

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Lansing, Michigan
November 12, 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 Thursday, November 12, 2015, commencing at the hour of approximately 10:00 a.m.

Members Present

Rick Fiddler, Chairman
Russ Kavalhuna, Vice Chairman
Roger Salo, Commissioner
J. David VanderVeen, Commissioner
Pete Kamarainen, Commissioner
Capt. Joe Gasper, Designee – MSP
BG Len Isabelle, Designee – MDMVA
Kevin Jacobs, Designee – MDNR
Jim Shell, Legal Counsel
Mike Trout, Director

Members Absent

Laura Mester, Designee – MDOT

Staff Present

Dave Baker
Judy Baker
Tara Ball
Matt Brinker
Kelly Crannell
Mark Grennell
Chip Kraus
Pauline Misjak
Steve Schultz

Also Present

Mike Borta, QoE Consulting
Bryan Budds, Aircraft Owners and Pilots Association
Pete Butchko, USDA, Wildlife Services (Retired)
Tony Duffiney, USDA, Wildlife Services
Michael Frezell, MDOT, Office of Communications
Kelly Jost, C&S Engineers, Inc.
Jim Koslosky, Prein&Newhof
Richard Largent
Barry Lind, Manistee County – Blacker Airport
Joe Medici, Bishop International Airport
Karl Randall, Oakland County International Airport
John Strehl, Antrim County Airport
Joe Teixeira, Kellogg Community College
Craig Williams, Bishop International Airport



I. OPENING REMARKS

The November 12, 2015 Michigan Aeronautics Commission (Commission) Meeting was called to order by Chairman Rick Fiddler at 10:05 a.m.

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

Roll call was taken. Commissioner Laura Mester was absent.

II. COMMISSION BUSINESS

- A. Chairman Fiddler asked if there were any revisions to the minutes of the meeting held on September 16, 2015. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Commissioner Roger Salo and supported by Commissioner Dave VanderVeen to approve the minutes as written. **All voted in favor.**
- B. The proposed Michigan Aeronautics Commission 2016 meeting schedule was reviewed and discussed by the Commission. The meetings scheduled for the months of January, March, July, and November will be held in the Aeronautics Auditorium in Lansing, with March being a joint meeting with the State Transportation Commission. The meeting scheduled for May is proposed to be off site. All options will be considered, and a location will be determined at a later date. The meeting scheduled for September will be held in conjunction with the Michigan Association of Airport Executives Fall Conference in Gaylord, Michigan.

Chairman Fiddler asked if there were any revisions to the schedule. Hearing none, he entertained a motion and support to approve the schedule as written. The motion was moved by Vice Chairman Russ Kavalhuna and supported by Commissioner Salo to approve the meeting schedule for 2016. **All voted in favor.**

- C. Chairman Fiddler asked Dave Baker to present the airport sponsor contracts. Mr. Baker proceeded to explain each contract.

1. Lenawee County Airport, Adrian
 2. Capital Region International, Lansing
 3. Capital Region International, Lansing
 4. Sawyer International, Marquette
 5. Oscoda – Wurtsmith Airport, Oscoda
 6. Pellston Regional Airport of Emmet County, Pellston
- Supplemental Transfers Requiring Action**
7. Huron County Memorial, Bad Axe
 8. Southwest Michigan Regional Airport, Benton Harbor
 9. Statewide-Local Paint Marking



Chairman Fiddler asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve item Nos. 1 – 9. The motion was moved by Commissioner Len Isabelle and supported by Commissioner Salo to approve the airport sponsor contracts. **All voted in favor.**

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

Mr. Baker presented two supplemental transfers: Gratiot Community Airport, Alma and Beaver Island Airport, Beaver Island. He explained the process for each transfer. **No Commission action was required.**

Chairman Fiddler thanked Mr. Baker for his report.

