

MINUTES

Monday, March 16, 2020
12:00 P.M.

Manistee County Blacker Airport
Conference Room

Members Present: Gerald Haw, Chair; Jeff Dontz; Karen Goodman; Philip Siuda; and Barry Peterson

Members Absent: Mark Bergstrom; Andrew Gentile

Others Present: Barry Lind, Airport Director; and Julie Schmeling, Airport Authority Recording Secretary; and Susan Zielinski, Airport Authority Treasurer

Gerald Haw, Chair, called the meeting to order at 12:00 P.M. Roll was taken by the Secretary.

The agenda was presented for approval. Mr. Siuda asked that "New Business" and "Old Business" be switched in order on the agenda. There was also a suggestion to change "Old Business" to now be called "Old/Unfinished Business".

**There was a motion by Mr. Peterson, supported by Mr. Siuda, to approve the meeting agenda with changes in the order of "New Business" and "Old Business" be switched, and to also change the name of "Old Business" to "Old/Unfinished Business" .
Motion carried by unanimous vote.**

The Chair 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 10, 2020.

There was a motion by Ms. Goodman, supported by Mr. Siuda, to approve the Airport Authority regular meeting minutes, of Monday, February 10, 2020. Motion carried by unanimous vote.

The Authority next reviewed the January 2020 Revenue & Expense Report. (APPENDIX A). There was a discrepancy last month on the report, so it was not approved as presented. Ms. Zielinski made the corrections and also presented a schedule of adjustments made (APPENDIX B). This schedule shows the adjustments made up to September 30, 2019.

There was a motion by Mr. Dontz, supported by Ms. Goodman, to approve the January 2020 Revenue & Expense Report.

A roll call vote was taken:

Yeas: 5 (Haw; Siuda; Goodman; Dontz; Peterson)

Nays: 0

Absent: 2 (Bergstrom; Gentile)

Motion carried.

The Authority reviewed the February 2020 Accounts Payable Report (APPENDIX C).

There was a motion by Ms. Goodman, supported by Mr. Dontz, to approve the February 2020 Accounts Payable.

A roll call vote was taken:

Yeas: 5 (Haw; Peterson; Siuda; Goodman; Dontz)

Nays: 0

Absent: 2 (Gentile; Bergstrom)

Motion carried.

The Authority reviewed the February 2020 Financial Statement (APPENDIX D), which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Passenger Facility Charges collected. Ms. Zielinski changed the format of the report and explained the changes as she presented the information.

There was a motion by Mr. Dontz, supported by Mr. Peterson to approve the February 2020 Financial Statement.

A roll call vote was taken:

Yeas: 5 (Siuda; Dontz; Haw; Peterson; Goodman)

Nays: 0

Absent: 2 (Bergstrom; Gentile)

Motion carried.

The Orchard Beach Aviation rent information was provided, as well as fuel sales for February 2020 (APPENDIX E).

The Executive Committee did not meet.

The Budget Committee did not meet.

The Capital Projects Committee did not meet.

Mr. Lind reported that there were no airport incidents. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon (APPENDIX F). Mr. Lind presented information on airplane passenger numbers for 2019 as well as the previous five years (APPENDIX G). Mr. Lind attended the State Winter Conference February 19 – 20, 2020 in Lansing. PFAS testing equipment is installed. \$21,000 EGLE Grant money was received, and the grant money of \$6,000 is requested from the State for remaining funding. There is no update on the fuel system monitor. The Triennial Airport Emergency Exercise is tentatively scheduled for May 30, 2020 during the airport closure. The Annual Recurrent ARFF Training is scheduled for May 9, 2020 on-site with ARFF Specialists Mobile Training Unit. Grant amendment #1 for the land acquisition is completed and the relocation costs need to be paid and submitted for reimbursement. A second grant amendment will be needed for legal expenses pertaining to the acquisition. The runway rehabilitation project is scheduled for May 26 – June 5, 2020. Airline flights are canceled for those days. Prein & Newhof has started on the updated Airport Layout Plan. The current plan is 21 years old. Fieldwork will need to wait until spring. FAA requires an Independent Fee Estimate for this project as the State is no longer allowed to perform that role. The Beech 1900 is scheduled for final FAA aircraft signoff today. A check ride is scheduled for this weekend with the crew, and they plan to be in service by the end of March. As of March 17 Ultimate Jet will dedicate a Donier Jet to the Manistee route. DOT is now current on subsidy payments, Mr. Lind has to submit for February. The summer schedule is drafted and is almost ready to open for ticket sales. The final decision to open the schedule will likely depend on more clarity around the pandemic situation. The RFP's were released on February 10, 2020 and bids will be due March 30, 2020. The RFP mentions our seasonality, but doesn't require seasonal bids. Instead of the ILS being completely shutdown, the FAA has revised their notice to airmen (NOTAM) that would restrict its use under certain circumstances. This means that the ILS is available for the critical navigational services it is designed to support. Work on the website redesign will begin later this month.

Under Old Business/Unfinished Business, Mr. Arons hangar discussion was brought up. After the bidding of airlines, depending on the airline Manistee Blacker Airport chooses, there may be a need for the hangar use. Mr. Lind is going to pursue, but will not make any commitments.

Mr. Lind handed out the Proposed Air Carrier Fees for October 1, 2020 – September 30, 2022. (APPENDIX H) These are the fees charged to the air carriers to operate at Manistee Blacker airport. If an air carrier submits a bid for four years, they would anticipate similar fees for the additional years.

There was a motion by Ms. Goodman, supported by Mr. Siuda, to adopt the Proposed Air Carrier Fees for October 1, 2020 – September 30, 2022.

