

MINUTES

Monday, August 9, 2010
12:00 Noon

Manistee County Blacker Airport
Conference Room

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

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, July 12, 2010.

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

The Authority next reviewed the July 2010 Accounts Payable Report (APPENDIX A). Mr. Lind noted that the Sparling Corporation payment is for the annual fuel pump inspection, which lasts two days and includes some minor maintenance.

There was a motion by Mr. Lottie, supported by Mr. Kowalski to approve the July 2010 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$24,135.06.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

The Authority next reviewed the July 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. Lottie, supported by Mr. Haik to approve the July 2010 Financial Statement.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

Mr. Lind explained that a decision has still not been made regarding the EAS service bids for the Manistee airport. Last month, the Airport Authority reviewed the two bids that were received and recommended that Charter Air Transport be awarded the bid. Carrier service can be provided under Part 121 (greater than a 9-seat aircraft) or Part 135 (a 9-seat or less aircraft). Because Charter Air Transport operates under Public Charters regulations, they are able to operate under Part 135 with a 30-seat or less aircraft. The federal government is debating whether or not Charter Air Transport should be legally allowed to operate the EAS service as they have bid it. Currently, no one in the U.S. is conducting regularly scheduled service under the Public Charters regulations, so the decision will be setting a precedent. Mr. Lind expects that a decision should be made after a meeting later this week. If the decision is to not allow Charter Air Transport to operate this service, it will go out for bids again since it has already been decided that Sovereign Air will not be awarded the bid.

Mr. Lind reported that a Great Lakes aircraft struck a bird on July 4, 2010. It did not cause any problems and the remains were cleaned up by airport staff.

Mr. Lind informed the Authority that he had applied for an energy audit through an EECBG grant that Manistee County received and the Alliance for Economic Success is facilitating. Ms. Nelson and Mr. Lottie added that it was reported at the County's Green Team/Recycling Committee meeting on August 6, 2010 that all of the entities that applied will receive an energy audit.

Mr. Lind reminded the Authority that he had intended to apply for a Small Community Air Service Development Program (SCASDP) grant, which is due by August 27, 2010. This is the grant that could be used for marketing, and once an airport receives one, it is unlikely that they would receive another grant through the same program. Mr. Lind is hesitant to apply for this grant now due to the status of the EAS service. He had intended to write the grant to help promote the new service at the airport, but with everything on hold, he feels it would be better to wait and apply next year. Mr. Lottie felt that it was important to promote the airport and that the application should be submitted this year in a generic format. Mr. Lind indicated that the grants are typically awarded to those that submit detailed applications. After discussion, it was decided to not apply until a decision is made by the federal government regarding the EAS service.

Mr. Lind will be submitting an application for a Local Revenue Sharing Grant, which is due on August 27, 2010, for the required spring 2011 firefighter training. If awarded, the grant will allow for on-site training, which also allows other members of the community to participate.

The taxiway lighting project started on Monday, August 9, 2010, and will be completed in four phases: Phase 1 (August 9 - 25); Phase 2 at night time (August 16 - 20); Phase 3 (August 26 - 28); and Phase 4 (August 30 - September 11). There was discussion regarding the fact that the improvements will probably increase the electric bill.

Mr. Lind informed the Authority that he is planning for the MAP meeting, which will be held on September 15, 2010. This is when the airport's 10 year plan is submitted to the State. Mr. Lind will be meeting with Peckham Engineering to finalize the plan and will present it to the Airport Authority at their September 13, 2010 meeting. Mr. Lind reminded the Authority that the major project for 2010 is the taxiway lighting and that the major project for 2011 will be replacing the t-hangars. The fall Michigan Association of Airport Executives (MAAE) conference will be held September 14 - 16, 2010. The MAP meeting is part of this conference.

There was a motion by Mr. Haik, supported by Mr. Spencer to approve that Mr. Lind attend the MAAE Conference on September 14 - 16, 2010. Motion carried by unanimous vote.

Mr. Lind is working with Ironwood's Airport Manager to complete the Airport Emergency Plan, which is due on October 1, 2010.

Mr. Lind pointed out that Great Lakes' contract with the airport has expired. Great Lakes will be able to re-negotiate their subsidy in September and Mr. Lind would like them to include the higher airline fee schedule that the budget reflects. Mr. Lind added that it may be a good idea to have the new contract begin October 1, 2010 to coincide with the new fiscal year. Mr. Lind and Mr. Saylor will work on the new contract.

Mr. Schulert asked if Mr. Lind has heard anything from the DNR regarding the easement parking lot. Mr. Lind stated that he has not heard anything since the Airport Authority expressed their opinion on the

location of the parking lot, however, he still feels that the situation is better this year as deer season approaches.

Mr. Lottie reported that the Promotion Committee met to discuss how to promote the airline. At the time of their meeting, they were anticipating that the new service would begin by October 2010, and had discussed hosting two events at the airport to welcome the new airline - one for business leaders and one for citizens.

