

**OSCODA-WURTSMITH AIRPORT AUTHORITY
BOARD OF DIRECTORS
Board Meeting Minutes
August 13, 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 10:08 A.M.

II. ROLL CALL:

KEVIN BOYAT	PRESENT
KEVIN BELIVEAU	PRESENT
ROB HUEBEL	PRESENT
AARON WEED	PRESENT
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
BILL PALMER
MARK MILLER
DAVE SCHAEFFER
RICK COPELAND
MARIE LOUCKS
LARY HOLLAND
JIM KENT
MIKE CLEMENS

III. ADOPTION OF AGENDA

Chairman Boyat called for adoption of the meeting agenda. Mr. Kellan requested the addition of “Item B. Tymco Vacuum Sweeper”. Mr. Boyat called for adoption of the amended agenda.

Mr. Munson made a motion to adopt the agenda as amended. Mr. Weed supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Boyat, Yes. Motion carried.

IV. APPROVAL OF MINUTES – July 9, 2020 Regular Meeting

Chairman Boyat called for a motion to approve the July 9, 2020 meeting minutes.

Motion made by Mr. Beliveau to approve the July 9, 2020 meeting minutes as presented. Mr. Huebel supported the motion. No further comments. Motion carried by voice vote.

A. Financial Activities Report for July 2020

Mr. Swise and Mr. Kellan reviewed bank statements and financial transactions during July 2020. A list of bills processed for payment, totaling \$ 76,988.59 was provided to the board.

Mr. Munson made a motion to approve the July 2020 financial activities report - - which includes payment transactions totaling \$ 76,988.59. Mr. Dailey supported the motion. Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Boyat, Yes. Motion carried.

B. FY 2020 – 3rd Quarter Budget Report

This item was discussed in conjunction with the FY 2020 4th Quarter Budget Amendments.

C. FY 2020 – 4th Quarter Budget Amendments – Resolution No. 2020-06

Matrices reporting status of OWAA budgeted revenue and expenditures through June 30, 2020 of FY 2020 were provided to the board. Mr. Kellan reported the FY 2020-line items are tracking relatively consistent with amounts allocated. The few line item adjustment recommendations were identified on 3rd quarter report matrices. Those few line item adjustments are described as follows:

- General Fund – Travel / Transportation and Advertising / Marketing line item increases are proposed in support of OWAA representatives attending and participating in the North American Space Summit.
- Capital Improvement Fund – It is recommended for \$5,000 to be added to the Building Improvements line item in order to fully cover expenses associated with the recently approved plan to have Asbestos Containing Materials removed from Building No. 385-Unit #2.

Mr. Weed made a motion to accept the FY 2020 3rd Quarter Budget Report. Mr. Beliveau supported the motion. Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Boyat, Yes. Motion carried.

Mr. Beliveau made a motion to accept the proposed 4th Quarter budget amendments by adoption of Resolution No. 2020-06. Mr. Swise supported the motion. Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

D. FY 2021 – Proposed Budget Presentation – Resolution No. 2020-07

Mr. Kellan reported that with assistance from members of the Executive Committee, proposed budgets have been developed for airport operations and capital improvement activities during FY 2021. Copies of those budget matrices were provided to the board.

General Operations Budget:

1. **Revenue:** The primary source of operating revenue continues to be generated from property leases. A proposed budget was prepared in recognition of potential financial impacts associated with tenants responding to Corona Virus related issues. Therefore, the line item for lease revenue has been reduced by \$70,000 (6.25%) as compared to the lease revenue established within the FY 2020 budget.
2. **Expenditures:**
 - a. **Employee Wage and Benefit Expenses:** The proposed budget includes \$0.40 per hour Cost of Living Adjustment (COLA) increases for all hourly wage employees. It also includes the Airport Manager's annual salary increase -- as established during the June 13, 2019 meeting. The allocation for employee health care insurance includes an estimated 11% increase. In total, the proposed appropriations for employee compensation equates to an additional 3% as compared to the FY 2020 budget.
 - b. **Other General Operating Expenses:** Proposed allocations for most other general operating expenses were relatively consistent with recent past annual budgets.