A roll call vote was taken:

Yeas: 5 (Haw; Peterson; Siuda; Goodman; Dontz)

Nays: 0

Absent: 2 (Gentile; Bergstrom)

Motion carried.

Mr. Lind noted that the required annual aircraft rescue and firefighter training (ARFF) will be performed on-site this year. A grant is available through the state for \$2,000 to help with these costs (APPENDIX I). After discussion,

There was a motion by Mr. Dontz, supported by Mr. Peterson, to approve the Michigan Department of Transportation Contract for Aircraft Rescue and Firefighter Training, Contract No. 2020-0346, and to authorize the Airport Authority Chair to execute the contract.

A roll call vote was taken:

Yeas: 5 (Siuda; Dontz; Haw; Peterson; Goodman)

Nays: 0

Absent: 2 (Bergstrom; Gentile)

Motion carried.

Mr. Lind requested approval of the Independent Fee Estimate. He did not have the document available at the meeting. Prein & Newhof will do the ALP Update Project. Mr. Lind reached out to Mead & Hunt to complete the Independent Fee Estimate. Mead & Hunt will review the proposal made by Prein & Newhof and make sure that the rates and standards are reasonable. They agreed to complete this for an amount not to exceed \$5,000. This amount is reimbursable under the ALP grant.

There was a motion by Mr. Dontz, supported by Mr. Peterson, to authorize the Board Chair to sign the agreement with Mead & Hunt to complete the Independent Fee Estimate for an amount not to exceed \$5,000.

A roll call vote was taken:

Yeas: 5 (Siuda; Haw; Goodman; Dontz; Peterson)

Nays: 0

Absent: 2 (Bergstrom; Gentile)

Motion carried.

There being no further business to come before the Authority, the meeting was adjourned at 1:26 P.M.

Respectfully Submitted,

Jeff Dontz, Airport Authority Secretary

Visit: www.manisteecountymi.gov to view Calendar of Events, County Board Agendas/Minutes, Committee Meeting Minutes, Airport Authority Minutes (under More Departments and Services), etc.
[s h:\airport authority\minutes\airport authority 031620]

APPENDIX A

MANISTEE COUNTY BLACKER AIRPORT

JANUARY 2020 REVENUE & EXPENSES

INCOME:				BUDGET REMAINING		67%
	PREVIOUS MONTH	CURRENT MONTH	YEAR-TO DATE	AMENDED BUDGET	BALANCE \$	%
FEDERAL GRANT - AEAS	\$234,621.00		\$ 535,814.50	\$ 2,990,575.00	\$ 2,454,760.50	82%
STATE REIMBURSEMENTS				\$ 18,000.00	\$ 18,000.00	100%
OFFICE RENT	\$ 1,168.71	\$ 443.71	\$ 3,949.84	\$ 14,900.00	\$ 10,950.16	73%
LANDING FEES - GENERAL AVIATION			\$ 161.28	\$ 2,100.00	\$ 1,938.72	92%
LANDING FEES - PUBLIC CHARTERS		\$ 20,483.35	\$ 40,966.70	\$ 245,800.00	\$ 204,833.30	83%
HANGAR RENTAL	\$ 1,250.00	\$ 2,387.42	\$ 6,449.92	\$ 19,000.00	\$ 12,550.08	66%
AUTO RENTAL FEES	\$ 2,319.65	\$ (1,580.17)	\$ 1,082.61	\$ 4,750.00	\$ 3,667.39	77%
SIGN LEASE				\$ 4,000.00	\$ 4,000.00	100%
PASSENGER FACILITY CHARGES		\$ 4.39	\$ 8.78	\$ 25,000.00	\$ 24,991.22	100%
MISCELLANEOUS	\$ 2.20	\$ 2.20	\$ 37.20	\$ -	\$ (37.20)	#DIV/0!
FUEL SALES	\$ 136.58	\$ 432.30	\$ 2,913.56	\$ 13,000.00	\$ 10,086.44	78%
COUNTY OF MANISTEE	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00	\$ 120,000.00	\$ 80,000.00	67%
MARKETING - PUBLIC CHARTERS	\$ -	\$ 2,500.00	\$ 2,500.00	\$ 10,000.00	\$ 7,500.00	75%
TOTAL INCOME	\$249,498.14	\$ 34,673.20	\$ 633,884.39	\$ 3,467,125.00	\$ 2,833,240.61	82%

EXPENSES:

