

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting

Lansing, Michigan

May 27, 2009

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 in the Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan 48906 on Wednesday, May 27, 2009, commencing at the hour of approximately 10:00 a.m.

Members Present

Sidney Adams, Jr., Chair
Terry Everman, Vice Chair
James Collins, Commissioner
Russ Kavalhuna, Commissioner
J. William Prochazka, Commissioner
Robert Johnston, Designee - DMVA
Leon Hank, Designee – MDOT
Dennis Fedewa, Designee - MDNR
David Brickey, Legal Counsel
Rob Abent, MAC Director

Members Absent

Daniel Atkinson, Designee – MSP

Staff Present

Lorraine White, Assistant to MAC
Randy Coller, Airports Division
Pauline Misjak, Aviation Services
Leanne Hengesbach, Aviation Services
Mark Noel, Airports Division
Rick Hammond, Airports Division
Matt Brinker, Aviation Services
Dave Baker, Airports Division
Tom Krashen, Aviation Services
Steve Schultz, Aviation Services

Also Present

Lee Scherwitz, Southwest Michigan
Regional Airport/MAAE
Dan Otto, Capital Region International
Airport
Larry Bowron, WK Kellogg Airport
Ron Engel, Mead and Hunt
Victor Johnson, Former Sparta-Miller
Airport Manager

A list of all others present is attached to the official minutes.



I. OPENING REMARKS

The May 27, 2009, Michigan Aeronautics Commission meeting was called to order by Chairman, Sidney Adams, Jr., at 10:00 a.m. Roll call was taken, Commissioner Atkinson was absent.

Chairman Adams thanked all for attending and asked the audience to sign in.

II. COMMISSION BUSINESS

A. Minutes of the March 26, 2009, Meeting

Chairman Adams entertained a motion to approve Exhibit A, the minutes of the MAC meeting held March 26, 2009, pending any corrections or changes. Moved by Commissioner Everman and supported by Commissioner Collins to approve the minutes as written. By a unanimous voice vote the motion carried.

Minutes of the Joint STC/MAC Meeting

Chairman Adams entertained a motion to approve the minutes of the joint STC/MAC meeting held March 26, 2009, pending any corrections or changes. Moved by Commissioner Collins and supported by Commissioner Hank to approve the joint minutes as written. By a unanimous voice vote the motion carried.

B. Federal/State Local Projects

Chairman Adams called Mr. Dave Baker, Airports Division, to the podium 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. James Clements Municipal Airport, Bay City
5. Bois Blanc Island Airport, Bois Blanc Island
6. Tuscola Area Airport, Caro
7. Charlevoix Municipal Airport, Charlevoix
8. Detroit Metropolitan Wayne County Airport, Detroit
9. Coleman A. Young Municipal Airport, Detroit
10. Dowagiac Municipal Airport, Dowagiac
11. Fremont Municipal Airport, Fremont
12. Houghton County Memorial Airport, Hancock
13. Tulip City Airport, Holland



14. Kalamazoo/Battle Creek International Airport, Kalamazoo
15. Capital Region International Airport, Lansing
16. Mason County Airport, Ludington
17. Sawyer International Airport, Marquette
18. Sawyer International Airport, Marquette
19. Muskegon County Airport, Muskegon
20. Canton-Plymouth-Mettetal Airport, Plymouth
21. Oakland County International Airport, Pontiac
22. St. Clair County International Airport, Port Huron
23. Romeo State Airport, Romeo
24. Chippewa County International Airport, Sault Ste. Marie

During the course of Mr. Baker's presentation, Commissioner Everman inquired as to the size of the project at the James Clements Municipal in Bay City. Mr. Baker responded to his questions.

Mr. Baker also indicated that the airport projects Sawyer International Airport in Marquette and Muskegon County Airport in Muskegon were American Recovery and Reinvestment Act (ARRA) requests.

Chairman Adams entertained a motion to approve the 24 transfers as presented. Moved by Commissioner Prochazka and supported by Commissioner Everman to approve the projects as presented. By a unanimous voice vote the motion carried.

