

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Lansing, Michigan
January 21, 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 the Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan, on Wednesday, January 21, 2015, commencing at the hour of approximately 10:00 a.m.

Members Present

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

Members Absent

None

Staff Present

Dave Baker
Judy Baker
Tara Ball
Neal Barncard
Randy Coller
Rick Hammond
Tom Krashen
Pauline Misjak
Mark Noel
Shelly Rathbun
Tom Smith

Also Present

Mike Frezell, MDOT, Office of Communications
Eric Jaroch, Roscommon County Airport
Kelly Jost, C&S Engineers, Inc.
Ron Lebbon, QoE Consulting
Ron Ludema, West Michigan Regional Airport
Jim Pollick, Oakwood Field, Saint Charles
Tanweer Shah, GeoTran Consultants
John Strehl, Antrim County Airport
Danny Yip, GeoTran Consultants

I. OPENING REMARKS

The January 21, 2015 Michigan Aeronautics Commission (Commission) Meeting was called to order by Chairman Roger Salo at 10:10 a.m.

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

Roll call was taken. All commissioners were present.



II. COMMISSION BUSINESS

- A. Chairman Salo asked if there were any revisions to the minutes of the meeting on November 12, 2014. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Vice Chairman Rick Fiddler and supported by Commissioner Dave VanderVeen to approve the minutes as written. **All voted in favor.**
- B. Chairman Salo asked Mr. Dave Baker to present the airport sponsor contracts. Mr. Baker presented and explained each project.

1. Antrim County Airport, Bellaire
2. Tuscola Area Airport, Caro
3. Cheboygan County Airport, Cheboygan
4. Grosse Ile Municipal Airport, Detroit/Grosse Ile
Mr. Baker explained that the pavement on the runway is rapidly deteriorating due to alkali-silica reaction where the aggregate in the pavement reacts with water, causing swelling and popping of the surface.
5. Grosse Ile Municipal Airport, Detroit/Grosse Ile
6. Dowagiac Municipal Airport, Dowagiac
7. Gerald R. Ford International Airport, Grand Rapids
8. West Michigan Regional Airport, Holland
9. West Michigan Regional Airport, Holland
10. Jackson County Reynolds Field, Jackson
11. Jackson County Reynolds Field, Jackson
12. Jack Barstow Airport, Midland
13. Oscoda – Wurtsmith Airport, Oscoda
14. Kirsch Municipal Airport, Sturgis

Chairman Salo asked if there were any further comments or questions on the 14 sponsor contracts. Hearing none, he entertained a motion and support to approve the contracts. The motion was moved by Commissioner VanderVeen and supported by Commissioner Pete Kamarainen to approve the contracts. **All voted in favor.**

A list of the sponsor contracts can be viewed in full on the Michigan Aeronautics Commission web page at www.michigan.gov/aero under QuickLinks.

- C. Chairman Salo asked Mr. Rick Hammond to present the proposed changes to the Tall Structure Act.

The Michigan Tall Structure Act 259 was enacted in 1959, and amended in 1986. A recent review of the act has resulted in the recommendation to seek additional amendments to correct some technical errors and to include the National Transportation Safety Board's (NTSB) recommendations regarding Meteorological Evaluation Towers (METs).



The process of reviewing applications and the issuance of permits under Michigan's Tall Structure Act has grown to one of the most active programs in the Office of Aeronautics (Aero). Staff currently reviews approximately 1,500 applications a year under the provisions of the act. Aero now has in place an efficient process for the review of applications and issuance of permits, an enforcement procedure for violations of the act, and has established a review team for applications that require additional review according to the act.

The proposed changes to the act include updates that clarify and prescribe the practical needs of the well-developed program. Language is being proposed to describe consideration for permit applications near airports that have adopted airport zoning under the Airport Zoning Act (Sec. 259.482a). This proposed language will clarify the authority granted under the act to require certain lighting (Sec. 259.486). New language is proposed addressing the recommendations of NTSB regarding the marking and registration of METs.