D. Chairman Fiddler asked Steve Schultz to present the following contract renewals for Fiscal Year 2016.

Automated Weather Observation Systems

1. Beaver Island Airport, Beaver Island
2. Fitch H. Beach Municipal Airport, Charlotte
3. Cheboygan County Airport, Cheboygan
4. Harbor Springs Municipal Airport, Harbor Springs
5. Brooks Field, Marshall
6. Saginaw County H.W. Browne Airport, Saginaw
7. Oakland/Troy Airport, Troy

Weather Briefing Systems

8. Alpena County Regional Airport, Alpena
9. Delta County Airport, Escanaba
10. Gaylord Regional Airport, Gaylord
11. Houghton County Memorial Airport, Hancock
12. West Michigan Regional Airport, Holland
13. Jackson County – Reynolds Field, Jackson
14. Pellston Regional Airport of Emmet County, Pellston
15. Chippewa County International Airport, Sault Ste. Marie

Mr. Schultz provided information regarding the contracts explaining that with the installation of each Automated Weather Observation System (AWOS), the Office of Aeronautics (Aero) establishes a contract with the sponsor to set the responsibilities of each party for the shared maintenance and operation of the AWOS, a Data Collection System, and a Weather Briefing System. These maintenance contracts have a limited time period so as each contract is about to expire, a new contract is drafted to renew the maintenance responsibilities.

Since 1992, Aero has had a program of providing access to current weather briefing information for pilots at airports around the state. Access to this information is through a

Weather Briefing System. This access is either through a satellite or the web, whichever is the preference of the airport. Most often, this system is installed at the same time as an AWOS, and the responsibilities are spelled out in a combined contract. There are several airports that either have a federal weather system that Aero does not maintain or have no weather system at all. In this case, the program sets up a Weather Briefing System only for pilot access. A contract is established with each of these sponsors to cover the responsibilities for the operation of the system.

Chairman Fiddler asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve item Nos. 1 – 15. The motion was moved by Commissioner Kevin Jacobs and supported by Commissioner Isabelle to approve the contract renewals for Fiscal Year 2016.

Chairman Fiddler thanked Mr. Schultz for his report.

- E. Chairman Fiddler asked Director Mike Trout to present the Michigan Association of Airport Executives Fiscal Year 2016 Training Contract.

Director Trout presented information and reported on the Michigan Association of Airport Executives (MAAE) 2016 Training Contract. The contract will provide a grant for the conduct of workshops, training programs, seminars, and conferences. These events are intended to support the education and training of airport managers and staff throughout Michigan. In addition, the grant will help support student scholarships for those pursuing an aviation-related education. State funding will enhance the existing scholarship program available through MAAE. This award results in an investment of \$25,000 from the Michigan Department of Transportation and \$3,000 from MAAE, for a total of \$28,000.

This contract will be effective from the date of award through September 30, 2016, which will include supporting MAAE’s 2016 annual winter and fall conferences.

<u>Funding Breakdown</u>	<u>State Funding</u>	<u>MAAE Contribution</u>	<u>Total</u>
Workshops, Training Programs, Seminars, and Conferences	\$22,500	\$ 500	\$23,000
Grants/Scholarships	\$ 2,500	\$2,500	\$ 5,000
	\$25,000	\$3,000	\$28,000

Chairman Fiddler asked if there were any further comments or questions on the MAAE proposed 2016 training contract. Hearing none, he entertained a motion to approve the contract. The motion was moved by Commissioner VanderVeen and supported by Vice Chairman Kavalhuna. **All voted in favor.**



- F. Chairman Fiddler asked Director Trout to present the transfer of the mobile Aircraft Rescue and Fire Fighting (ARFF) trainer to Kellogg Community College (KCC).

In 1995, Aero purchased a mobile ARFF trainer. As part of developing an operational component to conduct training with the unit, Aero entered into a lease agreement with KCC to operate the mobile trainer. KCC was instrumental in developing and obtaining federal approval for recertification requirements for Index A, B and C airports. The lease has had two amendments. The first amendment was executed in 2003, and the second in 2009. The last amendment expired on September 30, 2015. Escalating costs to service the trainer, along with competing options to train airport firefighters, drove the decision by Aero to not renew the lease and to explore the possibility of donating the trainer to KCC. In accordance with state guidelines for the disposal of state-owned equipment, the Department of Technology Management and Budget approved the request to donate the trainer in September of 2015.

Chairman Fiddler asked if there were any further comments or questions regarding the transfer. Hearing none, he entertained a motion to approve the transfer of the mobile ARFF trainer to Kellogg Community College. The motion was moved by Commissioner Salo and supported by Commissioner Pete Kamarainen. **All voted in favor.**

III. REPORTS

- A. Director Trout began his report by stating that road funding legislation has been signed by the Governor. The package is a gradual increase in funding that will raise \$1.2 billion for transportation through registration fee increases, motor fuel tax increases, and budgetary shifts in general funds. Full funding will not be realized until after 2021.