Capital Improvements Budget

1. **Revenue:** OWAA capital improvement activities are typically funded with cash reserves and various grant agency programs. Likewise, the proposed Capital Improvements Budget for FY 2021 includes an allocation of \$381,500 from cash reserves and a total of \$295,000 from three combined external sources of revenue. Those external sources of revenue are described below.
 - a. The FAA grant for resurfacing portions of losco Apron includes approximately \$175,000 to reimburse OWAA for engineering fees the Airport Authority expended when designing

the losco Apron resurfacing project - - ahead of grant award. That refund is expected to be received when the FAA is closing out the losco Apron project.

- b. The Michigan EGLE Brownfield Redevelopment Grant, for conducting environmental site assessment activities, is being extended into FY 2021. Therefore, \$20,000.00 is being brought forward into the FY 2021 budget.
- c. Likewise, \$100,000 from the MEDC – Site Readiness Grant is being carried forward into the FY 2021 budget.

Line Items	Proposed Allocation	Remarks
Painting Buildings	\$75,000	For completing another phase of building painting.
Building Improvements	\$150,000	Hangar door modifications, Bldg. #60 – Cell 4 Roof Covering Maintenance Shop lighting fixture replacements.
Airfield Maint. Equip.	\$50,000	Replace old Air Force pavement vacuum / sweeper truck.
Mowing Equipment	\$50,000	Trade in failing 1999 White Tractor and 1993 ‘Bat-Wing’ for new replacements.
Vehicle Purchase	\$35,000	Replace 2009 Ford Escape (SUV) with a ½ ton 4-wheel drive pickup truck.
Engineering / Prof. Services.	\$75,000	In support of continuing capital improvements for which Spicer Group was hired to assist.

2. **Expenditures:** The proposed Capital Improvements Budget includes allocations for completing projects and making the purchases listed below:

D. Combined Impacts of the proposed General Operating and Capital Improvement Budgets

Draft copies of proposed General Operating and Capital Improvement budgets were provided to the board. The financial impact of fully utilizing the funding allocated is summarized below.

Projected Results of Implementing the Proposed FY 2021 Budget			
FY 2021	Revenue	Expenditures	End Balance
General Fund	\$ 1,147,600.00	\$ 1,089,200.00	\$ 58,400.00
Capital Improve Fund	\$ 295,000.00	\$ 676,500.00	[\$ 381,500.00]
Net Total	\$ 1,442,600.00	\$1,765,700.00	[\$ 323,100.00]

OWAA Cash Reserves as of July 31, 2020	
PNC Bank	\$ 381,015.96
Chemical Bank	\$1,833,155.54
Total	\$2,214,171.50

Mr. Beliveau made a motion to adopt Resolution 2020-07 which establishes the proposed financial budgets for FY 2021. Mr. Swise supported the motion. Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

VI. Current Business

A. Site Readiness Planning – Charter Township of Oscoda Collaboration

Mr. Kellan reported that Michigan Economic Development Corporation (EDC) has awarded a \$100,000 ‘Site Readiness Program’ grant to OWAA. OWAA has committed to providing \$30,000 as local match for the MEDC grant. A portion of that funding (\$70,000) is provided for planning for extending utilities infrastructure to serve additional industrial development sites.

The water and sewer utility systems are owned and operated by the Charter Township of Oscoda. After discussing this planning project with representatives of Charter Township of Oscoda, they are offering to solicit bid proposals and to contract with the engineering / planning consultants. The selected consultant will evaluate material conditions and plan for extending utilities infrastructure to serve additional industrial park development sites. There is an

expectation that consultant fees will then be paid from the MEDC grant and OWAA local match. In other words, Charter Township of Oscoda would be serving as somewhat of a 'sub-grantee'.

This collaboration is being proposed because representatives of Charter Township of Oscoda are also consulting with representatives of U.S. Economic Development Administration (EDA) regarding potential award of EDA grant funds for implementing the construction phase. In short, the selected engineering consultant would be retained by the Charter Township of Oscoda for both planning and implementation phases.

