

## MINUTES

Monday, December 13, 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

Members Absent: None

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

Ervin Kowalski, Chairperson, called the meeting to order at 12:00 P.M.

Mr. Kowalski presented Mr. Haik with a certificate of appreciation for six years of service on the Airport Authority.

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, November 8, 2010.

**There was a motion by Mr. Schulert, supported by Mr. Picardat to approve the Airport Authority regular meeting minutes of Monday, November 8, 2010, as presented. Motion carried by unanimous vote.**

The Authority next reviewed the November 2010 Accounts Payable Report (APPENDIX A). Mr. Pomeroy noted that the payment to the State of Michigan is an annual fee for the public water supply. The Primary Airport Services payment is for the administration of PFC funds (previously done by Peckham Engineering and now done by the same person, but under a different business name). The payment to Peckham Engineering is a monthly "readiness to serve" retainer fee. It was noted that the monthly Consumers Energy bill is not included since it had not been received yet.

**There was a motion by Mr. Haik, supported by Mr. Wilson to approve the November 2010 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$20,938.59.**

**A roll call vote was taken:**

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

**Nays: 0**

**Absent: 0**

**Motion carried.**

The Authority next reviewed the November 2010 Financial Statement (APPENDIX B) which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Passenger Facility Charges collected.

**There was a motion by Mr. Schulert, supported by Mr. Lottie to approve the November 2010 Financial Statement. Motion carried by unanimous vote.**

Mr. Lind informed the Authority that the annual Part 139 inspection has been postponed to December 20 & 21, 2010 due to the weather. Mr. Lind will find out this evening if the Local Revenue Sharing Board will award a grant to the Airport Authority for the required annual firefighter training. The contract addendum for the taxiway lighting project will cost \$5,972.68, with the local match being \$149.32. The contract is in the approval process and once he receives it, Mr. Lind will bring it before the County Board of Commissioners.

Mr. Lind presented the airport's "Minimum Standards", which are called the Rules and Regulations, and are basically standards for businesses to operate at the airport (ex: Orchard Beach, Great Lakes, etc.). The Minimum Standards have not been updated in at least ten years and should be reviewed since some things are no longer accurate. Mr. Lind also feels that a section should be added for car rental standards. Since Mr. Lind owns Orchard Beach, he doesn't feel it would be appropriate for him to rewrite the Minimum Standards and recommended that a Committee work on it. Mr. Wilson, Mr. Spencer and Mr. Schulert will be on the Committee and work with Mr. Lind to update the Minimum Standards.

Mr. Lind stated that the results from the energy audit show that the airport terminal has an annual energy cost per square foot of \$3.30. The typical cost for a building of this type and age is \$1.44 per square foot, so there is a problem, but there are no obvious causes. The company that performed the energy audit recommended spending \$30,000 to \$40,000 for an annual payback of \$6,000 to \$10,000, but Mr. Lind is skeptical due to some of the figures that were used in their calculations. The Airport Authority recommended contacting Consumers Energy to see if they will inspect the building for any issues. If this does not reveal any hidden problems, other options will need to be explored.

No decision has been made yet on EAS service at the airport. Public comment was due on November 18, 2010, and Mr. Lind called on November 19, 2010 and was told that a decision would be made by December 3, 2010. On December 1, 2010, Mr. Lind received an email informing him that a decision would be made by December 10, 2010. Emails were exchanged again on December 10, 2010 and now a decision is expected by December 17, 2010. The decision seems to be taking longer because Charter Air Transport's Petition for Reconsideration needs to be answered, and one decision will be made for both issues. Mr. Lind has spoken with Frontier's Facilities Manager and they are ready to start the transition if they are selected to provide service at Manistee Blacker Airport, but it could take up to 90 days. Mr. Lind reminded the Authority that he had stated at last month's meeting that a larger fire truck or a second fire truck would be needed due to the size of some of Frontier's airplanes if they were selected to provide service. He has found out that FAA rules allow an airport to go one level higher than what they are certified at for firefighting if they have four flights or less per day. This would not be a long term solution, but would provide time to make a decision.

Mr. Lind stated that he feels the Airport Authority should have a marketing plan in place when/if Frontier service begins. There is currently \$5,880 in the Airport Authority's fiscal year 2010/11 budget for marketing/promotions. Working jointly with Frontier would be best because we know the local market best, we know the EAS environment better and Frontier should join in co-op advertising. Therefore, it would be good to have a plan to propose to Frontier. Local businesses may also want to collaborate to promote the new service at the airport. Other funding possibilities include the SCASDP grant that would be applied for in 2011 for use in 2012, a Local Revenue Sharing Grant, which can be applied for in the spring, and anticipated PFC funds (more passengers = more PFC funds). Mr. Lind would like to work with MS Creative (Mark Sanstedt) to put together proposals for a range of different spending levels to present to Frontier to get their financial commitment. Mr. Picardat noted that Mr. Sanstedt has done work for the airport in the past and he was pleased with it. After discussion,

**There was a motion by Mr. Lottie, supported by Mr. Picardat to give the Promotion Committee power to act to hire MS Creative to create marketing proposals for the airport and Frontier Airlines at a cost not to exceed \$2,000.**

**A roll call vote was taken:**

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

**Nays: 0**

**Absent: 0**

**Motion carried.**

There was no report from the Promotion Committee.