METs are used to evaluate locations for wind turbines. These towers are less than 200 feet high, erected quickly, and can be problematic for agricultural, balloon, and helicopter pilots to see. Currently, notification to Aero is done on a voluntary basis. There are 110 towers currently recorded. Some of the proposed changes would require new towers to be painted in visible colors and be registered with Aero.

The Commission had questions and concerns regarding the proposed language presented and agreed to work with Legal Counsel Dave Brickey and Aero staff to review the proposed amendment and answer the questions raised.

Chairman Salo entertained a motion to move on next steps regarding the proposed language to amend the Tall Structure Act.

Commissioner Russ Kavalhuna made a motion to move forward stating that the Commission believes this is an urgent issue that needs to be addressed. The Commission intends to review the proposed amended language to the Tall Structure Act and use the resources that the Commission has to answer questions and obtain briefings at a special session of the Commission, which will be announced at a later date. The Commission has an acute understanding of the time sensitivities that this issue presents and intends to provide the Michigan Department of Transportation (MDOT) Director with recommended changes to the Tall Structure Act as quickly as possible after all questions have been answered. Commissioner VanderVeen supported the motion. **All voted in favor.**

Chairman Salo thanked Mr. Hammond for his presentation.

Mr. Hammond's presentation can be viewed in full on the Michigan Aeronautics Commission web page at www.michigan.gov/aero under QuickLinks.



III. REPORTS

A. Michigan Aeronautics Commission Director's Report

Director Mike Trout began his report by wishing everyone a Happy New Year and stating that we are advancing quickly into the new year. We are already at the end of January and nearly one-third through the fiscal year.

Director Trout spoke about the upcoming May ballot initiative. If passed, the proposed constitutional amendment would eliminate all sales or use taxes on gasoline and diesel fuel beginning October 1, 2015; increase the sales tax rate from 6 to 7 percent; activate other laws dedicating additional revenue for transportation purposes; and dedicate a portion of use tax revenue for school aid purposes. There is no aviation component in the sales tax proposal.

As we move forward, Director Trout stated that it is important we refocus and continue to understand the priorities regarding aviation funding:

- Adequate, stable, and predictable funding
- Ensure safety of the air transportation system
- Deliver quality aeronautic services
- Fairness to all users
- Compliance with federal regulations

Director Trout spoke about matters to consider as we look at the big picture:

- \$20 million for capital and operating needs
- Primary focus on excise tax
- Consideration of sales tax issues
- Factors include:
 - 265,000,000 total gallons aviation fuel
 - Wholesale price of Jet A has dropped from \$2.96 in Jan. 2014 to \$1.42 in Jan. 2015 (*eia.gov*)
 - Average retail price Jet A \$4.80 (*airnav.com*)

Director Trout touched on some notable statistics:

- Excise fuel tax
 - 2014 = \$5,056,196
 - 2013 = \$5,288,153
- Tall structure permits
 - 2014 = 1,380 (296 wind turbines)
 - 2013 = 1,858 (579 wind turbines)
- Registered aircraft
 - 2015 = 6,178
 - 2014 = 6,056



➤ State aircraft	<u>2013</u>	<u>2014</u>
○ Flight Hours:	1,143	1,144
○ No. of Trips:	677	727
○ No. of Legs:	1,744	1,900
○ Total Passengers:	2,543	2,572
○ Travel Time Saved	15,763	14,662
○ Total Est. Saving	\$752,000	\$738,000

Director Trout shared events and happenings occurring within the next few months:

- Great Lakes Aviation Conference: Jan. 23-24
- Michigan Airport Conference: Feb. 18-19
 - Awards
 - Airport Sponsor of the Year
 - “Robert G. Peckham” Consultant of the Year
- STC/MAC Joint Meeting: Due to other commitments, the joint meeting will not take place this year and will be considered for next year. The MAC meeting will be held on Thursday, March 19, 2015, 10:00 a.m.
- Off-site MAC meeting: Considering Western Michigan University – College of Aviation, Battle Creek, to hold our meeting in May. More to come.

Chairman Salo thanked Director Trout for his report.

Director Trout’s report can be viewed in full on the Michigan Aeronautics Commission web page at www.michigan.gov/aero under QuickLinks.

