

**LEELANAU COUNTY BOARD OF COMMISSIONERS  
PUBLIC HEARING – Tuesday, January 14, 2020**

Approved 12/15/2020

*Proceedings of the meeting are being recorded (audio and video) and are not the official record of the meeting; the formally approved/accepted written copy of the minutes will be the official record of the meeting.*

The Public Hearing was called to order by Chairman William J. Bunek at 9:02 a.m.

Today's meeting is being held at the Government Center, 8527 Government Center Drive, Suttons Bay, Michigan.

The Pledge of Allegiance to the Flag of the United States of America was led by Chairman Bunek, followed by a moment of silence.

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|-------------------|-------------|------------------------|---------|
| <u>Roll Call:</u> | District #1 | Anthony Ansorge        | PRESENT |
|                   | #2          | Debra L. Rushton       | PRESENT |
|                   | #3          | William J. Bunek       | PRESENT |
|                   | #4          | Ty Wessell             | PRESENT |
|                   | #5          | Patricia Soutas-Little | PRESENT |
|                   | #6          | Carolyn Rentenbach     | PRESENT |
|                   | #7          | Melinda C. Lautner     | PRESENT |

Guests present.

Purpose of the Public Hearing:

Chairman Bunek indicated that the purpose of the Public Hearing is regarding the Governance Options for the Cherry Capital Airport. Present today is Cherry Capital Airport Director Kevin Klein, and Chairman of the Airport Commission Doug DeYoung. Also present was Leelanau County Appointee Steve Plamondon. DeYoung explained that the airport is self-sustaining and explained where they stand in today's world of airports around the County.

Klein offered comments and said he would like people to review the picture boards displayed around the room and asked that if there were any questions or comments that they would like to address the Commissioners.

Klein reviewed the history and background; Michigan Legislation; Airport Governance in Michigan and the Nation; current agreement deficiencies, advantages and disadvantages of Commission & Authority – from the Airport's Perspective; General Benefits of a Regional Authority; Stakeholder Outreach/Input/Feedback; and Stakeholder Key Concerns. The Report and Recommendation of the Northwestern Regional Airport Commissioner Airport Governance Advisory Committee is on file in the County Clerk's office.

Commissioner Rushton questioned the City of Traverse City not being relieved of their grant responsibilities to which Klein explained.

Comments from the Public:

- Jay Johnson of Empire Township. Johnson said he has a long history in this field. Johnson expressed his concern with the proposal, not with forming an Authority or expanding services,

but how the airport acquires its property to expand its services. He is concerned about eminent domain and the taking of property. He sees nothing in the documents that limits the power of eminent domain. He could see an Authority taking a whole corner by eminent domain and selling it to whomever they wish on the theory that if you improve services through hotels, etc., it will improve airport service and he sees nothing in the proposal that protects the area from that happening. The Authority, the way it is currently designed, has way too much power.

- Gerald Schantz of Northport. Schantz is a retired lawyer and in his earlier days flew airplanes. Schantz gave his background in this area of air safety. He spoke to what used to be called the Airport Operators which have a captive clientele. One the purposes was to emphasize the profitability of non-aviation assets and that seems to be one of the purposes submitted by Steve Baldwin of Steven Baldwin Associates, the Consultant to the Airport Management. He is distressed to see one of the purposes of the plan is to do away with lobbying, which Baldwin is a member of the Airport Council International. Much of the Baldwin proposal reiterates his position and one of their founding purposes. Schantz spoke favorably about the Cherry Capital Airport. Although there may problems with legal arrangements among the parties, those problems can be dealt with by good will, lawyering by those with no representational conflict. A good and hospitable airport can be maintained. The Airport is one of the lifelines to the outside world and it shouldn't be made inaccessible by artificial developments that are non-aviation related. He urged Commissioners to determine that Airport management should revisit this and get consultants that do not have a conflict of interest.

