

**Michigan Aeronautics Commission**  
**Report to the Governor**  
**P.A. 327 of 1945, as Amended**

This report provides a summary of Michigan Aeronautics Commission (MAC) proceedings for the Fiscal Year 2012 (FY12), as required by Section 259.32 of the Aeronautics Code. It also includes a report of operations of the Michigan Department of Transportation's (MDOT's) Office of Aeronautics, specifically actions taken on behalf of MAC for further development, promotion, and safety of aviation, including aeronautical facilities and services.

**Proceedings of the Michigan Aeronautics Commission**  
**October 1, 2011 – September 30, 2012**

**1. Grant / Contract Approvals**

The Airport Improvement Program (AIP) enables projects to be undertaken at Michigan airports to improve aviation safety, preserve or improve the existing infrastructure, enable purchase of airfield equipment, improve or construct new facilities at airports, and support local economic growth by increasing the capacity of airport facilities. AIP is funded via federal, state and local funds. It is augmented by programs utilizing state and local funding only. Funding for all of the airport improvement programs is appropriated via Section 119. Capital Outlay, of MDOT's FY12 funding legislation, P.A. 63 of 2011. Transfers of the appropriated funds for projects specified in contracts (grants to the Airport Sponsor – usually the owner), must be approved by MAC. Contract approvals occur throughout the fiscal year, at each of the six MAC meetings.

The report detailing MAC's approval of AIP contracts utilizing FY12 Capital Outlay appropriations is available on MDOT's web site at:

[http://www.michigan.gov/documents/mdot/PA\\_63\\_of\\_2011\\_Sec\\_902\\_399355\\_7.pdf](http://www.michigan.gov/documents/mdot/PA_63_of_2011_Sec_902_399355_7.pdf).

To the extent Capital Outlay funds appropriated in previous fiscal years are available, MAC may approve contracts using those funds for AIP grant projects. The reports of all contracts approved by MAC during FY12 (utilizing FY12 and previous fiscal year appropriations) are available on MDOT's web site at:

[http://www.michigan.gov/documents/aero/FY12-MAC-Contract-Approvals\\_416426\\_7.pdf](http://www.michigan.gov/documents/aero/FY12-MAC-Contract-Approvals_416426_7.pdf).

These reports are organized by MAC's meeting dates, (November 16, 2011 – September 12, 2012).

In addition to the above grant contracts utilizing Capital Outlay funds, MAC approved the following contracts:

March 22 – MAC approved contracts for nine airports for the Air Service Program, Airport Awareness grant category. Funds are used to enhance community understanding and support of the services available at the local airport through advertising, educational outreach, airport open houses, website development and similar initiatives. Approved contracts are shown on Attachment 1.

May 16 – MAC approved a \$55,000 loan contract to Twin County Airport, Menominee, through the Airport Loan Program. The loan enables completion of the rehabilitation of the 100 LL Fuel Farm Cabinet, originally constructed in 1974.

May 16 – MAC approves a contract providing \$25,000 through the Airports Program to the Michigan Association of Airport Executives (MAAE), for conducting workshops, training programs, seminars and conferences to support education and training of airport managers and staff throughout Michigan. The Airports Program is funded via appropriations provided in Section 114, Aeronautics Services of PA 63 of 2011.

July 25 – MAC approved six contracts renewing state and local airport responsibilities for operation and maintenance of Weather Observation and Data Dissemination Systems for three years, with a renewal option. These systems are critical to implementing the All Weather Airport Access Plan for Michigan airports which includes the purchase, installation, maintenance with state and local cost sharing of three components: (1) Automated Weather Observation System (AWOS); (2) System for collection of the AWOS data and dissemination to the Federal Aviation Administration (FAA) network; and (3) Access to current weather products via various means, but often a Weather Briefing System (WBS).

There are 41 airports which participate in AWOS and Data Dissemination components, and 51 airports which participate in the WBS component.

The six contracts of renewal for the AWOS and Data Dissemination Systems included the following airports: Antrim County Airport (Bellaire), Wexford County Airport (Cadillac), Grosse Ile Municipal Airport (Grosse Ile), Jack Barstow Airport (Midland), Oscoda-Wurtsmith Airport (Oscoda), and St. Clare County International Airport (Port Huron). Total cost of each contract is approximately \$6,000 per year, to be shared 50/50 between the Office of Aeronautics and the local Airport Sponsor. In addition, MAC approved renewal of a contract for the Data Dissemination system only at Ionia County Airport (Ionia).

