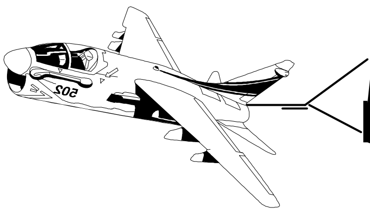

Newsletter

Anoka County Aviation Association

ACAA

Next Meeting: **Monday, May 14, 2012 7:00 PM**

EAA Chapter 237 Hangar Anoka County Airport.

May, 2012

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Calendar

May 14, 2012 (Mon)	7:00pm	ACAA Meeting EAA Bldg
June 2-3, 2012 (Sat-Sun)	All Day	Discover Aviation Days
June 29, 2012 (Fri)		Newsletter Deadline Want Ads due
July 9, 2012 (Mon)	7:00pm	ACAA Meeting EAA Bldg

May Meeting

Join us at the May meeting for an update on what's happening at ANE and the MAC. We'll also be talking about Discover Aviation Days, Rates and Charges, and anything else people want to discuss.

Family, friends, and members of other airport associations are cordially invited. The meeting starts at 7:00 PM on Monday, May 14, at the EAA 237 Hangar on the west side of the field. Doors open around 6:45. Refreshments will be provided.

President's Letter

By Michael Lawrence, ACAA President

Dear ACAA members,

First off, I would like to thank those of you who either attended the MAC public hearing or wrote MAC staff/commissioners regarding your feelings about the proposed changes to ordinance #107. Also, please stay engaged throughout the remainder of this process. If you have anything specific you would like the ACAA to make a stance on, please send us a message.

Secondly, this is the last ACAA newsletter you'll receive before the Discover Aviation Days (D.A.D.) event takes place on June 2-3. Again, we as a group have been tasked with bringing out aircraft to display. Please talk to your friends and hangar neighbors and encourage each other to participate and display your aircraft, no matter what it is, for all to enjoy. If you need help bringing it to/from the display area, we can make arrangements. This year, a dedicated space will be reserved in the main area for display aircraft only. Volunteers will be on hand to help keep a close eye on all displays. If you are interested in displaying an aircraft or volunteering on behalf of ACAA to watch displays, please send me a message so that we can plan accordingly. We hope to have a great event, strongly supported by our ACAA membership!

Regards,

Michael Lawrence
ACAA President
mlawrence@keyair.com
763-218-2508 cell

Around the Airport

By Joe Harris, Airport Manager

Total aircraft traffic is up 11 percent over the same period last year. It is great to see so many aviators taking advantage of the many VFR weather days. Hopefully, this is a sign of good things to come. As many of you know, the Staff continues to operate the airport in a fiscally responsible manner while working hard to improve airport services and infrastructure. As airport infrastructure expanded and demand for 24-hour service increases, the staff must continue to work efficiently to keep controllable maintenance and operations expenses low. For example, Staff continues to defer the purchase of major and even minor capital equipment. Below is a list of capital equipment and year built based at the airport.

Rolba Snow Blower – 1992
Ford L-8000 Snow Plow Truck – 1996
Osh Kosh Snow Plow truck – 2001
John Deere Tractor – 1989IT18 Loader – 1990
Plow Blades/Wings and Pusher Buckets – mid '80s-'90s vintage
Toro Mower – 2005
Rotary Mower Decks – 1992 and 1998

The assigned three person maintenance staff does a great job in operating equipment to prolong its useful life. Moreover, the west reliever mechanic 'Joe', who maintains the equipment at Crystal and Flying Cloud too, is a skilled mechanic. If there is a problem with the equipment, he finds a way to fix it. Reliever Airport equipment is also borrowed from MSP-Field Maintenance, such as the big 950 Loaders and tractors, to keep cost of maintaining the airport down. We will also collaborate with them for use of heavy equipment trucks and other machinery for special projects as well.