The Authority next reviewed the tentative Manistee County 10/11 Budget for #295 Airport Fund, covering 10/1/10 through 9/30/11, totaling \$389,792.00 (APPENDIX C). Mr. Lind explained that he and Mr. Pomeroy had met and put together the tentative budget. For the revenues, there is an increase due to the increased airline fee schedule as well as additional passenger facility charges (PFC) since passenger numbers are increasing. It was noted that the PFC are restricted funds, shown on the expense side as a transfer out to the Public Improvement Fund. There are several reasons that the expenses are increased. The equipment line item was added due to a surplus and Mr. Lind noted that no equipment purchases are planned at this time. The advertising line item was also added at Mr. Lind's request. The airport management expenses are up to the amount where they should be according to the contract with Mr. Lind. Due to budget restrictions in the past, Mr. Lind did not take his contractual 3% increase. The operation and maintenance personnel costs are also where they should be according to contract. Last year, Mr. Lind took a 10% reduction in these fees. It was noted that this change to the contractual amount is for FY 2010/11 and is not retroactive for FY 2009/10. After discussion,

There was a motion by Mr. Lottie, supported by Mr. Kowalski to approve the tentative Manistee County 10/11 Budget for #295 Airport Fund, covering 10/1/10 through 9/30/11 for \$389,792.00.

A roll call vote was taken:

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

Nays: 0

Absent: 0

Motion carried.

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). It was noted that July 2010 was the best month on record for passenger numbers.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 1:25 P.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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APPENDIX B

MANISTEE COUNTY BLACKER AIRPORT

	JULY 2010 REVENUE & EXPENSES		BUDGET REMAINING		17%
	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
INCOME:					
HANGER RENTAL	\$ 1,375.00	\$ 15,854.80	\$ 17,940.00	\$ 2,085.20	12%
LANDING FEES - GREAT LAKES	\$ 13,290.24	\$ 132,902.60	\$ 184,320.00	\$ 51,417.40	28%
LANDING FEES - GENERAL AVIATION	\$ 306.00	\$ 927.00	\$ 1,500.00	\$ 573.00	38%
AUTO RENTAL SPACE	\$ 152.81	\$ 2,071.32	\$ 4,600.00	\$ 2,528.68	55%
OFFICE RENT	\$ 955.00	\$ 9,550.00	\$ 11,700.00	\$ 2,150.00	18%
COUNTY OF MANISTEE	\$ 9,625.00	\$ 96,250.00	\$ 115,500.00	\$ 19,250.00	17%
FUEL SALES	\$ 799.44	\$ 4,148.31	\$ 6,500.00	\$ 2,351.69	36%
SIGN LEASE	\$ -	\$ 3,400.00	\$ 3,400.00	\$ -	0%
MISCELLANEOUS	\$ -	\$ 5,283.63	\$ 1,000.00	\$ (4,283.63)	-428%
TOTAL INCOME	\$ 26,503.49	\$ 270,387.66	\$ 346,460.00	\$ 76,072.34	22%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,000.00	\$ 30,000.00	\$ 36,720.00	\$ 6,720.00	18%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 17,727.14	\$ 166,325.90	\$ 203,440.00	\$ 37,114.10	18%
DUES & MEETINGS	\$ -	\$ 795.00	\$ 500.00	\$ (295.00)	-59%
SUPPLIES	\$ 238.69	\$ 1,063.86	\$ 1,500.00	\$ 436.14	29%
UTILITIES	\$ 348.58	\$ 26,502.18	\$ 35,000.00	\$ 8,497.82	24%
FUEL	\$ -	\$ 4,591.30	\$ 5,000.00	\$ 408.70	8%
REPAIRS & MAINTENANCE	\$ 2,430.37	\$ 10,966.55	\$ 9,500.00	\$ (1,466.55)	-15%
TERMINAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	\$ 357.00	\$ 1,428.00	\$ 2,000.00	\$ 572.00	29%
LEGAL	\$ -	\$ 2,512.75	\$ 5,000.00	\$ 2,487.25	50%
AUDIT	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	0%
ADVERTISING	\$ -	\$ -	\$ -	\$ -	0%
TELEPHONE	\$ 33.28	\$ 239.38	\$ 300.00	\$ 60.62	20%
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	\$ -	\$ 3,348.87	\$ 6,500.00	\$ 3,151.13	48%
TRANSFER OUT/FUND BALANCE	\$ -	\$ -	\$ -	\$ -	100%
MISCELLANEOUS	\$ -	\$ 6,538.48	\$ 2,000.00	\$ (4,538.48)	-227%
	\$ 24,135.06	\$ 275,047.13	\$ 346,460.00	\$ 71,412.87	21%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ 2,368.43	\$ (4,659.47)			
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 07/01/10	\$ 32,913.93				
JULY RECEIPTS	\$ 26,802.16				
JUNE DISBURSEMENTS	\$ (29,895.91)				
	\$ 29,820.18				

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MANISTEE COUNTY BLACKER AIRPORT

