

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Battle Creek, Michigan
May 13, 2015

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission, created by said act, met at Western Michigan University's College of Aviation, 237 N. Helmer Road, Battle Creek, Michigan, on Wednesday, May 13, 2015, commencing at the hour of approximately 10:00 a.m.

Members Present

Roger Salo, Chairman
Rick Fiddler, Vice Chairman
Russ Kavalhuna, Commissioner
J. David VanderVeen, Commissioner
Capt. Mike Caldwell, Designee – MSP
BG Len Isabelle, Designee – MDMVA
Kevin Jacobs, Designee – MDNR
Dave Brickey, Legal Counsel
Mike Trout, Director

Staff Present

Dave Baker
Judy Baker
Matt Brinker
Kelly Crannell
Jennifer Forbes
Chip Kraus
Pauline Misjak
Brigitte Pricco
Mary Kay Trierweiler
Brett Whitmore

Members Absent

Pete Kamarainen, Commissioner
Laura Mester, Designee – MDOT

Also Present

Josh Blair, WMU College of Aviation
Larry Bowron, City of Battle Creek
Ted Dearing, City of Battle Creek
Ron Engel, Mead & Hunt
Phil Johnson, Gerald R. Ford International Airport
Kelly Jost, C&S Engineers, Inc.
Tracey Kauppila, WMU College of Aviation
Deb Owens, City of Battle Creek
Dave Powell, WMU College of Aviation
Dan Renders, W. K. Kellogg Airport
Miles Weaver, W. K. Kellogg Airport

I. OPENING REMARKS

The May 13, 2015 Michigan Aeronautics Commission (Commission) Meeting was called to order by Chairman Roger Salo at 10:00 a.m.

Chairman Salo welcomed all those present. He thanked Captain Dave Powell for hosting the Commission meeting, stating that it is a pleasure to be able to conduct the meeting at Western Michigan University's (WMU) College of Aviation. (The college is located at the W. K. Kellogg Airport.) WMU is a big part of aviation, not only here in Michigan but around the country and the world.



Chairman Salo asked everyone to rise, and the Pledge of Allegiance was cited by all.

Roll call was taken. Commissioners Pete Kamarainen and Laura Mester were absent.

Chairman Salo reported that Governor Rick Snyder announced the reappointments of Commissioners Dave VanderVeen and Pete Kamarainen to the Commission. Both will serve a second four-year term expiring May 27, 2019. Chairman Salo congratulated both commissioners.

II. WELCOME

Chairman Salo introduced Mayor Deb Owens of Battle Creek.

Mayor Owens thanked Captain Powell for inviting her and welcomed the Commission and everyone present to Battle Creek. She introduced two very important people from the city – Larry Bowron, Director of Transportation and Ted Dearing, Assistant City Manager. She thanked both for attending.

Mayor Owens spoke about a few items that she and the city are very proud of regarding the airport. In 2014, the Federal Aviation Administration ranked the W. K. Kellogg Airport as the fourth busiest towered airport in Michigan. Additionally, the airport was ranked 18 out of 79 in the Great Lakes Region. The airport is served by many fixed based operators which include aviation education; aircraft manufacturing and assembly; aircraft maintenance, repair and overhaul; corporate private aviation; government aviation; and the Michigan Air National Guard.

Mayor Owens stated that some of the recent and on-going projects are the new traffic control tower, new administration and operational facility, new parallel runway, FAA noise study, Aircraft Rescue and Firefighting Department, strategic business plan, and rehabilitation on taxiways and runways.

Mayor Owens commented that WMU's College of Aviation is one of the only comprehensive aviation programs at a public university in Michigan with over 700 undergraduates. It is one of the largest aviation programs in the nation with over 70 years of experience. At the helm of it all is the most capable, motivated individual – Captain Powell whom she commended for his dedication and outstanding leadership.

Chairman Salo thanked Mayor Owens for her warm welcome. He introduced Captain Powell and asked him to say a few words.

Captain Powell welcomed everyone and expressed thanks for the opportunity to host the Commission meeting. He spoke about the college stating that they are the third largest aviation program in the country. They strive to provide the best education with the best



equipment at one of the best universities with the least expensive tuition possible, because there is a tremendous need for pilots and mechanics.