- B. Chairman Salo asked Commissioner Kamarainen to give his report on the General Aviation (GA) Committee.

Commissioner Kamarainen began his report by stating that the GA Committee met on December 17, 2014, for its regularly scheduled meeting.

Regarding the North Fox Island, all equipment is staged at Selfridge Air Base for transport and use on the island. The project is delayed until the National Guard receives full approval to transport the equipment. The goal is to have the airport operational by May of this year.

During the GA Committee meeting, Michigan’s aviation funding and tax structure was discussed at length with several ideas suggested to improve funding. It was mentioned that while Michigan’s taxes on aviation fuels are among the highest of the Great Lakes States, little of that revenue was returned to aviation infrastructure improvement.

Commissioner Kamarainen spoke about bringing the Teacher Workshop on the road to STEM (Science, Technology, Engineering, and Mathematics) workshops offered throughout the state, namely having a presence at the Michigan STEM Partnership Annual Meeting and MiTech Plus in Saginaw. Commissioner Kamarainen spoke with Director Trout about the possibility of obtaining funds to support this endeavor.



Commissioner Kamarainen stated that there is a Dawn Patrol scheduled at the Canton–Plymouth Mettetal Airport on February 7, 2015, 11:00 – 3:00 p.m., sponsored by EAA Chapter 113.

Chairman Salo thanked Commissioner Kamarainen for his report.

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

Commissioner Kavalhuna began his report by stating the Air Service Committee last met on November 12, 2014. Mike Bown of Trillion Aviation provided an overview of the work accomplished under Phase I of their air service development contract with MDOT. Projects under Phase I included traffic forecasting and catchment area studies for Category II and III airports (airports with fewer than 100 weekly airline flights).

With Phase I completed, Project Manager Matt Brinker has arranged a series of meetings with airport sponsors to review their forecasts and discuss strategies for future air service development. The sessions are scheduled to be held in conjunction with the Michigan Airport Conference scheduled for February 18-19, 2015.

Phase II of the contract began earlier this month and includes integration of Phase I data into an update of the Policy Plan for Michigan Air Service. In addition, a number of air service development initiatives will be explored including multi-modal transportation alternatives, regional station/ground handling programs, and the creation of a state “travel desk” to promote inbound events/tourism with the potential to arrange vacation packages.

These initiatives will be among the items discussed at the committee’s next meeting tentatively scheduled for March 19, 2015. Commissioner Kavalhuna stated that in about a year from now he will be coming to the Commission with ideas and recommendations.

Chairman Salo thanked Commissioner Kavalhuna for his report.

IV. COMMISSIONER COMMENTS

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

In reference to North Fox Island, Commissioner Kevin Jacobs inquired whether there has been an individual or group identified to maintain and monitor maintenance on the island. Commissioner Kamarainen stated that the Recreational Aircraft Foundation is charged with mowing and Brad Frederick, GA Committee, will be the airport manager.

Commissioner Mike Caldwell provided an update regarding Mr. John Ewing’s allegations against Brighton Airport in which he addressed the Commission last November. Most allegations were administrative in nature and some criminal. Mr. Ewing handed out a full page listing the grievances. Commissioner Caldwell stated that Director Trout addressed the



administrative allegations with correspondence back to Mr. Ewing. The criminal allegations have been referred to investigators of the Michigan State Police. Commissioner Caldwell stated that he will keep the Commission updated on the conclusions of these investigations.

There were no other comments.

V. PUBLIC COMMENT

Chairman Salo asked if anyone would like to make a public comment.

There were no public comments.

CLOSING

A joint meeting with the State Transportation Commission (STC) was originally scheduled to take place in March of this year. Due to other commitments on behalf of STC, the joint meeting will not take place, but will be considered for next year.

The next Michigan Aeronautics Commission meeting is scheduled to take place on Thursday, March 19, 2015, 10:00 a.m., at the Aeronautics Building in Lansing.

The meeting was adjourned at 11:25a.m.



Roger Salo, Chairman



Michael G. Trout, Director

Dated: MARCH 19, 2015

