

OSCODA-WURTSMITH AIRPORT – LOCAL DEVELOPMENT FINANCE AUTHORITY
Meeting Minutes
July 23, 2019

I. CALL TO ORDER

Mr. Binkowski nominated Mr. Huebel to serve as Acting Chairman of this meeting. Ms. Sutton supported the motion. No further discussion, motion carried by voice vote.

Acting Chairman Huebel called the meeting to order at 4:08 P.M.

II. ROLL CALL

RICK BINKOWSKI	Present
JOHN BRIGGS	Present
TONY JOHNSON	Absent
SCOTT LUECK	Absent
JAIMIE MCGUIRE	Absent
ROB HUEBEL	Present
DON NOLAN	Present
CHRISTINE ROGEL	Present
LEISA SUTTON	Present
JOHN SCANLON	Absent
GREG SCHULZ	Present

OTHERS PRESENT

Gary Kellan	Matt Nunn, Iosco County Road Commission
Brenda McNeill	
Jack Brown	

III. Adoption of Agenda

Acting Chairman Huebel requested a motion to adopt the meeting agenda.

Motion made by Mr. Briggs and seconded by Ms. Sutton to adopt the agenda. There were no additional questions or comments. Motion carried by voice vote.

IV. Approve May 21, 2019 Meeting Minutes

Acting Chairman Huebel requested a motion to approve the meeting minutes of May 21, 2019.

Ms. Sutton made a motion to approve the meeting minutes of May 21, 2019. Ms. Rogel supported the motion. Mr. Schulz noted that his name was not spelled correctly. There were no additional questions or comments. Motion carried by voice vote.

V. Financial

A. Current Financial Report

Meeting information materials included copies of the June 30, 2019 bank statement and reconciliation worksheet. Recent financial activity is summarized within the table below.

OWA- LDFA Financial Report – as of July 23, 2019	
Fund Balance Reported at the May 21, 2019 Meeting	\$ 251,617.47
Income Since the May 21, 2019 Meeting	
May & June Bank Interest	\$ 126.16
Expenditures Since the May 21, 2019 Meeting	
Accunet Web Services – Tech Assist when posting information on the Charter Township of Oscoda website.	-[\$ 50.00]
Cash Reserves (as of June 30, 2019)	\$251,693.63

Mr. Binkowski made a motion to accept the July 2019 financial report as presented. Ms. Sutton supported the motion. There were no further questions or comments. Mr. Huebel, Yes, Mr. Nolan, Yes, Ms. Rogel, Yes, Ms. Sutton, Yes, Mr. Binkowski, Yes, Mr. Briggs, Yes, Mr. Schulz, Yes. Motion carried.

B. 2019 Tax Increment Capture & Estimated Revenue Calculations

With assistance from the Assessor for Charter Township of Oscoda, a preliminary estimate has been calculated for 2019 tax increment capture and the associated revenue to be collected. A matrix summarizing those calculations was provided to the board. Mr. Kellan summarized the matrix and was available for questions. The 2019 tax increment capture is estimated to generate approximately \$125,619. These calculations will be finalized after the December 2019 Board of Review opportunity. The revenue is then expected to be disbursed to OWA-LDFA during April of 2020.

C. FY 2020 Budget Adoption – Resolution No. 2019-02

The Tax Increment Finance Plan requires submission of a proposed financial budget to Charter Township of Oscoda by September 30th for the coming fiscal year. Meeting information materials included the proposed budget for FY 2020. The proposed budget was prepared under the assumption that projects will be developed and implemented before the end of our 2020 construction season.

Mr. Briggs made a motion to adopt Resolution No. 2019-02 which formally demonstrates approval of the proposed budget for FY 2020. Mr. Binkowski supported the motion. Mr. Huebel, Yes, Mr. Nolan, Yes, Ms. Rogel, Yes, Ms. Sutton, Yes, Mr. Binkowski, Yes, Mr. Briggs, Yes, Mr. Schulz, Yes. Motion carried.

VI. Old Business

A. Mission Drive Pavement Rehabilitation

During the May 21, 2019 meeting the Authority Board provided authorization to contract with Iosco County Road Commission (ICRC) for repaving the portion of Mission Drive located between Arrow Street and Flight Street. The ICRC contract includes cost sharing commitments -- with 70% being paid by OWA-LDFA and 30% being provided by ICRC. The Engineer's preliminary cost estimate for this project was \$105,955.

ICRC has solicited competitive bids for the subject project. Those efforts netted a single bid seeking \$170,669.20 for completing the proposed paving project. Mr. Kellan introduced Matt Nunn, a Project Manager for the Iosco County Road Commission. Mr. Nunn speculated that the lack of bids and excessive bid price is a result of there being a statewide back log of road resurfacing projects. Mr. Nunn said ICRC is not in favor of paying the excessive price. Therefore, it is suggested that the project be re-bid for implementation during 2020. Mr. Nolan asked if the single bid could be countered or negotiated. Mr. Nunn said that it could not be countered or negotiated when implementing a competitive bidding process. The other option would be to temporarily overlay the existing road surface with asphalt. Mr. Nunn quickly estimated the cost for a pavement overlay to be approximately \$37,000, providing there was a paving company available to perform the work.

