

**OSCODA-WURTSMITH AIRPORT AUTHORITY
BOARD OF DIRECTORS
January 20, 2022 Meeting Minutes**

This meeting was conducted within the Airport Terminal Building Conference Room, located at 3961 E. Airport Drive, Oscoda, Michigan 48750. Remote access and participation were also made available via Zoom meeting services.

I. Chairman Boyat called the meeting to order at 10:00 a.m.

II. Roll Call:

KEVIN BOYAT	PRESENT
KEVIN BELIVEAU	PRESENT
ROB HUEBEL	PRESENT
ANN RICHARDS	PRESENT
JOHN SWISE	PRESENT
MIKE MUNSON	PRESENT
DAVE DAILEY	PRESENT

OTHERS PRESENT:

GARY KELLAN – AIRPORT MANAGER
BRENDA MCNEILL – ADMINISTRATIVE ASSISTANT
JACK BROWN – ASSISTANT AIRPORT MANAGER
GREG SCHULZ
ROB EPPERT – ATTORNEY
BOB STALKER – GovHr
BRIAN MORK
DAVE KANE, OSCODA ENGINE SERVICES
JOHN HEANEY, USA JET
JENNY HAGLUND, OSCODA PRESS
FRANK MEYER
GREG SCHULZ
JAMES MINER
KEITH NEWELL

III. ADOPTION OF AGENDA

Chairman Boyat called for the adoption of the agenda. Mr. Kellan asked the Airport Board to add action items to the meeting agenda. Under Current Business:

C: Lease Agreement for Jet Engine Test Cell and six (6) buildings.
D: Retain the Services of Twelve Temporary Workers
E: Special Use Permit for Isuzu Vehicle Testing

Mr. Dailey made a motion to amend and adopt the agenda as suggested by Mr. Kellan. Mr. Beliveau supported the motion. No further questions or comments. Motion carried by voice vote.

IV. Airport Manager Replacement 2nd Interview - Frances Meyer

Mr. Meyer was interviewed by the OWAA Board of Directors.

V. Approval of Minutes

A. December 16, 2021 Regular Meeting

Mr. Beliveau made a motion to approve the meeting minutes of December 16, 2021. Mr. Dailey supported the motion. No further questions or comments. Motion carried by voice vote.

B. January 5, 2022 Special Meeting

Mr. Beliveau made a motion to approve the meeting minutes of the January 5, 2022 Special Meeting. Mr. Daily supported the motion. No further questions or comments. Motion carried by voice vote.

VI. Michigan Launch Initiative

Mr. Gavin Brown of the Michigan Aerospace Manufacturers Association (MAMA) provided an update on the Michigan Launch Initiative. Mr. Brown reports that MAMA is in the final process of securing funding for the licensing process. Mr. Troy Cummings, Executive Partner in the Warner Norcross Judd firm will be sending a letter as part of the process to show that there is official engagement with the airport.

VII. Financial Activity Reports

A. FY 2021 Annual Financial Presentation

Representatives of the auditing firm Anderson, Tackman & Company, PLC have recently completed an audit of OWAA financial activities and record keeping during FY 2021. A draft copy of the resulting audit report was provided to the board. Mr. Doug Welton, of Anderson, Tackman & Company had technical difficulties with connecting to ZOOM meeting services. Therefore, the audit report was rescheduled for presentation during the February 24, 2022 Board Meeting.

B. Filing FY 2021 Federal Tax Report

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, which has been rescheduled for presentation during the February 24, 2022 Board Meeting.

C. December 2021 Financial Activities

Mr. Boyat and Mr. Kellan reviewed bank statements and financial transactions during the month of December 2021. A listing of bills processed for payment, totaling \$173,915.85, was provided to the Board.

