

**OSCODA-WURTSMITH AIRPORT AUTHORITY  
BOARD OF DIRECTORS  
Board Meeting Minutes  
May 14, 2020**

Keeping with intentions of Michigan Governor Executive Order Nos. 2020-21 and 2020-75, this meeting was conducted via internet-based website.

**I. CHAIRMAN BOYAT CALLED THE MEETING TO ORDER AT 10:02 A.M.**

**II. ROLL CALL:**

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

**OTHERS PRESENT**

GARY KELLAN – AIRPORT MANAGER  
JACK BROWN – ASSISTANT AIRPORT MANAGER  
JENNY HAGLUND - OSCODA PRESS  
GREG COLE – OSCODA RESIDENT AND BUSINESS OPERATOR

**III. ADOPTION OF AGENDA**

Chairman Boyat called for adoption of the meeting agenda.

**Mr. Munson made a motion to accept the modified agenda as presented. Mr. Beliveau supported the motion. No further comments. Motion carried by voice vote.**

**IV. APPROVAL OF MINUTES – March 12, 2020 Regular Meeting**

Chairman Boyat requested approval for the March 12, 2020 meeting minutes.

**Motion made by Mr. Munson to approve the March 12, 2020 meeting minutes as presented. Mr. Dailey supported the motion. No further comments. Motion carried by voice vote.**

## V. Financial Business

### A. March 2020 – Financial Activities Report

Mr. Kellan reported that he and Mr. Beliveau had reviewed bank statements and financial transactions during the month of March 2020. A listing of bills processed for payment during March - - totaling \$155,370.26, had been provided with meeting information materials. Mr. Kellan noted that the list includes payments for capital improvement projects listed as follows:

- First progress payment for Building No. 6 roof covering replacement - \$ 61,135.00.
- Hazardous materials survey in preparation for seeking bids to demolish Building Nos. 5006 and 5065 – \$ 14,800.
- Mead & Hunt Engineering Services – Design Iosco Apron Resurfacing – \$ 9,716.50

Therefore, general operating expenses during March totaled approximately \$ 69,718.76.

Chairman Boyat called for a motion to accept the March 2020 financial activities report.

**Mr. Dailey made a motion to accept the March 2020 financial activities report which includes payment transactions totaling \$155,370.26. Mr. Munson supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

### B. April 2020 Financial Activities Report:

Mr. Kellan reported that he and Mr. Munson had reviewed bank statements and financial transactions during the month of April 2020. A listing of bills processed for payment during April - - totaling \$66,392.66, had been provided with meeting information materials.

Chairman Boyat called for a motion to accept the April 2020 financial activities report.

**Mr. Beliveau made a motion to accept the April 2020 financial activities report which includes payment transactions totaling \$66,392.66. Mr. Swise supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

**C. FY 2020 – 2<sup>nd</sup> Quarter Budget Report**

**D. FY 2020 – 3<sup>rd</sup> Quarter Budget Amendments**

Budget reporting matrices had been provided with meeting preparation materials. Those documents demonstrate revenue and expenditure activities through the second quarter of FY 2020 (10/1/2019 through 3/31/2020). Mr. Kellan reviewed the matrices and identified suggested line item adjustments – which are summarized as follows:

General Operating Budget – Expenditures:

Wages, Over Time: An additional \$3,000 to be allocated for overtime wages. This additional amount covers overtime wages expended when responding for airfield snow removal operations. The adjustment increases the line item to \$15,000.

Legal Service Fees: Additional legal services have been expended in response to efforts associated with spaceport development and contracting for demolition of Building Nos. 5006 and 5065. Therefore an additional \$ 7,000 was recommended for legal services. This additional allocation increases the line item to \$17,000.

Capital Improvements – Expenditures:

General Office Equipment: An additional \$ 2,000 for general office equipment purchases. The budgeted line item has been exceeded in response to unanticipated need to replace a failed printer and a failing photo copy machine. The additional allocation increases the line item to \$ 4,000.

