIC IMPROVEMENT FUND - CASH AVAILABLE		\$ 24,686.88
PASSENGER FACILITY CHARGES COLLECTED THROUGH 02/28/2010		\$ 18,742.66
STATE OF MICHIGAN - TAXIWAY LIGHTING PROJECT		\$ (475.00)
STATE OF MICHIGAN - PAVEMENT MARKING PROJECT		\$ (1,400.00)
PFC FUNDS AVAILABLE		\$ 16,867.66

BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:	9/30/2009	\$ 19,577.36
	2/28/2010	\$ 18,360.35

Manistee County Blacker Airport

	2005		2006		2007		2008		2009		2010		Total
	Out/In	Total	Out/In	Total									
Jan	MW 141/118	259	MW 150/101	251	MW 210/164	374	MW 234/169	403	GL 138/106	244	GL 212/145	357	
Feb	183/147	330	137/133	270	198/184	382	215/200	413	112/93	205	196/150	346	
Mar	168/199	367	197/203	400	224/229	453	213/200	413	149/139	288			
Apr	132/152	284	191/218	409	183/239	422	18/38	56	119/140	259			
May	162/152	314	200/217	417	238/251	489	0/0	0	184/180	364			
Jun	147/169	316	233/283	516	252/309	561	GL 94/113	207	166/213	379			
Jul	232/208	440	318/332	650	340/348	688	278/301	579	388/439	827			
Aug	223/228	451	349/358	707	348/305	653	300/293	593	429/359	788			
Sep	171/158	329	268/267	535	278/217	495	219/190	409	285/293	578			
Oct	131/135	266	263/221	484	276/248	524	173/174	347	282/275	557			
Nov	159/148	307	210/205	415	275/280	555	168/166	334	257/269	526			
Dec	142/146	288	224/242	466	203/205	408	159/122	281	228/279	507			
Total		3951		5520		6004		4035		5522			703

	2005		2006		2007		2008		2009		2010	
	Cancel/Delay	Ontime	Cancel/Delay	Ontime								
Jan									13%/25%	62%	23%/22%	55%
Feb									18%/16%	66%	13%/32%	55%
Mar									8%/11%	79%		
Apr									10%/16%	74%		
May									2%/10%	88%		
Jun									7%/18%	75%		
Jul									4%/16%	80%		
Aug									2%/12%	86%		
Sep									0%/9%	91%		
Oct							11%/31%	57%	10%/8%	81%		
Nov							13%/32%	55%	3%/10%	87%		
Dec							36%/44%	20%	25%/39%	36%		

ORCHARD BEACH AVIATION**February 2010****RENT**

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$219.48	
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$18.00	(1 @ \$18)
 TOTAL	 \$737.48	
 100	 556.8 Gal	
JET	906.4 Gal	
 TOTAL	 1463.2 Gal	

APPENDIX E

Best Fares

	MBL	TVC	GRR
Atlanta (ATL)	412 FL	545 UA	335 DL
Boston (BOS)	352 YX	475 DL	279 DL
Charlotte (CLT)	311 DL	428 DL	281 DL
Cincinnati (CVG)	296 DL	373 DL	244 DL
Dallas (DFW)	336 AA	401 DL	469 AA
Denver (DEN)	337 AA	377 UA	258 YX
Houston (HOU)	396 AA	506 AA	406 CO
Kansas City (MCI)	293 AA	540 DL	299 CO
Las Vegas (LAS)	373 DL	519 DL	289 DL
Los Angeles (LAX)	375 DL/YX	499 UA	231 AA
Milwaukee (MKE)	138 ZK	381 DL	209 CO
Minneapolis (MSP)	282 DL	497 DL	409 DL
New York Area (NYC)	313 DL/YX	333 UA	251 DL
Orlando (MCO)	326 WN	297 AA	262 DL
Philadelphia (PHL)	347 CO	469 DL	322 DL
Phoenix (PHX)	366 US	549 UA	306 DL
San Francisco (SFO)	353 DL	604 AA	261 CO
Seattle (SEA)	393 DL	534 DL	357 US
Washington DC Area (WAS)	293 CO	357 UA	206 DL

Average Fare \$331.16 \$457.05 \$298.63
 Change from last month +32.74 +24.89 +5.74
 Fares Pulled 3/8/10 for travel 04/07/10 - 04/14/10

Average Fare From Chicago +39.52

Best Fares +7 days parking

	MBL	TVC	GRR
Atlanta (ATL)	412 FL	578 UA	383 DL
Boston (BOS)	352 YX	508 DL	327 DL
Charlotte (CLT)	311 DL	461 DL	329 DL
Cincinnati (CVG)	296 DL	406 DL	292 DL
Dallas (DFW)	336 AA	434 DL	517 AA
Denver (DEN)	337 AA	410 UA	306 YX
Houston (HOU)	396 AA	539 AA	454 CO
Kansas City (MCI)	293 AA	573 DL	347 CO
Las Vegas (LAS)	373 DL	552 DL	337 DL
Los Angeles (LAX)	375 DL/YX	532 UA	279 AA
Milwaukee (MKE)	138 ZK	414 DL	257 CO
Minneapolis (MSP)	282 DL	530 DL	457 DL
New York Area (NYC)	313 DL/YX	366 UA	299 DL
Orlando (MCO)	326 WN	330 AA	310 DL
Philadelphia (PHL)	347 CO	502 DL	370 DL
Phoenix (PHX)	366 US	582 UA	354 DL
San Francisco (SFO)	353 DL	637 AA	309 CO
Seattle (SEA)	393 DL	567 DL	405 US
Washington DC Area (WAS)	293 CO	390 UA	254 DL

Average Fare \$331.16 \$490.05 \$346.63
 Change from last month +32.74 +24.89 +5.74

Parking Fees for one week are \$0 at Manistee, \$33 at Traverse City and \$48 at Grand Rapids
 Fares Pulled 3/8/10 for travel 04/07/10 - 04/14/10