Mr. Dailey made a motion to approve the December 2021 Financial Report. Mr. Munson supported the motion. Ms. Richards, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

VII. Annual Business Meeting Actions

A. Establish 2022 Monthly Meeting Dates

Staff sought the Airport Board's consideration and approval to schedule monthly meetings for 10:00 a.m. on the third Thursday of each month. A copy of the proposed meeting schedule for year 2022 was provided to the Board. Mr. Munson commented that during the month of February 2022 two board members and the Assistant Airport Manager would be attending the Michigan Association of Airport Executives Conference in Lansing which would conflict with the February meeting. The February meeting was moved from February 17, 2022 to February 24, 2022.

Ms. Richards made a motion to approve the amended 2022 Monthly Meeting Calendar. Mr. Beliveau supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Boyat, Yes. Motion carried.

B. Nomination and Appointment of Alcona County At Large Board Member

Mr. Beliveau made a motion to nominate Mr. Swise to continue serving on the Airport Board representing the citizens of Alcona County for the next two years, so as to expire December 31, 2023. Mr. Daily supported the motion. No further questions or comments. Motion carried by voice vote.

C. Election of Officers

In accordance with the OWAA Articles of Incorporation, the Airport Board is required to conduct an annual election of officers for the coming year. The Chairman accepted nominations and called for elections for filling each of the Board Officer positions.

Mr. Swise made a motion to continue with the same Officers during 2022.

2022 OWAA Officers	
Chairman	Kevin Boyat
Vice Chairman	John Swise
Secretary / Treasurer	Gary Kellan

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

D. Executive Committee – Appointments and Charge and Limits of Authority

OWAA By-Laws state that there shall be an Executive Committee and any other committees that may be established by the Airport Board. Executive Committee members during 2021 have been as follows:

2021 Executive Committee
Kevin Boyat
Rob Huebel
Mike Munson
Kevin Beliveau - Alternate

Mr. Swise made a motion for 2022 Executive Committee to be Mr. Boyat, Mr. Munson and Mr. Dailey, with Mr. Huebel serving as Alternate. Mr. Dailey supported the motion. Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Munson, Yes, Mr. Boyat, Yes. Motion carried.

Executive Committee members for 2022 are as follows:

2022 Executive Committee
Kevin Boyat Dave Dailey Mike Munson
Rob Huebel - Alternate

Additionally, the ‘Charge and Limits of Authority’ for the Executive Committee are to be confirmed or amended during each annual business meeting. The Executive Committee is typically authorized to negotiate property leases and contracts. The Executive Committee also assists staff when developing annual financial budget recommendations and making interim emergency decisions on behalf of the full Airport Board.

Mr. Munson made a motion to confirm the Executive Committee’s Charge and Limits of Authority. Mr. Dailey supported the motion. Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Munson, Yes, Mr. Boyat, Yes. Motion carried.

E. Michigan Launch Initiative Work Group

During 2020 the Airport Board established a Michigan Launch Initiative (MLI) Work Group in response to pending spaceport development proposals. OWAA Board members serving on the MLI Work Group were appointed in-part because of other positions held by the members. That work group was again extended into 2021. Members of the 2021 Michigan Launch Initiative (MLI) Work Group are listed below.

Board Members	
OWAA Chairman	Kevin Boyat
Charter Township of Oscoda - Supervisor & OWAA Board Member	Ann Richards
OWAA Executive Committee	Mike Munson
Staff Support	
OWAA – Airport Manager	Gary Kellan
Charter Township of Oscoda - Superintendent	Tammy Kline
Charter Township of Oscoda - Economic Improvement Director	Todd Dickerson

Mr. Dailey made a motion to confirm the same OWAA Board Members will continue to serve on the Michigan Launch Initiative Work Group. His motion includes adding himself to serve as an Alternate. Mr. Swise supported the motion There were no further question or comments. The motion carried by unanimous vote.