- Wayne Wunderlich of Lake Leelanau. Wunderlich said he previously served as a Commissioner and as part of the Airport Commission. This needs to be redone – he has gone over this entire document. New legislation was created to form an Authority by those that take very little interest in the economy in Northern Michigan – they just don't want to bother with us because it takes work. The Airport is a vital aspect of this community – it affects his tourist customers and the families of people that live here. Also, the growth of people moving to other areas affects the airport. Wunderlich offered comments on Costco on Airport property. Wunderlich expressed concern about the Authority and eminent domain. Brief comments ensued as to no information on the makeup of the Authority, restriction of election officials to 45%, are they planning for it to be a Regional Airport now – with those that previously had no interest in being involved in the Airport? How would a regional market be involved? What will the responsibilities of others be in a regional approach? Who will establish the qualifications to serve on the Authority? What are the number of members that will serve, it will be heavier towards Grand Traverse County residents, as they always want to control. What will be the responsibilities going forward if that is the case? What agreements will be in place regarding ownership of the property currently owned by Grand Traverse/Leelanau Counties, law enforcement presence, and other questions were posed.

Klein responded to questions.

- Richard Schmuckal, a Bingham Township, 2653 S. Cherry Tree Lane, Suttons Bay 49682. Schmuckal read from a prepared statement. Schmuckal stated he believes it is a bad idea. He stated that Commissioners Lautner, Wunderlich and himself, were part of the decision and gave the authority and the way it operates today. They were assured there would be no millage and it would be self-supporting. Schmuckal gave his background as a Commissioner and had previously served on the Airport Commission. People always give the Airport high marks.

Schmuckal quoted Commissioner Ansorge from a previous article in the newspaper regarding what is prompting the change, when the airport in is the black. Schmuckal continued with remarks. He offered comments on the report by the company that was hired and Mr. Klein has time to go to both Boards for decisions as that is what he is hired for. He further commented on statements in the article. Why can the counties not deal with the deficiencies and why is there an attempt to reinvent the wheel? Come before the Board if there is a problem and get it resolved by the two Boards and the Airport Commission. Schmuckal questioned what gives Baldwin the right to determine who serves on the Board and what type of people should serve? Commissioners are able to make that determination. Comments continued and Schmuckal thanked Commissioners for listening.

- Dr. Barbara Conley of Northport. Conley commented that things seem to be proceeding backwards. Where does the Airport need to be in 10-20 years and look at it from that perspective?

- Ted Eiorer from Grand Traverse County. Eiorer stated he is also an Attorney; however, he never received an A and cannot fly. He is a labor lawyer, so it is completely different. He got involved because of the clear cutting. He has spent a lot of time going to governance meetings and gives great respect to Klein regarding the Airport – it is a wonderful airport and that is acknowledged. Because it is so successful, why are we doing this and the consultant comes in and throws out all of the issues that need to be addressed – what are the problems, what supports the problems, and how do we fix the problems – he stated he not an opponent or a proponent. Eiorer continued, can it be fixed in the current format; if it is illegal, you cannot do it and you don't need an authority to do it? Look at the list of the problems and deal with it. Dispute resolution with the two counties – that is nothing, deal with it. This is almost backwards and as to the problems, you need to change your Articles of Incorporation, change your bylaws. You get generic problems that Baldwin has listed and he (Eiorer) found in the Public Sector and always know when changes are coming, it is always liability. Does anyone really understand the potential liability – he doesn't know if that is a “smoke screen” to shake it. He has dealt with Klein on a monthly basis and he has been wonderful. He doesn't know exactly what the changes are going to be – look at the problems and then deal with it. Eiorer said he commends the fact that the Airport Commission has put this all out here – this is like making a piece of sausage and everyone will be much more comfortable. Eiorer appreciates the time being spent on this.

- David Barth of Leland Township. Barth commented that he has been here since 1954. In 1974 he was a Commander in the United States Air Force and brought a C141 into Cherry Capital Airport and he was the air show. They landed at 8:30 a.m., the Dignitaries were there and he and his crew served as tour directors for the day. It was a different airport. Barth explained the C141 aircraft, which is now in the museum; however, at the time it was selected because of the air/oil embargo. Barth gave the history. It was an experience and commented about the max performance on takeoff he was scheduled to do as it is normally a very slow takeoff. Barth continued with comments and the history of the Air Force and people were impressed. He retired from the Air Force in 1975 and gave a history of his work experience and knowledge. The operation of an airport is entirely different than anything else as you are working with, it is a small city. They are very good at what they do and are partners with carriers. For carriers to start dictating bottom line profit, it is not a good way to run an Airport. Barth encouraged Commissioners to hold your ground, you own some valuable property and

see what is involved. Commissioners need to do research and you will find out that airports are totally different from anything else. The problem is going to get very complicated.

