

## MINUTES

Monday, July 18, 2022,  
12:00 P.M.

Manistee County Blacker Airport  
Conference Room

**Members Present:** Barry Peterson, Chair; Michael Eagan, Vice-Chair; Andrew Gentile; Cynthia Kaminski; Karen Goodman; Elissa Laskey

**Members Absent:** Jeffrey Dontz, Secretary.

**Others Present:** Barry Lind, Airport Director; Kristyn Malkowski, Airport Authority Recording Secretary; Richard Neihardt, Gabridge & Co.

Barry Peterson, Chair, called the meeting to order at 12:02 P.M. Roll was taken by the Secretary.

**Mr. Lind requested to remove the discussion regarding Manistee Township Zoning under old business. Discussion will be moved to the August 15, 2022, meeting. There was a motion by Mr. Eagan, supported by Ms. Laskey, to approve the July 18, 2022, amended meeting agenda.**

**A roll call vote was taken:**

**Yeas: 5 (Peterson; Eagan; Gentile, Kaminski; Laskey; Goodman;)**

**Nays: 0**

**Absent: Dontz**

**Motion carried.**

There was no public comment.

Richard Neihardt from Gabridge & Co. presented the 2020-2021 Audit Report. Mr. Neihardt mentioned that the audit received a clean & unqualified opinion which is the highest level of opinion you can receive and that it was an unmodified opinion. Mr. Neihardt stated that due to multiple differences found in the budget per capital outlay, he strongly recommends that the board make periodic reviews of the financial statements, look at the budget to actual figures and if necessary, make a budget amendment because when there are large variations, the Department of Treasury is notified. Mr. Lind wanted to comment on

the total depreciation, it is not an exact or close measure of the rate of the physical assets that are declining but it is a measurement. Many of the larger items such as the runway, the depreciation is about a 40-year time frame and equipment is less than that. The airport is generally paying for capital equipment and projects with federal dollars and are allocated \$150,000 a year based on the airport classification and status. That amount won't cover the annual depreciation, so we need more financial input. There are other grant opportunities through the FDA and the Federal Government that can bridge the gap but will always be in the position for reaching out for grant dollars. The scope of the value of the assets that made up the value of the airport are significant, and they all degrade over time and require dollars to maintain and keep up to date. Mr. Neihardt stated that the PFC Audit is a separate audit. The FAA wants to see a statement put together to show the approved PFC projects and how the collected PFC revenues are being applied against each of the items within an approved project. Mr. Neihardt mentioned that the Manistee Airport is under the threshold for the requirement of a single audit. Ms. Laskey wanted to confirm with Mr. Neihardt that the board needs to be spending more time on budget preparation such as balancing and budget amendments. He agreed and stated that the Department of Treasury's guidelines specifically states that an entity shall not expend dollars that have not yet been appropriated for, so he highly recommends that the board find a normal process by looking at the budget on a monthly or quarterly basis.

The Chair confirmed that each member had received a copy and an opportunity to review the minutes from the regular meeting of the Airport Authority held on Monday, June 30, 2022.

**There was a motion by Ms. Goodman, supported by Ms. Laskey to approve the Airport Authority regular meeting minutes of June 30, 2022.**

**A roll call vote was taken:**

**Yeas: 5 (Peterson; Eagan; Gentile, Kaminski; Laskey; Goodman;)**

**Nays: 0**

**Absent: Dontz**

**Motion carried.**

The Authority reviewed the June 2022 Accounts Payable Report. Mr. Peterson asked if the final bill for the vehicle repairs were paid. Mr. Lind mentioned there will be another \$800 and when they got the truck back, the check engine light is still on, and they never reassemble the link connection between the transmission and the 4-wheel drive. There will be additional costs for repairs, but prices will need to be determined. Mr. Gentile stated that because this line item will be over, amendments need to be made, just as Mr. Neihardt stated. Mr. Lind stated he will look at other reports to see where they are.

**There was a motion by Ms. Goodman, supported by Mr. Gentile, to approve the June 2022 Accounts Payable Report.**

**A roll call vote was taken:**

**Yeas: 5 (Peterson; Eagan; Gentile, Kaminski; Laskey; Goodman;)**

**Nays: 0**

**Absent: Dontz**

**Motion carried.**

The Authority reviewed the June 2022 Financial Statement, which includes a Balance Sheet and a Statement of Revenue and Expenses. Mr. Gentile asked if the board would have to take action now to adjust the budget for everything that is over 100%. Mr. Lind stated that would be appropriate seeing as repairs and maintenance is already \$10,500 over budget. Miscellaneous is over \$500 but that will not draw attention to Dept. of Treasury. There are other items that are almost over budget and more than likely will be by the end of this fiscal year. Ms. Laskey asked if there could be budget estimates for the to board review. Mr. Lind's recommendation would be to direct the finance to the treasurer and comeback with a proposed set of amendments for next year. This can ensure the numbers are more accurate than making the amendments today. The board directed that Mr. Lind and the treasurer bring a list of budget adjustment for the next board meeting. Ms. Laskey asked if there are any concerns over the revenue items. Mr. Lind stated no, the revenues are pretty much in line with where they expect them to be this time of the year. Although, when the airlines cancel flights that does cut into the total fuel sales, causing the airport to trail behind on airline sales from budget. Mr. Gentile asked Mr. Lind if the state reimbursements were current. Mr. Lind said yes, based on the grants that were anticipated but there is no corresponding revenue in the budget neither is that expense for the grant that was approved last meeting. Ms. Laskey asked Mr. Lind about hanger rent and if there is anticipation with the hangers being a bit more popular in the next 3 months. Mr. Lind states partly yes with the seasonal renters.