Director Trout spoke about the Federal Aviation Administration's (FAA's) policy clarification on revenue use related to taxes collected on aviation fuel. He explained the approach that is being discussed with FAA. The two percent of sales tax (constitutionally dedicated to the School Aid Fund) was enacted after what FAA deems as the cut-off for grandfathering. The approach that is being proposed would amend the Michigan Aeronautics Code and the Sales and Use Tax Acts. Being that the two percent is constitutionally dedicated, an amount equal to (approximately \$10-12 million) will be dedicated from the State General Fund and redirected in the following manner:

- 35 percent to the State Aeronautics Fund
- 65 percent to a new fund entitled "Qualified Airport Fund"

A "Qualified Airport" is defined in the Michigan Aeronautics Code as an airport that has 10 million or more enplanements in any 12-month period. At this point, there is one "Qualified Airport" – Detroit Metro Wayne County Airport (Metro). This approach would direct two thirds of the revenue to Metro and one third to the Michigan Aeronautics Fund to support the rest of the system.



Director Trout stated that the proposal meets federal requirements, is fair to all users, benefits all airports in the Michigan Airport System Plan, and addresses Aero's revenue needs. It is anticipated that bills for the proposed package will be introduced soon.

He presented Fiscal Year 2016's Airport Capital Program and stated that Aero's needs on the state and local levels are increasing, particularly at the state level in meeting capital requirements under the Airport Improvement Program. Adding \$4-5 million would make the State Aeronautics Fund stable and provide predictability in trying to attract additional discretionary federal funds.

Director Trout talked about other legislation: **SB 326** – Designates the B-24 Liberator as the official state airplane; **HB 4727** – Amends the Tall Structure Act to require meteorological evaluation towers be marked in accordance with federal standards; **HB 5026** – Authorizes/regulates the use of unmanned aerial vehicles (UAVs), provides powers and duties of certain state agencies, departments and local units of government, prohibits disclosure of information collected, and provides penalties and sanctions; **HB 4032** – Regulates transportation network companies (i.e., Uber), impact airports' ability to control access and manage ground transportation on property; **HB 4857** – Bans sale or release of sky lanterns.

Director Trout reported statistics on the following:

- Aviation Fuel Tax – Fiscal Year
 - 2014 = \$5,056,196
 - 2015 = \$5,985,161 (15.5% increase)
- Tall Structure Permits – Calendar Year
 - 2014 = 1,380 (296 wind turbines)
 - 2015 Jan.-Oct. = 2,234 (384 wind turbines)
- State Aircraft Flight Hours – Fiscal Year
 - 2014 = 1,158.3
 - 2015 = 1,124.8 (2.97% decrease)

Director Trout spoke about the airport mobile directory and the online aircraft registration as completed innovative projects with cost savings for Aero. He talked about e-Invoicing that will allow easier invoice processing and an upgrade to the scheduling software within Aero's Flight Operations, as current projects. He also spoke about e-Contracting as a future project, an effort that the Michigan Department of Transportation (MDOT) has embraced.

Director Trout presented photos taken during the Air Transportation Expo which was held on September 25, 2015, at the Oakland County International Airport. Commissioner VanderVeen provided comments stating that Oakland County partnered with the Michigan Business Aviation Association (MBAA), MDOT, fixed-base operators (FBOs), and original equipment manufacturers (OEMs). Thousands of invitations were mailed to businesses and corporations throughout southeast Michigan to attend and learn what advantages and opportunities aviation can provide for their businesses. Roughly 400 people



attended, approximately \$300 million worth of aircraft was on display, and several breakout sessions were held. The Expo was such a success in creating a buzz for aviation that sponsors decided to hold a similar event next year. Commissioner Salo thanked and commended Commissioner VanderVeen for an outstanding job in taking the lead to organize such an event. He congratulated Oakland County, MBAA, and MDOT for their outstanding efforts as well.

Director Trout presented photos and spoke about Gaylord Regional Airport's Airshow being a big success with over 14,000 attendees during a two-day period, as well as the Veterans Coffee that is held monthly. He commended Airport Manager Matt Barresi for sponsoring these events, as well as many airports throughout Michigan holding similar events. It is a great way to promote aviation and service to our country.

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."