FY 19 & 20 Iosco Apron Rehab – Design Services: Mr. Kellan reminded the Airport Board that Oscoda-Wurtsmith Airport Authority pursued and secured grant funds for implementing a second phase of concrete overlay on Iosco Apron. In order to make application for that grant, the Airport Authority needed engineering support services for developing project plans / specifications and assistance with securing construction bids. The Airport Authority’s retained engineering firm – Mead & Hunt completed the scope of work between April of 2019 and April of 2020. Therefore, billings occurred during both FY 2019 and FY 2020. The proposed line item amendment does not increase the amount being paid to Mead & Hunt. This budget adjustment simply brings forward underspent funding from FY 2019 into the FY 2020 budget. In order to do so, an additional \$ 3,500 is to be added to the subject line item. The additional allocation increases the line item to \$ 128,500.00

Mr. Kellan reported that OWAA Resolution No. 2020 – 02 had been prepared for acting upon the proposed budget amendments.

Chairman Boyat called for a motion to accept the FY 2020 2<sup>nd</sup> Quarter Budget Report.

**Mr. Beliveau made a motion to accept the FY 2020 2<sup>nd</sup> Quarter Budget report. Mr. Munson supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

Chairman Boyat called for a motion to adopt Resolution No. 2020-02 for acting upon the proposed  
FY 2020 3<sup>rd</sup> Quarter budget adjustments.

**Mr. Munson made a motion to adopt Resolution No 2020-02. Mr. Beliveau supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

**VI. Current Business**

A. Taxiway ‘E’ Resurfacing Phase I – Grant Acceptance – Resolution No. 2020-03: Mr. Kellan reminded the Board that during the March 12, 2020 meeting, the Airport Board had authorized hiring Pyramid Paving Inc. for resurfacing a first phase of Taxiway ‘E’. Said authorization was under the condition of securing project funding via combined grant from MDOT- Aeronautics and the FAA. That grant is now being offered to OWAA. The proposed sharing of expenses is demonstrated below.

FAA	\$ 1,075,386.00
MDOT – Aero	\$ 50,485.00
OWAA	<u>\$ 50,485.00</u>
	\$ 1,176,356.00

Mr. Kellan informed the Board that the granting agencies require an adopted resolution demonstrating acceptance of the grant agreement, commitment to contribute local matching funds and designation individuals authorized to sign project related documents. OWAA Resolution No. 2020-03 has been prepared for that purpose.

Chariman Boyat called for a motion to adopt Resolution No. 2020-03.

**Mr. Munson made a motion to adopt Resolution No 2020-03. Mr. Swise supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

B. Iosco Apron Phase II Resurfacing – Grant Agreement – Resolution No. 2020-04: Mr. Kellan reminded the Board that during the March 12, 2020 meeting authorization was granted to hire Ajax Paving Industries Inc. to repave a section of Iosco Apron. Said authorization was under the condition of first securing a pending grant from the Federal Aviation Administration (FAA). That necessary grant is now being offered - - in the amount of \$5,855,275.00. This grant allocates 100% funding for all services listed below:

MDOT- Aeronautics Administration and Inspection Support	\$ 5,500.00
Reimburse OWAA for amounts already paid to Mead & Hunt for preliminary design and bid solicitation assistance services	\$ 176,745.00
Mead & Hunt Construction Inspection and Contract Administration Support	\$ 359,895.00
AJAX Paving Industries Inc. Construction of the Specified Concrete Surface Overlay	\$ 5,313,135.00
Total	\$ 5,855,275.00

The granting agency requires an adopted resolution demonstrating acceptance of the grant agreement and designation of individuals authorized to sign project related documents. OWAA Resolution No. 2020-04 has been prepared for that purpose.