SUPPLIES	\$ 264.52	\$ 506.22	\$ 1,076.21	\$ 2,000.00	\$ 923.79	46%
EQUIPMENT			\$ 4,741.78	\$ 6,600.00	\$ 1,858.22	28%
FUEL	\$ 1,329.09		\$ 1,866.59	\$ 6,500.00	\$ 4,633.41	71%
CONTRACTED SERVICES		\$ 302.60	\$ 302.60	\$ 1,200.00	\$ 897.40	75%
AUDIT			\$ -	\$ 7,800.00	\$ 7,800.00	100%
AEAS CONTRACT-PUBLIC CHARTERS	\$234,621.00	\$ -	\$ 536,117.10	\$ 2,990,575.00	\$ 2,454,457.90	82%
PERSONNEL - MANAGEMENT	\$ 3,750.00	\$ 3,750.00	\$ 15,000.00	\$ 45,000.00	\$ 30,000.00	67%
PERSONNEL - OP & MAINT	\$ 20,986.70	\$ 21,458.61	\$ 84,772.27	\$ 258,500.00	\$ 173,727.73	67%
LEGAL	\$ 575.00		\$ 1,325.00	\$ 2,500.00	\$ 1,175.00	47%
DUES & FEES			\$ 242.30	\$ 1,000.00	\$ 757.70	76%
TELEPHONE	\$ 43.79	\$ 43.48	\$ 174.87	\$ 540.00	\$ 365.13	68%
TRAVEL				\$ 500.00	\$ 500.00	100%
TRAINING (FIRE FIGHTER)				\$ 6,500.00	\$ 6,500.00	100%
ADVERTISING	\$ 1,479.48	\$ 1,309.31	\$ 4,604.17	\$ 30,000.00	\$ 25,395.83	85%
INSURANCE	\$ 12,948.65	\$ 60.00	\$ 13,008.65	\$ 17,800.00	\$ 4,791.35	27%
UTILITIES	\$ 2,675.72	\$ 3,180.38	\$ 9,494.76	\$ 26,000.00	\$ 16,505.24	63%
REPAIRS & MAINTENANCE	\$ 10,815.46	\$ 3,925.61	\$ 20,837.59	\$ 25,000.00	\$ 4,162.41	17%
MISCELLANEOUS			\$ -	\$ 1,000.00	\$ 1,000.00	100%
PFC EXPENSES	\$ 927.50		\$ 927.50	\$ 33,971.00	\$ 33,043.50	97%
MISC EXP. MCGUINEAS DRAIN			\$ 4,139.39	\$ 4,139.00	\$ (0.39)	0%
TRANSFER OUT-GENERAL FUND			\$ -	\$ -	\$ -	0%
TOTAL EXPENSES	\$290,416.91	\$ 34,536.21	\$ 698,630.78	\$ 3,467,125.00	\$ 2,768,494.22	80%

EXCESS REVENUE OVER/(UNDER) EXPENDITURES \$ 136.99 \$ (64,746.39)

BALANCE ON HAND - AIRPORT FUND

BEGINNING BALANCE 12/1/2019	\$ 220,517.70
JANUARY RECEIPTS	\$ 34,375.29
DECEMBER RECEIPTS	\$(289,489.41)
	<u>\$ (34,596.42)</u>

ACCOUNTS RECEIVABLE AS OF 9/30/19

AIRPORT AUTHORITY FUND (295)

CUSTOMER (VENDOR NAME)	DEPARTMENT	LINE ITEM #	AMOUNT DUE
ORCHARD BEACH AVAIIATION, INC	AIRPORT	295-000-668.000 OFFICE RENT	446.71
ORCHARD BEACH AVAIIATION, INC	AIRPORT	295-000-698.001 FUEL SALES	1,427.00
ORCHARD BEACH AVAIIATION, INC	AIRPORT	295-000-668.001 LANDING FEES GENERAL AVIATION	493.92
FEDERAL GRANT - AEAS	AIRPORT	295-000-505.000 FEDERAL GRANT - AEAS	170,164.50
MOWRY LEASING & RENTAL	AIRPORT	295-000-668.004 RENTAL FEES	2,662.78
PUBLIC CHARTERS INC	AIRPORT	295-000-668.002 RENT AND LANDING FEES	20,483.35
TOTAL			<u>195,678.26</u>

ACCOUNTS PAYABLE AS OF 9/30/19

AIRPORT AUTHORITY FUND (295)

CUSTOMER (VENDOR NAME)	DEPARTMENT	LINE ITEM #	AMOUNT DUE
RIGHTSIDE DESIGN, LLC	AIRPORT	295.000-901.000 ADVERTISING	1,100.00
MIKA MEYERS PLC	AIRPORT	295-000-806.000 LEGAL FEES	850.00
PUBLIC CHARTERS	AIRPORT	295-000-800.004 CONTRACTUAL-PUBLIC CHARTERS	170,164.50
TOTAL			<u>172,114.50</u>

APPENDIX C

MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY ACCOUNTS PAYABLE

VENDOR NAME	DESCRIPTION	AMOUNT
BARRY LIND	FEBRUARY	\$ 3,750.00
CONSUMERS ENERGY	JANUARY & PARTIAL FEBRUARY	\$ 1,654.56
A T & T	JANUARY 14 - FEBRUARY 13, 2020	\$ 43.57
DTE ENERGY	JANUARY 7 - FEBRUARY 5, 2020	\$ 1,157.22
MIKA MEYERS PLC	GENERAL LEGAL - JANUARY 2020	\$ 275.00
ORCHARD BEACH AVIATION	SUPPLIES - FEBRUARY (reimbursement of expenses)	\$ 494.44
GILL-ROY'S HARDWARE	SUPPLIES	\$ 70.84
E-ONE INC	FIREFIGHTING FOAM TESTING EQUIPMENT	\$ 22,106.00
PRIMARY AIRPORT SERVICES	PFC - PROGRAM	\$ 242.95
JUS-GREEN	YEARLY BUG GUARD PROGRAM	\$ 350.00
MCCREDIE INSURANCE AGENCY	GENERAL LIABILITY INSURANCE	\$ 5,552.00
AUTO-WARES GROUP	REPAIRS & MAINTENANCE	\$ 146.35
BLARNEY CASTLE OIL	FUEL	\$ 1,259.01
STATE OF MICHIGAN	AERO LOC SPONSOR - PFC EXPENSE	\$ 2,775.00
INDUSTRIAL MARKETING & CONSULTING	REPAIR RADIATOR	\$ 67.40
CARLS EXCAVATING INC	SAND	\$ 785.35
MANISTEE TIRE SERVICE	TIRES FOR 2005 FORD F350	\$ 939.92
	TOTAL	\$ 41,669.61
ADVERTISING INVOICES		
	DESCRIPTION	AMOUNT
RIGHTSIDE DESIGN, LLC	JANUARY (reimbursement of expenses)	\$ 850.00
ORCHARD BEACH AVIATION	FEBRUARY (reimbursement of expenses)	\$ 400.28
	TOTAL	\$ 1,250.28
ORCHARD BEACH AVIATION		
	DESCRIPTION	AMOUNT
REGULAR HOURS	261 @ \$18.15	\$ 4,737.15
MAINTENANCE HOURS	127.50 @ \$18.15	\$ 2,314.13
PART 139 LABOR	FEBRUARY	\$ 13,400.00
INTERNET		\$ 49.50
TV SERVICE		\$ 25.00
	TOTAL	\$ 20,525.78
GRAND TOTAL		\$ 63,445.67

