

MINUTES

Monday, June 14, 2010
12:00 Noon

Manistee County Blacker Airport
Conference Room

Members Present: Ervin Kowalski, Chairperson; Paul Schulert, Vice-Chairperson; Ross Spencer; Glenn Lottie; Dale Picardat; Bob Wilson; and Ed Haik (arrived 12:10 P.M.)

Members Absent: None

Others Present: Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Ken Grabowski, Manistee News Advocate; Russ Pomeroy, Airport Authority Treasurer; 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, May 10, 2010.

There was a motion by Mr. Wilson, supported by Mr. Schulert to approve the Airport Authority regular meeting Minutes of Monday, May 10, 2010, as presented. Motion carried by unanimous vote.

Mr. Lind reported that the required annual fire training was completed by himself and three employees in Escanaba on May 26, 2010. The Emergency Plan is required to be reviewed annually, and this will be completed on June 25, 2010.

Mr. Lind stated that the Essential Air Service (EAS) for Manistee was rebid on June 1, 2010, with bids due on July 6, 2010. The Department of Transportation awarded Mesaba/Delta their bid for Escanaba and Iron Mountain. Since Great Lakes' bid was for all four cities or nothing, the service was rebid for Manistee and Ironwood. Mr. Lind and the Airport Manager at Ironwood are contacting potential bidders. It was noted that local travel agencies feel that service to Chicago Midway would not be good for the airport.

Two weeks ago, the pre-construction meeting was held for the taxiway lighting project. The project is scheduled to begin on August 1, 2010. The first change order has been issued and includes two items. The first is a lighted wind sock that needs to be replaced at an approximate cost of \$3,000. The second is the radio control unit for pilots for the lighting system, which is old and needs to be replaced at an approximate cost of \$2,500.

TSA will be getting a new x-ray machine at the Manistee airport. They are standardizing their systems across the country. There is no cost to the airport for this. The new machine will be installed sometime this summer.

Mr. Lind reminded that Authority that replacing the T-hangars is in the 10 year plan for the airport. The current T-hangar building is deteriorating, but still functional. The project would cost approximately \$500,000; \$300,000 for the building and \$160,000 to repave the area. \$150,000 is allocated to the airport each year for projects. Mr. Lind stated that this project is his highest priority due to aesthetics and customer service. The current T-hangar building has 10 units and the rent for each is \$150/month. Mr. Lind stated that there are several options. The project could be divided into separate projects to use the \$150,000 allocation each year, except then there wouldn't be money for any other projects. The old building could be left standing and the new building built parallel to it to increase revenue. At the very least, the existing building needs to be painted.

More than the allocated \$150,000 would be required to extend the runway, although this is part of the 10 year plan. Larger projects are included in the 10 year plan so that the federal government can see what's coming and try to plan for it.

The Authority next reviewed the May 2010 Accounts Payable Report (APPENDIX A). Mr. Pomeroy noted that the Sherwin Williams payment was for touch-up paint for the terminal. The Custom Sheet Metal and Heating payment is for a maintenance agreement that was signed last year. The Orchard Beach Aviation payment in the amount of \$270 is for the shot gun and shells for the Wildlife Management Plan.

There was a motion by Mr. Picardat, supported by Mr. Lottie to approve the May 2010, Accounts Payable Report and authorize payment of the outstanding invoices totaling \$24,421.10.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

The Authority next reviewed the May 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.

There was a motion by Mr. Haik, supported by Mr. Lottie to approve the May 2010 Financial Statement.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

There was no report from the Promotion Committee.

Mr. Saylor reminded the Authority that there are two lease agreements with Lamar for billboards on airport property. One lease is for four billboards and expired several months ago and the other lease is for two billboards and it will expire next year. The industry standard for the land lease appears to be 10% of the total revenue. Lamar is willing to renew both lease agreements for a total of \$3,400 per year for 10 years, which is 15.5% of the revenue according to Lamar. As another option, Lamar would be willing to renew both leases at 13% of the revenue, adjusted annually, for 10 years. After discussion,

There was a motion by Mr. Kowalski, supported by Mr. Schulert to renew both lease agreements with Lamar for a total of \$3,400 per year for five years, contingent upon airport counsel approval.