**Mr. Munson made a motion to adopt Resolution No 2020-04. Mr. Swise supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

C. Sage Ordnance Systems Group – Lease Default- Extension Request: Mr. Kellan informed the Board that Sage Ordnance Systems (Sage) has been leasing OWA properties during the past 25+ years. Sage has leased as many as 17 buildings and they currently occupy 9 buildings. During the past year Sage has fallen behind on rent and property tax payments. Members of the OWAA Executive Committee have had two meetings with representatives of Sage. Those discussions included developing a modified rent payment schedule, for Sage catch up delinquent rent over 12-months. The modified rent payment schedule was approved by the Airport Board during the December 12, 2019 meeting. Sage has not kept up with the modified rent payment schedule. A May 6, 2020 letter from the President / Owner of Sage had been provided with meeting information materials. The letter seeks additional time in which to pay down the back-owed rent.

Members of the Board discussed a variety of concepts and potential requirements of Sage in order to provide additional time to catch-up on back-owed rent. It was noted that the letter from Sage includes an invitation for members of the Airport Board to visit their facilities in order to inspect documentation regarding the pending purchase orders mentioned in their letter.

**Mr. Munson made a motion to have members of the Executive Committee meet with representatives of Sage, review purchase order documents and to formulate a recommendation for the Airport Board to consider during the June 2020 meeting. Mr. Dailey supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

D. Sage Ordnance Systems- Delinquent Property Taxes: Mr. Kellan reminded the Board that typical OWAA lease agreements include tenants accepting responsibility for paying all assessed property taxes. During the past two tax seasons, Sage has not paid property taxes on the properties they lease from OWAA. Therefore, back owed amounts are accruing interest and penalty fees. So as to avoid further compounding of interest and penalty fees, the Airport Board is asked to consider having OWAA pay the property taxes. The amounts of paid would then be added to amounts Sage owes to OWAA.

**Mr. Beliveau made a motion to approve having OWAA pay property taxes for all Sage leased properties and to pursue reimbursement from Sage for those costs. Mr. Munson supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

E. Cares Act – Grant Funds: Mr. Kellan reported that the ‘Corona Virus Aid, Relief, and Economic Security’ (CARES) Act includes grant funding for General Aviation airports. A copy of an email message, from MDOT- Aeronautics, describing cited specifics of the CARES Act grant program was provided with meeting preparation materials. Mr. Kellan informed the Airport Board that \$30,000 is being made available for OWAA. Mr. Kellan also noted that he has satisfied preliminary application requirements. There are two options to be selected for utilizing the funds. The categories are ‘Operational Expenses’ or ‘Capital Improvement Projects’. Mr. Kellan recommends for OWAA to pursue the funding to be utilized for Operational Expenses. Specifically, the OWAA application and support documentation could be used to reimburse OWAA for a portion of employee salaries that have been paid out during the ‘stay home – Stay Safe’ Executive Order.

**Mr. Dailey made a motion to authorize OWAA staff to pursue \$30,000 from CARES Act funds to be utilized to reimburse OWAA for employee wages paid out during the Michigan ‘Stay Home – Stay Safe’ executive order. Mr. Beliveau supported the motion. Mr. Dailey – Yes, Mr. Beliveau - Yes, Mr. Munson - Yes, Mr. Swise – Yes, Mr. Boyat, Yes. Motion carried.**

## **VII Airport Manager Comments**

A. Michigan Launch Initiative: Mr. Kellan reminded board members that Michigan Aerospace Manufacturers Association (MAMA) has identified OWA as a preferred development site for

establishing spaceport launch facilities. Specifically, OWA has been identified as a potential location for supporting horizontal launching of space vehicles. They have named this 'Oscoda-Wurtsmith Spaceport Development'(OWSD)'. Mr. Kellan informed members of the board that a work session was conducted with MAMA representatives on May 6, 2020. Local attendees included representatives of OWAA and Charter Township of Oscoda. Specifically attending was OWAA Chairman Boyat, OWAA Executive Committee member Mike Munson, Airport Manager – Gary Kellan, Oscoda Township Supervisor – Aaron Weed, Oscoda Township Superintendent – David Schaeffer , Oscoda Township Economic Improvement Director – Todd Dickerson and Attorney Rob Eppert.