JULY 2010 BALANCE SHEET

ASSETS	7/31/2010	6/30/2010
CASH	\$ 29,820.18	\$ 32,913.93
ACCOUNTS RECEIVABLE		
GREAT LAKES AIRLINES	\$ 13,290.24	\$ 13,290.24
STATE OF AUTO RENTAL	\$ -	\$ -
MISC.	\$ 1,605.44	\$ 1,904.11
TOTAL ASSETS	\$ 44,715.86	\$ 48,108.28

LIABILITIES	7/31/2010	6/30/2010
ACCOUNTS PAYABLE - TRADE	\$ 24,135.06	\$ 29,895.91
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -

TOTAL LIABILITIES	\$ 24,135.06	\$ 29,895.91
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FUND BALANCE	\$ 20,580.80	\$ 18,212.37
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TOTAL LIABILITIES AND FUND BALANCE	\$ 44,715.86	\$ 48,108.28
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 07/31/2010	\$ 25,729.34
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	\$ 17,954.34

BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:	9/30/2009 \$ 19,577.36
	7/31/2010 \$ -

MANISTEE COUNTY

10/11 BUDGET

#295 AIRPORT FUND

10/01/10 through 09/30/11

REVENUES

295-000-668.000	OFFICE RENTAL SPACE	\$ 11,460.00
295-000-668.001	LANDING FEES - GENERAL AVIATION	\$ 1,250.00
295-000-668.002	RENT & LANDING FEES - AIRLINE	\$ 212,882.00
295-000-668.003	HANGER RENT	\$ 20,400.00
295-000-668.004	AUTO RENTAL	\$ 5,000.00
295-000-668.005	SIGN LEASE	\$ 3,800.00
295-000-668.006	PASSENGER FACILITY CHARGES	\$ 12,000.00
295-000-695.000	MISCELLANEOUS REVENUE	\$ 1,000.00
295-000-698.001	FUEL SALES	\$ 6,500.00
295-000-699.001	TRANSFER IN - GENERAL FUND	\$ 115,500.00

TOTAL REVENUES \$ 389,792.00

EXPENSES

295-000-727.000	SUPPLIES	\$ 1,500.00
295-000-727.002	MISC. SUPPLIES - DICER FLUID	\$ 2,500.00
295-000-730.000	EQUIPMENT	\$ 20,000.00
295-000-743.000	FUEL	\$ 6,500.00
295-000-800.000	CONTRACTED SERVICES	\$ 1,600.00
295-000-800.002	CONTRACTED SERVICES-AUDIT	\$ 1,500.00
295-000-800.003	CONTRACTED SERVICES-ACCOUNTING	\$ 3,000.00
295-000-801.000	AIRPORT MANAGEMENT	\$ 39,340.00
295-000-801.001	OPERATION & MAINT. PERSONNEL COSTS	\$ 218,872.00
295-000-806.000	ATTORNEY FEES	\$ 5,000.00
295-000-812.000	DUES & FEES	\$ 800.00
295-000-850.000	TELEPHONE	\$ 300.00
295-000-862.002	FIRE FIGHTER TRAINING	\$ 1,000.00
295-000-901.000	ADVERTISING	\$ 5,880.00
295-000-911.000	INSURANCE	\$ 22,000.00
295-000-920.000	UTILITIES	\$ 35,000.00
295-000-931.000	REPAIRS & MAINTENANCE	\$ 10,000.00
295-000-995.002	MISC. EXPENSE	\$ 3,000.00
295-000-999.016	TRANSFER OUT - PUBLIC IMPROVEMENT FUND	\$ 12,000.00

TOTAL EXPENSES \$ 389,792.00

THE AIRPORT FUND WAS ESTABLISHED TO ACCOUNT FOR ALL FUNDS FOR THE DAY TO DAY OPERATIONS OF THE MANISTEE COUNTY AIRPORT. THIS FUND DOES NOT INCLUDE ANY PUBLIC IMPROVEMENTS THAT ARE SCHEDULED FOR THE AIRPORT. REVENUES INCLUDE TRANSFERS FROM THE COUNTY GENERAL FUND AND AIRPORT OPERATIONS REVENUE. CONTRACTUAL REPAIRS FOR FY-10/11 INCLUDE TERMINAL REPAIRS AND HANGER REPAIRS. PROFESSIONAL FEE INCLUDE LEGAL, BOOKKEEPING AND AUDIT FEES.

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	263/302	565	
Jun	147/169	316	233/283	516	252/309	561	GL 94/113	207	166/213	379	311/366	677	
Jul	232/208	440	318/332	650	340/348	688	278/301	579	388/439	827	521/551	1072	
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		3991	

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%	6%/26%	68%
Jul									4%/16%	80%	5%/19%	76%
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%		

APPENDIX D

ORCHARD BEACH AVIATION

July 2010

RENT

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$799.44	
LANDING FEES		
TWIN	\$18.00	(2 @ \$9)
JET	\$288.00	(16 @ \$18)
TOTAL	\$1605.44	
100	1977.2 Gal	
JET	3352.4 Gal	
TOTAL	5329.6 Gal	