

**OSCODA-WURTSMITH AIRPORT AUTHORITY
BOARD OF DIRECTORS
Board Meeting Minutes
June 11, 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 10:03 A.M.

II. ROLL CALL:

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

OTHERS PRESENT

GARY KELLAN – AIRPORT MANAGER
JACK BROWN – ASSISTANT AIRPORT MANAGER
BRENDA MCNEILL- ADMINISTRATIVE ASSISTANT
PATRICIA ALVORD- OSCODA PRESS
GREG SCHULZ
MARK MILLER
LARY HOLLAND

III. ADOPTION OF AGENDA

Chairman Boyat called for adoption of the meeting agenda adding that he would like to have discussion regarding assistance for Mr. Kellan.

Mr. Munson made a motion to approve the meeting agenda with the addition. Mr. Huebel supported the motion. No further comments. Motion carried by voice vote.

IV. APPROVAL OF MINUTES – May 14, 2020 Regular Meeting

Chairman Boyat called for a motion to approve the May 14, 2020 meeting minutes.

Motion made by Mr. Beliveau to approve the May 14, 2020 meeting minutes as presented. Mr. Huebel supported the motion. No further comments. Motion carried by voice vote.

V. May 2020 Financial Activities Report

Mr. Weed and Mr. Kellan reviewed bank statements and financial transactions during the month of May 2020. A listing of bills processed for payment during May - - totaling \$ 94,208.77 was provided to the board. Mr. Kellan noted that the total included \$37,944.26 for property taxes that were paid on behalf of Sage.

Mr. Munson made a motion to accept the May 2020 financial activities report - - which included payment transactions totaling \$ 94,208.77. Mr. Huebel supported the motion. Mr. Dailey, Yes, Mr. Beliveau, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Boyat, Yes. Motion carried.

VI. Current Business

A. Special Use Permit – Isuzu Vehicle Testing

Isuzu Corporation is seeking to utilize Taxiway ‘A’ for 3 – 4 days of vehicle coast down testing. Isuzu has agreed to pay \$1,000 per day.

Mr. Munson made a motion to provide authorization for the Airport Manager to issue a Special Use Permit to Isuzu Corporation for their use of Taxiway ‘A’ for vehicle testing. Mr. Beliveau supported the motion. Mr. Beliveau, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Boyat, Yes. Motion carried.

B. Buildings 5006 and 5065 Demolition Service Bids

With assistance from Spicer Group Engineering Services (Spicer Group), a solicitation for competitive bids has been completed for the demolition of Building Nos. 5006 and 5065. Copies of the bid tabulations and Spicer Group’s hiring recommendation were provided to the board. The Engineer’s preliminary cost estimates as compared to bid results are summarized below:

	Building 5006	Building 5065	Credit for Combining Both Projects	Totals
Engineer’s Preliminary Cost Estimate	\$ 287,575.00	\$ 304,075.00	(- \$ 9,900.00)	\$ 581,750.00
Demolition Contractor Bids				
Dore & Associates Bay City, MI	\$ 298,900.00	\$ 373,400.00	\$ 0.00	\$ 672,300.00
Bierlein Companies Midland, MI	\$ 368,650.00	\$ 504,950.00	(- \$ 15,500.00)	\$ 858,100.00
Pitsch Companies Grand Rapids, MI	\$ 531,000.00	\$ 695,000.00	(- \$ 6,000.00)	\$ 1,220,000.00

The bid solicitation was structured so as to allow OWAA the option of demolishing a single building or both buildings.

Cost sharing with OWA-LDFA

During the January 2020 meeting, the Airport Board provided authorization for Staff to pursue an agreement with Oscoda-Wurtsmith Airport Local Development Finance Authority (OWA-LDFA) for sharing costs associated with implementing building demolition projects. As of May 31, 2020, the OWA-LDFA account balance is \$350,874.73. Utilizing the lowest bid prices, plus an approximate 10% allocation for contingencies, potential cost sharing scenarios are offered within the table below.