The Anoka County-Blaine Airport budget must accommodate for expenses that MAC doesn't incur at other Reliever Airports. For example, the MAC is responsible for the air traffic control tower facility and communication devices, minus personnel costs. MAC also owns and maintains the MALSR approach lighting system. Historically, these systems are owned and maintained by FAA. The FAA maintains the MALSRs at Airlake, Flying Cloud, St. Paul and MSP, but not ANE. The FAA maintains the REIL lights at the ends of the runway, and the 18-36 VASIs. The MnDOT Office of Aeronautics owns and maintains the ILS Glide Slope and localizer. All runway and taxiway lighting systems, PAPI's, airport beacon, guidance signs, generators, gates, and electrical vault systems are maintained by MAC Staff. If anyone has any questions about the operations and maintenance budget, I encourage you to contact me. I would be more than willing to meet with you to review and discuss operational expenses. I look forward to seeing you at Discover Aviation Days June 2-3. The event organizers have been working very hard to make this event the best ever.

Safe flying,
Joe

RAAC Report

By John Krack

Lease Policy Changes and Lease Forms.

Leases are being renewed under the new forms, which offer a 10-year initial period (for storage tenants) and a five-year renewal (if a

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specific list of conditions are met), with a right of first refusal after that assuming MAC decides to continue to lease the property for aviation use. If MAC does not offer a lease, they will pay compensation.

This wraps up the lease project and we move on to other things.

Financial Model and Airport Funding

Wow! A lot has happened in the last two months, culminating with a public hearing May 7 on the proposed changes to Ordinance 107. The meeting was well-attended (I'd guess around 40-50 people), and 12 people offered verbal comments. The common theme was that "This isn't working, the proposed ordinance will make things worse, and MAC needs to sit down with the tenants and jointly work through these problems." I think they got the message, and look forward to some working sessions to address the issues. More on that later, but first some background.

MAC held two informational sessions on April 5. They were poorly attended – around 20 people at the afternoon meeting and 11, including 4 MAC staff, at the evening meeting. Gary Schmidt gave a presentation on the background and contents of the proposed Ordinance 107 (Reliever Airports Rates and Charges) changes, and took questions and comments along the way. (A copy of the presentation is available at **http://www.metroairports.org/mac/appdocs/meetings/Mo/Agenda/MO_A_1158_1.pdf)**

Evan Wilson of the MAC legal staff was present to address any legal questions relating to the ordinance. The meeting was informal and the discussion was open. The major discussion areas were the landing fee proposal, airport funding and expenses, and diverting traffic from MSP to the Reliever Airports.

