

MINUTES

Monday, May 10, 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; Russell Pomeroy, Airport Authority Secretary; Scott Adamczak; Ken Petoskey; Rich Earle and Carla Soper, Department of Natural Resources; John Hornkohl; and Jeri Lyn Prielipp, Acting Airport Authority Secretary

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

Mr. Earle reported that after surveying the property/easement and discussing potential spots for the parking lot, the DNR initially determined the most logical place for the 50' x 100' parking lot to be 8 to 10 feet north of the bluff. The idea is to provide the public with reasonable access to state land by allowing them to park near the bluff and walking 300+ feet. However, after the Adamczak's expressed opposition to the existence of the parking lot and the public using the easement, Mr. Earle proposed moving the parking lot north to where the current 10 foot fence ends, which meets the spirit of the law of the deeded easement. Mr. Earle also indicated that he has been trying to get the appropriate signage to help identify the easement, warning the public that it is against the law to load weapons until reaching state owned land and violators will be ticketed, etc.

Mr. Adamczak expressed strong opposition to this proposal and argued that this would position the parking lot just a few feet from his basement. He believes that regardless of what signage is posted, the public is going to drive in/park their vehicles while shining their headlights where he is going to have a residence, load their weapons and walk to the state land and nobody is going to be sitting there to ticket the violators. Not to mention the stress this will put on the animals. Mr. Adamczak stated that previously he and Mr. Lind discussed situating the parking lot just past the guardrail and at the time it seemed that was not going to be an issue with the Airport. Mr. Lind indicated that he brought that proposal to the Airport Authority, who directed him to pursue that option with the DNR and if that wasn't acceptable to try to come up with a compromise, maybe a location half way between the two extremes. Mr. Adamczak had recollection of a discussion with Mr. Earle and Ms. Soper, where they had agreed to moving the guardrail back and putting the parking lot somewhere between the guardrail and the bluff. Ms. Soper stated that the DNR never agreed to such a proposal, but that the DNR conveyed to Mr. Adamczak that they would consider an alternative proposal, however she didn't believe any alternative proposals were ever presented to them. Mr. Earle indicated that Mr. Adamczak's proposal would go against the federal guidelines and wouldn't pass a federal inspection audit. At the conclusion of this lengthy discussion, Ed Haik, Scott Adamczak, Ken Petoskey, Rich Earle, Carla Soper, and John Hornkohl excused themselves from the meeting.

The Warranty Deed states, "This easement allows the State of Michigan to develop a suitable parking/turnaround area within the Southeast 1/4 of the Northeast 1/4 of Section 34 at the end of the access road, south of the Airport fence and North of the bluff line, at a mutually agreed location". The Airport Authority members were opposed to the DNR dictating where this parking area will be located. Mr. Saylor indicated that the Warranty Deed is between the State of Michigan and the Airport, and if the Airport Authority chose a location for the parking lot and the State objected and filed suit, the lawsuit would be filed in the 19th Circuit Court. The Adamczak's have no standing.

After further discussion, Mr. Saylor suggested advising the State of Michigan, in writing, that it is the Airport Authority's position that the parking area be situated half way between the bluff line and the fence line (350 feet

from where the DNR proposed it be located) for a one-year trial period, at which time it will be re-evaluated.

There was a motion by Mr. Spencer, supported by Mr. Schulert to adopt the following Resolution:

IT IS HEREBY RESOLVED that the Manistee County Blacker Airport Authority agrees to the placement by the Michigan Department of Natural Resources and Environment (MDNRE) of a 150' x 50' parking area to be located on Airport property immediately east of the easement granted to the MDNRE and half way between the airport fence line and the existing bluff line.

A roll call vote was taken:

Yeas: 6 (Picardat; Kowalski; Lottie; Spencer; Wilson; Schulert)

Nays: 0

Absent: 1 (Haik)

Motion carried.

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, April 12, 2010.

There was a motion by Mr. Wilson, supported by Mr. Schulert to approve the Airport Authority regular meeting Minutes of Monday, April 12, 2010, as presented. Motion carried by unanimous vote.