Commissioner Comments:

- Commissioner Ansoerge said that Commissioners have given questions and he presume that responses will be forthcoming?

Janik responded and stated that both Boards have submitted comments/questions and the goal is to have a report with those responses by February 1. The next step is to place this on the February agenda and discuss the report. This is an ongoing item. It will be discussed in Grand Traverse County next week and Janik will attend that meeting. He encouraged the public to forward questions to the County Administrator and they will be forwarded. He also encouraged people to go on the website. It was stated again to funnel questions back to the County Administrator and they will do their best to try and respond to all questions.

- Commissioner Rentenbach thanked those that spoke and that another public hearing will be held. She appreciates all those that are present.

- Administrator Janik said he wanted to dispel rumors. There is no final decision to be made soon and this is the beginning of the process. There are a lot of questions and it all has to be worked out.

- Commissioner Soutas-Little offered appreciation. She requested/suggested a "cross-walk" for what the current agreement is and what an Authority would do - specifically what would change, ownership and flow of information. That is something that is just not clear. Questions she is receiving is if 'it ain't broke, don't fix it'. If you could do the "cross-walk" that would be really important as well as structure.

- Klein thanked everyone for the comments. They are spot-on where they are. These comments are generating thoughts as to how to move forward. It also is providing what a modified Commission would look like. At the end of the day, it will come down to what is the best path and creating that best path. This is the advantage of the Governance Committee and they will continue to do work and gather information as they go through the process. As we get closer to summertime, it is hoped that a best decision can be made moving forward.

- Chairman Bunek said that they don't know what either one looks like; a modified Commission or if they go with an Authority. Bunek continued that his thinking is it would be better to go with an Authority and explained his reasons why he voted for the recommendation to more forward as an Authority as it would solve the problems in a cleaner manner. The eminent domain needs to be placed in the document so that protections are put in place. They are not trying to pull anything over anyone. They want to make the Airport friendlier to run and better for the public.

- Commissioner Ansoerge commented that some of the problems that need to be addressed, can be addressed either way. Maybe some decisions need to be made about eminent domain between the two counties, then at least that portion is solved – whether it is through the Authority or a modified Commission. Some of those things are going to have to be designed. We don't need to make a decision on the government model right now, but we need to address

the issues. Maybe that should be a path to come to those decisions and then the decision on the Governance Model will become apparent.

- Commissioner Rushton said she does not disagree with the way it was framed by Commissioner Ansoorge. Some of the decisions are easy to make. There are other issues that need to be rectified and the cost to rectify those to the Counties needs to be taken into consideration. She cited examples, such as how does being out of compliance with the FAA, how is that addressed. If we stay as a Commission, we are now talking dollars. Under an Authority, those problems are looked at under a different light. The process to fix the problem, the cost, will be what are the problems, what are the details that support the problems, how is it fixed efficiently and effectively.
- Janik stated for clarification, when the whole discussion of Costco started, it was pointed out to the County that there were problems with the Governance documents. It was good dialog that took place, the County's attorney that reviewed the documents stated that changes need to be made and how to proceed. This process will not be rushed. There was discussion about a decision by December. It will take a long time to go through all of these questions. The good news is, everyone is saying the same thing. There is no right or wrong path. What is best for the counties?
- Chairman Bunek stated this concludes this meeting and called for additional public comment.
- Richard Schmuckal, Bingham Township. Schmuckal referenced his prior work and commented on critiquing the situation. There are some things that cannot be improved upon – one is how does a fireman get from the second floor to the first floor – it is the pole in the floor, it has never been improved upon. Another is a wheel. The Airport is working fine; please focus on the efficiencies and the deficiencies. He is also concerned that the Chairman has already made up his mind. He urged Chairman Bunek to wait and see what is best for the County and protect the asset.

Adjourn:

Meeting adjourned by Chairman Bunek at 10:35 a.m.

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William J. Bunek, Chairman  
Leelanau County Board of Commissioners

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Michelle L. Crocker, Leelanau County Clerk  
Clerk-Leelanau County Board of Commissioner