## **2. Legislation, Rules and Regulations**

Pursuant to Section 151 of the Aeronautics Code of the State of Michigan, MAC approved Airport Approach Plans for the following airports:

November 16 Shady Lane Airport, St. Johns  
Tri-City Area Airports covering MBS International Airport, Saginaw,  
Saginaw County H.W. Browne Airport, Saginaw, Jack Barstow Airport,  
Midland and James Clements Airport, Bay City

January 25 Bauer's Field, Reese  
Bishop International Airport, Flint

June 29 House Bill No. 4025, Public Act No. 226 of 2012 becomes effective. The Act provides additional funds for Fiscal Year 2013 only, be deposited to the State Aeronautics Fund, and used only for purposes authorized in the Aeronautics Code, 1945 PA 327, MCL 259.1 to 259.208. The source of the additional funds which are not to exceed \$10,000,000.00 is a portion of the four percent tax generated by the sale at retail, of aviation fuel and aviation products.

January The Michigan Office of Auditor General (OAG) releases the report of the Performance Audit of the Office of Aeronautics for the period of October 1, 2008 through June 30, 2011. The report concluded the Office of Aeronautics was “moderately effective” in efforts to comply with selected sections of the Michigan Compiled Laws and MDOT policies and procedures. It noted one material condition related to the licensing and inspection of flight schools and three reportable conditions related to the filing of reports to the Governor regarding revenues and expenditures and to the Legislature regarding airport loan program activity, policies and procedures regarding airport provisional licenses, and a process for making airport licensing deficiencies readily available to pilots.

MDOT prepared a response and corrective action plan to address audit findings. All corrective steps have been implemented, with the completion of this report.

### **3. Policies**

January 25 - Air Service Grant Program: Recognizing the limited funding available in Fiscal 2012, MAC approved amendment of the Program’s Guidelines to revise eligibility criteria to those airports which annually enplane less than 100,000 passengers.

### **4. Financial Statements**

As required by the State Constitution and Public Act 431 of 1984, the State Budget Office, Office of Financial Management, prepared the State of Michigan Comprehensive Annual Financial Report (SOMCAFR) for Fiscal Year 2012. This report contains information relating to the financial position and results of operations of state primary government and component units. The portion of the report containing financial statements reflecting the State Aeronautics Fund begins on page 172. The SOMCAFR is located at:

[www.michigan.gov/documents/budget/CAFR\\_FY\\_2012\\_413282\\_7.pdf](http://www.michigan.gov/documents/budget/CAFR_FY_2012_413282_7.pdf)

### **5. Conferences, Classes and Seminars**

MAC and/or Office Aeronautics staff participated in the following:

November	FAA Great Lakes Conference, Chicago, Illinois.
February	MDOT/Michigan Association of Airport Executives (MAAE), Airport Conference, East Lansing.
January	Great Lakes Aviation Conference and Expo featuring seminars for pilots, mechanics and Fixed Base Operators (FBO), held at Eastern Michigan University, Ypsilanti.
January	Annual MDOT American Council of Engineering Companies (ACEC) Partnering Workshop, Lansing.
March	FAA Runway Safety Action Team Meeting, Pontiac.
March	National Association of State Aviation Officials (NASAO), Conference, Washington D.C.
March	Michigan Business Aviation Association (MBAA), Annual Meeting, Lansing.
May	MAC members attend the Michigan Aviation Hall of Fame 2012 Enshrinement Dinner and Ceremony held May 29 in Kalamazoo.
May	2012 American Association of State Highway and Transportation Officials (AASHTO), Spring Meeting held in Traverse City.
May	FAA Runway Safety Action Team Meeting, Lansing.
September	2012 NASAO Annual Convention and Tradeshow, Salt Lake City, Utah.
September	MAAE Annual Conference, Frankenmuth.

As part of the Office of Aeronautics Safety and Education Program, aircraft pilot safety seminars conducted by qualified Aeronautics staff are offered to pilots and are held throughout the state at local airports. During FY12, 18 Safety Seminars were held, with approximately 688 attendees.

## 6. Other Notable Events or Actions

November 2011 – MAC reestablishes its General Aviation (GA) Committee, charged to identify and recommend new MAC initiatives that may be implemented to foster and promote general aviation growth and development in Michigan. Commissioner Pete Kamarainen is appointed as Chair.

March – MAC holds its annual joint meeting with the State Transportation Commission in Lansing. MDOT Director Kirk Steudle and MAC Director Mike Trout presented information on status of federal transportation fund reauthorization, the MI Transportation Plan, MAC, and Office of Aeronautics responsibilities and programs.

September – Governor Rick Snyder proclaims September as Michigan Aviation Month.

September – “Fly Michigan” is on FaceBook. It celebrates the wonderful happenings of general aviation throughout Michigan.

September 12 – MAC presents its individual Award of Excellence to Representative David Agema, in recognition of his commitment to aviation and efforts to help improve Michigan’s aviation infrastructure for the safety and benefit of the flying public.

