

HOUGHTON COUNTY MEMORIAL AIRPORT MEETING MINUTES

DATE: August 29, 2013 TIME: 4:00 P.M.

LOCATION: HOUGHTON COUNTY MEMORIAL AIRPORT CONFERENCE ROOM

ROLL CALL: Tim Palosaari, Albert Koskela, (Tom Tikkanen - Absent)

ATTENDEES: Dennis Hext, Airport Manager Eric Forsberg, County Controller Dennis Jouppe (Primary Airport Services) Mark Osborne, KRC, Rose Keranen, and Karen Anderson.

AGENDA: A motion was made by Al Koskela and seconded by Tim Palosaari to approve the agenda as amended.

Motion Carried Unanimously

MINUTES: A motion was made by Al Koskela and seconded by Tim Palosaari to approve the July 25, 2013 regular airport meeting minutes.

Motion Carried Unanimously

BILLS: A motion was made by Tim Palosaari and seconded by Al Koskela to approve and pay the bills in the amount of \$77,683.69 for the airport and \$11,848.57 for the water and sewer fund.

Motion Carried Unanimously

Roll Call – Tim Palosaari – (YES) – Al Koskela – (YES)

FINANCIAL REPORT: Eric Forsberg, County Controller, presented the Airport and Water & Sewer financial reports for the month of July.

PUBLIC COMMENTS:

OLD BUSINESS:

Agenda Item A, “Airport Insurance Policy for Aircraft Mechanics” - At the July Airport Committee meeting Kirk Hammel, Airport tenant and aircraft owner, requested “the requirement for a FAA certificated mechanic to provide liability insurance to work on the Houghton County Memorial Airport be removed”.

Currently Airport policy requires any person or commercial business operation to have an operating agreement with the airport. Furthermore, policy also states any person engaging in any business, commercial operation, or activity on the airport shall carry sufficient insurance to cover all risks. The minimum amount of coverage shall be as established in the written agreement with the Airport Committee. Insurance requirements have been set by discussions with the county attorney, Airport insurance agent, and past practice taking into consideration fair, reasonable and non-discriminatory minimums are set for each person or business entity.

The Airport Manager requested an opinion from the county insurance representative regarding minimum insurance requirements for mechanics. The insurance representative said they do not cover mechanics working on the airport. They do not have a minimum requirement; however, they do have proposed minimums they would like us to adhere to. Minimum requirements are at the discretion of the insured. The ***aircraft owners insurance would not***

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cover Houghton County for the liability arising out of the mechanics work at the airport.

When asked if the mechanic could sign a waiver releasing the County from any liability both the County Attorney and the County Insurance representative were of the opinion the waiver would be thrown out immediately if the county were to be named in a lawsuit.

A quote from another aviation insurance company was requested to find out how much a mechanic would have to pay for annual insurance for both 1 million and \$500,000. The quotes were based on actual policies from their clients. Annual premiums were from \$4,000-\$6,000 with an \$1,800 difference between \$500,000 and 1 million coverage. Either way the cost to do business as a mechanic is expensive and cost prohibitive if the mechanic were to only work on one or two aircraft.

The Airport Manager also sent an email to airport managers in the region to ask them what their insurance policy requirements for mechanics are. The responses are as follows:

Escanaba (ESC) – No Mechanic on field, no official policy, currently no insurance requirement. They are updating policies and procedures, minimum standards.

Sawyer (SAW) – Minimum Insurance limit 1 million. They allow other Mechanics on field and hold them to the required insurance level.

Rhineland (RHI) – Minimum Insurance limit 1 million. They have a mechanic on field working for Fixed Base Operator (FBO).

Ironwood (IWD) – No Mechanic or policy- They do require proof of insurance however the Airport Manager did not provide a minimum.

The Airport Manager recommended staying with our current policy and formulate an advisory committee of airport stake holders to review our minimum standards and policy and procedures and provide recommended changes to the Committee for consideration.

The item was tabled until a Committee could look into the current policies of the airport and bring changes, if any, to the Committee for consideration.

NEW BUSINESS:

Agenda Item A, “State ARFF Grant 2013-0338”- The Airport Manager applied for and received a grant from the State of Michigan to cover training costs associated with fire training (ARFF). The grant will cover 90% of training costs not to exceed \$2,000. The remaining costs above \$2,000 will be covered by the airlines. The Airport Manager requested approval to have the Airport Committee Chairman sign the grant.

A motion was made by Al Koskela and seconded by Tim Palosaari to approve the request.

Motion Carried Unanimously

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New Business, Agenda Item B, "Resolution - State ARFF Grant 2013-0338." – The Airport Manager requested approval of a Resolution authorizing the Airport Committee Chairman to sign State Grant 2013-0338, ARFF Project.

A motion was made by Al Koskela and seconded by Tim Palosaari to approve the request.

Motion Carried Unanimously

Roll Call : Al Koskela – YesTim Palosaari - Yes

New Business, Agenda Item C, "TSA Checkpoint Agreement – Amendment for Utilities extension". – The Airport has an agreement with the Transportation Security Administration (TSA) to pay for a portion of utilities (electrical) and janitorial services associated with the Checkpoint holding area. TSA would like to amend the agreement to extend the term until December 31, 2013. The Airport Manager requested approval to have the Airport Committee Chairman sign the agreement.