The college offers three programs which are Aviation Flight Science, Aviation Management and Operations, and Aviation Maintenance Technology. Captain Powell spoke about the Normobaric Chamber, remodeled maintenance lab, and Cirrus simulators, all which are very important pieces of equipment in delivering the best quality education.

Captain Powell thanked and invited everyone to tour the facility after the meeting.

On behalf of the Michigan Aeronautic Commission, Chairman Salo and Director Trout honored WMU's College of Aviation by presenting Captain Powell with a Certificate of Excellence which read, "The Michigan Aeronautics Commission recognizes Western Michigan University College of Aviation as a national leader in comprehensive aviation education and enduring commitment to a world class aviation community by incorporating innovative training programs." Captain Powell humbly accepted and expressed his deep appreciation for the honor.

III. COMMISSION BUSINESS

- A. Chairman Salo asked if there were any revisions to the minutes of the meeting held on March 19, 2015. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Commissioner VanderVeen and supported by Vice Chairman Rick Fiddler to approve the minutes as written. **All voted in favor.**
- B. Request for Approval and Transfer of Appropriated Funds

Chairman Salo asked Dave Baker to present the following Air Service Program Grants and Airport Sponsor Contracts. Mr. Baker explained the grants and contracts.

- Air Service Program Grants
 1. Alpena County Regional Airport, Alpena
 2. Willow Run Airport, Detroit
 3. Delta County Airport, Escanaba
 4. Houghton County Memorial Airport, Hancock
 5. Ford Airport, Iron Mountain/Kingsford
 6. Ford Airport, Iron Mountain/Kingsford
 7. Gogebic-Iron County Airport, Ironwood
 8. Gogebic-Iron County Airport, Ironwood
 9. Manistee County – Blacker Airport, Manistee
 10. Sawyer International Airport, Marquette
 11. Sawyer International Airport, Marquette
 12. Muskegon County Airport, Muskegon
 13. Pellston Regional Airport of Emmet County, Pellston
 14. Chippewa County International Airport, Sault Ste. Marie
 15. Chippewa County International Airport, Sault Ste. Marie



- Airport Sponsor Contracts
 1. James Clements Municipal Airport, Bay City
 2. Bois Blanc Island Airport, Bois Blanc Island
 3. Bois Blanc Island Airport, Bois Blanc Island
 4. Bois Blanc Island Airport, Bois Blanc Island
 5. Fitch H. Beach Municipal, Charlotte
 6. Clare Municipal Airport, Clare
 7. Gaylord Regional Airport, Gaylord
 8. Gladwin Zettel Memorial Airport, Gladwin
 9. Gerald R. Ford International Airport, Grand Rapids
 10. Gerald R. Ford International Airport, Grand Rapids
 11. Gerald R. Ford International Airport, Grand Rapids
 12. Gerald R. Ford International Airport, Grand Rapids
 13. Greenville Municipal Airport, Greenville
 14. Houghton County Memorial, Hancock
 15. Gogebic-Iron County Airport, Ironwood
 16. Kalamazoo/Battle Creek International Airport, Kalamazoo
 17. Kalamazoo/Battle Creek International Airport, Kalamazoo
 18. Kalamazoo/Battle Creek International Airport, Kalamazoo
 19. Kalamazoo/Battle Creek International Airport, Kalamazoo
 20. Kalamazoo/Battle Creek International Airport, Kalamazoo
 21. Kalamazoo/Battle Creek International Airport, Kalamazoo
 22. Kalamazoo/Battle Creek International Airport, Kalamazoo
 23. Capital Region International Airport, Lansing
 24. DuPont – Lapeer Airport, Lapeer
 25. Marlette Township Airport, Marlette
 26. Marlette Township Airport, Marlette
 27. Muskegon County Airport, Muskegon
 28. Ontonagon County Airport – Schuster Field, Ontonagon
 29. Oscoda – Wurtsmith Airport, Oscoda
 30. Canton – Plymouth – Mettetal Airport, Plymouth
 31. Canton – Plymouth – Mettetal Airport, Plymouth
 32. Presque Isle County/Rogers City Airport, Rogers City
 33. Sandusky City Airport, Sandusky
 34. Sandusky City Airport, Sandusky
 35. Statewide – Local
 36. White Cloud Airport, White Cloud