Members of the 2022 Michigan Launch Initiative (MLI) Work Group are as follows:

Board Members	
OWAA Chairman	Kevin Boyat
Charter Township of Oscoda - Supervisor & OWAA Board Member	Ann Richards
OWAA Executive Committee	Mike Munson
OWAA Alternate	Dave Dailey
Staff Support	
OWAA – Airport Manager	Gary Kellan
Charter Township of Oscoda - Superintendent	Tammy Kline
Charter Township of Oscoda - Economic Improvement Director	Todd Dickerson

F. Schedule Board Members Monthly Review of Bills and Bank Statements

In accordance with Airport Authority By-Laws, members of the Airport Board are to take turns reviewing monthly financial transactions and bank statements. Board Members had an opportunity to sign up for the Monthly Review of Bills and Bank Statements. They are as follows:

Month	Reviewer
January	Mike Munson
February	Dave Dailey
March	Kevin Boyat
April	Mike Munson
May	Dave Dailey
June	John Swise
July	Kevin Beliveau
August	Mike Munson
September	Kevin Beliveau
October	John Swise
November	Rob Huebel
December	Kevin Boyat

IX. Closed Session for Attorney Client Privilege Correspondence Dated December 29, 2021

Mr. Beliveau made a motion to enter into Closed Session at 11:09 a.m. Mr. Dailey supported the motion. Ms. Richards, Yes, Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

Mr. Munson made a motion to return from Closed Session at 12:50 p.m. Mr. Dailey supported the motion. Mr. Munson, Yes, Mr. Huebel, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Boyat, Yes. Motion carried.

X. Current Business

A. Building 60 Asbestos Abatement

OWAA lease agreements require tenants to assess surfaces for the presence of Asbestos Containing Materials (ACM) prior to renovation or otherwise disturb building structural materials Phoenix Flight Services is preparing to renovate and expand pilot rest areas and training facilities at Fixed Base Operator (FBO) spaces located within Building No. 60. The spaces to be renovated have been surveyed and evaluated. ACM has been identified. Phoenix Flight Services have offered to contract with a licensed and capable asbestos abatement contractor for having ACM removed prior to building renovation. They also offer to pay for construction materials and to provide the necessary labor for completing the envisioned renovation work.

Oscoda-Wurtsmith Airport Authority was asked to consider reimbursing Phoenix Flight Services for the expenses associated with having the ACM removed. Phoenix Flight Services has secured a proposal to have the asbestos abatement be completed by Mid-State Asbestos Removal, Inc. for \$18,600.00.

Discussion took place regarding the reimbursement. Ms. Richards suggested the reimbursement funding might come from the Local Development Finance Authority (LDFA) and asked Mr. Kellan if this was feasible. Mr. Kellan said he would pursue reimbursement from the LDFA.

B. Oscoda Engine Services Lease

Mr. Kellan reminded the board that Oscoda Engine Services leases a Jet Engine Test Facility that is located along Arrow Street along with six other buildings. There have been reoccurring instances when Oscoda Engine Services has gotten behind on rent payments and allowed necessary insurance coverage to lapse. Mr. Kellan sought direction from the Airport Board for responding to the Oscoda Engine Services' recurring default on lease agreement requirements.

Mr. Kellan reported that OWAA has satisfied lease requirements for providing delinquent tenants with notice to cure and risk of eviction.

Mr. Dailey made a motion to move forward with evicting Oscoda Engine Services due to lease delinquencies and insurance default. Mr. Beliveau supported the motion. Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Munson, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

C. Lease Agreement for Jet Engine Test Cell and Six Jet Shop Support Buildings

Mr. Kellan reported that USA Jet is seeking to lease the same Jet Engine test cell and six (6) buildings that have been occupied by Oscoda Engine Services. With the assistance of members of the Executive Committee and Airport Attorney - - Mr. Eppert, a lease has been negotiated with USA Jet Airlines, Inc. In demonstration of their commitment, USA Jet Airlines, Inc. has signed the lease agreement that would commence on February 15, 2022. As additional evidence of good faith, USA Jet has also agreed to pay the first six (6) month's rent in advance.

