MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Lansing, Michigan
March 31, 2011

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met at the Aeronautics Building, 2700 Port Lansing Road, Lansing Michigan, on Thursday, March 31, 2011, commencing at the hour of approximately 10:00 a.m.

Members Present
James Collins, Chair
Russ Kavalhuna, Vice Chair
Sidney Adams, Commissioner
Terry Everman, Commissioner
Jonathon Freye, Commissioner
Dan Atkinson, Designee – MSP
Laura Mester, Designee – MDOT
Robert Johnston, Designee – DMVA
Scott Heather, Designee – MDNRE

Members Absent
Dave Brickey, Legal Counsel

Staff Present
Kelly Badra
Dave Baker
Tara Ball
Rick Carlson
Kelly Crannell
Jennifer Forbes
Rick Hammond
Pauline Misjak
Ralph Sims
Betsy Steudle
Anu Taneja
Hilary Vanderstow
Lorraine White
Juan Zapata

Also Present
John Strehl, Antrim County Airport
Sean Brosnan, WCAA
Janet Foran, MDOT Communications
Eric Jaroch, Roscommon County
Mark Johnson, Livingston County – Spencer J. Hardy Airport
John Mayfield, FAA
Jeff Nagel, MBS Airport, Saginaw
Irene Porter, FAA

I. OPENING REMARKS

The March 31, 2011, Michigan Aeronautics Commission meeting was called to order by Chairman Jim Collins at 10:13 a.m. Roll call was taken; Legal Counsel Dave Brickey was absent.

Chairman Collins asked the audience to sign in, even if they had previously signed in for the joint MAC/STC meeting.

Chairman Collins introduced Commissioners Mester and Scott; he briefly mentioned their backgrounds. They will be replacing Commissioners Hank and Fedewa, respectfully.

Chairman Collins also recognized Vice Chair Kavalhuna on his recent graduation from the Michigan Political Leadership Program.

II. COMMISSION BUSINESS

A. Chairman Collins mentioned a change in the draft minutes from the January 26, 2011 meeting. The minutes showed Commissioner Heather to be both absent and present; he was absent. The minutes will be changed to reflect this. Chairman Collins then asked if there were any other changes to the minutes from the January 26, 2011 meeting. Moved by Commissioner Everman and seconded by Commissioner Adams to approve the minutes of the January 26, 2011 meeting after the correction has been made. The motion passed unanimously.

B. Chairman Collins asked Mr. Dave Baker to present the airport grants. Mr. Baker gave an overview of the 24 projects for funding approval.

1. Lenawee County Airport, Adrian
2. Padgham Field, Allegan
3. Huron County Memorial Airport, Bad Axe
4. Baraga Airport, Baraga
5. Antrim County Airport, Bellaire
6. Roben-Hood Airport, Big Rapids
7. Wexford County Airport, Cadillac
8. Clare Municipal Airport, Clare
9. Detroit Metropolitan – Wayne County International Airport, Detroit
10. Evart Municipal Airport, Evart
11. Houghton County Memorial Airport, Hancock
12. Livingston County – Spencer J. Hardy Airport, Howell
13. Jackson County-Reynolds Field, Jackson
14. Lakeview – Griffith Field, Lakeview
15. Capital Region International Airport, Lansing
16. Marlette Township Airport, Marlette
17. Sawyer International Airport, Marquette
18. Oscoda County Airport, Mio

19. Luce County Airport, Newberry
20. Oakland County International Airport, Pontiac
21. Romeo State Airport, Romeo
22. Sandusky City Airport, Sandusky
23. Paul C. Miller – Sparta Airport, Sparta
24. Statewide

Commissioner Everman questioned the pavement condition index survey at various airports. Mr. Baker indicated that we attempt, on a three year rotation, to look at all the pavements on the tier 1 and tier 2 airports in the state. There is a consultant firm that surveys the pavements that has a rating system, i.e., how many cracks, what type of cracks, etc. They statistically analyze the data and will inform us of the findings.

Chairman Collins asked if there were any questions; there were none. Moved by Commissioner Freye and supported by Commissioner Kavalhuna to approve the 24 transfers as presented by Mr. Baker. The motion passed unanimously.

III. REPORTS

A. Aeronautics Report.

Chairman Collins asked Ms. Pauline Misjak, Administrator of the Aviation Services Division, to give this report.

Ms. Misjak began her report outlining the topics that she will be discussing, starting with budget information. Comparing the aviation fuel tax of last fiscal year, 5.4 million, as well as what the Department of Treasury estimated for the current year, 5.5. It is a small increase; 1.4%. That is the largest proportion of our revenue; it is in excess of 65% of our revenue sources. She mentioned the first five months of the current fiscal year, compared with the exact same time period of last fiscal year. The fuel tax revenues are behind by about 12%. One thing to note, our revenue does not come in at a steady rate throughout the year; we still have seven months in this fiscal year. She mentioned the last five years, as compared to the current year. The five year average is based on the five months from FY 2006, then for each fiscal year through FY 2010. Unfortunately this is a significant decrease.

Ms. Misjak mentioned recent events, including the Airport Conference held in February. Chairman Collins and Commissioner Adams attended. This conference was well attended by vendors and airport managers; she mentioned the topics presented at the conference.

At that conference, the Branch County memorial was named Michigan Airport of the years. That is the first geothermal airport terminal in Michigan. Also, RS&H Michigan Inc. was given the Airport Consultant of the Year Award.

Upcoming event include the Battle Creek International Airport Terminal Grand opening, scheduled for April 21. Invitations were given to the commissioners.