A Request for Qualifications (RFQ) document has been prepared for soliciting proposals from engineering / planning consultants. Within that RFQ, the scope of work has been expanded beyond that described within the MEDC Grant. The additional scope of work involves preparing application materials to compete for the EDA grant funds. It has been Staff's experience that preparing an EDA grant application typically requires significant amounts time and effort. Therefore, Staff is not certain that \$70,000 from the MEDC grant will cover all costs associated with the project planning and preparing the EDA grant application. As such, understandings need to be established among both parties - - with regard to mutually responding to additional costs.

Past project collaborations, involving OWAA and Charter Township of Oscoda, have been defined by a written 'Lead Agency Agreement'. Staff has consulted with MEDC grant administrators regarding the proposed collaboration. In response, they are seeking to review the envisioned 'Lead Agency Agreement' as part of their consideration pursuant to potentially approving the proposed collaboration.

Mr. Munson made a motion for Staff to 1.) Collaborate with Charter Township of Oscoda while implementing the planning phase for utilities expansion- - in accordance with the existing MEDC Site Readiness Program grant. 2.) Work with the Airport's Attorney, Charter Township of Oscoda and MEDC to prepare a mutually agreeable contract defining commitments and obligations while implementing the proposed collaboration. Mr. Swise supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Boyat, Yes. Motion carried.

Mr. Kellan also asked the board member's opinions on bringing the resulting contract back to the Airport Board for final approval or allowing the Chairman and Airport Manager to sign the resulting contract without additional Airport Board action. The members of the Airport board mutually agreed.

B. Tymco Vacuum Sweeper

Mr. Kellan discussed the need to replace the vacuum/sweeper truck that is used on the airfield. He noted that \$50,000 was allocated, although, subsequent to this, the Assistant Airport Manager has identified a Tymco 600 Vacuum Sweeper that will be sold on an online auction site. Mr. Brown drove to Lapeer, Michigan to inspect the Sweeper Truck.

Mr. Brown identified the truck as being a 1993 older truck in very good condition. He added the truck has 12,000 miles and the motor that drives the vacuum has 1,900 hours.

Mr. Beliveau asked if the truck was meant for sewer clean out. Mr. Brown said the truck is a multipurpose truck, but the airport would mostly utilize the truck for vacuuming debris. Mr. Beliveau confirmed the truck was equipped with a vacuum system and a sweeper and Mr. Brown agreed.

Mr. Huebel asked what the projected price on the Sweeper Truck was. Mr. Brown said he was hoping to purchase the truck between \$10,000 and \$12,000.

Mr. Beliveau asked Mr. Brown to comment on what he felt would be a “high” bid number or high-end value of the truck. Mr. Brown said anything over \$12,000. Mr. Beliveau asked if he would agree to not bid over \$15,000, Mr. Brown agreed.

Mr. Dailey made a motion to approve Staff to bid on a 1993 Tymco 600 Vacuum Sweeper and to not exceed the bid amount of \$15,000. Mr. Beliveau supported the motion. Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Weed, Yes, Mr. Munson, Yes, Mr. Boyat, Yes. Motion carried.

VII. Airport Manager Comments

A. Iosco Apron Resurfacing

Mr. Kellan identified the Iosco Apron as the largest project the airport has this season. The project is 5.8 million dollars and is 100% funded through FAA Grant Funding. Mr. Kellan reports the company Ajax to be a good group to work with. The project is currently exceeding the original timeline, although, it is currently in a holding pattern. The company is waiting for material to be shipped in over the weekend.

B. Building No. 5006 Demolition

The Hazardous Materials Remediation work on Bldg. No. 5006 was completed on 8/12/2020. Mr. Kellan reminded the board that the same company was awarded the Asbestos Abatement work on Building No. 385.

C. Taxiway "E" Resurfacing – Plus add on work

Taxiway "E" is scheduled to start in mid-September. In the immediate work area, there was damage to the asphalt from an aircraft run up. The area that was damaged is not large enough to attract paving companies, therefore Staff have discussed this project with the contractor for the Taxiway "E" project as add on work. The company has shown interest in performing the needed repairs. Mr. Kellan reported that he will be bringing the estimate to repair the asphalt to the airport board.

