

Menominee Regional Airport Committee  
Minutes of Meeting  
July 17, 2018

\*\*\*\*\***APPROVED**\*\*\*\*\*

The Menominee Regional Airport Committee met on July 17, 2018 at 4:00 PM at the Menominee Regional Airport, Conference Room.

- A. Call Meeting to order:** Com. Gromala called the meeting to order at 4:00 PM
- B. Pledge of Allegiance:** Recited by all
- C. Roll Call:** Coms. Gromala, Piche and Cech– present  
Also present were Jeff LaFleur, Jason Carviou, Sheriff Ken Marks, Doreen Averill and others.
- D. Approval of Agenda:** A motion was requested to amend agenda to add the election of a new Airport Committee Chairman. Motion to amend agenda made by Com. Piche, seconded by Com. Gromala. Motion carried - 3/0. Motion to approve amended agenda by Com. Piche, seconded by Com. Gromala. Motion carried – 3/0.
- E. Approval of Previous Minutes:** Motion to approve Previous Minutes from June 19<sup>th</sup>, 2018 and June 26<sup>th</sup>, 2018’s Special Meeting made by Com. Piche, seconded by Com. Gromala. Motion carried – 3/0
- F. Public Comment: Wayne Beyer**-Menominee Township: Item “e” under New Lease Agreements-Why are you discussing this today, when it’s my understanding that Jeremy Nastoff has already been hired. My attorney and I have a meeting with Jason, Thursday, and Jeremy Nastoff will be joining us. Why does it have to go for Board approval if he’s already hired? Where’s the money coming from? Also, in the approved minutes from the last meeting. Both Com. Gromala and Piche said the barriers would be coming down sooner rather than later – so when are they going to be moved? **Everett Anderson**-City of Menominee: I’m a Retired Civil Air Patrolman. I have here, a 50 year lease signed by the Airport Manager in 1993. It hasn’t been 50 years, yet! What is the deal with the county trying to take over a US Auxiliary Airforce hangar entrusted to serve Menominee County and the surrounding area? **Dustin Kraft**-City of Menominee: Started talking about training with the FAA to be a rep. in the Wing Program to promote aviation and safety. Is not a FAA employee and not a ramp inspector....., but was stopped – **Com. Gromala:** I need to stop you and ask you to discuss this at the next public comment section, this section is for agenda items only, but I’m very interested in hearing more. **Dustin:** Ok sorry, I just have one thing to say about the leases. If the county were to publish a standardized explanation/notice as to why what is being done, is being done, maybe people will/would understand it better.  
**George Sporie:** I like to make a comment about the new lease agreements. These new

leases were sent out just after the April Airport Committee Meeting and were expected to be returned before the May Airport Committee Meeting. There was no meeting where we could discuss any concerns we had with the new leases. When the deadline came, only 4 leases were returned signed and brought to the May committee meeting to be forwarded to the County Board for approval. They must have not had any issues with the leases that the rest of us do. From there, the County went to scare tactics and bullying – tracking people down at their place of business or at home to get them to sign the lease or face possible eviction. It must have worked because at the June Airport Committee meeting, there were 19 signed leases received that were moved to the CB for approval. I think if there was a better line of communication, a lot of the questions and misunderstandings could have been avoided. **Greg Paulsen:** There was negotiation with one person and one person only – that was Enstrom. No one else that I know of was ever approached for negotiations.

## **G. Presentations: None**

## **H. Business**

**1 Election of New Airport Committee Chairman:** A motion to nominate/elect Com. Gromala as Airport Committee Chairman was made by Com. Piche, seconded by Com. Cech ~ Motion carried 3/0

### **2 Financial**

a. Month-End Budget Report Status – **Jeff:** We’re doing well – staying ahead of the game. We’re holding our own on the dollars ~ we’ve spent about 40% of our budget as of last month.