Mr. Spencer noted that in the future, changes to the airport's entrance should be discussed. He added that it is hard to find information about the airport on the County's website. Mr. Lottie will look into possible changes for the County's website.

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, as well as potential Frontier fares (APPENDIX E).

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

Visit: [www.manisteecountymi.gov](http://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.

[rn h:\reports\airport authority 121310]



## MANISTEE COUNTY BLACKER AIRPORT

INCOME:	NOVEMBER 2010 REVENUE & EXPENSES		BUDGET REMAINING		83%
	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
HANGER RENTAL	\$ 1,275.00	\$ 2,550.00	\$ 20,400.00	\$ 17,850.00	88%
LANDING FEES - GREAT LAKES	\$ 17,815.24	\$ 35,630.48	\$ 212,882.00	\$ 177,251.52	83%
LANDING FEES - GENERAL AVIATION	\$ 18.00	\$ 153.00	\$ 1,250.00	\$ 1,097.00	88%
AUTO RENTAL SPACE	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	100%
OFFICE RENT	\$ 955.00	\$ 1,910.00	\$ 11,460.00	\$ 9,550.00	83%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 19,166.00	\$ 115,000.00	\$ 95,834.00	83%
FUEL SALES	\$ 470.72	\$ 942.49	\$ 6,500.00	\$ 5,557.51	86%
SIGN LEASE	\$ -	\$ -	\$ 3,800.00	\$ 3,800.00	100%
MISCELLANEOUS	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	100%
<b>TOTAL INCOME</b>	<b>\$ 30,116.96</b>	<b>\$ 60,351.97</b>	<b>\$ 377,292.00</b>	<b>\$ 316,940.03</b>	<b>84%</b>

**EXPENSES:**

PERSONNEL - MANAGEMENT	\$ 3,278.18	\$ 6,556.36	\$ 39,340.00	\$ 32,783.64	83%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 16,482.66	\$ 34,105.32	\$ 218,872.00	\$ 184,766.68	84%
DUES & MEETINGS	\$ -	\$ -	\$ 800.00	\$ 800.00	100%
SUPPLIES	\$ -	\$ 122.82	\$ 4,000.00	\$ 3,877.18	97%
UTILITIES	\$ 425.09	\$ 2,906.79	\$ 35,000.00	\$ 32,093.21	92%
FUEL	\$ -	\$ -	\$ 6,500.00	\$ 6,500.00	100%
REPAIRS & MAINTENANCE	\$ 151.67	\$ 869.44	\$ 10,000.00	\$ 9,130.56	91%
TERMINAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	\$ -	\$ 357.00	\$ 1,600.00	\$ 1,243.00	78%
LEGAL	\$ 230.00	\$ 1,219.00	\$ 5,000.00	\$ 3,781.00	76%
AUDIT	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	100%
ADVERTISING	\$ -	\$ -	\$ 5,880.00	\$ 5,880.00	0%
TELEPHONE	\$ 16.78	\$ 33.30	\$ 300.00	\$ 266.70	89%
INSURANCE	\$ -	\$ -	\$ 22,000.00	\$ 22,000.00	100%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0%
EQUIPMENT	\$ -	\$ -	\$ 19,500.00	\$ 19,500.00	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
NOTES PAYABLE	\$ -	\$ -	\$ -	\$ -	0%
TRANSFER OUT/FUND BALANCE	\$ -	\$ -	\$ -	\$ -	100%
MISCELLANEOUS	\$ 354.21	\$ 654.21	\$ 3,000.00	\$ 2,345.79	78%
	<b>\$ 20,938.59</b>	<b>\$ 46,824.24</b>	<b>\$ 377,292.00</b>	<b>\$ 330,467.76</b>	<b>88%</b>

EXCESS REVENUE OVER/(UNDER) EXPENDITURES **\$ 9,178.37** **\$ 13,527.73**

BALANCE ON HAND - AIRPORT FUND

BEGINNING BALANCE 11/01/10	\$ 23,262.34
NOVEMBER RECEIPTS	\$ 30,235.01
OCTOBER DISBURSEMENTS	\$ (25,855.65)