D. Michigan Launch Initiative

Mr. Kellan announced that another site has been selected for the vertical launch operations. The site selected is located in Marquette County. Mr. Kellan was asked to attend the announcement ceremony. Mr. Kellan reported that there is some opposition forming over the environmental impact for the operation.

Mr. Kellan also announced that a work session is scheduled for the following week for members of the Spaceport work committee to discuss the Community Advisory Committee and pieces of the Michigan Launch Initiative.

Mr. Dailey asked Mr. Kellan if it has been identified whether members of the Airport Board would need to speak with State Representative Allor regarding additional space that might be needed for the Michigan Launch Initiative project. Mr. Huebel asked Mr. Kellan if the site selection located in Marquette County was located at the former KI Sawyer or the County Airport. Mr. Kellan reported that the site chosen was actually on private land located on Lake Superior.

E. FBO Hangar Door Modifications

Mr. Kellan reported that Sidock Group has been on site performing a workup on the FBO Hangar Doors. Mr. Kellan said he expects to have additional information regarding additional costs at the next meeting.

F. Waste Management Ezraterra PFAS Pilot Program

Mr. Kellan asked Mr. Weed if he would like to report on this topic. Mr. Weed reported that Ezraterra has a testing program that they would like to perform. The company would come on site and move the contaminated soil and treat it for PFAS and then dispose of the soil according to State and Federal laws. The testing would take place in Wisconsin. The company is looking to move and treat 150 tons of soil. Mr. Weed reported the company would take full responsibility for the soil but are meeting resistance with the Air Force. Mr. Weed states he is currently waiting to hear back from the Air Force as they are currently consulting with their legal team on this matter. Mr. Weed said he felt getting a testing program for our area with no cost was a good thing. He also states there is a possibility that the operation and testing could be moved to the area. Further discussion took place regarding the program.

G. U.S. Air Force – Air Mobility Command Inquiry

Mr. Kellan reported the U.S. Air Force Air Mobility Command has reached out to the airport to conduct an exercise during June of 2021. They would be bringing five large aircraft to the airport. A face to face meeting is scheduled in September to discuss the exercise further. Mr. Beliveau asked if this would be a one-time event. Mr. Kellan said he was not sure at this time and will discuss at the September meeting.

H. Defer Award of 2020 Student Pilot Scholarship

Mr. Kellan reported that this topic was previously discussed in the budget presentation.

I. Brownfield Redevelopment Grant Extension

Mr. Kellan reported most of the study for the Environmental Site Assessment is complete and a Due Care Plan has been developed. Total PFAS was identified in the pavements and in the soils underneath the property. The Deed Restrictions that are in place related to soils management would be applicable. The information was originally prepared to allow Kalitta Air to evaluate any risks that they might incur while developing on that property. In addition to soil, water and pavement conditions, the study also included testing for vapor intrusion from decaying solvents and fuel in the soils and groundwater, and there was a question as to the result of Vapor Intrusion Testing. Mr. Kellan reported the grant was due to expire August 16, 2020 and the DEQ has agreed to extend the grant for one year to answer any questions related to vapor intrusion. The budget report shows approximately \$20,000 left for the grant.

Sage International

Mr. Kellan added the Airport Board has been working with Sage International in getting caught up lease and tax payments and that their payments have been coming to the Airport as agreed for June, July and August as originally discussed.

Mr. Dailey asked Mr. Kellan if he has information relating to the progress from the FAA for the horizontal launch and meeting air space requirements. Mr. Kellan reported that he has not heard back regarding the application.

Mr. Huebel asked Mr. Kellan if the results of the Brownfield grant would keep Kalitta Air “out of the mix” in regard to PFAS. Mr. Kellan said that the grant was meant to complete a thorough evaluation of the site, document the findings, and “insulate” Kalitta from ever being held responsible for pre-existing conditions. In other words, the results would serve as a baseline for a lease where Kalitta would be the operator. Mr. Huebel expressed that his concern was that Kalitta might continue to be reluctant to further develop on the airport properties.