1. **Landing Fee Proposal**
   a. Several operators said that this would be a "business killer." The sentiment was that it would drive business away from ANE and FCM for several reasons:
      i. Operators in general, and particularly the smaller operators, are very sensitive to these kinds of "nickel and dime" charges and will tend to avoid airports that impose them if alternatives are available. Thus, transient aircraft operators who favor these airports today would be less inclined to do so in the future
      ii. Based operators incurring these costs themselves would need to pass the costs on to their customers, making them less competitive and prompting customers to look elsewhere for less expensive services.
   b. Gary stated that they've had a landing fee at STP for several years and it's worked pretty well. John Krack noted that his (unconfirmed) perception is that STP users are primarily higher-end corporate operators to whom a landing fee has little impact, while ANE and FCM Jet-A operators are smaller business and recreational users for whom the impact would be more significant.
   c. Gary explained that the proposed landing fee is 125% of the MSP non-signatory (i.e., non-airline) rate, and will vary from year to year. He went on to explain that the airlines are subject to a "surcharge" provision that if MAC runs a deficit in certain financial areas at MSP, the airlines are billed the following year to make up the difference. (This is similar to the surcharge provision that is currently in effect for the reliever airports.) The MSP GA community was given the option to opt out of this surcharge in return for a higher landing fee. Also, the signatory landing fee rate is based on unforecast deficits during the year on MSP projects and is set to make up these deficits the following year, thus the variation in the landing fee rate. The rate is set late in the year for the next year, and is driven solely by the financial numbers for MSP projects.
2. **Funding and Airport Expenses**
   a. One attendee suggested that we should go after the property tax
   b. Another attendee challenged MAC to find ways to cut costs, suggesting that it's counterproductive to make things more expensive to users
   c. Bruce Wiley said that he'd like to see a cost breakdown by airport – where they come from and how they're allocated. Gary said that he'd try to get that information on the MAC website.
   d. Gary and Evan Wilson said that the only place the Reliever Airports Benefit from MSP general revenues of $300K+ is legally committed is in Ordinance 107, and that the proposed changes would remove that cap/commitment. This was news because some of us were under the impression that this was legally committed in a contract with NWA that transferred to Delta and did not expire until sometime in the 2020s.
   e. When asked what flexibility MAC has if they see a deficit looming in the future, Gary said they can delay buying capital equipment and can postpone projects.
   f. MAC gets annual Airport Improvement grants of $150,000 per airport ($600,000 for the six Relievers), which is the same as outstate airports get despite the higher traffic volumes and costs at the MAC airports. MAC has a lot of flexibility in how these funds are spent.
   g. The Relievers get money from the MAC capital fund, which is where any profits go each year from the total MAC operations. It's not clear whether and how much of this capital funding would still be available under the revised ordinance. [I think this is currently accounted for via depreciation and imputed interest, and don't know how it would work under the new model.]
   h. John Krack noted that it was his understanding that Anoka County paid for the runway extension and ILS at ANE as an up-front lease payment for the Northwest Building Area, and wondered how much impact that project had on the projected deficit. Gary responded that they got about $16M from the County and the direct impact on the model was relatively small, but there were other expenses such as maintenance and lighting that added some cost. We didn't get into details.
   i. Gary acknowledged that very few non-commercial US airports are self-supporting (like, maybe 12). Most airports are subsidized by the cities or counties that own and operate them.
   j. John Krack asked about the non-aeronautical revenue contribution. Gary responded that they've only included the existing revenue, and any future revenue will be a bonus.
3. **Diverting GA traffic from MSP to the Reliever Airports**
   a. Michael Lawrence asked what MAC is doing to divert traffic from MSP to the Relievers. The proposed fee structure (except for lower landing fee minimums at STP, FCM and ANE) don't seem to provide any financial incentive for larger aircraft to not use MSP. Gary responded that MAC has made about $75M in improvements at STP, FCM, and ANE that were done primarily to benefit corporate GA traffic.
   b. Gary advised that MAC does not want to incentivize via cost. They want to provide cost consistency across the airports, and let the operators decide which facilities best suit their needs.
   c. Gary also noted that MSP doesn't currently have a serious capacity problem. Prior to the new runway being built, the peak period was from 0800-2000. Now it's more like a few hours in the morning and a few in the afternoon. The implication is that with the current excess capacity, there's not much incentive to divert traffic.

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RAAC Report

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4. **Ordinance Specific Items**
    a. Current research is looking at biofuels to replace Jet A. Presumably, aircraft burning biofuels would be exempt from the landing fee. Gary said that use of these fuels in any quantity is still out a ways, and would be dealt with when they become more common.
    b. Why exempt helicopters from the landing fee? Gary said that helicopters do not need the types of improvements (longer runways) for which MAC is trying to share the costs
    c. Why exempt medical operations that charge for their services from the landing fee? Gary said that they checked several years ago, and found that health insurance typically doesn't cover these kinds of transportation costs. MAC decided that they didn't want to add an additional financial burden to sick patients.
    d. Section 4.2(a) for based aircraft should clarify that it applies only to aircraft under their control. Current wording implies that based operators must report for all aircraft using the airport. Evan said that he would look at this.
    e. Section 7.1. Why should a name change from a divorce be subject to the Facility Acquisition Fee? Gary and Evan said that they cannot recall ever charging a FAF for a transfer due to divorce. [However, the FAF is not yet in most leases.]
    f. Section 9. Waiting List Fee. How many are on the waiting list today? Does this even make sense? Gary said there are a few.

After a meeting between several RAAC members and the Reliever Airport staff on April 18 to clarify a number of things, followed by several emails and phone calls, we developed a RAAC and ACAA response which was presented to the Hearing Committee on May 7. We don't have sufficient space here to include the entire response, but I'll summarize the main elements.

