

MEMO TO: Airport Advisory Board Members

March 13, 2008

FROM: Duane Ellis

SUBJECT: Airport Advisory Board Meeting Minutes – March 12, 2008

An Airport Advisory Board meeting was held at the airport terminal building on March 12, 2008. Chairman Al Bryan called the meeting to order at 5:40 p.m. Present at the meeting were Joe Rivard, Mike Verleger, Al Bryan, John Benzinger, and Duane Ellis.

The minutes of the February 13, 2008 Airport Advisory Board meeting were reviewed and accepted as presented.

Airport Manager's Report

John reported that the price of aviation fuel continues to escalate along with the general increase in the cost of oil. The current pricing for low lead aviation fuel is \$4.40 per gallon and the Jet A is priced at \$4.75 per gallon. By way of comparison, John indicated the area average for Jet A is \$4.50 per gallon. On the east coast, in the New York area for example, Jet A sells for as much as \$7.50 per gallon. At the current time, the increase in fuel cost does not seem to be negatively affecting the sales of Jet A. However, the sales of low lead aviation fuel have started to decrease.

John reported that he is working with Gary Schwerin of the City Engineering Department on the design for the security fence along Airport Road. If sufficient funds are available, this fence will be bid through the Michigan Bureau of Aeronautics later this summer.

John reported that the PAPIs are operational for VFR use only until the FAA publishes them. After they are published, the PAPIs will be used for IFR operation as well.

John and Duane submitted 2% requests through the City to the Saginaw Chippewa Indian Tribe for the purchase of backup generators. One generator system would provide emergency power for runway and taxiway lighting and for operation of the fuel system. The second generator, if funded, would provide emergency power for the terminal building and corporate hangar. Typically, 2% requests are announced at the end of May of each year.

Contract Fuel

John reported that he had spoken with Mary Ann Kornexl of the City's Treasurers Office on setting up this system. Mary Ann seemed agreeable and this process should proceed. Contract fuel will provide incentive for the various

fractional share jet operations that operate nationally. These companies include Citation Shares Flight Options, HATS International, Aviation Services, and Net Jet. Each of these corporations currently use the Mt. Pleasant Airport and would be encouraged to purchase fuel if a contract fuel option was available.

Dave Koehler of Central Michigan Aviation has indicated to John that he will be ending his flight school operation at the Mt. Pleasant Airport in May. Sufficient personnel to operate the flight school were not available and as a result, the cash flow does not allow Dave to continue this operation.

Al Bryan indicated that MZ Air, the proposed charter operation from Mt. Pleasant, is working on the site plan for the development of a corporate hangar to house their operation. MZ Air has not received any response from the FAA concerning their application for Part 135 certification.

John reported that currently there are seven vacant T-hangars of the 32 units that are owned by the City. These vacancies have occurred due to people moving out of the area and/or selling their aircraft.

A general discussion was held on the merits of establishing of an airport authority. Two or more units of government can form airport authorities by following the state-enabling legislation. The benefits of such an authority would be to distribute the costs for operation of the airport more equitably among the jurisdictions receiving benefit. Discussion was held concerning utilizing a marketing class at CMU to possibly prepare a marketing or promotional plan for the airport.

Discussion was held to consider moving the monthly airport advisory board meeting from the second Wednesday of the month to the second Thursday of the month. This would make it easier for some board members to attend the meeting. Of the members present, this change is acceptable. Mark Marshall and Jerry Elliott will be contacted to determine if they have any concern with this change of day.

John reported that the FAA has started to review Jerry Hinsman's application for his avionics company. Before Jerry can open for business officially, it is necessary for him to receive his license through the FAA.

The meeting of the Mt. Pleasant Airport Advisory Board was adjourned at approximately 6:40 p.m. The next meeting of the Airport Advisory Board will be held at the Airport Terminal Building on Wednesday, April 9, 2008 beginning at 5:30 p.m.

DFE/tb
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