Mr. Kellan stated that the Executive Director of MAMA - - Mr. Gavin Brown, has since provided a follow up letter - - in response to questions asked during the work session. A copy of that letter was provided with this meeting information materials. Mr. Brown's letter states that the COVID 19 pandemic has slowed work progress on the OWSD project by approximately 2-months. As an example, the announcement of site selection for vertical launch facilities is also delayed until the Michigan Capital building is open and available for conducting press release announcements. Mr. Brown stated that MAMA has hired the engineering and planning firm - BRPH, to assist with developing the Phase II feasibility analysis for horizontal space launching at the OWSD. Mr. Brown's letter also informs us that the OWSD will be a focus during the North American Space Summit that is being planned for August 30<sup>th</sup> - September 2<sup>nd</sup>, in Traverse City, Michigan.

Mr. Dailey initiated discussion about having other people attend future planning meetings. Mr. Kellan stated that the topic increasing the number of participants was discussed during the subject meeting. The consensus was to not expand the initial work group until the effort is further defined.

B. Building No. 6 Roof Covering Replacement: Mr. Kellan reminded the board that Kawkawlin Roofing had been awarded a contract to replace the roof covering on Building No. 6. Kawkawlin Roofing started working on March 18, 2020 and then shut down on March 23<sup>rd</sup> - - in compliance with Michigan Governor Executive Order No. 2020-21. Construction contractors are now authorized to return to work as of May 7,2020. Mr. Kellan reported that Kawkawlin Roofing had resumed working the Building No. 6 project on May 11, 2020.

C. OWAA Employees – Return to Full-Time Work Schedule: Mr. Kellan stated that Michigan Governor Executive Order Nos. 2020-21, 2020-42, 2020-59 and now 2020-70 establishes and modifies a 'Temporary requirement to suspend activities that are not necessary to sustain or protect life'. After the initial order (dated March 23, 2020), Staff consulted with members of the OWAA Executive Committee. The consensus was to direct OWAA employees to not report into airport buildings and thereafter remain in standby / on call status - - remaining available to work on an as needed basis.

All of the cited Executive Orders include provisions for ‘Critical Infrastructure Workers’ to attend work that involves operation and maintenance of “Essential Infrastructure and Services”. The Executive Orders defines “Critical Infrastructure Workers” and “Essential Infrastructure Services” as described by a March 19, 2020, Director of U.S. Cybersecurity and Infrastructure Security Agency (CISA) directive for responding to the COVID – 19 pandemic. The CISA directive specifically includes workers who support airport maintenance and operations among the lists of essential / critical infrastructure workforce. Therefore, our airfield maintenance team has been eligible to work. Given that these events have occurred between snow removal season and grass cutting seasons, there have been very few reasons to call in OWAA employees.

As weather conditions warm, the grass is beginning to grow. Tall grass creates safety hazards for flight operations - - as it tends to attract small animals, grasshoppers, other insects. That habitat then attracts flocks of birds that feed upon insects and small animals - - increasing the potential for bird strike related aircraft damage. Also, allowing grass and weeds to sprout from pavement joints or cracks accelerates pavement deterioration. Broken pavement debris is also dangerous to aircraft operations. Therefore, keeping airfield grass mowed, applying herbicides on pavements and maintaining pavements are essential / critical services in support of airport operating safety. As such, Mr. Kellan intends to recall airfield maintenance personnel and supporting staff to resume their regular working regular hours starting on Monday, May18, 2020.

### **VIII. Public Comments**

Greg Cole informed the Airport Board that he joined this meeting specifically because of his interest in the pending spaceport development project. He expressed his thanks for being able to listen in on the information reported.

### **IX Board Member Comments**

Mr. Beliveau mentioned plans to have the Executive Committee meet with representatives of Sage. He recommended for the Executive Committee to also include discussion regarding reimbursement of back owed utility expenses - - specifically water and sewer charges, to be included in the envisioned repayment plan.

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

May – Aaron Weed  
June - Mike Munson

### **XI. Adjournment**

Mr. Munson made a motion to adjourn. Support was provided by Mr. Swise and Mr. Dailey. All in favor, the meeting was adjourned by voice vote at 11:44 a.m.



Prepared by Gary Kellan, OWAA Board Secretary