APPENDIX D

MANISTEE COUNTY BLACKER AIRPORT

FEBRUARY 2020 REVENUE & EXPENSES

GL NUMBER	DESCRIPTION	ACTIVITY FOR MONTH 02/29/2020	PREVIOUS MONTH BALANCE	YTD BALANCE 02/29/2020	2019-20 ORIGINAL BUDGET	% BDGT USED	INCREASE (DECREASE)	
							NORMAL (ABNORMAL)	NORMAL (ABNORMAL)
Fund 295 - AIRPORT AUTHORITY FUND								
Revenues								
295-000-505.000	FEDERAL GRANT - AEAS	326,185.00	535,814.50	861,999.50	2,990,575.00	28.8%		
295-000-540.000	STATE REIMBURSEMENTS	0.00	0.00	0.00	18,000.00	0.0%		
295-000-665.000	INTEREST EARNED	0.00	67.53	67.53	0.00	100.0%		
295-000-668.000	OFFICE RENT	1,056.52	4,369.27	5,425.79	14,900.00	36.4%		
295-000-668.001	LANDING FEES GENERAL AVIATION	0.00	161.28	161.28	2,100.00	7.7%		
295-000-668.002	RENT AND LANDING FEES-PUBLIC CHARTER	20,483.35	40,966.70	61,450.05	245,800.00	25.0%		
295-000-668.003	HANGAR RENT	3,112.42	4,037.50	7,149.92	19,000.00	37.6%		
295-000-668.004	CAR RENTAL FEES	0.00	369.68	369.68	4,750.00	7.8%		
295-000-668.005	SIGN LEASE	0.00	0.00	0.00	4,000.00	0.0%		
295-000-668.006	PASSENGER FACILITY CHARGES	0.00	8.78	8.78	25,000.00	0.0%		
295-000-695.000	MISC. REVENUE	0.00	35.00	35.00	0.00	100.0%		
295-000-698.001	FUEL SALES	432.30	2,481.26	2,913.56	13,000.00	22.4%		
295-000-699.001	TRANSFER IN - GENERAL FUND	10,000.00	40,000.00	50,000.00	120,000.00	41.7%		
295-000-699.010	PUBLIC CHARTERS MARKETING	0.00	2,500.00	2,500.00	10,000.00	25.0%		
TOTAL REVENUES		361,269.59	630,811.50	992,081.09	3,467,125.00	28.6%		
Expenditures								
295-000-727.002	MISC. SUPPLIES	506.22	569.99	1,076.21	2,000.00	53.8%		
295-000-730.000	EQUIPMENT	0.00	4,741.78	4,741.78	6,600.00	71.8%		
295-000-743.000	GAS AND OIL	1,259.01	1,866.59	3,125.60	6,500.00	48.1%		
295-000-800.000	CONTRACTED SERVICES	242.95	302.60	545.55	1,200.00	45.5%		
295-000-800.002	CONTRACTED SERVICES - AUDIT	0.00	0.00	0.00	7,800.00	0.0%		
295-000-800.004	CONTRACTUAL - PUBLIC CHARTERS	326,185.00	535,814.50	861,999.50	2,990,575.00	28.8%		
295-000-801.000	CONTRACTED SERVICES - MANAGEMENT	3,750.00	11,250.00	15,000.00	45,000.00	33.3%		
295-000-801.001	CONTRACTED SERVICES - MAINT.	21,458.61	63,313.66	84,772.27	258,500.00	32.8%		
295-000-806.000	ATTORNEY FEES	275.00	1,325.00	1,600.00	2,500.00	64.0%		
295-000-812.000	DUES AND FEES	0.00	242.30	242.30	1,000.00	24.2%		
295-000-850.000	TELEPHONE	0.00	174.87	174.87	540.00	32.4%		
295-000-860.000	TRAVEL	0.00	0.00	0.00	500.00	0.0%		
295-000-862.002	TRAINING-FIRE FIGHTER	0.00	0.00	0.00	6,500.00	0.0%		
295-000-901.000	ADVERTISING	459.31	4,144.86	4,604.17	30,000.00	15.3%		
295-000-911.000	LIABILITY INSURANCE	5,552.00	13,008.65	18,560.65	17,800.00	104.3%		
295-000-920.000	UTILITIES	(54.99)	9,420.26	9,365.27	26,000.00	36.0%		
295-000-931.000	REPAIRS & MAINTENANCE	1,875.93	20,837.59	22,713.52	25,000.00	90.9%		
295-000-995.000	MISC. EXPENSE	0.00	0.00	0.00	1,000.00	0.0%		
295-000-995.002	MISC. EXPENSE - PFC	2,775.00	927.50	3,702.50	33,971.00	10.9%		
295-000-995.003	MISC EXPENSE - MCGUINEAS DRAIN	0.00	4,139.39	4,139.39	4,139.00	100.0%		
TOTAL EXPENDITURES		364,284.04	672,079.54	1,036,363.58	3,467,125.00	29.9%		
TOTAL REVENUES		35,084.59	630,811.50	665,896.09	3,467,125.00	19.2%		
TOTAL EXPENDITURES		38,099.04	672,079.54	710,178.58	3,467,125.00	20.5%		
NET OF REVENUES & EXPENDITURES		(3,014.45)	(41,268.04)	(44,282.49)				