**\$ 27,641.70**

B-2

# MANISTEE COUNTY BLACKER AIRPORT

## NOVEMBER 2010 BALANCE SHEET

ASSETS	11/30/2010	10/31/2010
CASH	\$ 27,641.70	\$ 23,262.34
ACCOUNTS RECEIVABLE		
GREAT LAKES AIRLINES	\$ 17,815.24	\$ 17,815.24
STATE OF AUTO RENTAL	\$ -	\$ -
MISC.	\$ 988.72	\$ 1,106.77
<b>TOTAL ASSETS</b>	<b>\$ 46,445.66</b>	<b>\$ 42,184.35</b>
<b>LIABILITIES</b>	<b>11/30/2010</b>	<b>10/31/2010</b>
ACCOUNTS PAYABLE - TRADE	\$ 20,938.59	\$ 25,855.65
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 20,938.59</b>	<b>\$ 25,855.65</b>
<b>FUND BALANCE</b>	<b>\$ 25,507.07</b>	<b>\$ 16,328.70</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 46,445.66</b>	<b>\$ 42,184.35</b>

<b>PASSENGER FACILITY CHARGES COLLECTED THROUGH 11/30/2010</b>	<b>\$ 30,869.04</b>
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** **\$ 23,094.04**

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

**BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:** 7/1/2010 **\$ 16,228.49**

**BALANCE DUE TO MANISTEE COUNTY ON THE FUEL FARM AS OF:** 9/30/2010 **\$ -**

**PUBLIC IMPROVEMENT FUND - CASH AVAILABLE** **\$ 24,686.88**

**PAYOFF FUEL FARM FROM PUBLIC IMPROVEMENT FUND** **\$ (16,228.49)**  
 (per Board of Commissioner action 7/20/2010)

**PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 09/30/2010** **\$ 8,458.39**

Manistee County Blacker Airport

**Enplaned/Deplaned**

	2005			2006			2007			2008			2009			2010		
	MW	Out/In	Total	GL	Out/In	Total	GL	Out/In	Total									
Jan		141/118	259		150/101	251		210/164	374		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		482/395	877
Sep		171/158	329		268/267	535		278/217	495		219/190	409		285/293	578		240/233	473
Oct		131/135	266		263/221	484		276/248	524		173/174	347		282/275	557		270/246	516
Nov		159/148	307		210/205	415		275/280	555		168/166	334		257/269	526		<b>236/242</b>	<b>478</b>
Dec		142/146	288		224/242	466		203/205	408		159/122	281		228/279	507			
Total			3951			5520			6004			4035			5522			6335

**On-time Performance**

	2005		2006		2007		2008		2009		2010		
	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%	4%/5%	91%	
Sep									0%/9%	91%	18%/16%	66%	
Oct								11%/31%	57%	10%/8%	81%	15%/13%	72%
Nov								13%/32%	55%	3%/10%	87%	<b>16%/16%</b>	<b>68%</b>
Dec								36%/44%	20%	25%/39%	36%		

APPENDIX C

ORCHARD BEACH AVIATION

November 2010

## RENT

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$470.72	
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$18.00	(1 @ \$18)
TOTAL	\$988.72	
100	1058.1 Gal	
JET	2080.0 Gal	
TOTAL	3138.1 Gal	

# APPENDIX E

## Best Fares

	MBL	TVC	GRR	Anticipated Fronti
Boston (BOS)	276 F9/CO	426 DL	<b>208</b> F9	208
Dallas (DFW)	<b>296</b> F9/US	439 AA	298 F9	232
Denver (DEN)	320 F9	323 DL	<b>199</b> F9	212
New York Area (NYC)	304 F9/CO	316 DL	<b>199</b> F9	202
Phoenix (PHX)	314 CO	440 DL	<b>237</b> AA	338
Average Fare	\$302.00	\$388.80	\$228.20	\$238.40
Fares Pulled 12/13/10 for travel 01/12/11 - 01/19/11				

## Best Fares +7 days parking

	MBL	TVC	GRR	
Boston (BOS)	276 F9/CO	459 DL	<b>256</b> F9	208
Dallas (DFW)	<b>296</b> F9/US	472 AA	<b>346</b> F9	232
Denver (DEN)	320 F9	356 DL	<b>247</b> F9	212
New York Area (NYC)	304 F9/CO	349 DL	<b>247</b> F9	202
Phoenix (PHX)	314 CO	473 DL	<b>285</b> AA	338
Average Fare	\$302.00	\$421.80	\$276.20	\$238.40
Parking Fees for one week are \$0 at Manistee, \$33 at Traverse City and \$48 at Grand Rapids				
Fares Pulled 12/13/10 for travel 01/12/11 - 01/19/11				