

MBS INTERNATIONAL AIRPORT COMMISSION

December 16, 2004

MINUTES

The meeting was held in the Airport Commission Board Room, 8600 Garfield Road, Freeland, Michigan 48623. Chairman Eugene Gwizdala called the meeting to order at 1:01 p.m. Roll was called by Debbie Meisel.

COMMISSIONERS

Present

Patrick H. Beson
Cecil A. Collins
Kenneth W. Distler
Clay J. Dunn
Brian K. Elder
Eugene F. Gwizdala
Wilmer-Jones Ham
Hollis H. McKeag
Karl S. Tomion

Staff

Jeff Nagel
Ryan Riesinger
A. T. Lippert
Debbie Meisel

Other

Jeremiah Stettler
Cheryl Wade
John Palen

PLEDGE OF ALLEGIANCE

MINUTES: Mr. Beson made a motion to approve the minutes of the Regular Commission Meeting held on November 18, 2004. Mr. Elder seconded the motion. The motion was unanimously approved by the Board.

NOVEMBER 2004 WARRANT REGISTER AND CASH & INVESTMENT SUMMARY: Mr. Elder made a motion to approve the Warrant Registers for the November Payroll Account Check Numbers 81242-81295; November Operations and Maintenance Check Numbers 35190-35256; and the November Cash and Investment Summary. Mr. Beson seconded the motion and the Board unanimously approved it.

PUBLIC COMMENT: None

MARKETING PROGRAM: Mr. Nagel reported that in August, the Commission approved a marketing campaign for the last half of 2004. Staff has been continuing with Holt Business Solutions to develop a program for the first half of 2005. The following is a cost breakdown for the next six months:

Continued sponsorship of the Saginaw Spirit Hockey Team	\$ 5,000
Estimated television commercial production	\$ 6,000
Estimated television air time	\$ 30,000

Estimated radio air time	\$ 47,000
Exclusive "Time Saver Traffic" on WSGW (full-year program)	\$ 13,000
Billboard display	\$ 9,000
Holt Services Cost	<u>\$ 5,100</u>
TOTAL PROGRAM:	\$115,100

Mr. Nagel stated that this will include some production of new ads and feature our existing ads and the Business Alliance campaign. Using both leisure ads and the Business Alliance has provided MBS a good mix the past few months. Additional marketing opportunities will be considered as they develop. Ms. Jones-Ham made a motion to authorize the airport manager to proceed with the marketing campaign as outlined. Dr. Distler seconded and the motion unanimously carried.

2005 AIP GRANT: Mr. Nagel stated that the Commission approved the Five-Year Plan that included the 2005 projects at the November meeting. The annual planning meeting with the F.A.A. and the State went well and all items listed for 2005 were determined to be eligible for AIP funding. Because of the diverse nature of the projects, the F.A.A. requested MBS pursue two grants, one for the planning projects and one for the construction items. This will assist all parties with the accounting and timing of the projects.

Mr. Nagel said the two grants will be divided as follows, and each needs passage of a separate Resolution, which is attached:

<u>Grant 3005 – Planning Grant</u>	<u>Estimated Cost</u>
▪ Terminal Area Study	\$200,000
▪ Environmental Assessment	\$ 50,000
▪ Pavement Management Plan	<u>\$ 50,000</u>
	\$300,000
 <u>Grant 3105 – Construction/Equipment</u>	
<u>Acquisition Grant</u>	<u>Estimated Cost</u>
▪ Rehabilitate FIDS & Security System	\$550,000
▪ Rehabilitate Sanitary Sewer	\$100,000
▪ Airfield Marking	\$100,000
▪ Acquire De-Icing Vehicle	<u>\$100,000</u>
	\$850,000

After discussion, Mr. Dunn made a motion to approve the following Resolution for 2005 AIP Project 3005 for a Planning Grant. Ms. Jones-Ham seconded and the motion unanimously carried.

RESOLUTION
(Planning Grant 3005)

RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF THE GRANT APPLICATION, GRANT AND ALL RELATED DOCUMENTS BY THE MBS AIRPORT COMMISSION, A SPECIAL STATUTORY BODY, ACTING AS SPONSOR FOR THE CITY OF MIDLAND, CITY OF SAGINAW, AND COUNTY OF BAY, MICHIGAN, AND THE UNITED STATES OF AMERICA, FEDERAL AVIATION ADMINISTRATION, FOR THE PURPOSE OF

OBTAINING FEDERAL AID FOR THE DEVELOPMENT OF THE MBS INTERNATIONAL AIRPORT, UNDER PROJECT NO. 3-26-0083-3005.

BE IT RESOLVED by the members of the MBS International Airport Commission, Freeland, Michigan:

Section I. That MBS International Airport Commission, on behalf of the City of Midland, the City of Saginaw and the County of Bay, Michigan, shall submit a Grant Application and enter into a Grant Agreement for the development of the MBS International Airport, and that such Grant Documents shall be set forth hereinbelow:

Section II. That the Chairman or Vice-Chairman of the MBS International Airport Commission, is hereby authorized and directed to execute said Grant Application, Grant Agreement, and all other related documents in (4) copies on behalf of the City of Midland, City of Saginaw, and County of Bay, Michigan, and the Airport Manager is hereby authorized and directed to impress the official seal and to attest said execution:

Section III. That the Grant Application/Agreement referred to as Project 3-26-0083-3005.