The Authority next reviewed the April 2010 Accounts Payable Report (APPENDIX A). Mr. Pomeroy reported that the payment of \$198.97 to Blueglobes, LLC was for lamps for the runway, the \$249.76 to Gillison's was for mower parts, the \$867.10 to Confessco Fire Protection was for dry chemical for the fire truck and the \$251.10 to Orchard Beach Aviation was for the fuel to fly the Board to Iron Mountain. He explained that the (\$492.21) from Piper McCreedy was a check to reimburse for overpayment on the automobile policy.

There was a motion by Mr. Schulert, supported by Mr. Wilson to approve the April 2010, Accounts Payable Report and authorize payment of the outstanding invoices totaling \$24,046.49.

A roll call vote was taken:

Yeas: 6 (Kowalski; Schulert; Picardat; Lottie; Wilson; Spencer)

Nays: 0

Absent: 1 (Haik)

Motion carried.

The Authority next reviewed the April 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. Mr. Pomeroy was pleased to reported that the April 2010 revenues exceeded expenses by \$2,575.39.

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

A roll call vote was taken:

Yeas: 6 (Spencer; Wilson; Lottie; Picardat; Schulert; Kowalski)

Nays: 0

Absent: 1 (Haik)

Motion carried.

Mr. Lind brought the Board's attention to correspondence from Going Places Travel Agency, wherein they voiced the concerns they have with the secondary recommendation for the service to Chicago Midway. (APPENDIX C)

DRAFT

Mr. Lind reported that the EAS bids for the new contract ended last Friday but he would have nothing official to report for a couple of weeks. There were four cities involved in the bidding. Iron Wood and Manistee chose Great Lakes as their recommended choice; Iron Mountain and Escanaba chose Mesaba Airlines/Delta as their recommended choice. Great Lakes made an all or nothing proposal, so if the Department of Transportation were to award Mesaba to either of the other two, that would eliminate that as an option. Mr. Lind contacted Dennis Devaney, who heads the Essential Air Service program, to ask him hypothetically what he sees happening. It was his opinion, in a non-official capacity, that they would most likely accept the Mesaba bid for Iron Mountain and Escanaba and that Manistee and Iron Wood request a re-bid to start the whole process over.

Mr. Lind reported that he obtained a quote of \$5,400 to repair the fence and to install posts 10 feet apart to withstand the weight from the snow buildup to prevent it from happening again. The insurance company is covering the cost, except for a \$500 deductible.

Mr. Lind reported that the Airport is now required by the FAA to have a Wildlife Hazard Management Plan. This plan is still in draft form because it needs FAA approval and Mr. Lind is also submitting it to USDA Wildlife Services for their review and approval. The plan is completed and basically explains how to handle deer, birds, and whatever type of wildlife might be a hazard factor for aircraft. One section asks what equipment the airport will have on hand to address wildlife issues, the most effective being to possess a gun. Mr. Lind plans to purchase a shotgun for approximately \$150.

Mr. Lind reported that the plan is to start construction on the taxiway lighting project on or about August 1, 2010. He explained that several weeks ago the airport experienced an equipment failure with regards to its lighting system. There is a radio controller that pilots can click from the air to turn the lights on automatically. This equipment failed and is no longer manufactured. For the time being this unit has been rigged so that it only works on high (not low, medium and high). A new unit is approximately \$2,000. The electrician contacted Peckham Engineering, who is going to issue a change request on this project to purchase a new controller through federal funds.

With regard to the billboards, Mr. Saylor stated that billboard companies look at paying about 10% of their revenue for the land lease. Lamar's range is 10-15% and the airport is at 15%. Mr. Saylor suggested that before the Airport commits to signing any agreement, that Lamar provide their financial figures and verify that they are actually paying 15% of the revenue. He also proposed that once the City of Manistee strikes an agreement with Lamar, that the Airport piggy back on that agreement and do the same thing.