### **3 Manager Report**

a. Fuel Sales: **Jeff:** We had a tic up in fuel sales. Jet fuel sold quite a bit this last month and 100 LL fuel isn’t as good but sales have been up – moving in the right direction -.that’s a very good thing. **Com. Cech:** Is that because of the time of the year? **Jeff:** Yes, people move around more in the summer time.

b. Activity: **Jeff:** Activity is way up – it’s that time of year, hope it keeps up

### **4 New Land Lease Agreements ~**

a. Review of Leases received from Hangars: 11 (Chris Stewart) and 32 (P. Bayard DuPont). Motion was requested by **Jason** to move these forward to the CB for approval. **Com. Cech** made the motion to move them forward to the CB meeting for approval, July 24<sup>th</sup>, 2018, seconded by **Com. Piche** ~ motion carried 3/0

b. Discussion/Action: PHDS Inc. ~ Flying Club & their Sublease status: **Jason:** This is the sublease of hangar 11, however, before we discuss the

sublease, we should talk about their “flying club” status. I have given you a lot of information on what a flying club is, statues and laws, what is needed to become one, the registration of one, minimum standards, etc. I think this is something that should be done on a yearly basis – for all flying clubs. Looking into this sublease is what prompted me to check on the status. So I wanted to make sure everything was up to date, up to airport standards and registered the way in needs to be. Through this process, I asked the president of the flying club, Joe Ciochetto, to provide me with a bunch of different information, such as articles of incorporation, lease agreements for the plane, etc. – all have been provided to you. After thorough reviewing these documents, I have a number of concerns that I’ll point out to you.

1. The first one and least critical is liability insurance. The certificate of insurance provided lists only Joe Ciochetto as the party insured. This was verified, by Morgan at AOPA Insurance Agency, as a single policy that only covers the name insured. Also, the aircraft is only registered to Joe Ciochetto with the FAA. The issue is that all club members need liability insurance. There are two (2) ways that this can be fixed. Liability insurance needs to cover the entire organization/flying club; or, each member of the club will have to obtain non-owner liability insurance associated with that aircraft.

**Aircraft Ownership & Registration** ~ per his lease agreement, Joe Ciochetto leases his aircraft to PHDS Inc. at no cost. PHDS Inc. aircraft is only available (with a valid lease) to members as long as Joseph Ciochetto is the Club President. Per shareholder agreement, membership dues are \$1.00. If anyone leaves the club, all stock reverts back to the corporation. If Mr. Ciochetto leaves, this would leave the club without an aircraft to fly. Another discrepancy is that the aircraft is registered to Joseph Ciochetto with the FAA (see email from Randy Coller) and registered to PDHS, Inc. with MDOT.

Per FAA Order 5190.6B, Section B and Michigan State Statute 259.91 ~ “Ownership of the aircraft shall be vested to the name of the flying club or owned in equal shares by all of its members.” This is what FAA policy and Michigan statute says, so this is an area of concern.

2. **Grant Assurance #22 – Economic Discrimination** ~ this is the most critical concern. Grant assurances are important. As a Federally funded Airport, we need to meet certain grant assurances because we accepted federal money. If these grant assurances are violated it not only affects the airport, it affects

**ALL** Federal Grant money given to the county. The Airport is **expected** to take appropriate action to ensure commercial operators and flying clubs are properly classified.

Per shareholder agreement, membership dues are \$1.00. If leaving the club, all stock reverts back to the corporation. There is no monetary value in this. Normally, you could sell your stock in the club to someone else. However, there is no ownership in the lease. This is another cause for concern. The FAA states (in the Federal Register 14 CFR, Chapter 1, Doc. #FAA=2018-2022): ***“the ownership of the club aircraft must be vested in the name of the flying club or owned by all its members. The property rights of its members of the club shall be equal;”***

The Federal Register 14 CFR, Chapter 1, Doc. #FAA-2015-2022 also states: ***“Flying clubs are not permitted to advertise as flight schools, aircraft rental services or mechanic services.”***