Airport Authority – OWA-LDFA Cost Sharing Scenarios			
	Bldg. No. 5006	Bldg. No. 5065	Both Buildings Combined
Airport Authority	\$ 165,000.00	\$ 205,500.00	\$ 440,000.00
OWA - LDFA	\$ 165,000.00	\$ 205,500.00	\$ 300,000.00
Totals	\$ 330,000.00	\$ 411,000.00	\$ 740,000.00

Staff Recommendation

The demolition of both buildings would result in significant draw-down of cash reserves from both accounts. Given other known airport capital repair needs and the potential for unanticipated expenses, Staff cautioned against contracting for the demolition of both buildings. Mr. Kellan stated that Building No. 5006 might be considered to be the preferred candidate for demolition. This suggestion is offered because Building No. 5006 is located within a higher visibility location, as compared to Building No. 5065, and the failing brick siding on Building No. 5006 is blight.

Contract Document

The Airport Authority’s attorney - - Mr. Rob Eppert, prepared the demolition contract for this project. A copy of that document was provided to the board.

Mr. Dailey noted that a large percentage the building demolition costs are for asbestos abatement. He suggested that perhaps additional Airport staff could hired and trained to perform asbestos abatement – as a potential cost savings. Chairman Boyat responded that this is not the ideal time in which to establish in-house asbestos abatement team - -as suggested as Staff are focusing on quite a lot of existing work. Mr. Huebel commented that there really is not many more buildings to be demolished - - therefore not necessary to create an asbestos abatement team. Mr. Munson also responded by indicating that there is not enough remaining

asbestos abatement in order to justify the added employees and expenses associated with establishing asbestos worker programs. Mr. Huebel agreed.

Mr. Boyat called for a motion.

Mr. Huebel made a motion to provide Staff authorization to execute the proposed contract for hiring Dore & Associates to demolish Building Nos. 5006 with the contract sum being \$ 298,900.00. Mr. Munson supported the motion. Mr. Beliveau, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, No, Mr. Boyat, Yes. Motion carried.

Mr. Beliveau made a motion to establish a cost sharing agreement with OWA-LDFA to pay for the demolition of Building No. 5006 with cost sharing to be allocated as follows:

OWA-LDFA	\$ 165,000.00
Airport Authority	<u>\$ 165,000.00</u>
	\$ 330,000.00

Mr. Munson supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

C. Demolition Project Budget Amendment – Resolution No. 2020-05

Mr. Kellan reported the costs for demolishing Buildings 5006 and 5065 were unknown when preparing the FY 2020 budget. Likewise, the cost for related engineering services was also unknown. Therefore, the Capital Improvement Budget was prepared with \$150,000 allocated for demolition and \$75,000 for engineering support – as initial funding / placeholder amounts. Those amounts were allocated with the understanding that budget amendments would likely be necessary in order to implement the envisioned demolition work. Mr. Kellan presented the recommended line item budget adjustments. He also noted that Resolution No. 2020-05 is provided for the Airport Board to act upon the recommended budget amendments.

Mr. Beliveau made a motion to adopt Resolution No. 2020-05 for amending the FY 2020 Capital Improvement Budget as demonstrated within the attached budget amendment matrix. Mr. Dailey supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

D. Sage Ordnance Systems Group – Lease Default- Extension Request

During the May 14, 2020 meeting the Airport Board considered a written request from Sage Ordnance Systems Group (Sage) seeking to delay their eviction from buildings leased from OWAA. The Airport Board’s resulting action involved requesting members of the Executive Committee to meet with representatives of Sage. Chairman Boyat, Mike Munson, Kevin

Beliveau (Alternate) and Mr. Kellan attended the meeting with Sage on June 2, 2020. The members of the Executive Committee discussed their findings from that meeting with Sage.

Mr. Kellan summarized that discussion by reporting that Sage currently pays \$ 2,929.63 per month. As a method of getting caught up, Sage is offering to pay a minimum of \$6,000 per month going forward. Mr. Kellan also noted that OWAA had recently paid off delinquent property taxes on behalf of Sage. It was agreed that all Sage payments would first be applied to reimbursing OWAA for paying the delinquent property taxes.