Mr. Lind reported that he was recently approached by Gordon McLellan, Network Administrator for Manistee County, with the potential for a wireless internet connection between the Airport, the Courthouse, and the Sheriff Department. The Airport has a line of site to both the Courthouse and Sheriff's Department, and was asked to consider contributing toward the cost of the equipment until it is paid for and then experience free wireless internet service.

Sheets were handed out showing airplane passenger numbers for 2010 as well as the previous five years (APPENDIX D), and the Orchard Beach Aviation rent information (APPENDIX E). 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 F).

There was no report from the Promotion Committee. Although it was suggested that the Committee consider commemorating the 50th anniversary of commercial air service in 2011.

With there being no further business to come before the Authority, the meeting was adjourned at 2:15 p.m.

Respectfully submitted,

Jeri Lyn Prielipp, Acting Airport Authority Secretary

Visit: www.manisteecountymi.gov
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.

Appendix B

MANISTEE COUNTY BLACKER AIRPORT

APRIL 2010 REVENUE & EXPENSES		BUDGET REMAINING		42%	
INCOME:	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
HANGER RENTAL	\$ 1,375.00	\$ 11,729.80	\$ 17,940.00	\$ 6,210.20	35%
LANDING FEES - GREAT LAKES	\$ 13,290.24	\$ 93,031.88	\$ 184,320.00	\$ 91,288.12	50%
LANDING FEES - GENERAL AVIATION	\$ 45.00	\$ 288.00	\$ 1,500.00	\$ 1,212.00	81%
AUTO RENTAL SPACE	\$ -	\$ 710.62	\$ 4,600.00	\$ 3,889.38	85%
OFFICE RENT	\$ 955.00	\$ 6,685.00	\$ 11,700.00	\$ 5,015.00	43%
COUNTY OF MANISTEE	\$ 9,625.00	\$ 67,375.00	\$ 115,500.00	\$ 48,125.00	42%
FUEL SALES	\$ 331.64	\$ 1,775.39	\$ 6,500.00	\$ 4,724.61	73%
SIGN LEASE	\$ 1,000.00	\$ 3,200.00	\$ 3,400.00	\$ 200.00	6%
MISCELLANEOUS	\$ -	\$ 883.63	\$ 1,000.00	\$ 116.37	12%
TOTAL INCOME	\$ 26,621.88	\$ 185,679.32	\$ 346,460.00	\$ 160,780.68	46%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,000.00	\$ 21,000.00	\$ 36,720.00	\$ 15,720.00	43%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 16,234.64	\$ 114,182.48	\$ 203,440.00	\$ 89,257.52	44%
DUES & MEETINGS	\$ -	\$ 795.00	\$ 500.00	\$ (295.00)	-59%
SUPPLIES	\$ 79.00	\$ 702.81	\$ 1,500.00	\$ 797.19	53%
UTILITIES	\$ 2,431.63	\$ 21,851.03	\$ 35,000.00	\$ 13,148.97	38%
FUEL	\$ -	\$ 4,591.30	\$ 5,000.00	\$ 408.70	8%
REPAIRS & MAINTENANCE	\$ 1,431.84	\$ 6,985.79	\$ 9,500.00	\$ 2,514.21	26%
TERMINAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	\$ 357.00	\$ 1,071.00	\$ 2,000.00	\$ 929.00	46%
LEGAL	\$ 391.00	\$ 1,811.25	\$ 5,000.00	\$ 3,188.75	64%
AUDIT	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	0%
ADVERTISING	\$ -	\$ -	\$ -	\$ -	0%
TELEPHONE	\$ 30.85	\$ 151.20	\$ 300.00	\$ 148.80	50%
INSURANCE	\$ (492.21)	\$ 19,234.86	\$ 26,000.00	\$ 6,765.14	26%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ 8,500.00	\$ 8,500.00	0%
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
NOTES PAYABLE	\$ 331.64	\$ 1,775.39	\$ 6,500.00	\$ 4,724.61	73%
TRANSFER OUT/FUND BALANCE	\$ -	\$ -	\$ -	\$ -	100%
MISCELLANEOUS	\$ 251.10	\$ 945.95	\$ 2,000.00	\$ 1,054.05	53%
	\$ 24,046.49	\$ 196,598.06	\$ 346,460.00	\$ 149,861.94	43%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 2,575.39		\$ (10,918.74)		
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 04/01/10	\$ 25,862.63				
APRIL RECEIPTS	\$ 13,208.74				
MARCH DISBURSEMENTS	\$ (28,157.47)				
	\$ 10,913.90				