Chairman Salo asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve item Nos. 1-15, Air Service Program Grants, and item Nos. 1-36, Airport Sponsor Contracts. The motion was moved by Vice Chairman Fiddler and supported by Commissioner Russ Kavalhuna to approve the grants and contracts. **All voted in favor.**



Mr. Baker presented one supplemental transfer for Capital Region International Airport, Lansing. He explained the process for the transfer. **No Commission action is required.**

A list of the grants and contracts can be viewed in full at www.michigan.gov/aero. Under QuickLinks, select "Michigan Aeronautics Commission" and then "Contract Approvals."

IV. REPORTS

A. MAC Director's Report

Chairman Salo asked Director Mike Trout to give his report.

Director Trout began by thanking Mayor Owens for attending the Commission meeting and for her kind remarks. He stated that she is very fortunate to have Mr. Bowron as the airport manager in Battle Creek and thanked Mr. Bowron for all of his support that he has given to the community.

Director Trout thanked Captain Powell for hosting the Commission meeting. He especially gave thanks to Tracey Kauppila for working with staff, making sure everything was set for the meeting.

Proposed Legislation

Director Trout updated the Commission on various proposed legislation, which is changing daily. He stated that it looks as though the Senate may be meeting this summer, particularly for the transportation funding matter.

Director Trout stated that within the next month, we will likely see activity on the budget and explained the breakdown of the appropriation bills, as it relates to Aviation.

➤ House Bill 4102 and Senate Bill 133

Both bills would provide:

• Aeronautics Services	\$ 7,039,300
• MDOT & Other Agency Support Services	1,306,900
• Air Service Program	- 0 -
• Debt Service	4,997,700
• AIP Match from SAF	<u>1,534,700</u>

Total SAF Use Proposed for FY 2015-16

\$14,878,600

➤ One-Time GF/GP \$ 1,521,100

Senate Bill 133 would redirect from
TEDF license fees for federal match AIP \$ 2,000,000



Both bills have been referred to the Appropriations Committee.

(AIP – Airport Improvement Program; SAF – State Aeronautics Fund; GF/GP – General Fund/General Purpose; TEDF – Transportation Economic Development Fund)

Director Trout proceeded to explain additional legislation as follows:

➤ Meteorological Evaluation Towers (MET)

MET legislation is very close to being introduced.

➤ House Bill 4244 and Senate Bill 179

Both bills amend the Recreational Trespass Act and effectively eliminate liability for landowners for any accidents that are a result of aviation activities. Both bills have been referred to the Judiciary Committee.

➤ Senate Bills 267 and 286

Both bills would make permanent the \$10 million sent to the State Aeronautics Fund from sales tax on aviation fuel and products, which was received in 2013. Both bills have been referred to the Transportation Committee.

➤ House Bill 4468 and Senate Bill 278

Both bills amend P.A. 327, the Aeronautics Code of the State of Michigan, by adding Chapter VIIA, which will allow a local unit of government to establish an airport authority whose sole function would be to own and operate the public use airport or airports under its jurisdiction. Both bills have been referred to the Transportation Committee.

Director Trout also talked about two new bills that have been introduced:

➤ House Bill 4576 and Senate Bill 326

Both bills would designate the B-24 Liberator as the official state airplane.

2015 Appropriation and 2016 Proposed Budget

Director Trout reviewed the following and stated that when viewing our appropriation and expense side, our revenue is simply not enough to cover everything. The proposed \$10 million described earlier will help in this regard.