A motion was made by Al Koskela and seconded by Tim Palosaari to approve the request.

Motion Carried Unanimously

New Business, Agenda Item D, "Wildlife Hazard Management Training. (Hext & Dickie)". – The Airport Manager requested permission to have Dennis Hext and Bruce Dickie (new employee) attend wildlife hazard management training in Rhinelander Wisconsin on September 11. The training is is an FAA requirement. Estimated costs for the training including transportation and registration is \$300-\$500. This is a budgeted item.

A motion was made by Al Koskela and seconded by Tim Palosaari to approve the request.

Motion Carried Unanimously

New Business, Agenda Item E, "Avfuel Quality Assurance & Fire Safety - training (Britz & Erkkila)". – The Airport Manager requested permission to have John Britz and Russ Erkkila attend quality assurance fuel training in Lansing Michigan on October 1st & 2nd. This is an FAA requirement and a budgeted item. Estimated costs for the training including transportation, registration, hotel, and meals are \$1,000-\$1,500.

A motion was made by Al Koskela and seconded by Tim Palosaari to approve the request.

Motion Carried Unanimously

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New Business, Agenda Item F, "Ground Security Coordinator (GSC) - training". – The Airport Manager requested permission to have two airport employees attend Ground Security Training in Minneapolis Minnesota on October 17th and 18th. The training is provided by Sun Country Airlines for free. This is a TSA requirement for all Sun Country charters. This is not a budgeted item and was not anticipated however, it is expected that revenues from the Riverside Charters will reimburse costs. Estimated costs for the training including transportation, hotel, and meals are \$1,500-\$2,000.

A motion was made by Tim Palosaari and seconded by Al Koskela to approve the request.

Motion Carried Unanimously

New Business, Agenda Item G, "Mead & Hunt, Eighth Progress Payment, Construction Inspection and Administration Services, CMX Taxiway A & MIRL, Project R2799300-120408.01, Fed. 3712/C113. – The Airport Manager requested approval to have the Airport Committee Chairman sign invoice 237494 in the amount of \$31,394.06 for submittal to MDOT for processing and payment to Mead & Hunt Engineering for the Eighth progress payment, Construction Inspection and Administration Services, CMX Taxiway A & MIRL. The cost is reimbursable using AIP/PFC funds. Sponsor share is 2.5% which is reimbursable using PFC funds.

A motion was made by Tim Palosaari and seconded by Al Koskela to approve the request.

Motion Carried Unanimously

New Business, Agenda Item H, "Mead & Hunt, First Progress Payment, Construction Inspection and Administration Services, CMX General Aviation Reconstruction, Project R2799300-120618.02 amendment No. 1, Fed. 3813/C115. – The Airport Manager requested approval to have the Airport Committee Chairman sign invoice 237495 in the amount of \$4,853.16 for submittal to MDOT for processing and payment to Mead & Hunt Engineering for the First progress payment, Construction Inspection and Administration Services, CMX General Aviation Apron Reconstruction. The cost is reimbursable using AIP/PFC funds. Sponsor share is 2.5% which is reimbursable using PFC funds.

A motion was made by Tim Palosaari and seconded by Al Koskela to approve the request.

Motion Carried Unanimously

"New Business Agenda Item I, "Water/Sewage Report." – For the period from 6/14/13-07/17/13 daily I&I was 4,671 gallons and water loss for the month was 131,890 gallons. Repairs were completed on two hydrants and the water line connected to building 7 / Corrections building. Additional repairs to the water tank and pump house are scheduled for September.

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“New Business Agenda Item J, “Airline Monthly Statistics.” – For the month of July, 2013 SkyWest enplaned 2,862 passengers and deplaned 2,920. Last year in July SkyWest enplanements were 2,599 compared to this year’s enplanements of 2,862 an increase of 263 passengers or 10%. The number of July enplanements is the second highest in the history of the airport for July. July of 2000 saw enplanements climb to 3,315 with 7 daily flights.

“New Business Agenda Item K, “KRC Road Abandonment Petition.” – Mark Osborne, representing the Keweenaw Research Center (KRC) asked the Airport Committee to approve the Airport Committee Chairman to sign a petition to abandon Hakkala road. The road is located in an area recently purchased by KRC to build a test course. The road is used by the county to access the shooting range. The reason for the request is because the county and Turpenien are the only adjacent land owners.

A motion was made by Tim Palosaari and seconded by Al Koskela to approve the request to sign the petition to abandon the road.

Motion Carried Unanimously

PUBLIC COMMENTS:

NEXT MEETING: The next meeting will be held September 26, 2013 in the airport conference room at 4:00 PM.

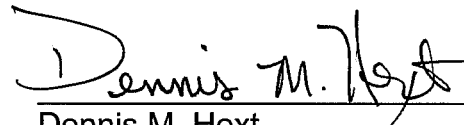
ADJOURNMENT: A motion was made by Al Koskela and seconded by Tom Palosaari to adjourn the meeting at 4:25PM.

Minutes approved by:

Recorded by:



Tim Palosaari
Airport Committee Chairman



Dennis M. Hext
Airport Manager