A roll call vote was taken:

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

Nays: 1 (Spencer)

Absent: 0

Motion carried.

Mr. Lind presented correspondence from Ann Gilley regarding another instance of Great Lakes' poor customer service (APPENDIX C). Great Lakes' poor service undermines all the positive promotion that the airport is trying to do. After discussion,

There was a motion by Mr. Lottie, supported by Mr. Kowalski to compose a letter to send to Great Lakes headquarters expressing the Airport Authority's concerns with Great Lakes' poor customer service, and to reference Ms. Gilley's complaint

and send her a copy of the letter. Motion carried by unanimous vote.

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).

With there being no further business to come before the Authority, the meeting was adjourned at approximately 1:15 P.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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MANISTEE COUNTY BLACKER AIRPORT

MAY 2010 REVENUE & EXPENSES			BUDGET REMAINING		33%
INCOME:	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
HANGER RENTAL	\$ 1,375.00	\$ 13,104.80	\$ 17,940.00	\$ 4,835.20	27%
LANDING FEES - GREAT LAKES	\$ 13,290.24	\$ 106,322.12	\$ 184,320.00	\$ 77,997.88	42%
LANDING FEES - GENERAL AVIATION	\$ 81.00	\$ 369.00	\$ 1,500.00	\$ 1,131.00	75%
AUTO RENTAL SPACE	\$ 1,207.89	\$ 1,918.51	\$ 4,600.00	\$ 2,681.49	58%
OFFICE RENT	\$ 955.00	\$ 7,640.00	\$ 11,700.00	\$ 4,060.00	35%
COUNTY OF MANISTEE	\$ 9,625.00	\$ 77,000.00	\$ 115,500.00	\$ 38,500.00	33%
FUEL SALES	\$ 421.37	\$ 2,196.76	\$ 6,500.00	\$ 4,303.24	66%
SIGN LEASE	\$ 200.00	\$ 3,400.00	\$ 3,400.00	\$ -	0%
MISCELLANEOUS	\$ -	\$ 883.63	\$ 1,000.00	\$ 116.37	12%
TOTAL INCOME	\$ 27,155.50	\$ 212,834.82	\$ 346,460.00	\$ 133,625.18	39%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,000.00	\$ 24,000.00	\$ 36,720.00	\$ 12,720.00	35%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 16,902.14	\$ 131,084.62	\$ 203,440.00	\$ 72,355.38	36%
DUES & MEETINGS	\$ -	\$ 795.00	\$ 500.00	\$ (295.00)	-59%
SUPPLIES	\$ 29.70	\$ 732.51	\$ 1,500.00	\$ 767.49	51%
UTILITIES	\$ 2,184.72	\$ 24,035.75	\$ 35,000.00	\$ 10,964.25	31%
FUEL	\$ -	\$ 4,591.30	\$ 5,000.00	\$ 408.70	8%
REPAIRS & MAINTENANCE	\$ 782.36	\$ 7,768.15	\$ 9,500.00	\$ 1,731.85	18%
TERMINAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	\$ -	\$ 1,071.00	\$ 2,000.00	\$ 929.00	46%
LEGAL	\$ 437.00	\$ 2,248.25	\$ 5,000.00	\$ 2,751.75	55%
AUDIT	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	0%
ADVERTISING	\$ -	\$ -	\$ -	\$ -	0%
TELEPHONE	\$ 21.28	\$ 172.48	\$ 300.00	\$ 127.52	43%
INSURANCE	\$ -	\$ 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	\$ 421.37	\$ 2,196.76	\$ 6,500.00	\$ 4,303.24	66%
TRANSFER OUT/FUND BALANCE	\$ -	\$ -	\$ -	\$ -	100%
MISCELLANEOUS	\$ 642.53	\$ 1,588.48	\$ 2,000.00	\$ 411.52	21%
	\$ 24,421.10	\$ 221,019.16	\$ 346,460.00	\$ 125,440.84	36%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 2,734.40	\$ (8,184.34)			
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 05/01/10	\$ 10,913.90				
MAY RECEIPTS	\$ 40,320.01				
APRIL DISBURSEMENTS	\$ (24,046.49)				
	\$ 27,187.42				