PASSENGER FACILITY CHARGES RECEIVED THROUGH 02/29/2020

EXPENSES PRIOR TO 10/2017	\$ 206,619.69
TREWORKS, INC - TREE REMOVAL 11/2017	\$ (104,534.85)
PREIN & NEWHOF - LAND ACQUISITION 12/2017	\$ (7,600.00)
PREIN & NEWHOF - TREE CLEARING 12/2017	\$ (8,669.55)
TREWORKS, INC - TREE REPLACEMENT 12/2017	\$ (2,386.90)
PREIN & NEWHOF - LAND ACQUISITION 3/2018	\$ (618.75)
NORTHWOODS PRODUCTS - HANGAR DOOR ROLLERS ETC 4/2018	\$ (10,697.45)
PREIN & NEWHOF - LAND ACQUISITION 4/2018	\$ (750.00)
FOLDITTE - HANGAR DOOR 5/2018	\$ (15,309.00)
STATE OF MICHIGAN - GRANT MATCH 7/2018	\$ (3,342.86)
STATE OF MICHIGAN - GRANT MATCH 8/2018	\$ (1,350.00)
PREIN & NEWHOF - LAND ACQUISITION 9/2018	\$ (4,200.00)
PREIN & NEWHOF - LAND ACQUISITION 10/2018	\$ (3,836.92)
PREIN & NEWHOF - PHASE II ENVIRONMENTAL 11/2018	\$ (616.00)
NORTHWOODS PRODUCTS - INSTALL NEW HANGAR DOOR 11/2018	\$ (6,310.00)
PREIN & NEWHOF - SETTLEMENT/PHASE III CLOSING/RELOCATION	\$ (5,275.00)
MANISTEE CO. TREASURER - LAND ACQUISITION PROP TAXES 3/2019	\$ (15,281.53)
PREIN & NEWHOF - PHASE II & RELOCATION ASSISTANCE 12/2019	\$ (246.03)
PREIN & NEWHOF - PHASE II & RELOCATION ASSISTANCE 2/2020	\$ (1,786.50)
STATE OF MICHIGAN - PFC EXPENSE	\$ (927.50)
PFC FUNDS AVAILABLE*	\$ (2,775.00)
	\$ 10,105.85

MANISTEE COUNTY BLACKER AIRPORT

TRAIL BALANCE AS OF 02/29/2020

FUND ACCOUNT	DESCRIPTION	END BALANCE 02/29/2020 NORMAL (ABNORMAL)
Assets		
295 001.000	CASH	(122,059.66)
295 002.000	LIQUID ASSETS - PFC ACCOUNT	114,296.59
295 002.002	LIQUID ASSETS - AEAS	638.06
TOTAL ASSETS		(7,125.01)
Fund Equity		
295 390.000	FUND BALANCE	621.02
TOTAL FUND EQUITY		621.02
Revenues		
295 505.000	FEDERAL GRANT - AEAS	861,999.50
295 665.000	INTEREST EARNED	83.91
295 668.000	OFFICE RENT	5,425.79
295 668.001	LANDING FEES GENERAL AVIATION	161.28
295 668.002	RENT AND LANDING FEES-PUBLIC CHARTERS	61,450.05
295 668.003	HANGAR RENT	7,149.92
295 668.004	CAR RENTAL FEES	369.68
295 668.006	PASSENGER FACILITY CHARGES	8.78
295 695.000	MISC. REVENUE	35.00
295 698.001	FUEL SALES	2,913.56
295 699.001	TRANSFER IN - GENERAL FUND	50,000.00
295 699.010	PUBLIC CHARTERS MARKETING	2,500.00
TOTAL REVENUES		992,097.47
Expenditures		
295 727.002	MISC. SUPPLIES	1,076.21
295 730.000	EQUIPMENT	4,741.78
295 743.000	GAS AND OIL	3,125.60
295 800.000	CONTRACTED SERVICES	545.55
295 800.004	CONTRACTUAL - PUBLIC CHARTERS	861,999.50
295 801.000	CONTRACTED SERVICES - MANAGEMENT	15,000.00
295 801.001	CONTRACTED SERVICES - MAINT.	84,772.27
295 806.000	ATTORNEY FEES	1,600.00
295 812.000	DUES AND FEES	242.30
295 850.000	TELEPHONE	174.87
295 901.000	ADVERTISING	4,604.17
295 911.000	LIABILITY INSURANCE	18,560.65
295 920.000	UTILITIES	9,365.27
295 931.000	REPAIRS & MAINTENANCE	22,713.52
295 995.002	MISC. EXPENSE - PFC	3,702.50
295 995.003	MISC EXPENSE - MCGUINEAS DRAIN	4,139.39
TOTAL EXPENDITURES		1,036,363.58
Total - All Funds:		(50,770.10)

ORCHARD BEACH AVIATION

February 2020

RENT

OFFICE	\$443.71	
FUEL	\$279.79	
LANDING FEES		
TWIN	\$0.00	(0 @ \$10.08)
JET	\$0.00	(0 @ \$20.16)
DAILY HANGERS	\$0.00	(0 @ \$22.50)
VENDING	\$3.20	(10% of \$32.00)
T-SHIRT SALES	\$0.00	(0 @ \$12.00)
TOTAL	\$726.70	