**There was a motion by Ms. Laskey, supported by Mr. Eagan to approve the June 2022 Financial Statement.**

**A roll call vote was taken:**

**Yeas: 5 (Peterson; Eagan; Gentile, Kaminski; Laskey; Goodman;)**

**Nays: 0**

**Absent: Dontz**

**Motion carried.**

The Orchard Beach Aviation rent information was provided, as well as fuel sales for June 2022.

Committee Assignments discussions and reports:

The Executive Committee did not meet.

The Budget Committee did meet. The committee is working on recommendations for coming year budget but missing information on the director's salary research. Mr. Lind mentioned that depending on the deadline, there may be a special meeting scheduled to approve a draft budget.

The Capital Projects Committee did meet but they are working on a presentation for the board.

They Bylaws Committee did not meet.

Mr. Lind presented the Airport Directors Report. For the Month of June, no airport accidents were reported.

Mr. Lind also presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon. Along with information on airplane passenger numbers for 2022 as well as the previous five years. The average fare for Manistee Airport went down \$148.00 compared to last month. Fairs have been raised due to demand, so flights don't sell out too far in advance. American Code Share is finally being useful with the higher Cape Air Fares.

No update regarding construction projects.

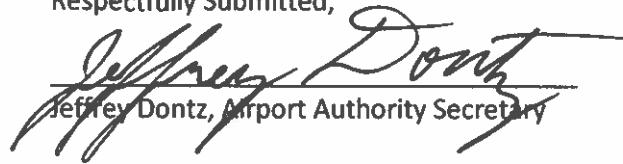
Cape Air's performance was terrible for the month of June. One-time performance for June was 48% with 46% cancellations. July is slowly improving, 4 of 5 captains are "in base" for Manistee for the summer, the 5<sup>th</sup> is on paternity leave. With that said, Cape Air has accommodated the vast majority of passengers out of other airports and the complaint volume has been low. Passenger numbers can be strong if flights go out. Advanced bookings are very good for the rest of the summer into fall.

In other news, part 1 of the annual airport inspection is complete, there were no new issues and Mr. Lind is waiting for the final report. There were some carryover issues such as markings and grading. Part 2, which is the paperwork inspection will begin this week. Also mentioned, Cadillac Air Service is a maintenance service that would like to acquire the Cape Air Hanger. They are looking for a long-term agreement with the airport, if so, they would consider in making investments such as installing heat in the hanger. Mr. Lind is looking for the boards guidance on how they would like to proceed on this agreement. Mr. Eagan would like to see a long-term agreement be made. Ms. Goodman would consider a 5-year agreement with a 90-day clause, but an agreement can have a negative impact if it is too long. Mr. Gentile is concerned with what will happen with the placement of the backup planes. Mr. Lind mentioned that because Cape Air has a month-to-month lease agreement, they will be involved with that part of the agreement to ensure Cape Airs needs are met. Mr. Lind also mentioned that reduced rent and possible sharing of sublease payments will be requested but utilities are paid by the lessee. Ms. Goodman mentioned it be good to get into a conversation to hear what Cadillac Air Service and Cape Air are requesting. She also feels that it would be best to wait to see if the APRA funds will be granted. Mr. Gentile mentioned Mr. Lind should find quotes to see what it will cost to have heat and use those numbers in negotiations. It was decided that there is no formal committee that needs to be formed, Mr. Eagan, Mr. Peterson and Mr. Lind agreed to work on this agreement and will present a draft to the board. Mr. Lind added that there are issues with the airports fire truck, it has an electrical issue causing it to not start. The vehicle has been at Parkdale Auto three times now and hasn't been able to find the issue. Each time the vehicle is sent in, coordination with the local fire department must be made to ensure a fire truck is on-site at all times. Mr. Lind mentioned that the invoices have not come in yet and that the board will find that amount under repairs and maintenance. Ms. Goodman asked if the repair costs could be brought to the Local Revenue Sharing Board, or a battery pack system may be something to look into. Mr. Lind would prefer to request funds to cover the cost of next years fire training through the Local Revenue Sharing Board instead. Mr. Lind mentioned he presented an update to the City of Manistee at their July 5, 2022, board meeting. He also mentioned that he presented the ARPA grant request to the Board of Commissioners. Ms. Goodman mentioned that updates will be coming soon.

In old business, Mr. Lind would like to table the discussion regarding the Manistee Township Zoning issues and is hoping to discuss at the next meeting. Mr. Lind is reviewing the LEO Coverage draft letter of Agreement. Mr. Lind stated they are still waiting for the final invoice for the additional Phase 2 of the PFAS Testing (2020 Project), then a submittal for the grant reimbursement is needed. Mr. Lind stated he has a meeting coming up this week to review the Airport ALP update (2020 Project). Mr. Lind is also waiting for the final invoices for the PFAS Testing (2020 Project) and then will submit for the grant reimbursement.

There being no further business to come before the Authority, the meeting was adjourned at 1:30 P.M.

Respectfully Submitted,



Jeffrey Dontz, Airport Authority Secretary

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