Mr. Baker then reported on two supplementals; Dupont-Lapper Airport in Lapeer and Lakeview-Griffith Field Airport in Lakeview.

Following the supplementals, Mr. Baker reported on three additional ARRA requests, Gogebic-Iron County Airport in Ironwood, MBS International Airport in Saginaw, and Detroit Metropolitan-Wayne County airport in Detroit.

Director Abent explained the situation with the three ARRA projects; the last three were signed by Chairman Adams in advance of the meeting, under the temporary authority granted to Director Abent. No further action is needed.

III. Public Comment

Lee Scherwitz from Southwest Michigan Regional Airport/MAAE came to the podium and reported that they will soon be celebrating their 75th anniversary as an airport. They are doing their best to keep the public involved; they recently had an orchestra fundraiser and are preparing for a civil war reenactment. He gave the Commissioners informational flyers for the event.



IV. Director's Report

Director Abent started his presentation with a budget update. He indicated that the fuel tax revenue is down 15.42% from last year. He discussed the five-year comparison figures; fuel tax revenues are down 25% over the past five years.

Director Abent then discussed recent events including the NASAO Legislative Conference in Washington DC. He indicated that attending this conference helped with the reauthorization process. Our last reauthorization expired in 2007.

The Teacher's Workshop was referenced, he will be asking Tom Krashen to discuss that event following his report.

Upcoming events include the Jackson County Airport Runway 14-32 Dedication Ceremony, scheduled for June 2, 2009. The Commissioners were invited to attend; he asked them to notify him if they wished to participate.

The MBAA is hosting a Michigan Aviation Caucus, scheduled for June 28, 2009, at the Capitol Building. Guest speaker will be Colonel Jack Lousma. Director Abent asked the Commissioners to let him know if they wish to attend and we will take care of the reservation.

Director Abent reported that the AASHTO Mississippi Valley Conference is celebrating their 100th anniversary. This year's conference will be held in Grand Rapids.

Commissioner Kavalhuna thanked Director Abent for his efforts on ARRA issues.

Director Abent asked Mr. Tom Krashen to give an update on the Teacher's Workshop.

Mr. Krashen displayed some photos of the workshop, adding that last year the event was moved from the Aeronautics Building to the Kalamazoo Air Zoo, which is an ideal location. He encouraged the Commissioners to visit the museum if they've never been there. He mentioned the efforts of the volunteers which were greatly appreciated. Attendance was down a little this year, 120 were registered; we have had as many as 200 in the past. The keynote speaker was astronaut David Leestma, who also is enshrined in the Michigan Aviation Hall of Fame and was the 31st human to walk in space. For the first time this year, the workshop was held in conjunction with a TiViTz Math Tournament to encourage kids in mathematics. Col. Leetsma emceed this event. Mr. Krashen entertained questions from the Commissioners. Director Abent added that Mr. Krashen spent a terrific amount of time planning the workshop.



Chairman Adams called on Rick Hammond for an update on ARRA.

ARRA Update

Mr. Hammond reported on how the ARRA program affects Michigan airports. It was signed into law on February 17, 2009, and includes 1.3 billion dollars for airport projects. Mr. Hammond spoke of how the funds would be broken down; mentioning the 5 airport projects in Michigan that were recipients of ARRA funds totaling 30.4 millions dollars.

Gogebic-Iron County Airport, Ironwood, Michigan, \$200,000
MBS International Airport, Saginaw, Michigan, \$12,700,000
Detroit Metropolitan - Wayne County Airport, Detroit, Michigan, \$15,000,000
Sawyer International Airport – Marquette, Michigan, \$1,700,000
Muskegon County Airport, Muskegon, \$800,000

Mr. Hammond discussed the next steps involved, which included information on the ongoing reporting requirement. Commissioner Everman inquired about the bids for Michigan companies, saying this is federal legislation, but projects are bid locally. Buying American and wage rates are applicable on the projects.