Chairman Boyat also informed the Airport Board that representatives of Sage reported that they are expecting to receive additional revenue producing orders during the near future. These orders are expected generate revenue payments during the July or August time frame. Representatives of Sage indicated that the additional revenue is likely to support the ability to deliver larger rent payment amounts.

Chairman Boyat sought any additional comments from Mr. Munson and Mr. Beliveau. Mr. Munson reported the difficulties with having tenants with back owed rent. He is hoping they will recover financially and continue to be a good tenant for the Airport. Mr. Beliveau added that per discussions and agreements with Sage, moving forward, all monies collected Sage will first be applied to reimbursing OWAA for paying Sage owed property taxes.

Mr. Huebel thanked Mr. Beliveau for stepping in to assist with the Sage issue as it relates to serving as the Executive Committee Alternate.

Mr. Munson made a motion to allow Staff to extend the lease agreement with Sage Ordnance Systems and for Staff to provide follow up in three (3) months. Mr. Huebel supported the motion. Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Beliveau, Yes, Mr. Munson, Yes, Mr. Boyat, Yes. Motion carried.

E. Tele-Handler Purchase

Mr. Kellan stated that the FY 2020 Capital Improvements Budget allocates \$45,000 for purchasing airfield maintenance equipment. This funding was specifically allocated for purchasing a wheeled fork truck and materials lifting vehicle - - which is also referred to as a 'Tele-Handler'. The Assistant Airport Manager – Mr. Jack Brown, searched the used equipment market for said vehicle. He recommended the purchase of a model year 2012 Genie (GTH844). The proposed vehicle is located in Grand Blanc, MI and the advertised purchase price is \$38,500.00. Mr. Brown has traveled to Grand Blanc to inspect the vehicle.

Mr. Beliveau inquired about the transportation arrangements to get the equipment to Oscoda. Mr. Brown reported that he will be borrowing a flat-bed trailer from Gary Oil Company.

Mr. Munson asked where the equipment would be stored. Mr. Kellan said the equipment would be stored in building #140.

Mr. Swise made a motion to purchase the proposed 'Tele-Handler' vehicle for \$38,500. Mr. Huebel supported the motion. Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Boyat, Yes. Motion carried.

VII. Airport Manager Comments

A. MEDC Site Readiness Grant- Professional Services Solicitation

Mr. Kellan reminded the Airport Board that OWAA has a Site Readiness Grant that was awarded by Michigan Economic Development Corporation. The scope of work on the application was to perform preliminary investigations for replacing and extending utilities infrastructure - - in support of establishing additional development site properties. Mr. Kellan reported that this has been put on hold and is good until August 2021. He stated the reason for the hold was the possibility of having to shift priorities in response to the spaceport opportunity. Since there has been no activity, Mr. Kellan received a phone call from the State suggesting that the airport move forward. Staff intentions were to proceed with procuring Professional Development services for the original scope of work unless there was objection. If additional funding is needed related to the Spaceport planning then it will be pursued at that time. Mr. Kellan asked if there were any questions or comments regarding this.

Mr. Huebel asked Mr. Kellan about any concerns for Airport funding as it relates to impacts of the Corona Virus pandemic. Mr. Kellan reported that, with the exception of Sage, the major airport tenants continue to pay rent. Mr. Kellan also stated that he plans to explore such potential impacts and contingency planning with members of the Executive Committee while developing the FY 2021 budget.

B. Michigan Launch Initiative- Spaceport Development

Mr. Kellan reported that a site visit had recently been conducted with Mr. Gavin Brown - - as the Executive Director of Michigan Aerospace Manufacturers Association. The site visit included touring vacant buildings. Mr. Kellan reported that Mr. Brown discussed and requested that at a local Community Advisory Committee should be established. The purpose of the committee is to answer questions from the community and provide feedback Mr. Boyat suggested that all Airport Board might recommend individuals to serve on the proposed Community Advisory Committee and to advertise in the local newspapers. Mr. Munson reminded Airport Board members that the committee is solely advisory and will not have decision making authority. Board members are to e-mail suggestions, agencies, and additional recommendations to Mr. Kellan.

