

HOUGHTON COUNTY MEMORIAL AIRPORT MEETING MINUTES

DATE: February 27, 2014 TIME: 4:00 P.M.

LOCATION: HOUGHTON COUNTY MEMORIAL AIRPORT CONFERENCE ROOM

ROLL CALL: Anton Pintar – Present, Scott Ala – Present Tom Tikkanen - Present

ATTENDEES: Dennis Hext, Airport Manager, Eric Forsberg, County Controller, Dennis Jouppe, (Primary Airport Services), Russ Erkkila, Steve Williams, Rose Keranen, and Karen Anderson.

AGENDA: A motion was made by Anton Pintar and seconded by Scott Ala to approve the agenda with the following addition. "New Business - L. Airport Meeting Schedule".

Motion Carried Unanimously

MINUTES: A motion was made by Scott Ala and seconded by Anton Pintar to approve the January 30, 2014 regular airport meeting minutes as presented.

Motion Carried Unanimously

BILLS: A motion was made by Scott Ala and seconded by Anton Pintar to approve and pay the bills as presented.

Motion Carried Unanimously

Roll Call – Anton Pintar – YES Scott Ala – YES Tom Tikkanen – YES

FINANCIAL REPORT: Eric Forsberg, County Controller, presented the Airport and Water & Sewer financial reports for the month of January.

PUBLIC COMMENTS:

OLD BUSINESS:

NEW BUSINESS:

New Business, Agenda Item A, "Bid Results – Passenger Boarding Bridge". – On February 14th bids for the passenger boarding ramp were opened and read publicly at the Mead & Hunt office in Lansing. Two bids were received one from REL, Inc. for \$85,000.00 and one from Keith Consolidated Industries, Inc. for \$59,037.00. The bids were given to MDOT/FAA for review and approval unfortunately the bids were rejected. The passenger boarding ramp bid specifications were revised and put out for bid again with a deadline of February 25 at 2pm. The Airport Manger requested a recommendation to approve the successful bidder of the passenger boarding ramp pending FAA/MDOT approval. If approved the recommendation would go to the Board of Commissioners for final approval.

As anticipated funds have not been appropriated for the grant therefore, the county would need to provide a 50% deposit at the time of order placement. The deposit would be reimbursed using AIP/PFC funds when the grant is approved. The Airport Manger requested a recommendation to approve a 50% deposit on the ramp and accept the successful bidder

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pending MDOT/FAA approval. If approved the recommendation would go to the Board of Commissioners for final approval.

A motion was made by Scott Ala and seconded by Anton Pintar to recommend a 50% down payment towards the passenger boarding ramp.

Motion Carried Unanimously

A motion was made by Scott Ala and seconded by Anton Pintar to recommend approval of the successful bidder pending FAA/MDOT approval.

Motion Carried Unanimously

New Business, Agenda Item B, “DA Glass Land Lease Agreement Extension – Lot 8” –

The Airport Committee approved a land lease agreement with DA Glass for Lot 8 of the airport industrial park in March of 2013. The agreement was sent as a recommendation to the Houghton County Board of Commissioners for final approval in April. Section two of the agreement specifies minimum job creation requirements, as part of the purchase price, which had to be attained within a year from the execution of the agreement. Due to unforeseen circumstances DA Glass has not been able to meet the job creation requirement. According to DA Glass they have created 2 full time jobs to date and expect to hire 30 more employees within the next 2 months. Delays have been caused by the government shut down, customs, and equipment deliveries. The Airport Manager recommended a 1 year extension to the term of the contract specifically, Section 2. The remainder of the contract remains unchanged. If approved the recommendation would go to the Board of Commissioners for final approval.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the recommendation.

Motion Carried Unanimously

New Business, Agenda Item C, “New Terminal Replacement Benefit Cost Analysis” –

On March 27, 2008 the Airport Committee approved a resolution to conduct a terminal renovation study. The study analyzed the feasibility of expanding, renovating and or modifying the existing terminal. The study concluded that a new terminal building should be built on the northerly side of the existing terminal adjacent to taxiway C. The Airport Committee agreed to continue with the planning and development of a new terminal complex. FAA approval of the study was received in 2013. The next step in the process is to conduct a terminal replacement cost benefit analysis. The cost to conduct the benefit cost analysis would need to be paid for using County funds. Once the terminal project is implicated the costs to conduct the benefit cost analysis would be reimbursable using AIP/PFC funds. The cost for Mead & Hunt to conduct the study is \$41,000. The Airport Manager requested a motion to approve the allocation of funds to hire Mead & Hunt to conduct the study.

No action was taken at this time. The Committee decided to wait until the County audit was completed before proceeding with the Terminal Benefit Cost Analysis. The Airport Manager was also tasked with giving a presentation on the status, benefits and costs associated with the Terminal renovation project at the August County Board of Commissioners meeting.

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New Business, Agenda Item D, "PFC Fund Transfer" – The Airport Manager requested a motion to transfer \$3,558.00 from the PFC fund to the General fund for PFC project 06-10-C-01-CMX reimbursements.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the request.

Motion Carried Unanimously

New Business, Agenda Item E, "SkyWest Airport Use Agreement No. 2, Amendment No.2 – Hangar 1 Lease" – The Airport Manger requested approval to have the Airport Committee Chairman sign the airport use agreement, amendment No. 2, Hangar 1 lease between SkyWest Airlines and Houghton County Memorial Airport.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the request.

