

**OSCODA-WURTSMITH AIRPORT AUTHORITY  
BOARD OF DIRECTORS  
Board Meeting Minutes  
January 9, 2020**

**I. VICE CHAIRMAN SWISE CALLED THE MEETING TO ORDER AT 10:00 A.M.**

**II. ROLL CALL:**

KEVIN BOYAT	ABSENT
KEVIN BELIVEAU	PRESENT
ROB HUEBEL	PRESENT
AARON WEED	PRESENT
JOHN SWISE	PRESENT
MIKE MUNSON	PRESENT
DAVE DAILEY	ABSENT

**OTHERS PRESENT**

GARY KELLAN  
JACK BROWN  
BRENDA MCNEILL  
DOUG WELTON - ANDERSON, TACKMAN & COMPANY (Financial Auditors)  
PAT DAILEY - GREENBUSH TWP.  
JENNY HAGLUND - OSCODA PRESS  
PATRICIA - OSCODA PRESS

**III. ADOPTION OF AGENDA**

Mr. Swise announced a request has been made for an addition to the agenda. Mr. Kellan asked for the Board's consideration for adding a report from Mr. Nolan of Kalitta Air as the first agenda item. Mr. Nolan will be discussing workforce reduction at Kalitta Air.

Vice Chairman Swise requested a motion to adopt the agenda.

**Mr. Beliveau made a motion to adopt the agenda as amended. Mr. Weed supported the motion. No further comments. Motion carried by voice vote.**

Mr. Nolan advised the board that, as of the previous week, Kalitta employed 1,367 people. Unfortunately, more than 100 of these workers had to be let go on January 8, 2020. Mr. Nolan reported that most of them were temporary employees and contractors. That brings the total number of employees to 1,213. Mr. Nolan said he hopes this will be the last time they have to do this. He added the layoffs were due to the global economic conditions that are impacting air freight.

Mr. Beliveau asked if this was a permanent layoff. Mr. Nolan said it depends on how things go. Mr. Weed asked how many of the employees were contractors. Mr. Nolan said approximately 117 were contracted workers.

#### **IV. APPROVAL OF MINUTES - December 12, 2019 Regular Meeting**

Vice Chairman Swise requested approval of the minutes.

**Motion made by Mr. Munson to approve the minutes of December 12, 2019 as presented. Mr. Huebel supported the motion. No further comments. Motion carried by voice vote.**

#### **V. Financial Business**

##### **A. FY 2019 Financial Audit Presentation**

Mr. Doug Welton, of Anderson, Tackman & Company, PLC, attended the meeting for presenting their FY 2019 financial audit findings. A copy of the Auditor's written report and OWAA financial statements were provided to the board.

Mr. Welton provided a synopsis of the Airports financial position for 2019. He reported to the board that the Airport Authority received an unmodified opinion- the highest form of audit opinion that can be received.

**Mr. Weed made a motion to accept the FY 2019 financial audit report. Mr. Huebel supported the motion. Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes. Motion carried.**

##### **B. FY 2019 Federal Tax Return**

The services provided by Anderson, Tackman & Company, PLC include translating the Airport Authority's annual financial statements into Internal Revenue Service Income tax report and electronic filing procedures. The tax return report will be finalized after the Airport Board approves the audit report and financial statements.

**Mr. Beliveau made a motion to authorize staff to work with Anderson, Tackman & Co., to proceed with filing the proposed annual income tax report with the Internal Revenue Service. Mr. Weed supported the motion. Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Swise, Yes. Motion carried.**

##### **C. Financial Activities Report for December 2019**

Mr. Weed and Mr. Kellan financial transactions during December 2019. A list of bills processed for payment, totaling \$147,597.17 was provided to the board.

**Mr. Weed made a motion to accept the December 2019 financial activities report - - which includes payment transactions totaling \$147,597.17. Mr. Beliveau supported the motion. Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes. Motion carried.**

#### **D. OWA-LDFA 2019 Annual Report**

On December 17, 2019 Oscoda-Wurtsmith Airport-Local Development Finance Authority (OWA-LDFA) conducted a Public Information Reporting for 2019 activities. After closing the public comment opportunity, OWA-LDFA formally accepted the FY 2019 report. A copy of the report was provided to the Airport Board for review and comment. The report demonstrates how the tax increment capture impacts the taxing authorities that derive property tax revenue from airport tenants. The report demonstrated that 2019 property tax increases will generate approximately \$125,682.00 in revenue for OWA-LDFA. Mr. Kellan reported the LDFA has approximately \$224,000 in the bank. Therefore, going into the year 2020 construction season, the LDFA is expected to have a fund balance of approximately \$350,000.

**Mr. Munson made a motion to approve the Local Development Finance Authority (LDFA) 2019 Annual Report. Mr. Huebel supported the motion. Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes. Motion carried.**

### **VI. Current Business**

#### **A. OWA-LDFA 2020 Projects Recommendation**

OWA-LDFA operates in accordance with requirements set forth by Michigan Public Act 57 of 2018 and a Tax Increment Finance Plan that has been locally adopted by Charter Township of Oscoda. Said Tax Increment Finance Plan provides that the Airport Board will annually recommend projects to be implemented with tax increment revenue. As a related point of information, the OWA-LDFA will have a fund balance of approximately \$350,500 after depositing 2019 tax increment revenue.