We started with a brief history of Reliever Airport Rates and Charges:

- Until the late '90s, rates were 2-5 cents per square foot.
- In 1998, MAC implemented a 6-year program to bring the lease fees up to market rates.
- Just as the program was topping out, in 2004 MAC literally doubled our rates overnight, added automatic escalators, and virtually ignored tenant comments
- In 2008 MAC added new fees, including a limited contribution from MSP and the Surcharge should a deficit occur, and sold the whole plan claiming that it would stabilize airport financing until at least 2020. Again, tenant input was largely ignored.
- In 2012, we're told that the old plan didn't work and they need more money, and are proposing additional fees that will once again impact tenants.

We pointed out that largely because of these actions, there's still a strong sentiment among tenants that MAC can't be trusted and will do whatever they want, and that while some of us are trying to change this (and are making progress), the proposed new fees don't help. We're hopeful that the Hearing Committee will be more attentive to tenant concerns this time, and will work with us to address them.

Following the introduction, we outlined our concerns, agreements, and "no position" items with the ordinance, and then listed our recommendations.

Concerns:

We have two specific concerns about the proposed fee structure:

1. The implementation of landing fees on jet-A fueled aircraft at FCM and ANE

2. The amount and automatic escalation of the Sublease Fee

We also have broader concerns about:

1. The viability of the Commission's policy to make general aviation self-sufficient within the MAC system, without first developing non-tenant revenue streams to support this goal

2. The lack of details presented to date on the causes and depth of the deficit problem, and confidence that the proposed changes will cure the problem for the foreseeable future.

Agreements:

We agree with:

1. Elimination of the Surcharge provision. This is a huge change for the better and much appreciated.

2. The concept of treating general aviation as an entity across the MAC system, and dedicating all GA-derived revenues to support the system.

3. Reducing the ground rent escalator as proposed in the ordinance. The 4% escalator has been well above inflation since it was implemented.

4. The concept of a sublease fee. However, we are very concerned that in the current economy, the 2007 imposition of a sublease fee at the current level has had a negative impact on tenants who provide a service by subleasing multiple hangar spaces, and could well result in a decline in based aircraft at the Reliever Airports.

5. Scrapping depreciation and using debt service to account for capital projects.

6. Implementing a fuel flowage at STP and MSP, with the argument that these are well-established corporate-level airports that provide amenities that FCM and ANE do not yet have. Having higher fees at MSP and STP will hopefully encourage new operators to use ANE and FCM, helping to improve these smaller airports' corporate activity.

No Position:

We have no position on the changes to the percentage fee for commercial operators since we've received very little input on that subject. We will leave it up to the affected operators to offer their comments.

Recommendations:

1. We believe that the RAAC and the MAC Staff have received sufficient concerns from the tenant community over several provisions in this proposal that it warrants further discussion between Staff and key stakeholders, in an attempt to find alternate ways to address Reliever Airport funding. **Therefore, we recommend that this ordinance be tabled at this time, and that Staff be directed to assemble a working group of tenant stakeholders to explore solutions that address tenant concerns while also meeting MAC goals.**

    If this recommendation is adopted, the following recommendations will be covered in the ensuing discussions. If this recommendation is not adopted, then we recommend the following:

2. **Postpone the ANE/FCM landing fee proposal for now and revisit in 3 years**. In the meantime, balance the budget by some combination of the following actions:

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RAAC Report

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    a. Add at least $200,000 to the Reliever Airport Value, bringing it to $558,000 or more for 2012

b. Remove the MERF charge (see below) from the Reliever O&M Expenses ($249,000), or add it to the Reliever Airport Value
c. Plan a for surplus of $225,000 instead of $325,000
d. Launch an aggressive effort to develop the highest potential non-aeronautical properties and require quarterly reports from Staff on activity and progress. If appropriate, prioritize the above interim measures for reduction as NAR increases.
e. Increase the Jet A fuel flowage at ANE and FCM by no more than 4.5 cents per gallon

3. Consider changing policy so as to recover O&M costs from airport operating revenue, and capital improvements from grants and MAC general revenues.

4. Do not charge a Facility Acquisition Fee if the lease is being transferred from both spouses to a single former spouse pursuant to a divorce.

5. Revisit the Sublease fee in light of a potential negative impact. Remove the automatic escalator, and reset periodically by Commission action based on demand for hangar space.

In short, what we're suggesting is that the MAC meet with key stakeholders and try to work out solutions that we can all live with. Failing that, postpone the landing fees at ANE and FCM for 3 years, fund the $331K through other means, and have a full court press to develop non-aeronautical revenue.