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MANISTEE COUNTY BLACKER AIRPORT

MAY 2010 BALANCE SHEET

ASSETS	5/31/2010	4/30/2010
CASH	\$ 27,187.42	\$ 10,913.90
ACCOUNTS RECEIVABLE		
GREAT LAKES AIRLINES	\$ 13,290.24	\$ 26,580.48
STATE OF AUTO RENTAL	\$ -	\$ -
MISC.	\$ 1,002.37	\$ 876.64
TOTAL ASSETS	\$ 41,480.03	\$ 38,371.02

LIABILITIES	5/31/2010	4/30/2010
ACCOUNTS PAYABLE - TRADE	\$ 24,421.10	\$ 24,046.49
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 24,421.10	\$ 24,046.49

FUND BALANCE	\$ 17,058.93	\$ 14,324.53
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TOTAL LIABILITIES AND FUND BALANCE	\$ 41,480.03	\$ 38,371.02
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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 05/31/2010	\$ 22,446.72
STATE OF MICHIGAN - TAXIWAY LIGHTING PROJECT	\$ (475.00)
STATE OF MICHIGAN - PAVEMENT MARKING PROJECT	\$ (1,400.00)
STATE OF MICHIGAN - TAXIWAY LIGHTING PROJECT	\$ (5,900.00)

PFC FUNDS AVAILABLE **\$ 14,671.72**

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



APPENDIX C

Manistee Airport [REDACTED]

Re: Great Lakes complaint

AnnGilley@ [REDACTED]
To: Manistee Airport [REDACTED]

Thu, May 20, 2010 at 9:17 AM

Barry,

Great Lakes Air continues to demonstrate it's lack of commitment to providing decent service to Manistee. I was stranded at the Milwaukee airport for 24 hours due to yet ANOTHER series of flight cancellations. I lost an entire day of work/wages. This is yet another example of why Great Lakes does NOT deserve the bid for service out of Manistee.

I was scheduled to fly from Milwaukee to Manistee on the 6:45 pm flight on Tuesday, May 18. This flight was to arrive in Manistee at approximately 8:30 pm Tuesday evening. Instead, upon arriving in Milwaukee around 4 pm on Tuesday, I was first told that the 12:30 pm flight to Manistee had been cancelled, and my flight would be delayed. Fifteen minutes later my flight status was changed to 'cancelled.' So Great Lakes cancelled BOTH flights to Manistee on Tuesday. Some of my fellow passengers had been at the airport since 9 am Tuesday morning. The solution? Nothing. Great Lakes would make NO alternative arrangements to get passengers to Manistee - no shuttle, cab, or alternative flight on Tuesday. They did offer to send us to Grand Rapids, but would make no efforts to get us to Manistee, which is where our cars were.

We were told that Great Lakes had just switched planes 2 days previous, and now the current plane needed repair to the pilot/co-pilot headsets. The part would be sent from Denver and the plane would be fixed prior to Wednesday's flight at 12:30 pm.

We were given \$7.50 meal vouchers for dinner. That bought a yogurt and diet coke (\$7.32). Then we were taken to the Clarion for lodging Tuesday night.

On Wednesday morning we were told that, although the plane was fixed Tuesday night, the same problem was occurring and thus, the Wednesday flight at 12:30 pm was also cancelled. Nine passengers now faced being stranded for a 2nd day. We begged for alternative transportation, but were told by the MKE crew that they were not allowed to help us. In desperation, we hired the charter service out of Manistee to transport us, and my fellow passengers and I split the cost. We arrived at the Manistee airport last night around 6:15 pm, no thanks to the leadership at Great Lakes. And this despite the conference call in April in which the President of Great Lakes vowed to increase customer service and empower employees to help.

The crew in Milwaukee and Manistee, by the way, were incredibly supportive and helpful. Unfortunately, they are not ALLOWED by Great Lakes to help us secure alternative transportation.