MAC Awards of Excellence – Director Trout provided the background of the awards. He stated that the 2015 MAC Awards of Excellence recipients are Pete Butchko [recently retired from the United States Department of Agriculture (USDA) as Wildlife Services State Director for Michigan] for the individual award; and the U.S. Coast Guard Air Station Traverse City for the group award. The group award was presented during the Commission meeting in September.

Director Trout invited Mr. Butchko to the podium and presented the award. The following inscription was read:

This award is presented in recognition of 38 years of service with the United States Department of Agriculture - Wildlife Services serving the citizens of Ohio, California, Mississippi, and Michigan where most notably Pete served as Michigan's State Director for the last 16 years. In those 16 years, his leadership and dedication built a state wildlife services program that grew by more than eight times and launched many invaluable programs. Of particular significance is Pete's assistance to Michigan's airports in the identification, management, and reduction of wildlife hazards to aviation. His continued engagement and advocacy has positively impacted and ensured the health and safety of aviation throughout the state of Michigan.

Director Trout stated that on behalf of the Commission, he is pleased and honored to present the award of excellence to Mr. Butchko. Mr. Butchko said a few words, expressing his gratitude and thanked the Commission for the honor. He commended his employees for being a great team and working well together. He introduced Tony Duffiney as the new USDA Wildlife Services State Director for Michigan, stating that Mr. Duffiney has been with Wildlife Services for many years, worked in Florida as assistant state director, and will do an outstanding job in his new position.



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

Commissioner Kamarainen stated that the GA Committee met on October 21, 2015. The meeting began with Brad Frederick reporting that the lease for the airport on North Fox Island has been signed, and North Fox Island is now an official airport. Joe Hass gave a report regarding the benefits and hazards of UAVs. Mr. Hass also discussed the lack of night approaches at Oakland/Troy Airport, and they were working on getting the airport back up with instrument approaches. Bryan Budds discussed liability laws in Michigan relating to aircraft rental, as well as borrowing of aircraft.

Commissioner Kamarainen stated that the focus of the committee will be the STEM Aerospace High School Initiative partnering with groups, such as the Aircraft Owners and Pilots Association, West Michigan Aviation Academy, Michigan Department of Education, science teachers, local airports, etc., to bring aerospace education to the high schools (grades 10 and 11), 11th grade being private pilot ground school for science credit. Michigan recently approved the new science standards, which require more lab and hands-on experience, and the committee believes an airplane is a perfect classroom for STEM components.

Chairman Fiddler thanked Commissioner Kamarainen for his report.

- C. Chairman Fiddler asked Vice Chairman Kavalhuna to give his report on the Commercial Air Service (CAS) Committee.

Vice Chairman Kavalhuna began his report by stating that the CAS Committee has been working on updating the Policy Plan for Michigan Air Service (PPMAS). When the Commission last met in September, the goal was to bring forth the plan for approval during November's meeting. Due to feedback from two airports received early on the day of the November meeting, Vice Chairman Kavalhuna decided to delay the request for acceptance to allow the Commission time to review the comments. The draft plan will be posted on the Commission website, with comments welcome until December 30, 2015. Vice Chairman Kavalhuna will ask for Commission action in January.

Chairman Fiddler thanked Vice Chairman Kavalhuna for his report.

IV. PUBLIC COMMENTS

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

There were no public comments.

V. COMMISSION COMMENTS

Chairman Fiddler asked if any of the Commissioners would like to make a comment.



Commissioner Isabelle offered to host the May 2016 Michigan Aeronautics Commission meeting at Selfridge Air National Guard Base in Mt. Clemens. It is a historic base, one of the original military airfields in the country. The base has a museum, as well as a STEM program called STARBASE, a Department of Defense funded program, which was founded at Selfridge. Chairman Fiddler and Director Trout thanked Commissioner Isabelle and stated that the offer will be taken into consideration.

Commissioner VanderVeen acknowledged and introduced Richard Largent, who is an aviation buff and an author, currently writing a book about the history of Oakland County International Airport and asked folks to contact Mr. Largent, if anyone is able to help him with his research.

Vice Chairman Kavalhuna commended Chairman Fiddler for a great first meeting as chairman.

CLOSING

The next Michigan Aeronautics Commission meeting is scheduled for Wednesday, January 27, 2016, 10:00 a.m., in the Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan.

The meeting was adjourned at 11:15 a.m.



Rick Fiddler, Chairman



Michael G. Trout, Director

Dated: 1-27-16