The May 18, 2011 MAC meeting will be held at the MBS International Airport in Saginaw. Airport Manager Jeff Nagel invited the Commission to hold the meeting at that location.

Ms. Misjak mentioned recent staff changes; Kelly Badra was recently promoted from a secretary to a departmental technician; Ralph Sims has taken on the responsibilities left when John Pierce retired and is now part of the Airports Division; Anu Taneja was hired to fill the vacancy left by Susan Panetta; and Hilary Vanderstow is a new student assistant, hired to fill the vacancies in administrative support.

Commissioner Heather inquired about the aviation fuel tax revenues, asking Ms. Misjak if she is optimistic for the rest of the year, whether or not it will pick up. Ms. Misjak responded by giving information on the variables involved; it is her personal opinion that unless something changes in the actual rate of fuel, or how fuel taxes are assessed, she doesn't expect better revenues this year.

B. Legislative Report

Chairman Collins asked Mr. Rick Hammond to give this report.

Mr. Hammond mentioned the three separate bills that will impact the State Aeronautics Fund; however none of them have seen any action. The Michigan Business Aviation, along with the Michigan Association of Airport Executives, co-sponsored a legislative day on March 2. Commissioner Adams, representatives from the Governor's office and legislative representatives attended. Without exception, they spoke to the importance of funding aviation infrastructure. The week of that meeting, both the Senate and House passed resolutions declaring that week to be Aviation week.

Mr. Hammond announced that we have a new continuing resolution; No. 18 since 2007. It is a 60 day extension, which goes until May 31.

As a follow-up to information given by MDOT Director Steudle, Mr. Hammond indicated that Representative John Mica (Florida), who is active in aviation and involved in a senate bill, is intending to introduce a house version of the bill. We are at $3.5 billion, nationwide, for the AIP program, Mr. Hammond hopes this is maintained.

Mr. Hammond mentioned that on June 15, we will be hosting an FAA congressional briefing for their programs. This is an FAA presentation for congressional leaders in each state; it will be held in this building. Details will be forthcoming.

C. Residential Through the Fence Policy

Mr. Hammond indicated this is a federal policy that was just recently issued. It requires no action on part of the commission; it is for information purposes only.

However there is a commission policy on Through the Fence operations that we may want to consider over the next few months, if this has impact on that policy.

Mr. Hammond defined the term which has been used for many years. It describes the activity of having an adjacent property owner to an airport, who actually uses that public airport across the property boundary for aviation purposes. If you live off the airport and have your airplane on your property, if the airport allowed the property owner to cross the property line for access to the runway; that would be considered through the fence operation. These are often residential but can also be for business purposes.

The new policy affects residential through the fence. Allowing such an operation on airport property can create issues which must be carefully considered. For many years, the federal government, as well as the Michigan Aeronautics Commission policy, generally discouraged that type of activity. Mr. Hammond briefly mentioned the sort of problem that may arise. Part of the policy has always addressed the airport collecting a reasonable fee from a through the fence operator, as well as controlling access to the airport.

The standing Aeronautics Commission policy on through the fence, in general, is verbatim with the prior policy of the FAA. The FAA's general policy on through the fence is not really changed, but what they are trying to crack down on are residential through the fence operations. As a general practice, over the last several years, the FAA has always said this was a bad idea, and as strongly as possibly, said they wouldn't allow it. However the policy had some room, so it has now been firmed up. The recently published new policy prohibits new residential through the fence operations. It does allow for airports to have existing residential through the fence operations to continue that practice upon approval of the plan. They will have two years to come up with that plan. It amends the grant assurance saying they won't allow residential through the fence operations at this airport upon the acceptance of federal funds. There will be a different assurance if the operation can be approved through FAA. The approvals for these access plans for residential through the fence operations will be approved, individually, by FAA headquarters. It is not a local office decision. Once the approval is given by FAA, if the property is sold to a new property owner that also operates aircraft, that change will also have to be approved. At this time, this is an interim policy. It will be reviewed once the access plans are received. A permanent policy should be in place by 2014.

Some of these residential through the fence operations are very successful. However they don't accept federal monies, so the policy doesn't affect them.

He repeated that at this time there is no requirement for us to change policy; we just want to be aware. We do anticipate that we may need to assist the airports in completing these plans in a timely manner, and to keep them in compliance as much as possible. Our staff will be available to assist the airports as needed.

Commissioner Freye inquired about the access plan requirements, saying there are no provisions for a security plan. Is that on the residential user to develop a security plan in collaboration with the airport sponsor, or is that rolled into the safety of airport operations.

Mr. Hammond responded saying that is rolled in to the safety of airport operations. The access plan will describe the point, and how you intend to control that access point.

Commissioner Freye mentioned at the beginning of the presentation, Mr. Hammond said that possibly entities with a business interest in access to the airport will still be considered as through the fence arrangements, and that this is just limiting residential through the fence operations.

Mr. Hammond said yes, this is putting a further restriction on residential operations. There is still an existing policy on basic through the fence, so if you have a business or industrial-type activity, the restrictions aren't quite as stringent.

IV. PUBLIC COMMENT

Mr. Jeff Nagel, Airport Manager at MBS airport in Saginaw, appreciates the fact that the Commissioners will be taking meetings on the road. He also mentioned an existing project and looks forwarding to hosting the MAC meeting in May.

Chairman Collins again mentioned the next meeting of the Michigan Aeronautics Commission will be held on Wednesday, May 18, in Saginaw.

The meeting was adjourned at 11:00 a.m.

Rick Hammond
Director

James M. Collins
Chairman

Dated 5/26/2011