Mr. Nolan expressed concern regarding the current condition of the road surface. Specifically, he expressed concern for Kalitta Air moving jet engines over the road. Mr. Nolan said the engines cannot withstand the jarring motions that the current road condition creates. Mr. Briggs expressed concern of the cost to businesses as opposed to the cost of correcting the road condition.

Mr. Kellan asked Mr. Nunn if there were any further possibilities for getting the road completed. Mr. Nunn said that the board could still approve the estimate to repair the road, but he could not guarantee if the Road Commission would approve the cost.

Further discussion took place regarding the possibilities of temporarily fixing the road. Mr. Kellan asked the board for direction as to deferring the project or asking the Road Commission to move forward with

the proposal on the project. Further discussion took place regarding the excessive cost of the bid proposal.

Discussion regarding patching the road took place. Mr. Kellan also mentioned the possibility of waiting until the next construction season and adding another road to the project - so as to make the project more attractive to prospective bidders. Ms. Sutton asked if it was possible to patch the road and rebid in the fall with an open-ended deadline. Mr. Nunn said that if the job was to be rebid then there has to be a change in the project. He will check into this further.

Ms. Sutton made a motion to patch Mission Drive and rebid the project during the fall for Year 2020 construction. Mr. Binkowski supported the motion. Mr. Nolan, Yes, Ms. Rogel, Yes, Ms. Sutton, Yes, Mr. Binkowski, Yes, Mr. Briggs, Yes, Mr. Huebel, Yes, Mr. Schulz, Yes. Motion carried.

VII. Executive Director Comments

Mr. Kellan reported that the Airport Authority has secured \$ 5 M from the FAA for installing a concrete overlay on portions of Iosco Apron. The area to be improved is not currently suitable for running jet engines due to risks of damage from ingesting fragmented concrete. The project is to be implemented during the summer of 2020.

Mr. Kellan thanked the board for taking the time to come to the meetings.

Mr. Briggs asked if the Mission Drive project was rebid in the fall when the work would be completed. Mr. Nunn said the project would have to be completed by the end of October 2020. Mr. Nolan asked if the project could be rebid now. Mr. Nunn said he has to look into whether or not a change to the proposal would need to be made. He felt that it would be possible that changing the date of the project would be considered a change.

Mr. Jack Brown suggested forego milling off the existing road surface and installing an asphalt overlay directly on the existing road surface. Mr. Nunn said that if only a cap was put on the road that the project would not have to be rebid. Further discussion took place regarding the change to the proposal and possibly adding Flight Street. Mr. Nunn said he could not guarantee that the road could be overlaid in the current construction season, if an overlay was decided. Discussion regarding how long the overlay might last took place.

Mr. Huebel asked the board if they wanted to rescind the previous motion. Mr. Nunn asked for a moment to estimate what the cost of overlaying Mission Road would cost. Mr. Nunn then reported that if Iosco County Road Commission and secure a paving contractor, perhaps an 1 ½" thick asphalt overlay could be installed on Mission Drive for approximately \$46,000. This would be the total cost of the project with 70% paid by the LDFA and 30% by the Iosco County Road Commission. Mr. Nunn reminded the board that this estimate would have to be approved by the Road Commission board.

Mr. Briggs made a motion that would allow staff to approve an amount, not to exceed \$50,000, for an OWA - LDFA cost share in order to install an asphalt pavement overlay on Mission Drive. Mr. Binkowski supported the motion. Ms. Sutton, Yes, Mr. Binkowski, Yes, Mr. Briggs, Yes, Mr. Huebel, Yes, Mr. Nolan, Yes, Ms. Rogel, Yes, Mr. Schulz, Yes. Motion carried.

Ms. Sutton made a motion to withdraw her previous motion to patch Mission Drive and rebid the project in the fall. Mr. Binkowski supported the motion. Mr. Binkowski, Yes, Mr. Briggs, Yes, Mr. Huebel, Yes, Mr. Nolan, Yes, Ms. Rogel, Yes, Ms. Sutton, Yes, Mr. Schulz, Yes. Motion carried.

Mr. Huebel asked the board if another motion was in order to reject the original bid of \$170,669.20. The board agreed.

Mr. Binkowski made a motion to reject the original project bid of \$170,669.20. Ms. Sutton supported the motion. Mr. Briggs, Yes, Mr. Huebel, Yes, Mr. Nolan, Yes, Ms. Rogel, Yes, Ms. Sutton, Yes, Mr. Binkowski, Yes, Mr. Schulz, Yes. Motion carried.

VIII. OWA LDFA Board Member Comments

None

IX. Public Comments

Mr. Binkowski asked Mr. Nunn if a representative of the County could visit the Wurtsmith District to take a look at signage that is missing.

XII. Adjournment

Mr. Binkowski made a motion to adjourn the meeting. Ms. Sutton supported the motion. All in favor. Motion carried.

Meeting adjourned by Acting Chairman Huebel at 5:10 p.m.

Respectfully Submitted by Gary Kellan – Executive Director