Director Abent added that due to the process adopted by the FAA in determining the award of the grants, they made a decision to not share project information until final decisions had been made. Otherwise, the Bureau would have notified the commissioners with the information. He expressed concern with the district and region office of the FAA; he offered his apology.

Chairman Adams invited Matt Brinker to the podium for a Transportation Funding Task Force (TF2) update.

TF2 Update

Mr. Brinker gave a recap on the TF2 recommendations that included:

- an increase in the aviation fuel tax,
- an increase in aircraft registration fees,
- abolish the commercial airline refund,
- redirect the state sales tax received on aviation products to aviation purposes,
- convert the aviation fuel tax from an excise to an ad valorem basis.

Mr. Brinker discussed the legislative initiatives, HB 6751 and recommendations to amend the Michigan Aeronautics Code. These recommendations would generate an increase of revenue of approximately \$500,000. He ended his presentation with the legislative initiatives, which gives us an opportunity to continue programs.



Director Abent thanked Mr. Brinker and added that we worked diligently with the MAAE, and publicly thanked Lee Scherwitz for their assistance.

Commissioner Fedewa asked if this proposal is tie-barred to any other legislation. Director Abent explained that it is not.

Commissioner Kavalhuna asked if our efforts have been able to get a legislative sponsor. Director Abent responded saying that he believes that Representative Leland will sponsor the bill, and is looking for additional sponsors from both parties.

Mr. Brinker added that last year we were at our lowest level in 10 years.

Commissioner Kavalhuna mentioned the tall structures issue; Mr. Brinker mentioned that this would not change the aeronautics code.

Large Aircraft Security Program

Mr. Brinker then moved on to an update on the proposed Large Aircraft Security Program. He began by talking of the applicability, requirements and concerns of the program. He appreciates the support of the commission on the project. This will be a large program; TSA will need to phase this in over the next few years, as they currently don't have the staff for the operation. Mr. Brinker spoke of some less costly alternatives that we feel would provide an equal level of security; we've worked closely with organizations such as AOPA on the airport watch program.

Mr. Brinker mentioned that we appreciate the support of the Commission in identifying some of the potential risks that this may pose to the Michigan general aviation community.

Chairman Adams asked about the possibility of sending a letter indicating our concerns of the proposed changes in the program.

Commissioner Kavalhuna offered to review a proposed draft that would speak to our concerns. Supported by Commissioner Prochazka. All voted in favor.

Commissioner Kavalhuna requested clarification regarding the motion. Chairman Adams clarified that it was to send a letter, but added that we need to draft the letter first. Director Abent said we would send a draft letter to the Commissioners for their approval. This letter would be to express our concerns. Chairman Adams will be the signer of the letter. Director Abent reiterated that a draft letter will be sent to all Commissioners for their approval before the letter is sent. Chairman Collins suggested that Director Abent decide to whom the letter should be sent since he is



more involved in the issue. Director Abent mentioned that a number of other state Aeronautics Commissions have weighed in on the issue.

Chairman Adams asked if there were any other announcements.

Vic Johnston, Manager at the Sparta Airport came to the podium. He thanked the Commission, Dave Baker, Mark Dontje, Randy Coller and staff for their efforts. He conveyed a problem in general aviation due to unavailability of aviation fuel without ethanol. He was told there is a liability problem involved; which is a nation-wide problem. He asked the Commission to lobby our legislature to expose the problem to see if any action could be taken. He mentioned what ethanol does to the fuel tanks; this also impacts the marine industry. He discussed some of the problems associated with using this type of fuel. He gave the commissioners copies of related information and appreciates any assistance we can give with the legislature on the issue.

Director Abent thanked Mr. Johnson adding that we will be following up on the issue.

Chairman Adams announced the next meeting which is scheduled for Wednesday, July 29, 2009, in the Aeronautics Auditorium, starting at 10:00 a.m.

The meeting ended at 10:57 a.m.

Director

Chairman

Dated _____