FUEL SALES FEBRUARY 2020

100LL 244.8 Gal

JET 1552.7 Gal

TOTAL 1797.5 Gal

 General 414.6 Gal @ .15 = \$62.19

 PublicCharters 1329.0 Gal @ .15 = \$199.35

 Orchard Beach 53.9 Gal @ .15 = \$8.09

DIESEL FUEL 4.2 Gal @ \$2.42 = \$10.16

APPENDIX F

April Travel as of 3/14/2020

Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	188 DL	171 UA	157 DL	176 UA
Boston (BOS)	301 WN	183 UA	183 UA	244 UA
Chicago (MDW or ORD)	129 P1	97 AA	97 AA	159 UA
Dallas (DFW)	248 WN	225 DL	205 DL	288 UA
Denver (DEN)	231 WN	207 AA/UA	171 UA	260 UA
Houston (HOU)	246 WN	163 UA	128 WN	294 UA
Kansas City (MCI)	228 WN	183 UA	167 DL	244 UA
Las Vegas (LAS)		207 DL	187 DL	360 UA
Los Angeles (LAX)		227 DL	197 DL	268 UA
Minneapolis (MSP)	227 WN	183 UA	157 DL	244 UA
New York Area (NYC)	236 WN	197 DL	179 AA	270 UA
Orlando (MCO)	258 WN	187 DL	112 AA	304 UA
Philadelphia (PHL)	253 WN	185 DL	167 DL	304 UA
Phoenix (PHX)	323 WN	225 DL	205 DL	344 UA
Portland (PDX)		263 UA	263 UA	324 UA
San Diego (SAN)		227 DL	197 AA	310 UA
San Francisco (SFO)		223 UA	223 UA	284 UA
Seattle (SEA)		259 UA	257 UA	320 UA
St Louis (STL)	227 WN	183 UA	175 AA	244 UA
Washington DC Area (WA)	287 WN	175 DL	172 AA	212 UA

Average Fare	\$241.57	\$198.50	\$179.95	\$272.65
Change from one month	-\$102.28	-\$83.60	-\$80.90	-\$93.55
Change from two months	-\$112.58	-\$77.05	-\$81.60	-\$78.10

Fares Pulled 3/14/2020 for travel 4/15/2020 - 4/22/2020

Best Fares + 7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	188 DL	227 UA	227 DL	246 UA
Boston (BOS)	301 WN	239 UA	253 UA	314 UA
Chicago (MDW or ORD)	129 P1	153 AA	167 AA	229 UA
Dallas (DFW)	248 WN	281 DL	275 DL	358 UA
Denver (DEN)	231 WN	263 AA/UA	241 UA	330 UA
Houston (HOU)	246 WN	219 UA	198 WN	364 UA
Kansas City (MCI)	228 WN	239 UA	237 DL	314 UA
Las Vegas (LAS)	0 0	263 DL	257 DL	430 UA
Los Angeles (LAX)	0 0	283 DL	267 DL	338 UA
Minneapolis (MSP)	227 WN	239 UA	227 DL	314 UA
New York Area (NYC)	236 WN	253 DL	249 AA	340 UA
Orlando (MCO)	258 WN	243 DL	182 AA	374 UA
Philadelphia (PHL)	253 WN	241 DL	237 DL	374 UA
Phoenix (PHX)	323 WN	281 DL	275 DL	414 UA
Portland (PDX)	0 0	319 UA	333 UA	394 UA
San Diego (SAN)	0 0	283 DL	267 AA	380 UA
San Francisco (SFO)	0 0	279 UA	293 UA	354 UA
Seattle (SEA)	0 0	315 UA	327 UA	390 UA
St Louis (STL)	227 WN	239 UA	245 AA	314 UA
Washington DC Area (WA)	287 WN	231 DL	242 AA	282 UA

Average Fare	\$241.57	\$254.50	\$249.95	\$342.65
Change from one month	-\$102.28	-\$83.60	-\$80.90	-\$93.55
Change from two months	-\$112.58	-\$77.05	-\$81.60	-\$78.10

Parking Fees for one week are \$0 at Manistee, \$56 at Traverse City, \$70 at Grand Rapids, \$70 at Muskegon

APPENDIX G

Manistee County Blacker Airport

Explained/Deplaned

	2015		2016		2017		2018		2019		2020	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	188/162	350	218/185	403	228/211	439	246/192	438	255/203	455	75/59	134
Feb	207/191	398	226/219	445	243/231	474	180/158	338	195/187	382	94/78	172
Mar	217/216	433	247/240	487	289/268	557	326/306	632	261/253	514		
Apr	240/254	494	258/254	512	259/286	545	220/237	457	221/240	461		
May	346/356	718	327/331	658	411/430	841	333/351	684	313/312	625		
Jun	406/478*	912*	427/496	923	445/567	1013	469/555	1024	361/413	774		
Jul	1016/1050*	2066*	787/762	1549	849/793	1642	890/891	1781	654/699	1353		
Aug	889/787*	1676*	740/668	1408	778/742	1520	752/787	1539	694/728	1422		
Sep	390/378	768	458/445	903	488/463	951	383/275	658	315/201	516		
Oct	349/346	695	378/353	731	392/365	757	334/312	646	381/375	756		
Nov	249/266	515	314/322	636	328/341	669	327/290	617	182/194	376		
Dec	291/295	586	349/358	707	330/361	691	314/328	642	273/250	523		
Total		9611		9362		10099		9456		8157		306