The report went on to provide background and justification for these positions and recommendations, but we don't have room to cover that here. I'll look into putting the full report on the **aneairport.org** website.

NOTES:

1. Using the 2011 actual financials, the 2012 estimate for the surplus under the new plan has been reduced from $325K to $210K. However, we could drop that "cushion" by $50K and still have $160K left.

2. The MERF charge is something I just learned about last week. MERF is the Minneapolis Employees Retirement Fund, which was grossly mismanaged and bailed out by the Legislature last year. Since MAC had some employees in that fund, they are on the hook to kick in $1.9M per year for the next 20 years. Since some of those employees worked for the Reliever Airports, MAC is charging $249K per year to the Relievers. Given the tenuous nature of Reliever funding under the MAC accounting system, we feel that this administrative charge is totally unwarranted and should be covered with MAC general revenues, or added to the Reliever Airport Value.

3. I looked through last year's consultant's report on the non-aeronautical revenue potential of the various Reliever Airport parcels. Many (particularly those at Lake Elmo and Airlake, and a few at Anoka) don't have much potential, but several others do. (The report was actually pretty boring – lots of comps, and it was disappointing that most estimated values were for selling the properties, not leasing them.)

   MAC says that development of these properties is still a high priority, but they didn't include them in the new plan because they don't know when or how much revenue will materialize, and they're trying to be conservative. We recognize that the economy has been terrible and that it takes time to get FAA releases, etc., but the economy is starting to pick up, and we feel that MAC could be more aggressive and should provide an incentive to develop this revenue stream by covering shortfalls from MAC funds until these are bringing in revenue.

4. We are concerned about the impact of the Sublease Fee, particularly on tenants who own multiple hangar spaces and lease them out as a business. This provides a service to the airport, but puts the tenants in a bind because in trying to pass increased costs on to their subtenants, the subtenants may well just pick up and move to non-MAC airports. with the glut of hangar space at the Relievers, the tenants will have trouble releasing the space, and will be stuck with space they can't use, can't rent, and have to pay for.

Others who commented made very good points, and the common theme was "Let's get together and work this out." I'm very hopeful that this will happen.

I also attended the public hearing on Ordinance 96 earlier that day. Ordinance 96 covers the non-airline rates and charges at MSP, and is proposing to implement a fuel flowage fee on general aviation fuel sales, and use GA revenues derived at MSP to support the GA system within MAC. The only speaker was a representative from Signature, representing both their MSP and STP facilities, who said that Signature supported the proposal.

Blaine Ballfield Lease (and other community issues).

Gary Schmidt reports that an agreement has been reached with Blaine on a number of issues they've been negotiating for many months. Details are:

1. **Crash Fire Rescue:** Blaine will provide fire protection services at the Anoka County / Blaine Airport for ten years at $6,000 per year, plus a "per call" fee, for all calls to areas of the airport not under lease to Airport tenants, after two hours.

2. **Xylite Street:** Blaine will reconstruct Xylite street, MAC will pay half the cost up to $33,000.

3. **Sewer and Water Maintenance:** MAC will pay Blaine for the cost of airport sewer and water maintenance.

4. **Athletic Field Property:** Three-year deal with two one-year renewals, $50K per year for first two years, escalating at 2% thereafter. Discussions for long-term sale or lease to continue.

5. **Redevelopment:** Blaine will cooperate with MAC to redevelop Parcel 60 and the NE corner of the athletic field complex.

6. **Outdoor Advertising:** MAC and Blaine agree to discuss the placement of one or more outdoor advertising structures on Airport property.

Non-Aeronautical Revenue

See comments above.

As always, if you have any concerns, issues, or suggestions regarding the Reliever Airports, let me, or any of the other RAAC reps, know.

The View From Here

By John Krack

Discover Aviation Days is Only Three Weeks Away! June 2-3 is the big weekend this year. Bring your family and friends, bring out your plane for display, and volunteer to watch over display aircraft or help out in other ways. If the weather cooperates, there should be a huge turnout. The American Veterans Traveling Tribute, an 80% scale replica of the Vietnam Wall in Washington, DC, will be a major attraction. There will also be Safety Seminars, Kids' Activities, Helicopter and Airplane Rides, Golden Wings Museum, and the traditional Hangar Dance on Saturday evening. Check out **discoveraviationdays.org** for details. See you there.