September 12 – MAC presents its organizational Award of Excellence to the West Michigan Aviation Academy for its commitment and success in preparing students for unlimited opportunities, including college achievement, career success, and engaged citizenship, all through an aviation focus.

September 12 –MAC elects its officers for Fiscal 2013. Succeeding FY12 MAC Chair Russ Kavalhuna will be Commission Vice Chair J. David VanderVeen. Commissioner Pete Kamarainen is elected MAC Vice Chair for Fiscal 2013.

September 14 – MDOT Office of Aeronautics hosts an open house to showcase the uses and benefits of public aircraft operation. This was held in cooperation with the Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Military and Veterans Affairs, and Suburban Aviation of Lambertville.

September 21-23 – Michigan Air Tours, a weekend long celebration of flying around the state is sponsored by the Michigan Aviation Association. Visits were made to Coleman A. Young Municipal, Detroit (DET), Brooks Field, Marshall (RMY), Lenawee County Airport, Adrian (ADG), W. K. Kellogg Airport, Battle Creek (BTL), Wexford County Airport, Cadillac (CAD), and Alpena County Regional Airport, Alpena (APN).

## **7. Fiscal 2012 Measurements:**

- Airport Development Projects: 57 projects let (total of \$39,518,271)
- Statewide Paint Marking Program: 18 airports (total of \$296,771)
- Statewide Crack Sealing Program: 20 airports (total of \$204,852)
- Pavement Condition Index (PCI), Inspections and Reports: 36 airports (total \$173,676)
- Tall Structure Reviews: 1,735 applications reviewed, including 716 wind turbine applications
- Small General Aviation Contract Closeouts: 216 completed
- Primary Airport Contract Closeouts: 77 completed
- State Block Grant Contract Closeouts: 10 completed
- Airport Sponsor Contracts Awarded: 152 (total of \$58,790,182)
- State Aircraft Utilization: 94.9 hours, 320 passengers
- Safety Seminars for Pilots: 18 seminars, approximately 688 total attendees

*Issued: May 31, 2013*

### **AIR SERVICE PROGRAM CONTRACTS**

Under the recently-restored Air Service Program, nine (9) airports have applied for Airport Awareness Funds in order to enhance community understanding and support of the services available at their local airport. Eligible passenger and cargo airports may use contract funds for advertising, educational outreach, airport open houses, website development, and similar initiatives.

Historically, up to \$25,000 in state funding has been available to airports under the Airport Awareness category. However, with a FY2012 program budget limited to \$100,000, individual contracts will be limited to a maximum of \$11,375 in state funding.

#### REQUEST CONTRACT APPROVAL UNDER THE AIR SERVICE PROGRAM FOR THE FOLLOWING PROJECTS:

<b>Airport Name/Associated City</b>	<b>Project Description</b>	<b>State Funding (90%)</b>	<b>Local Funding (10%)</b>	<b>Total</b>
Houghton County Memorial Airport, Hancock	Marketing plan/program targeted at enhancing economic development. Host workshops, public presentations, and media relations activities including the use of in-kind contributions from Skywest Airlines.	\$11,375.00	\$1,263.89	\$12,638.89
Ford Airport, Iron Mountain	Television, print, and radio advertising. Development of airport brochures. Host airport open house.	\$11,375.00	\$1,263.89	\$12,638.89
Gogebic-Iron County Airport, Ironwood	Advertising campaign to promote awareness of new airline (Great Lakes), schedule changes, and new hub (Minneapolis)	\$11,375.00	\$1,263.89	\$12,638.89
Manistee-Blacker Airport, Manistee	Communications activities to increase awareness of new airline and hub service. Also fund advertising consultant.	\$9,000	\$1,000	\$10,000
Sawyer Int'l Airport, Marquette	Public education campaign through media and advertising to encourage airport usage as well as awareness of the facility's economic value to the community.	\$11,375.00	\$1,263.89	\$12,638.89
Muskegon County Airport, Muskegon	Continuation of a highly successful 2011 marketing campaign that was funded under an expiring Small Community Air Service Development Grant.	\$11,375.00	\$1,263.89	\$12,638.89
Pellston Regional Airport, Pellston	Development of radio, television, and print advertisements. Host an airport open house.	\$11,375.00	\$1,263.89	\$12,638.89
Chippewa County Int'l Airport, Sault Ste. Marie	Update website. Implement local advertising including print media (newspapers, Yellow Pages).	\$11,375.00	\$1,263.89	\$12,638.89
Willow Run Airport, Ypsilanti	Fund booth registration fees for trade shows (i.e., NBAA & Air Cargo Americas). Trade show promotional items and displays.	\$11,375.00	\$1,263.89	\$12,638.89