3. **PHDS, INC. Flying Club Facebook Page** ~ this is ok, however, other issues came to light, like: a) ***“PHDS, Inc. is a flying club that provides aircraft rental at affordable rates.”*** b) April 16<sup>th</sup> Advertisement ~ ***“Student Pilots Welcome.”*** Per the **Federal Register 14 CFR, Chapter 1**, ***“Flying Clubs may not offer or conduct aircraft rental operations.”*** c) **“Waviation ~ May 8, 2015 - \$85 for a “wet” Cessna 172 and \$30/hr. for instructor.”** Prior to the policy change, **Federal Register 14 CFR, Chapter 1** – ***“Flight instructors, who are also club members, may not receive payment for instruction, except may be compensated by credit against payment of dues or flight time.”*** Prior to March 15, 2016, ***“monetary compensation was prohibited.”*** As of March 15, 2016, ***“monetary compensation is allowed, but could be limited by the Airport Authority.”***
4. **Open Charge for Joe Ciochetto:** Violation under Aeronautics Code of MI, Act .04 of 1945, state statute 259.85 RE: Flight Schools. Mr. Ciochetto, who is President of this Flying Club, has been charged with a misdemeanor that is still pending. He is charged with the illegal operation of a flight school. It is set to go to trial, here, in August. Now, I received an email from Randy Collier-Chief Inspector with MDOT/Aero, this morning. He suggested that Mr. Ciochetto apply for a flight school license.

After all the information that was given to you, it is up to this committee to decide, as it is the Airport Sponsor’s responsibility to correctly categorize

flying clubs and commercial operations, whether this is a flying club or a commercial operation, in which case there are other rules that need to be addressed. More stringent regulations that they need to abide by to be a flight school. Certification by the state and licenses, certain other documentation and insurance needs to be added. There is an added cost to be a flight school vs a flying club. So, it's up to you how you want to categorize this organization. **Com. Cech:** How long has this flying club been in existence? Quite a while, I thought, right? **Jason:** Correct, it's been since 1993 when the paperwork goes back showing it as a non-profit organization. It has changed membership - members come and go, but the original member are no longer involved with the organization. **Com. Gromala:** Before we make this decision, it would be wise to extend an invitation of the flying club officers go over some of these things to come with some kind of agreement in order to maintain our grant assurances. **Jason:** There is only one officer listed on the 501C3 – acting President and Treasurer – Joe Ciochetto. He's all in one, there are no other officers listed. **Com. Cech:** How many members? Is it just 1 member? **Jason:** There are 8 active members. **Com. Cech:** I think you're on to something, here. This club has been around for a long time – they should know, or at least they need to know their activities are against the law. I think the members need to meet with us to discuss issues and possibly work things out. **Com. Gromala:** I think the members should meet with Jason and the committee or just the committee chair to discuss these issues and work things out. **Jason:** I'll extend the invitation to meet and discuss the issues. I'd rather do it sooner than later considering the seriousness of the situation with insurances and grant assurances. **Com. Gromala:** The sooner the better as far as I'm concerned, but I think all members need to be included so they know we are reaching out and that they have all information we have to make an informed discussion. **Com. Piche:** The work you've done on this, Jason, shows just how wrong things are and that they've been wrong for years. I applaud you for finding this information and putting it on paper. We've got to get this resolved – it can't continue. It's a mess and been going on for too long! **Jason:** We'll table the sublease and the flying club status until these issues are resolved.

- c. Civil Air Patrol - **Jason:** It was brought to my attention to look at the CAP lease – I don't know why it wasn't, but I'm looking into it now. Just like the other tenants, the lease was put into effect by the Twin County Airport Authority. It needs to be updated with the new ownership/sponsorship information. Other issues with the lease – it's a 50 year lease which needs to change. A 50 year lease will violate our grant assurances. A 50 year lease is not acceptable to the FAA. Also, the lease has a clause that states the lease will terminate if not occupied by CAP aircraft or other CAP emergency services resources for a period of 90 days or more. It's my understanding that it hasn't had an aircraft in there for several years now. The old lease is actually terminated, by that clause, for not having an