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MANISTEE COUNTY BLACKER AIRPORT

APRIL 2010 BALANCE SHEET

ASSETS	4/30/2010	3/31/2010
CASH	\$ 10,913.90	\$ 25,862.63
ACCOUNTS RECEIVABLE		
GREAT LAKES AIRLINES	\$ 26,580.48	\$ 13,290.24
STATE OF AUTO RENTAL	\$ -	\$ -
MISC.	\$ 876.64	\$ 753.74
TOTAL ASSETS	\$ 38,371.02	\$ 39,906.61

LIABILITIES	4/30/2010	3/31/2010
ACCOUNTS PAYABLE - TRADE	\$ 24,046.49	\$ 28,157.47
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 24,046.49	\$ 28,157.47

FUND BALANCE	\$ 14,324.53	\$ 11,749.14
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TOTAL LIABILITIES AND FUND BALANCE	\$ 38,371.02	\$ 39,906.61
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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 04/30/2010	\$ 20,888.60
STATE OF MICHIGAN - TAXIWAY LIGHTING PROJECT	\$ (475.00)
STATE OF MICHIGAN - PAVEMENT MARKING PROJECT	\$ (1,400.00)

PFC FUNDS AVAILABLE **\$ 19,013.60**

BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:	9/30/2009 \$ 19,577.36
	4/30/2010 \$ 17,801.97

Appendix C

April 20, 2010

Airport Authority Board
c/o Barry Lind
2323 Airport Rd
Manistee MI 49660

Dear Airport Authority Board:

We attended your meeting regarding Great Lakes Aviation as the commercial carrier out of Manistee. We realize there have been some complaints regarding the service with cancelled flights due to mechanical difficulties, employee problems and, of course, the weather. We as the local travel agency are very aware of those complaints from unhappy travelers. However, with all the problems involved we still believe that Great Lakes Aviation is the best provider and value for Manistee Blacker Airport.

We believe Milwaukee as a hub, is a far better option than Chicago Midway. When people travel two things are a priority, **convenience** and **price**. Because Great Lakes is offering a 4 city package as an all or nothing option, we feel that there would be more planes in the area to help remedy cancellations and delays if necessary with backups nearby and available. Milwaukee is a great hub as it is not too large or not too small. Connections out of Milwaukee include most major carriers with code shares and baggage agreements. With code shares the prices are usually a good value, which all travelers want these days. **Milwaukee** offers connections with **nonstops** to **several** major cities in the United States. Its carriers include United, U.S. Airways, American, Continental, Delta, Midwest, AirTran, and Frontier Airlines plus charter flights. Milwaukee is also a facilitator of **Funjet** vacations and **Apple** Vacations along with **Delta Dream** Vacations, and **American** and **United Vacations** packages. Most of these can work with Great Lakes to get people to and from many destinations. Chicago Midway is a small airport in comparison to Milwaukee. **Chicago Midway** has very **limited flights** and **carriers**. Delta, Midwest, Frontier, AirTran and Southwest operate out of Midway and only a few flights to major destinations are **nonstop**. With this in mind, it means another transfer of planes and longer travel times for the customer. The exception to this is Southwest, but that poses problems if people would want to check luggage; as Southwest has no baggage agreements with any other airline.

With those limitations in mind we feel Chicago Midway is a poor choice of air service for Manistee and support Great Lakes Aviation as our essential air carrier.