Motion Carried Unanimously

New Business, Agenda Item F, "Mead & Hunt, Fourth Progress Payment, CMX Design Conservation Easement Mitigation, Project R2799300-120248.01, Fed. 3813/ENV." – The Airport Manager requested approval to have the Airport Committee Chairman sign invoice 241540 in the amount of \$1,572.41 for submittal to MDOT for processing and payment to Mead & Hunt Engineering for the fourth progress payment, Design Services, CMX Design Conservation Easement Mitigation. The cost is reimbursable using AIP/PFC funds. Sponsor share is 2.5% which is reimbursable using PFC funds.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the request.

Motion Carried Unanimously

New Business, Agenda Item G, "Mead & Hunt, Fifth Progress Payment, CMX Design North Terminal Apron Reconstruction, Project R2799300-100536.01, Fed. 3813/C116." – The Airport Manager requested approval to have the Airport Committee Chairman sign invoice 241525 in the amount of \$3,545.25 for submittal to MDOT for processing and payment to Mead & Hunt Engineering for the fifth progress payment, Design Services, CMX Design North Terminal Apron Reconstruction. The cost is reimbursable using AIP/PFC funds. Sponsor share is 2.5% which is reimbursable using PFC funds.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the request.

Motion Carried Unanimously

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New Business, Agenda Item H, “Mead & Hunt, First Progress Payment, CMX Design Passenger Boarding Ramp, Project R2799300-140178.01, Fed. 3914/C117. – The Airport Manger requested approval to have the Airport Committee Chairman sign invoice 241526 in the amount of \$5,248.00 for submittal to MDOT for processing and payment to Mead & Hunt Engineering for the first progress payment, Design Services, CMX Design Passenger Boarding Ramp. The cost is reimbursable using AIP/PFC funds. Sponsor share is 2.5% which is reimbursable using PFC funds.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the request.

Motion Carried Unanimously

“New Business Agenda Item I, “Water/Sewage Report.” – For the period from January 16, 2014 to February 19, 2014 daily I&I was 5,690 gallons and water loss for the month was 15,488 gallons. 2013 I&I 6,693.....2013 water loss 142,770.

“New Business Agenda Item J, “Water/Sewage Rate Analysis.” – Due to rate increases by Michigan American Water Company and Torch Lake Sewage Authority, combined with increases in system operational costs, an audit of the current fee structure was conducted to determine if a rate increase was necessary. The Airport Manager presented the results of the audit to the Committee for review. After careful consideration the Committee decided a rate increase for water and sewer would be necessary to keep up with operational expenses. Currently the minimum water base rate is \$33.80 for the first 2000 gallons or less. All usage above 2000 gallons is charged at \$16.90 per 1000 gallons. Sewage is charged at a rate of \$12.89 per 1000 gallons of water usage. The proposed water increase would be a minimum base rate of \$40.78 for the first 2000 gallons or less. All usage above the first 2000 gallons would be charged at \$20.39 per 1000 gallons. The proposed sewer increase would be charged at a rate of \$28.56 per 1000 gallons of water usage. A public hearing to discuss the proposed rates is scheduled for April 1, 2014 at 4:00pm in the Airport Conference room.

A Motion was made by Scott Ala and seconded by Anton Pintar to propose an increase for water rates to \$20.39 and sewer rates to \$28.56.

Motion Carried Unanimously

“New Business Agenda Item K, “Airline Monthly Statistics.” – For the month of January, 2014 SkyWest enplaned 1,475 passengers and deplaned 1,585. Last year in January SkyWest enplanements were 1,722 compared to this year’s enplanements of 1,475 a decrease of 247 passengers or 14%. SkyWest experienced 18 cancellations during the month which was a major contributing factor for the decrease. Last year SkyWest experienced 11 cancellations.

Sun Country operated another charter from CMX on February 10 and returned on February 14. Houghton boarded 84 passengers and Minneapolis boarded 73 through passengers. The next charter is scheduled for April 7 with a return of April 11th out of CMX.

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“New Business Agenda Item L, “Airline Monthly Statistics.” – Due to scheduling conflicts Commissioner Pintar requested a change to the following Airport Committee meetings. March 27 to April 1, May 29 to June 3, and November 26 to December 2.

A motion was made by Scott Ala and seconded by Anton Pintar to approve the amended schedule.

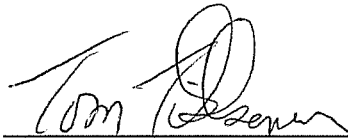
Motion Carried Unanimously

PUBLIC COMMENTS:

NEXT MEETING: The next meeting will be held April 1, 2014 in the airport conference room at 4:00 PM.

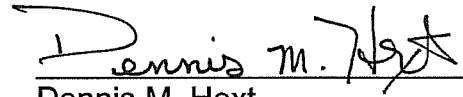
ADJOURNMENT: A motion was made by Scott Ala and seconded by Anton Pintar to adjourn the meeting at 5:37PM.

Minutes approved by:



Tom Tikkanen
Airport Committee Chairman

Recorded by:



Dennis M. Hext
Airport Manager