Mr. Dunn made a motion to approve the following Resolution for 2005 AIP Project 3105 for Construction and Equipment Grant with Mr. Collins seconding. The Board passed the motion unanimously.

RESOLUTION

(Construction & Equipment Grant 3105)

RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF THE GRANT APPLICATION, GRANT AND ALL RELATED DOCUMENTS BY THE MBS AIRPORT COMMISSION, A SPECIAL STATUTORY BODY, ACTING AS SPONSOR FOR THE CITY OF MIDLAND, CITY OF SAGINAW, AND COUNTY OF BAY, MICHIGAN, AND THE UNITED STATES OF AMERICA, FEDERAL AVIATION ADMINISTRATION, FOR THE PURPOSE OF OBTAINING FEDERAL AID FOR THE DEVELOPMENT OF THE MBS INTERNATIONAL AIRPORT, UNDER PROJECT NO. 3-26-0083-3105.

BE IT RESOLVED by the members of the MBS International Airport Commission, Freeland, Michigan:

Section I. That MBS International Airport Commission, on behalf of the City of Midland, the City of Saginaw and the County of Bay, Michigan, shall submit a Grant Application and enter into a Grant Agreement for the development of the MBS International Airport, and that such Grant Documents shall be set forth hereinbelow:

Section II. That the Chairman or Vice-Chairman of the MBS International Airport Commission, is hereby authorized and directed to execute said Grant Application, Grant Agreement, and all other related documents in (4) copies on behalf of the City of Midland, City of Saginaw, and County of Bay, Michigan, and the Airport Manager is hereby authorized and directed to impress the official seal and to attest said execution:

Section III. That the Grant Application/Agreement referred to as Project 3-26-0083-3105.

2005 BUDGET: Mr. Nagel presented the proposed 2005 Budget and related worksheets. The budget is once again \$5,000,000, which has not increased since 2003. Mr. Elder made a motion to approve the 2005 Budget and Mr. Beson seconded. After discussion, Chairman Gwizdala asked Ms. Meisel for a roll call vote. The vote was as follows: Mr. Beson, yea; Mr. Collins, yea; Dr.

Distler, yea; Mr. Dunn, yea; Mr. Elder, yea; Mr. Gwizdala, yea; Ms. Jones-Ham, yea; Mr. McKeag, yea; and Mr. Tomion, yea. The motion passed unanimously.

UNION AGREEMENT: Mr. Nagel stated that Teamsters Local 486 is the bargaining unit which represents MBS maintenance, mechanics, fire fighters and custodial employees (20 total). In 2003, an agreement was reached which called for no pay raise and in return, only wages and pension benefits could be negotiated in 2004, 2005 and 2006.

Mr. Nagel and Mr. Lippert have been working with the union over the past several months. Throughout this process, the union has expressed a desire to improve their pension benefit. Staff had MERS conduct an actuarial to determine the cost of increasing the pension from B-2 to B-4 and because of the demographic make-up of the bargaining group, the cost was manageable at this time.

Negotiations have led to the following proposal which offers a fair mix of wage and pension benefits. The union has voted to accept the proposal upon approval of the Commission. A summary of the agreement is:

Effective September 9, 2004 – 3% wage increase
Effective September 9, 2005 – increase pension from B-2 to B-4
Effective September 9, 2006 – 2% wage increase

This contract extension will lock up the Teamsters contract until late 2007, at which time the entire agreement will be open to negotiation. Dr. Distler made a motion to approve the union contract proposal as outlined and authorize the Chairman to sign the amendment to the contract upon approval of legal counsel. Mr. Elder seconded the motion.

Mr. Tomion asked if the contract proposal was taken to the Personnel Committee. Mr. Nagel and Mr. Lippert explained that past practice has not included Personnel Committee approval of union contracts. The proposal was however taken to the Operations Committee. After discussion it was recommended that future union contract proposals first be taken to the Personnel Committee. A vote was called and the motion unanimously carried.

OLD BUSINESS: None

NEW BUSINESS: Mr. Nagel stated that the 10 Year Plan is included in the packet. It does not require any action but has been used as a budget tool in the past.

Mr. Nagel presented a letter to each of the Commissioners from Andrews Hooper & Pavlik, the auditing firm. The letter explains the auditing firm's responsibilities along with MBS' responsibilities for the upcoming audit. Mr. Beson made a motion to receive the letter and Ms. Jones-Ham seconded. The Board passed the motion unanimously.

Mr. McKeag asked that the total passenger count as related to last month and last year be included in the packet each month. The report should also include other airports of our size such as Lansing and Flint. Mr. Nagel will include this information in the future.

ADMINISTRATIVE MATTERS: Dr. Distler asked fellow commission members to be sensitive in their discussion at the Commission Meeting or with the press. Statements printed by the press may

not reflect the opinions of the entire Commission. Items that are printed in the newspaper should reflect decisions that the Board makes, not a reflection of statements or opinions of one Board member.

Next regular meeting is scheduled for January 20, 2004.

Mr. Gwizdala wished everyone a Merry Christmas and Happy Holidays.

ADJOURNMENT: There being no further business, Mr. Elder made a motion to adjourn. Mr. Beson seconded and the Board unanimously passed the motion. The meeting adjourned at 1:24 p.m.

Hollis H. McKeag, Secretary