Respectfully Submitted,

Kellie A. Mowry, Cynthia L. Kaminski and Patti K. Uhazie
Owners/Agents Going Places Tours & Travel, Manistee, MI

Appendix D

Manistee County Blacker Airport

Enplaned/Deplaned

	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	216/231	447	
Apr	132/152	284	191/218	409	183/239	422	18/38	56	119/140	259	272/255	527	
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			1677

Ontime Performance

	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%	11%/19%	70%
Apr									10%/16%	74%	13%/17%	70%
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

April 2010

RENT

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$331.64	
LANDING FEES		
TWIN	\$9.00	(1 @ \$9)
JET	\$36.00	(2 @ \$18)
TOTAL	\$876.64	
100	637.3 Gal	
JET	1573.6 Gal	
TOTAL	2210.9 Gal	

Appendix F

Best Fares

	MBL	TVC	GRR
Atlanta (ATL)	402 DL	424 DL	317 FL
Boston (BOS)	355 FL/WN	438 UA	283 FL
Charlotte (CLT)	326 UA	464 UA	316 DL
Cincinnati (CVG)	333 DL	407 UA	278 DL
Dallas (DFW)	312 FL	441 AA	282 DL
Denver (DEN)	389 WN	524 UA	241 AA
Houston (HOU)	567 YX/DL	440 UA	318 CO
Kansas City (MCI)	316 YX/WN	363 UA	289 DL
Las Vegas (LAS)	447 DL	481 DL	308 UA
Los Angeles (LAX)	412 DL	472 UA	301 DL
Milwaukee (MKE)	128 ZK	415 AA	381 AA
Minneapolis (MSP)	278 DL	451 DL	443 DL
New York Area (NYC)	298 FL	369 DL	231 DL
Orlando (MCO)	341 DL/WN	307 DL	197 FL
Philadelphia (PHL)	390 YX	421 AA	364 DL
Phoenix (PHX)	396 US	467 UA	292 DL
San Francisco (SFO)	366 DL	472 UA	306 DL
Seattle (SEA)	409 FL/UA	472 UA	351 UA
Washington DC Area (WAS)	307 DL	389 DL	159 FL

Average Fare	\$356.42	\$432.47	\$297.74
Change from last month	-33.79	-16.48	+12.95
Fares Pulled 5/10/10 for travel 06/09/10 - 05/16/10			

Average Fare From Chicago +33.95

Best Fares +7 days parking

	MBL	TVC	GRR
Atlanta (ATL)	402 DL	457 UA	365 DL
Boston (BOS)	355 FL/WN	471 DL	331 DL
Charlotte (CLT)	326 UA	497 DL	364 DL
Cincinnati (CVG)	333 DL	440 DL	326 DL
Dallas (DFW)	312 FL	474 DL	330 AA
Denver (DEN)	389 WN	557 UA	289 YX
Houston (HOU)	567 YX/DL	473 AA	366 CO
Kansas City (MCI)	316 YX/WN	396 DL	337 CO
Las Vegas (LAS)	447 DL	514 DL	356 DL
Los Angeles (LAX)	412 DL	505 UA	349 AA
Milwaukee (MKE)	128 ZK	448 DL	429 CO
Minneapolis (MSP)	278 DL	484 DL	491 DL
New York Area (NYC)	298 FL	402 UA	279 DL
Orlando (MCO)	341 DL/WN	340 AA	245 DL
Philadelphia (PHL)	390 YX	454 DL	412 DL
Phoenix (PHX)	396 US	500 UA	340 DL
San Francisco (SFO)	366 DL	505 AA	354 CO
Seattle (SEA)	409 FL/UA	505 DL	399 US
Washington DC Area (WAS)	307 DL	422 UA	207 DL

Average Fare	\$356.42	\$465.47	\$345.74
Change from last month	-33.79	-16.48	+12.95

Parking Fees for one week are \$0 at Manistee, \$33 at Traverse City and \$48 at Grand Rapids
 Fares Pulled 5/10/10 for travel 06/09/10 - 06/16/10