aircraft in there for so long dating back years ago. No one has ever followed up on it during that time. The old lease would have violated the grant assurance #24 – Fee and Rental structure. This 50 year lease charged a fee of \$1.00 a year for 50 years. We do not have the ability to increase fees or reexamine the fee structure during the term of the lease. According to the FAA, there needs to be one of two clauses included in the lease. “Rates are tied to CTI” or “Reexamine fees yearly for the term of the lease.” This needs to be included in order for the airport to maintain its self-sustainability of the grant assurances. This is a violation as well. So you can see, there are several issues with the old lease. After that, I reached out to Col. Denise Hoagland, Commander of WI Wing unit of WI AP. She stated that we fall under WI patrol. I asked what the intentions are for this hangar. She indicated that they’d like to keep it – even though there is no plane in there now. But would need it if they have to move planes around from one airport to another, etc. She said the local unit maintains communication and search equipment in there, training on communication and search technologies and the local unit uses it for administrative work and tasks for CAP. She no longer has the authority to sign a lease – it would have to go CAP headquarters down south to decide whether they want keep the hangar and sign the lease. Now I’d like to have a new lease ready, but there are some issues to work out – set terms and rates for a new lease. Goes to grant assurances again. Per FAA Order 5190.6B, Section 17.16(a) – *“A sponsor may also charge reduced rental rates for CAP units operating an aircraft at the airport.”* The FAA suggested “in-kind” services to get a reduced rate. But considering there hasn’t been a plane at the Airport, that wouldn’t apply. Per FAA Order 5190.6B, Section 17.14 – *“...CAP units operating aircraft...search & rescue and disaster relief roles of CAP.”* I’m not exactly sure what our local unit does. MDOT gave me four (4) possibilities to structure the lease: **1. Offer a year to year term where either party can terminate with 30 days written notice; or written notice at the end of a one (1) year term – at no fee. 2. Offer a long term (up to ten 10 years) and charge fair market value per grant assurances for non-aeronautical use - \$.20 sq. ft. 3. Do not offer a lease – CAP must remove hangar or forfeit it. 4. Do not offer a lease – County attempts to purchase hangar.** This is what MDOT suggests to offer CAP without having an airplane – if they had one here, there wouldn’t be an issue. **Com. Cech:** How long has it been since there’s been a airplane in there? **Jeff:** At least 10 years. **Com. Cech:** I’ve known about CAP for a long time, I think we need to do a little investigating to see what they do in our local unit and what’s in the hangar. **Com. Gromala:** Maybe we can look into developing/offering a contract that would require certain “in-kind” services and show proof that they are being done in order to keep lease – all in lieu of rental fees? **Jason:** Should we invite members of CAP to a future meeting? **Com. Piche:** I think they need to give us what they are accomplishing as CAP, or are they just a group that meets every month? **Jason:** I’ll reach out to Joe Ciochetto and

others in the group to sit down at a meeting.

- d. Retaining attorney – Jeremy Nastoff of Burkhart, Lewandowski, Miller & Nastoff - **Jason:** To clarify public comments from earlier, I have retained Jeremy Nastoff to represent us in possible evictions. It is within my spending limits – up to \$5,000. Mr. Nastoff has said it should not go over the spending limit, but should something happen where it will go over my spending limit, I want to have the CB's approval before doing so. **Com. Cech:** What are they charging? **Jason:** They charge an hourly rate of \$200.00/hr. for local municipalities and they will cut the rate for travel in half. Cohl, Stoker and Toskey charges \$20.00/hr. less, but travel expenses are more. **Com. Cech:** Ok, they travel from Lower Michigan, right? **Jason:** Yes, where Mr. Nastoff will be traveling from Escanaba. So, I like to entertain a motion to recommend to the CB to retain Nastoff ahead of time, if costs go over \$5,000. **Com. Gromala:** Who would like to entertain this motion? **Com. Piche:** I move to recommend to the CB to retain Jeremy Nastoff and approve costs over \$5,000.00. **Com. Cech:** I'll second it. Motion carried 3/0.
- e. Mead & Hunt update: **Jason:** We had a meeting with Stephanie Ward, with Mead & Hunt, last week to go over the ALP and upcoming plans. They are actively moving forward with it now. MDOT with MAP plan will be September 20, 2018. This is a big step in the process. Some of the issues discussed are having a security plan in place and requested that maybe they can do a security analysis to see where we are lacking or not lacking; the fences (a request from the pilots) – looking at reconfiguring the fence line to have a gate on 22<sup>nd</sup> St., instead of pilots using Enstrom's gate; and finally we discussed developing an Airport handbook. **Com. Piche:** Are we behind on anything? **Jason:** No, we right on track, they would like to get all the aerial projects done by the end of the year. Then the first big project will be reconstruction of the small runway from scratch. **Com. Piche:** As far as security, where are we on that? **Jeff:** All cameras are in place and the terminal is now open to the public. **Com. Piche:** Is the porta-potty gone? **Jeff:** They've been called to pick it up. **Jason:** I was thinking that we can have one over by the hangars so the owners have something close – if needed. Something to think about. **Com. Piche:** Has this changed over the years – terminal access? **Jeff:** No. **Com. Piche:** You mean anyone can come in at 1am – or anytime of the day or night? **Jeff:** No, access codes are used. **Jason:** Per Emergency Management Services and Sheriff Marks access codes are to be used. We want people using the Airport to be able to be in the terminal – just not everyone or anyone.