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The View From Here

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Rates & Charges: I've spent way too much time the last six weeks wrestling with Ordinance 107 and related issues. I'm trying to get my head around why it's justifiable to raise fees (albeit somewhat targeted) when the airports are in (hopefully temporary) decline and many businesses are struggling. Meanwhile, I'm told that airports such as New Richmond and Fleming are booming. I've been looking at numbers, talking with MAC staff and others, and trying to come up with suggestions. Then I attended the public hearing Monday night.

I was pleasantly surprised at the attendance, and at the clarity and conviction of the comments. A 7-year tenant at Lakeville has put his hangar up for sale and is moving to Faribault because of the cost. A tenant at Crystal whose family business owns 100 hangar spaces has a 30% vacancy rate, and 40% of his sales go for MAC fees. Several years ago he had a waiting list, but Crystal is dying. Joe Smith from Elliott at FCM said that they've enjoyed an excellent relationship with MAC for 40 years, but the proposed changes will make it difficult for them to sustain a long-term presence.

Darrell Bolduc has 10 employees and has been at ANE for 29 years. His father had a successful business at Crystal long before that. Last year he paid $49,000 to MAC, and around $500K in the last 10 years. He likened the airport economic environment to a graveyard spiral, where we're caught in the soup and the way out is in front of our nose but we don't know how to interpret the information and keep things under control. We don't have an environment where business can grow.

James Coyne, president of the National Air Transportation Association, testified that he's talked with operators that will see a 40% increase in their cost of doing business if these changes are made, noting that there appears to have been no analysis at all on the impact on users. Al Lange, president of the Minnesota Aviation Trades Association, told a similar story.

Glenn Weibel pointed out that you can't even buy a meal on a MAC reliever airport.

And the common theme was "Let's get MAC and the tenants together and work things out."

I've been focused on the immediate situation and how to balance the budget, and I think MAC has too. MAC staff has put an incredible amount of time into this over the last three years, but they haven't involved the tenants until quite recently. And from a financial perspective, their plan is workable. But from the perspective of what effect it will have on the future direction of the airports, we're hearing a whole different story from those in the trenches struggling every day.

Can the Relievers become vibrant again? I don't know, but if they can, how do we do it? Will dramatically rolling back fees help, or will it just prolong the agony? Who should pay what to whom? I don't know, but I do know that we've got some really sharp people both within MAC (some of you may just have to trust me on that) and outside of MAC, and we have a different Commission from 4 years ago. It's time we get 'em together and figure this out.

One more thought: In the great scheme of things, these airports are incredibly inexpensive to operate. From the MAC financial statements, the Operation and Maintenance costs for all six relievers combined was around $3M for 2009 and 2010, and around $3.55M for 2011 (about half of that increase was the MERF charge noted above.) Depreciation added around $4M per year to that, for a total cost of around $7M. Operating revenue was around $5M, for a net loss of around $2M. For 6 quality airports.

Now contrast that with the total MAC 2011 financial picture (numbers rounded): Total Revenue: $363M; Total Concession Revenue: $119M; Total Parking Revenue $67M, and Net Profit $29M. The Relievers are NOT breaking MAC's back. They're breaking Richard Anderson's ego.

Blaine Airport Promotion Group: The BAPG's education activities continue, and they've been getting involved in planning Discover Aviation Days. They're trying to raise the $1800 to acquire 501c(3) non-profit status to allow them to receive funds from businesses, foundations, and other non-profit organizations. As of May 10, they had $586. If 65 of us each kick in $20, they would meet this goal. So we ask each of you to make a donation to this group so they can take this important step. Make checks out to, and mail to:

Blaine Aviation Promotion Group
8891 Airport Rd., C-2
Blaine, MN 55449

And be sure to visit their website at **www.aneairport.org**.

Tim Anderson is Retiring: Tim Anderson, Deputy Executive Director of Airport Operations, is retiring June 23. Tim has been responsible for the operation of all MAC airports, both MSP and the Relievers. We thank Tim for his stewardship of our airport system, and wish him a happy, healthy, and long retirement. Congratulations!