C. Building No. 6 Roof Covering Replacement

Mr. Kellan reported this project is complete. Duro-last has completed their inspection on the roof covering.

D. Iosco Apron Phase II Resurfacing Project

Mr. Kellan reported that a pre-construction meeting and site visit had been recently conducted in preparation for resurfacing Iosco Apron. The construction contractor will be arriving on July 6, 2020 to begin preliminary preparations. They expect to begin actual paving work during the final week of July or first week of August.

E. Taxiway E – Phase I Resurfacing Project

Mr. Kellan reported this project is not expected to begin until mid-September.

VIII. Public Comments

Chairman Boyat called on Mr. Lary Holland. Mr. Holland reported about the different ways that he is tracking interest in Oscoda Spaceport activities. He referred to google.com/news as a resource. Mr. Holland states that Oscoda-Wurtsmith Airport appears as No. 3 in news articles from around the world. He attributes the consistent reporting of the Iosco County News to the occurrence of the Airports name. Mr. Holland spoke regarding the importance of Public Relations for awareness as it relates to the Spaceport and monitoring of the news articles. He also discussed adding a second search for “Spaceport” with “FAA” added to the search and states that Oscoda-Wurtsmith Airport appeared No. 7 in that search. On May 9th Mr. Holland states there was an article that was in relation to the Titusville Cocoa Airport Authority. He states the article was titled “FAA Establishes Spaceport Office to Support Growing Number of Launch Sites”. Mr. Holland reported that this is important not only for the Airport Board and Staff but for those interested in reaching out and making an effort with the Spaceport application process and familiarizing ourselves with the people who have been appointed in those offices. He also states that there are links in the articles that explain what other Spaceport organizers are attempting and a lot of data that goes along with that. In closing, Mr. Holland said he searched for two words – “Oscoda Spaceport”. He reported this search producing over thirty-five articles from a variety of different news sources. He feels this can help us see where Oscoda is at in comparison to the rest of the world.

Mr. Holland reported that he is pleased to see that the board is working towards getting Mr. Kellan assistance with the project and forming a Community Advisory Committee that will assist in gathering information.

Mr. Boyat asked if there were any further public comments. There were none.

IX Board Member Comments

Mr. Beliveau thanked Mr. Holland for his assistance with the Zoom application so that he could participate in this meeting.

Chairman Boyat commented about having worked recently with Mr. Kellan and Mr. Brown. He noted that the various on-going projects are a very busy time for OWA. Therefore, he would like to see Mr. Kellan receive some assistance. He reported having worked with the previous Superintendent for Charter Township of Oscoda - - Mr. Robert Stalker. Perhaps Mr. Stalker might provide some assistance as a consultant.

Mr. Huebel indicated that he has worked with Mr. Stalker and feels he is very good at getting projects accomplished. He feels that the Airport Authority needs to lean forward to make things happen.

Mr. Beliveau asked Mr. Boyat if he was proposing an Assistant to Gary or a general position specific to Spaceport Operations. Mr. Boyat indicated that he is just starting with exploring the idea with members of the Airport Board. Mr. Beliveau asked if a budget was considered for the position. Mr. Boyat said this has not yet been discussed. Mr. Boyat reported that he would seeking to get the boards thoughts on this idea before moving forward. Mr. Beliveau felt it would be appropriate for Mr. Kellan to develop some parameters for the Assistant based on what he is seeing, stresses for his time and energy and have Mr. Kellan make a recommendation.

Mr. Swise, Mr. Dailey, and Mr. Munson agreed with Mr. Beliveau for Mr. Kellan to bring recommendations to the Airport Board.

X. Review of Bills and Payments

June - Mike Munson

July- John Swise

XI. Adjournment

Mr. Munson made a motion to adjourn. Support was provided by Mr. Huebel. All in favor, the meeting was adjourned by voice vote at 11:08 a.m.

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