REVENUE	2015 (Millions)	2016 (Millions)
- Fuel	\$5.0	\$5.0
- Activities	1.5	1.0
- Fund Reserve	2.5	2.0
- Parking Tax	6.0	6.0
- General Fund	2.0	1.5
Total Revenue	\$17.0	\$15.5



EXPENSES

- ASAP Debt Service	\$5.0	\$5.0
- IDGs/IT/Support	1.3	1.3
- Aeronautic Services	7.4	7.0
- Air Service Program	0.3	- 0 -
- AIP Match (SAF & GF)	2.0	3.0
Total Expenses	\$16.0	\$16.3

Notable Statistics

Director Trout touched on the following:

- Aviation Fuel Tax – Entire Fiscal Year
 - 2014 = \$5,056,196
 - 2015 = \$5,100,000 (Treasury's estimate)
- Fuel Tax Revenue – October - March
 - 2014 = \$2,524,568
 - 2015 = \$2,555,839 (1.24% increase)
- Tall Structure Permits – Calendar Year
 - 2014 = 1,380 (296 wind turbines)
 - 2015 Jan. - April = 788 (151 wind turbines)
- State Aircraft Flight Hours – October - April
 - 2014 = 556
 - 2015 = 585 (5% increase)

Events and Happenings

Director Trout introduced and welcomed his new assistant Brigitte Pricco. Ms. Pricco comes from the Department of Human Services bringing with her a great deal of experience in the administrative support area, including a wide variety of skills that will be an asset to the Office of Aeronautics and MDOT.

Director Trout spoke about the Michigan Airport System Plan (MASP), which is currently in the process of being updated. Letters will be going out over the next couple of weeks from members of the committee overseeing this process requesting participation in the update of the plan.

The MASP is really our asset management plan, and there are a lot of factors that go into the plan. One of them being the Policy Plan for Michigan Air Service (PPMAS). A plan that Commissioner Kavalhuna and the Commercial Air Service Committee is currently working on. The PPMAS is in draft form, but is coming along very well.



Director Trout congratulated Commissioners VanderVeen and Kamarainen for their reappointments and stated that it is a pleasure to have both on the Michigan Aeronautics Commission once again.

Chairman Salo thanked Director Trout for his report.

Director Trout's report can be viewed in full at www.michigan.gov/aero. Under QuickLinks, select "Michigan Aeronautics Commission" and then "Director's Reports."

- B. Chairman Salo asked Director Trout to provide the General Aviation (GA) Committee report.

Director Trout reported on behalf of Commissioner Kamarainen. The GA Committee met on April 15, 2015, at which there were four major items discussed.

- The GA Committee was provided with an overview of a successful aviation field trip for students held in March at the Ann Arbor Municipal Airport. The event was locally sponsored with participation from Bryan Budds, Aircraft Owners and Pilots Association. The field trip introduced students to a wide variety of aeronautical activities including airplane and helicopter operations and how an air traffic control tower operates. The GA Committee discussed how similar open houses and field trips could be supported across the state to introduce students to aircraft and airport operations.
- The GA Committee discussed the future of the Annual Teacher Workshop and options to increase interest and participation. It was decided the workshop should continue, but it should be held at a different location. During past years, the workshop has been held at the Aeronautics Office in Lansing. Mark Johnson has offered to look into the possibility of holding the event at the Howell Airport next spring. The committee is also looking at gaining the accreditation of an intermediate school district so teachers may receive continuing education credits for attending the workshop.
- It has been reported that the mowing equipment will be transported to North Fox Island, and the airport is expected to open by June.
- The Mason Jewett Advisory Group, a group of Mason Jewett Airport users and tenants, attended the GA Committee meeting and expressed their concerns with operations at the Mason Jewett Airport. The committee urged the group to continue to share their concerns with the Capital Region Airport Authority Board. The Office of Aeronautics will continue to monitor the situation.

Chairman Salo thanked Director Trout for the report.



- C. Chairman Salo asked Commissioner Kavalhuna to give his report on the Commercial Air Service Committee (CASC).

Commissioner Kavalhuna reported that CASC is overseen by Commissioner VanderVeen and himself, and the goal is to produce a report that would update the Policy Plan for Michigan Air Service (PPMAS). The last time such a report was delivered was in 2001, before September 11.

Work is well underway on Phase II of the Air Service Development Contract with Mike Bown of Trillion Aviation. With assistance from Office of Aeronautics staff and CASC members, Trillion Aviation has drafted a revised PPMAS. The revised plan seeks to address the myriad changes experienced in commercial air service since 2001, and provides refined policy guidance to address the continuing evolution of the airline industry.