- 5 **By-Laws – Status/Update ~ Jason:** The only thing I know is that you were talking about adding members to this committee. Depending on whether they will be on as advisory member or a voting member, we could have a conflict of

interest. Are they going to be a hangar owner a pilot or business owner? I ran this by Mead & Hunt on how other airports handle this. I was thinking more of an advisory committee to advise this committee, through a spokesperson, on their ideas, concerns, requests, and questions. Unless you want to wait until Mead & Hunt have completed their advisory group? **Com. Gromala:** I still think we need someone on this committee from the outside to join the committee – not just board members. We can table this until Mead & Hunt complete their advisory committee.

- I. Public Comment: Dustin Kraft:** The Wings Program basically promotes aviation and safety. I'm not a FAA employee or a ramp inspector. I'll just be there to promote aviation and safety. I have 2 other items – 1) ILS on runway 3 – I notice there's been a "nodum" out for a very long time and it says auto-pilot approach is forbidden below 1574 msl, why and what's being done to fix it? 2) There's quite a few deer around even with the fencing around the airport, what's the protocol in dealing with that and what can we do to improve this? **"No Name":** I have a safety issue – with that pile of concrete down there, if there's a fire down there how's the truck going to get through the gate? How does he get around or do they know and go around to the proper gate? **"No Name":** My comment is on access to the terminal. I see the doors are open to get in now, but what good does it do if you're coming in through the turn style with luggage or with a yellow bike or a wheelchair. I think you're in violation of the ADA with this. I was asked by B. DuPont to bring up the jersey barriers and how ridiculous it is to have them out there. He was an airport manager for over 25 years and he said if he ran into this kind of situation, he would just talk to the people causing the issue and ask them to stop. Finally, I understand the County Administrator had the access codes changed because the previous ones were posted on Facebook. That person should have been contacted and asked to stop. **"No Name":** I want to talk about the advisory committee. You talk about how you don't want a hangar owner on the committee – that's nuts! – don't have anyone with an aviation background on you committee. **Chad Ermis:** Is there any plans in the future for a road to go around the inside of the fence instead of using the taxi lane – it would be more convenient and safer. **Patricia Miller:** I met with you after a CB to discuss issues to try and get them taken care of. At this time, I haven't received any verification to show the county's side – why were the porta-potties set out, why were the jersey barriers set out, why were the access codes changed – other than retaliation or pitching a fit. I haven't seen anything yet to prove your side! Or is just there is no evidence and it is what it is?
- J. Commissioner Comment: Com. Cech:** I'm looking forward, with optimism, to working with all of you on this committee. **Com. Piche:** I want to thank you for having the courage to be on this committee. **Com. Gromala:** I wasn't aware I was supposed to send back information right away to a person. I understand some of the information I can't receive at this time as there is still an open case pending. When I am able to, I will definitely get back to you. I said this before, I want a better working relationship, in spite of some smirks' and giggles from some people in the audience, I really do. I said it before, bullying, I find it very offensive – I just give up on this. I will continue to do my best to make this airport better. It takes steps and we're making baby steps but steps in the right direction.
- K. Next Meeting:** August 21, 2018
- L. Adjourn:** A motion made by Com. Cech, seconded by Com. Piche. Motion carried 3/0