Mr. Dailey made a motion to authorize Chairman Boyat and Mr. Kellan to sign the proposed lease agreement between USA Jet Airlines, Inc. and Oscoda-Wurtsmith Airport Authority. Mr. Munson supported the motion. Ms. Richards, Yes, Mr. Munson, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

D. Retain Services of Twelve Temporary Workers

Mr. Kellan reported buildings that will be occupied by USA Jet Airlines, Inc. are equipped with Jet Engines, Tools, Machinery and Parts that are owned by the previous tenant and / or customers of the previous tenant. A condition of the lease with USA Jet Airlines, Inc. includes having those items removed from the buildings by February 14, 2022.

The proposed plan involves relocating the equipment/materials to Hangar No. 1, which is located within the Airport security area. It is also equipped with interior security cages. Hangar No. 1 will then serve as the secure storage area location for distributing items to owners.

The jet engines and some related components require knowledge of special handling techniques. Therefore, Staff is seeking authorization to temporarily retain the services of workers that have experience handling jet engines and related components. In support of meeting USA Jet's desired building entry goal and safely moving equipment, Staff is seeking authorization to temporarily retain the services of a knowledgeable supervisor and as many as twelve (12) knowledgeable supporting workers. The proposed rates of pay are \$30.00 per hour for the supervisor and \$25.00 per hour for the workers. It is estimated that this team will typically

work 8 hours per day for as many as 20 days. Therefore, the estimated expenses are demonstrated as follows:

Temporary Worker Expenses	
8 hrs./day x \$25.00/hr	\$200.00 per day
\$200.00 per day x 20 days	\$4,000.00
\$4,000.00 x 12 workers	\$48,000.00

Supervisor Expense	
8 hr. per day x \$30.00/hr.	\$240.00 per day
x 20 days	\$4,800.00

Mr. Beliveau made a motion to authorize and to temporarily retain the services of workers to remove equipment and materials from buildings being leased by USA Jet Airlines, Inc. Mr. Dailey supported the motion. Mr. Munson, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Boyat, Yes. Motion carried.

E. Special Use Permit for Isuzu Vehicle Testing

Isuzu Corporation is again seeking to utilize Taxiway A for vehicle coast down testing. They are requesting non-exclusive use of Taxiway A for three days. The testing is expected to be scheduled for some time between mid-April and mid-May with the actual dates yet to be determined. The agreed upon rate is \$1,000 per day.

Mr. Swise made a motion to authorize the Airport Manager to negotiate mutually acceptable testing dates and to issue a Special Use Permit for Isuzu Corporation to conduct vehicle coast down testing on Taxiway A. Mr. Beliveau supported the motion. Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Ms. Richards, Yes, Mr. Munson, Yes, Mr. Boyat, Yes. Motion carried.

F. Airport Manager Replacement

The Airport Board has hired the services of GovHr to recruit and replace the position of Airport Manager/Director. Mr. Kellan sought the board's direction with the replacement after the board previously paused the recruitment process.

Ms. Richards made a motion to authorize GovHr to proceed with efforts to recruit a person to serve as Airport Manager. Mr. Beliveau supported the motion. Ms. Richards, Yes, Mr. Munson, Yes, Mr. Dailey, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

XI Airport Manager Comments

Mr. Kellan reported having a meeting with the Engineer for the Taxiway A,B & C project. The project is still on target for completion of designs, construction specification and bidding during this coming summer.

XII. Public Comments

John Heaney, USA Jet Airlines, Inc. thanked the board for their cooperation. He said they look forward to a very long relationship going forward in Oscoda.

XIII. Board Member Comments

None

XIV. Review Bills

January 2022	Mike Munson
February 2022	Dave Dailey

XV. Adjournment

Meeting Adjourned at 1:09 p.m.