VII. Public Comments

Mr. Kent - Would like to thank the OWAA board for all of the positive things that are done in the community. He said he understands that some of the west side property owners of the Van Etnan Lake Association are concerned about the noise from the racing on the alert pad. Mr. Kent added that as he is the closest neighbor to the events he does not have any trouble with it at all. He said he feels this is a very creative use of the alert pad, it brings people to Oscoda and he feels the Airport is doing an awesome job at using an existing airport to benefit the entire community and beyond.

Mr. Clemens – Agreed with Mr. Kent’s comments and feels the events bring a lot to the community. Mr. Clemens states he lives on the opposite side of the lake and receives a lot of questions from his neighbors regarding the noise. He said in particular it is the early morning noise on Sundays and late into the evenings as people are trying to have dinner. Mr. Clemens asked the board if something could be put in place to restrict the times the event starts and ends. Mr. Kellan said this could be discussed and asked what agreeable hours would be. Mr. Clemens said he felt 9am to 7pm would be better hours. Mr. Beliveau asked if he were referring to Sunday only and Mr. Clemens added that he would like to have the same hours for Saturday as well since the racing actually can be heard beginning Friday afternoon.

Mr. Boyat thanked Mr. Clemens.

Mr. Miller- Suggested that if insurance costs for OWAA are too high, OWAA should have the insurance broker look at other carriers.

Leo Satellite Conference in Utah on August 16, 2020. A link was sent to Mr. Kellan.

A Virtual Aerospace Summit in September. Mr. Miller will e-mail information to Mr. Kellan.

Mr. Miller states he sent the names of two citizens to Mr. Kellan for consideration on the Spaceport Advisory Committee.

Mr. Miller understands that OWAA will have a booth at the upcoming North American Space Summit. He suggested that Staff and board members that are going should carpool to the Traverse City Event. Mr. Miller also suggested that any members going should also dress in appropriate attire.

Airport Manager's Evaluation

Chairman Boyat reported on the Airport Manager's annual evaluation. Mr. Boyat said he did not receive all of the evaluation forms back but will report on the ones that he received. The evaluation scores are rated from 1-5. Mr. Kellan received 8 – 4's and the rest were 5's. Mr. Boyat reported the comments were positive, such as "You do a good job" and "Keep up the good work". Mr. Boyat thanked Mr.Kellan. Mr. Kellan thanked the board for their continuing confidence and supportive comments.

X. Board Member Comments

Mr. Munson – In regard to Staff and Covid 19, Mr. Munson asked if Mr. Brown has seen any negative impacts with Staff. Mr. Munson asked if there has been any Covid 19 testing of Staff. Mr. Brown reported the Staff have not been tested. Mr. Munson feels that testing of Staff should be considered and if a vaccine becomes available and is not covered by insurance what, if anything, should the airport board address.

Mr. Munson reported that he is aware OWAA is currently collecting payments for water bills. He reported that possibly OWAA should be budgeting monies in the event that collection of payments becomes an issue.

Mr. Beliveau - Addressed Mr. Miller's comments regarding dress code and being paid by the taxpayers. Mr. Beliveau wanted to be clear that board members do not get paid for their service. In addition, Mr. Beliveau replied to the comment Mr. Miller made regarding carpooling. Under normal conditions, he would agree to the carpooling, but this does not allow for proper and appropriate social distancing and Mr. Beliveau recommends not carpooling.

Mr. Huebel – Reported that he gets paid \$35 for every meeting he attends.

Mr. Weed – Reported when he goes on a trip that is government related, he does not usually elect to be reimbursed for all expenses such as meals and mileage depending on the circumstances.

Mr. Boyat - Announced Mr. Dailey as an alternate for the Spaceport Workgroup Committee.

X Review of Bills and Payments

August- Rob Huebel

September- Kevin Boyat

XI. Adjournment

Mr. Munson made a motion to adjourn. Support was provided by Mr. Dailey. All in favor, the meeting was adjourned by voice vote at 11:18 a.m.

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