On-time Performance

	2015		2016		2017		2018		2019		2020	
	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time	Cancel/Delay	On-time
Jan	2%/27%	71%	4%/13%	83%	0%/24%	76%	0%/9%	91%	11%/6%	83%	52%/2%	46%
Feb	9%/9%	82%	2%/22%	76%	0%/8%	92%	6%/25%	69%	25%/0%	75%	35%/2%	63%
Mar	0%/9%	91%	0%/13%	87%	0%/7%	93%	2%/20%	78%	0%/13%	87%		
Apr	3%/5%	92%	0%/13%	87%	0%/6%	94%	10%/15%	75%	0%/6%	87%		
May	0%/18%	82%	9%/20%	71%	0%/11%	89%	6%/16%	78%	0%/4%	96%		
Jun	0%/13%	87%	3%/17%	80%	5%/17%	78%	0%/6%	87%	2%/9%	89%		
Jul	0%/32%	68%	3%/21%	76%	3%/44%	53%	0%/6%	94%	1%/7%	92%		
Aug	0%/14%	86%	2%/24%	74%	3%/17%	80%	1%/6%	93%	0%/4%	96%		
Sep	0%/16%	84%	8%/15%	77%	1%/21%	78%	0%/9%	91%	2%/21%	77%		
Oct	0%/2%	98%	0%/8%	92%	0%/11%	89%	0%/7%	93%	2%/34%	64%		
Nov	0%/15%	85%	0%/25%	75%	0%/13%	87%	0%/9%	91% ^{3%} /79% ^(19%)	91% ^{3%} /79% ^(19%)	78% ^(85%)		
Dec	5%/19%	76%	3%/23%	74%	7%/49%	44%	0%/12%	88% ^{3%} /97% ^(12%)	88% ^{3%} /97% ^(12%)	85% ^(85%)		

APPENDIX H

Proposed Air Carrier Fees Oct 1, 2020 – Sep 30, 2022

Office Space at \$27.21 per square foot (295 square feet) (6% increase)

\$8,026.95

Airline Lobby and Baggage Area at \$23.18/square foot (1407 square feet) (6% increase)

\$32,614.26

Electrical utility reimbursement (\$1.75/square foot for 1702 square feet) (3.5% increase)

\$2,978.50

Total Annual Rents

\$43,619.71 (billed monthly at \$3,634.98)

Landing Fees \$23.75 per landing (billed monthly based on scheduled flights) (6% increase)

Monthly Handling Fees* for ARFF, SRE, Security, Ramp, etc (6% increase)

\$564 / day (billed monthly as 30 days per month or \$16,920 / month)

Fuel will be available from the FBO plus an airport flowage fee, FBO into plane fee and applicable taxes. The rate for the fuel flow fees are:

Airport Flowage Fee = \$0.16/gal (\$0.01 increase)

CONTRACT NO. 2020-0346

MICHIGAN DEPARTMENT OF TRANSPORTATION
MANISTEE BLACKER AIRPORT AUTHORITY
CONTRACT FOR
AIRCRAFT RESCUE AND FIREFIGHTING TRAINING

This Contract is made and entered into this date of _____ by and between the Michigan Department of Transportation (MDOT) and Manistee Blacker Airport Authority (SPONSOR) for the purpose of fixing the rights and obligations of the parties in agreeing to the following training at Manistee County - Blacker Airport, whose associated city is Manistee, Michigan.

PROJECT DESCRIPTION: Aircraft Rescue and Fire Fighting (ARFF) training provided by a training provider using a mobile fire training unit (TRAINING).

The parties agree that:

1. The term "TRAINING COST(S)," as used herein, is defined as the cost of the TRAINING, as defined above. Administrative costs incurred by the SPONSOR are not eligible TRAINING COSTS.
2. The SPONSOR may choose the training provider it will use for the TRAINING. Training providers for the TRAINING include, but are not limited to, ARFF Specialists, Lake Superior College, the University of Missouri, and any ARFF training facility listed in the July 11, 2018, Addendum (List of ARFF Training Facilities) to Federal Aviation Administration (FAA) Advisory Circular (AC) 150/5210-17C.

AC 150/5210-17C provides information on courses and reference materials for the training of ARFF personnel at civil airports, and the FAA recommends that the guidance and specifications in this AC be used for ARFF training programs.
3. The SPONSOR will coordinate with the training provider for the performance of the necessary TRAINING. The SPONSOR will ensure that the TRAINING meets the requirements set forth in 14 CFR Part 139.
4. The SPONSOR will have the SPONSOR's TRAINING by the training provider approved by MDOT prior to the completion of the TRAINING.

5. The SPONSOR will pledge sufficient funds to meet its obligations as outlined in this Contract.
6. The SPONSOR will review and approve for payment invoices for TRAINING COSTS submitted by the training provider. The SPONSOR will forward the approved invoices to MDOT for payment, as set forth in Section 9, upon completion of the TRAINING. The SPONSOR will also send to MDOT, at the same time the TRAINING COST invoices are forwarded to MDOT, a check for the SPONSOR's share of the TRAINING COSTS, as determined in accordance with Section 11.

The SPONSOR agrees that the costs reported to MDOT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The SPONSOR also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.