In its latest incarnation, PPMAS will closely examine the expansion of Michigan's reliance on the federal Essential Air Service (EAS) Program over the last decade. Currently, nine of the state's commercial service airports receive subsidy under EAS. By comparison, only two Michigan airports were subsidized in 2001. Currently, Alaska is the only state that has more subsidized airports. Given our increased dependence on EAS, the health and future of the program (as well as alternatives to it) will require additional focus as CASC moves forward on this effort.

CASC will meet immediately following the Commission meeting to continue reviewing and refining the PPMAS draft. CASC plans to have the document finalized and submitted prior to the Commission meeting scheduled in July. During that meeting, the Commission will have the opportunity to vote for approval and adoption of the plan.

Phillip Johnson, Deputy Executive Director, Gerald R. Ford International Airport, serves on the CASC. Commissioner Kavalhuna thanked Mr. Johnson stating that his services are invaluable to the committee.

Commissioner Kavalhuna thanked Matt Brinker, Office of Aeronautics, and appreciates his diligent work with the CASC, assisting with the update of the PPMAS.

Chairman Salo thanked Commissioner Kavalhuna for his report.

V. COMMISSIONER COMMENTS

Chairman Salo asked if any of the commissioners would like to make a comment.

Commissioner VanderVeen commented about the Aviation Expo scheduled for September 25, 2015, at the Oakland County International Airport. Airport administration and marketing staff are teaming up with the Michigan Business Aviation Association, airport FBOs, and original equipment manufacturers. They are inviting approximately 1,500



businesses and corporations from southeast Michigan to come out and learn what advantages and opportunities general aviation can provide for the conduct of their business. There will be approximately 20 corporate business airplanes showcasing air charter/aircraft ownership advantages. There will also be break-out sessions. The Expo will hopefully create a buzz for aviation in the area and if successful, can be taken to other regions throughout Michigan. All are invited to attend. Commissioner VanderVeen looks forward to a successful event.

Commissioner Kavalhuna thanked Captain Powell for hosting the Commission meeting and stated that it is a point of pride to hold the meeting at WMU's College of Aviation, as well as at the W. K. Kellogg Airport. Both are gems in Michigan and nationally. Commissioner Kavalhuna trained at the college and flew as an airline pilot at the airport. He commended Mr. Bowron's leadership stating that he does a great job and the city, county and state are well served by it. He also commended Captain Powell for what he has done with the college going forward. It is a world class operation to train pilots, mechanics, and leaders in aviation.

Commissioner Kavalhuna congratulated Commissioners Kamarainen and VanderVeen for their reappointments. He stated that their presence makes this Commission better, and he is glad both are continuing their services with the Commission.

Commissioner Kevin Jacobs stated that he appreciated the opening remarks by Captain Powell, in which he spoke about disciplines of the school. He inquired about one in particular, whether the college is able to recruit for aircraft maintenance. Captain Powell replied that aircraft maintenance is not looked upon by most as a career. The college works very hard explaining to communities what a great profession an aircraft maintenance technician is. It is long-term and provides good pay and benefits. It is a market no one talks about, and we need to keep working on this to get the word out.

Chairman Salo thanked the commissioners for their comments. There were no other comments.

VI. PUBLIC COMMENT

Chairman Salo asked if anyone would like to make a public comment. There were no public comments.

CLOSING

The next Michigan Aeronautics Commission meeting is scheduled to take place on Wednesday, July 22, 2015, 10:00 a.m., at the Aeronautics Building in Lansing.

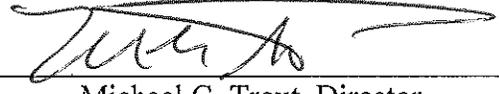
Chairman Salo thanked Mayor Owens, Mr. Bowron, and Captain Powell for their hospitality. He also thanked Ms. Kauppila for her assistance in organizing the meeting and providing coffee and pastries.



The meeting was adjourned at 11:00 a.m. A tour of WMU's Normobaric Chamber, maintenance lab, and flight simulators took place after the meeting.



Roger Salo, Chairman



Michael G. Trout, Director

Dated: 7/22/15