Great Lakes receives an extremely lucrative subsidy to provide service to Manistee. I was told that they even fly the plane EMPTY in order to receive the per-flight stipend. And yet they refuse to allow local staff to help secure alternative transportation to Manistee. This is unacceptable, and Great Lakes should not be allowed to continue.

Please provide me with contact information to send complaints (Federal agency, Gt Lakes Air CEO name and address, etc).

Thank you,

Ann Gilley

APPENDIX D

Manistee County Blacker Airport

Enplaned/Deplaned

	2005		2006		2007			2008			2009		2010	
	Out/In	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	263/302	565		
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		2242		

On-time Performance

	2005		2006		2007		2008		2009		2010	
	Cancel/Delay	On-time	Cancel/Delay	On-time								
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%	12%/10%	78%
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**May 2010****RENT**

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$421.37	
LANDING FEES		
TWIN	\$27.00	(3 @ \$9)
JET	\$54.00	(3 @ \$18)
TOTAL	\$1002.37	
100	1100.5 Gal	
JET	1708.6 Gal	
TOTAL	2809.1 Gal	

Best Fares

	MBL	TVC	GRR
Atlanta (ATL)	421 DL	434 DL	315 DL
Boston (BOS)	352 FL/WN	507 DL	225 FL
Charlotte (CLT)	416 CO	474 DL	324 DL
Cincinnati (CVG)	348 DL	417 UA	288 DL
Dallas (DFW)	326 FL	451 DL	238 DL
Denver (DEN)	371 FL/WN	433 DL	296 DL
Houston (HOU)	550 CO	450 DL	456 CO
Kansas City (MCI)	256 WN	373 DL	287 DL
Las Vegas (LAS)	467 DL	461 DL	336 DL
Los Angeles (LAX)	446 FL	482 UA	346 DL
Milwaukee (MKE)	138 ZK	425 UA	396 YX
Minneapolis (MSP)	288 DL	421 DL	421 DL
New York Area (NYC)	308 FL	379 DL	231 DL
Orlando (MCO)	356 CO	307 DL	181 AA
Philadelphia (PHL)	405 CO	455 UA	374 DL
Phoenix (PHX)	436 US	477 DL	352 DL
San Francisco (SFO)	479 FL	451 AA	384 DL
Seattle (SEA)	602 YX	534 DL	424 UA
Washington DC Area (WAS)	356 FL/WN	353 DL	319 FL

Average Fare	\$385.32	\$436.00	\$325.95
Change from last month	+28.90	+3.53	+28.21
Fares Pulled 06/14/10 for travel 07/14/10 - 07/21/10			

Best Fares +7 days parking

	MBL	TVC	GRR
Atlanta (ATL)	421 DL	467 UA	363 DL
Boston (BOS)	352 FL/WN	540 DL	273 DL
Charlotte (CLT)	416 CO	507 DL	372 DL
Cincinnati (CVG)	348 DL	450 DL	336 DL
Dallas (DFW)	326 FL	484 DL	286 AA
Denver (DEN)	371 FL/WN	466 UA	344 YX
Houston (HOU)	550 CO	483 AA	504 CO
Kansas City (MCI)	256 WN	406 DL	335 CO
Las Vegas (LAS)	467 DL	494 DL	384 DL
Los Angeles (LAX)	446 FL	515 UA	394 AA
Milwaukee (MKE)	138 ZK	458 DL	444 CO
Minneapolis (MSP)	288 DL	454 DL	469 DL
New York Area (NYC)	308 FL	412 UA	279 DL
Orlando (MCO)	356 CO	340 AA	229 DL
Philadelphia (PHL)	405 CO	488 DL	422 DL
Phoenix (PHX)	436 US	510 UA	400 DL
San Francisco (SFO)	479 FL	484 AA	432 CO
Seattle (SEA)	602 YX	567 DL	472 US
Washington DC Area (WAS)	356 FL/WN	386 UA	367 DL

Average Fare	\$385.32	\$469.00	\$373.95
Change from last month	+28.90	+3.53	+28.21

Parking Fees for one week are \$0 at Manistee, \$33 at Traverse City and \$48 at Grand Rapids
 Fares Pulled 06/14/10 for travel 06/14/10 - 07/21/10