7. With regard to audits and record-keeping:
 - a. The SPONSOR will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Contract (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Contract.
 - b. Audit and Inspection. The SPONSOR will comply with the provisions of 1951 PA 51; MCL 247.660h.
 - c. The SPONSOR will maintain the RECORDS for at least three (3) years from the date of final payment made by MDOT under this Contract. In the event of a dispute with regard to the allowable expenses or any other issue under this Contract, the SPONSOR will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.
 - d. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.
 - e. If any part of the work is subcontracted, the SPONSOR will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.
8. The SPONSOR specifically agrees that in the performance of this Contract, by itself or by anyone acting on its behalf, it will comply with all applicable state, federal, and local statutes, ordinances, and regulations and will obtain all permits that are applicable to the entry into and the performance of this Contract.

9. Upon receipt of invoices for the TRAINING COSTS approved by the SPONSOR and of the SPONSOR's share of the TRAINING COSTS, MDOT will process payment to the training provider. Following payment to the training provider and completion of necessary audits, MDOT will make a final accounting to the SPONSOR.
10. The TRAINING COST participation is limited to the SPONSOR's TRAINING charges billed by the training provider. The actual MDOT and SPONSOR shares of the TRAINING COSTS will be determined at the time of financial closure of the Contract.
11. The TRAINING COSTS will be met in part by contributions from MDOT. MDOT funds will be applied to the eligible TRAINING COSTS up to an maximum amount of Two Thousand Dollars (\$2,000.00). Any TRAINING COSTS not funded with MDOT funds will be the sole responsibility of the SPONSOR.

MDOT funds in this Contract made available through legislative appropriation are based on projected revenue estimates. MDOT may reduce the amount of this Contract if the revenue actually received is insufficient to support the appropriation under which this Contract is made.

12. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, MDOT will promptly submit to the SPONSOR a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the SPONSOR at the completion of an audit.

Within sixty (60) days after the date of Notice of Audit Results, the SPONSOR will (a) respond in writing to the responsible Bureau or Office of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the SPONSOR may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Contract. The SPONSOR agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the SPONSOR, the SPONSOR will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If

the SPONSOR fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the SPONSOR agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the SPONSOR under this Contract or any other agreement or payable to the SPONSOR under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The SPONSOR expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the SPONSOR in a timely filed RESPONSE.

13. Any change in the scope of the TRAINING, MDOT's share of the TRAINING COSTS, or the term of this Contract will be by award of a prior written amendment to this Contract by the parties.
14. Payment of or reimbursement to the SPONSOR of any cost by MDOT will not constitute a final determination by MDOT of the allowability of such cost and will not constitute a waiver by MDOT of any violation of the terms of this Contract committed by the SPONSOR. MDOT will make final determination as to the allowability of such cost only after final audit of the Contract.
15. With regard to non-discrimination requirements:
 - a. In connection with the performance of this Contract, the SPONSOR (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, dated June 2011. This provision will be included in all subcontracts relating to this Contract.
 - b. During the performance of this Contract, the SPONSOR, for itself, its assignees, and its successors in interest (hereinafter in Appendix B referred to as the "contractor") agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, dated June 2011. This provision will be included in all subcontracts relating to this Contract.
16. In accordance with 1980 PA 278, MCL 423.321 *et seq.*, the SPONSOR, in the performance of this Contract, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States

Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) separate occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Contract if the name of the SPONSOR or the name of a subcontractor, manufacturer, or supplier utilized by the SPONSOR in the performance of this Contract subsequently appears in the register during the performance of this Contract.

17. MDOT's sole reason for entering into this Contract is to enable the SPONSOR to obtain and use MDOT funds to pay for the TRAINING in accordance with Section 11.

Any and all approvals, reviews, and recommendations regarding the TRAINING, the TRAINING COSTS, permits, plans, specifications, and/or documents of any nature, and/or any inspections of work by MDOT pursuant to the terms of this Contract, are done to assist the SPONSOR in qualifying for available MDOT funds for ARFF training. Such approvals, reviews, inspections, and recommendations by MDOT will not relieve the SPONSOR of its ultimate control or its obligations hereunder and will not be construed as warranties as to the propriety of the SPONSOR's performance or to mean that MDOT is assuming any liability, ownership, control, and/or jurisdiction.

When providing approvals, reviews, inspections, and recommendations under this Contract, MDOT is performing a governmental function, as that term is defined in MCL 691.1401, that is incidental to the completion of the TRAINING.

In any instance of dispute and/or litigation concerning the TRAINING, the resolution thereof will be the sole responsibility of the parties to the contract that is the subject of the controversy. It is understood and agreed that any legal representation of the SPONSOR in pursuing the resolution of any dispute and/or litigation will be the responsibility of the SPONSOR.

18. Each party to this Contract will remain responsible for any claims arising out of that party's performance of this Contract as provided by this Contract or by law.

This Contract is not intended to increase or decrease either party's liability for or immunity from tort claims.

This Contract is not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this Contract.

19. MDOT will not be subject to any obligations or liabilities by contractors of the SPONSOR or their subcontractors or any other person not a party to this Contract without its specific consent and notwithstanding its concurrence with or approval of the award of any contract or subcontract or the solicitation thereof.

20. With regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract, the SPONSOR hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The SPONSOR shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The SPONSOR shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract may have occurred or is threatened to occur. The SPONSOR shall also notify MDOT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to MDOT under this Contract.

21. This Contract will be in effect from the date of award through eighteen (18) months.
22. In case of any discrepancies between the body of this Contract and any exhibits hereto, the body of the Contract will govern.

- 23. This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the SPONSOR and MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective representative(s) of the SPONSOR, a certified copy of which resolution will be sent to MDOT with this Contract, as applicable.

MANISTEE BLACKER AIRPORT AUTHORITY

By: _____
Title:

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

**APPENDIX B
TITLE VI ASSURANCE**

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011