Spicer Group and Northern Analytical Services have been retained to prepare project specifications and hazardous materials survey reporting in preparation of demolishing Building Nos. 5006 and 5065. After receiving the hazardous materials reports, Spicer Group will then provide cost estimates for completing the demolition work. Utilizing past demolition bidding results, Staff suspects those costs may exceed \$200,000 for each building. Mr. Kellan discussed the possibility of OWAA and OWA-LDFA sharing the subject demolition expenses.

**Mr. Huebel made a motion to authorize OWAA staff to recommend a cost sharing proposal with OWA-LDFA for Building Nos. 5006 and 5065 demolition expenses. Mr. Munson**

supported the motion. Mr. Huebel, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes. Motion carried.

## **B. Michigan Airports Conference Attendance**

The winter Michigan Airport Conference will be conducted February 19<sup>th</sup> and 20<sup>th</sup>, 2020. Information about the conference agenda was provided with meeting information materials. Conference registration, two-night hotel stay, meals and transportation expenses are anticipated to be less than \$500 per person. Mr. Kellan sought authorization for Assistant Airport Manager – Jack Brown and himself to attend this conference on behalf of OWAA. He also asked if any Board Members wished to attend. Mrs. Munson showed an interest in attending again this year.

**Mr. Beliveau made a motion to approve the Airport Manager, Assistant Airport Manager and any board members wishing to attend the winter Michigan Airport Conference and for the Airport Authority to pay for the conference, attendance and related expenses. Mr. Weed supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes. Motion carried.**

## **VIII Airport Manager Comments**

Mr. Kellan reported on the following projects.

### Iosco Apron – Phase II Resurfacing Project

Mr. Kellan reminded the Board that the Phase II resurfacing of Iosco Apron is being funded with FAA Supplemental Discretionary Funding. The project is estimated cost approximately Five Million Dollars. The pre-bid site visit is scheduled for February 11, 2020 and the bids are due February 25, 2020.

### Taxiway ‘E’ – Phase I Resurfacing Project

Mr. Kellan also reported that Staff had recently participated in a work session with the Project Engineer in preparation for the pending Taxiway ‘E’ – Phase I resurfacing project. During that work session it was determined that the aircraft runup area (a.k.a. the Hammer Head) and Taxiway ‘D’ will need to be closed during the Taxiway ‘E’ resurfacing project. The Project Engineer is estimating a 21-day closure. The closure of Taxiway ‘D’ will have significant impact upon general aviation activity, fuel sales and FBO services. The project is expected to begin during mid-August 2020. Mr. Munson expressed significant concern for the proposed pavement area closings. He offered a couple of alternative ideas to be discussed with the Project Engineer. Mr. Kellan reported that he and Assistant Airport Manager – Mr. Brown had already had lengthy discussions with the Project Engineer regarding such concerns.

Mr. Brown added that project would require equipment and material staging areas. Additionally, trucks and machinery would need to cross through the pavement areas that are planned for closure. He indicated concerns regarding those activities if aircraft were also allowed to move through said construction staging and operating areas.

Mr. Weed said he agreed that the project would be limiting but it is most likely better to get the project completed rather than to try to reschedule the projects. Further discussion took place regarding timing of the project. Mr. Munson said that late September would be better. Mr. Kellan said that he would pursue the September and later season construction period.

### Michigan Launch Initiative

Mr. Kellan reported having conversation with the Director of the Michigan Launch Initiative, Mr. Gavin Brown. Mr. Brown said they are planning to have a meeting with the Governor prior to formally announcing the sites that have been selected. The target date for the announcement is January 27, 2020.

Mr. Kellan reminded the board that he and Mr. Dailey will be traveling to meet with Commercial Space Operators in Florida during early February. Mr. Kellan solicited questions from board members that might be discussed during the visit. He said he is particularly interested in how the organizational structure is designed. Mr. Beliveau asked if there would be additional security requirements needed for securing the property and who would provide the service. Mr. Kellan indicated that the services of experienced professionals would be needed to assist with planning and development of spaceport facilities and operations.

Mr. Weed asked if the airport is not selected, whether travel plans to Florida would be cancelled. Mr. Kellan agreed that the plans would likely be cancelled.

### **IX. Board Member Comments**

None

### **X. Public Comments**

Ms. Haglund, Reporter for the Oscoda Press introduced Patricia, a Reporter who will be shadowing Ms. Haglund during the next few OWAA meetings in order to assist Ms. Haglund.

### **XI. Review of Bills and Payments**

January- John Swise

February- Aaron Weed

## **XII. Adjournment**

Mr. Munson made a motion to adjourn. Support was provided by Mr. Weed . All in favor, the meeting was adjourned at 10:55 a.m.

Prepared by Brenda McNeill, Administrative Assistant  
Respectfully submitted by Gary Kellan, OWAA Board Secretary