Andy Westerberg is Running for Re-Election. Andy is a former legislator and MAC commissioner, and is currently a county commissioner. Andy is a great friend of the airport, and needs our support. Attend his fund raiser on May 15, 5-8PM at the Club West Clubhouse, 11211 Club West Parkway in Blaine, or visit his website at **www.westerberg4cc.com**.

MAC Committee and Commission Meetings

By Vivian Starr

MAC Committees 5 March 2012

Management & Operations (M&O)

During the Management & Operations (M&O) meeting, Kelly Gerads, Assistant Director of Reliever Airports, presented Staff's request to conduct Public Hearings on Amendments to MAC Ordinances No. 96 & 104.

Ordinance 107 was the primary focus of Ms. Gerads' presentation. It had been adopted in 2008 in response to airline concerns regarding revenue diversion from MSP to help support Reliever Airports. Ordinance 107 became part of a financial strategy developed to address sustainability.

The financial model was created just prior to the economic downturn and contained numerous assumptions regarding non-aviation revenues and aviation activity. The "great recession" made the model unsustainable. Additionally, depreciation on previously completed Reliever infrastructure projects was due to impact the model.

The current model indicates a need for a 2013 surcharge on Reliever Rates and Charges probably amounting to $0.21 per square foot of leased area. This would effectively raise tenant rates by 30-50%. The staff would have to take a request for this surcharge to the Full Commission for their approval.

Staff recognized the looming problem and in 2010, Commission Chair Jack Lanners appointed Commissioner Don Monaco to work with MAC staff to address options to Reliever funding.

Commissioner Monaco and staff determined a new model needed to be created that would adhere to several guiding principles. First, it would need to promote General Aviation in the Twin Cities metropolitan area. It would need to drive General Aviation to the Reliever Airports in order to reduce pressure on MSP. It would need

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MAC Committee and Commission Meetings

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to devise a way to restructure fees within the system to provide consistency and fairness, thereby encouraging tenants to invest in their airport property by eliminating the surcharge.

Commissioner Monaco and staff worked on this difficult problem through 2010 and 2011. During that interval, Dan Boivin became Commission Chairman and a number of new Commissioners were appointed. Fortunately, the concept of fixing the Reliever financial model continued to receive support from the Commissioners and Chair. Ms. Gerads concluded by requesting permission to hold the Public Hearings.

During the discussion of this request, Commissioner Rick King complimented Commissioner Monaco and staff for their hard work. He said Commissioner Monaco had been integral to the effort.

Commissioner Rehkamp asked Ms. Gerads if there are any self sufficient General Aviation airports? She replied, “Very few.” Commissioner Rehkamp noted that GA airports were a community asset that deserved support. Ms. Gerads responded that staff is quite successful in getting grants from the federal and state government for projects. Commissioner Rehkamp (the longest serving Commissioner) said that for a long time most grant money seemed to go to MSP projects. He added “so we are playing catch-up.” Tim Anderson, Director of Management & Operations, explained the nuances between maintenance and infrastructure spending.

Committee Chair Mike Landy also complemented Commissioner Monaco on his work with staff to created a funding model to sustain the Reliever System

Commissioner Monaco replied that staff did the work of creating various options.

The Commissioners voted unanimously to hold Public Hearings. The dates and Hearing Officers will be announced at a later date.

For those who wish to read additional details of the Amendment, they can be found with the following link to the MAC website:

http://metroairports.org/mac/appdocs/meetings/Mo/Agenda/MO_A_1158_1.pdf

Gary Schmidt, Director of Reliever Airports, told the Commissioners that negotiations regarding Anoka County Blaine Athletic Fields still had a couple of unresolved issues but another meeting was scheduled for March 6.

March 12 ACAA General Meeting Minutes

The meeting was called to order at 1909 by President Michael Lawrence. There were no January minutes since, because of the Safety Seminar, we held no business meeting.

Vivian Starr gave the Treasurer’s Report:

Checking:	$ 944.65
Savings:	$5,908.25
Total:	$6,852.90

Vivian also noted that our treasure has been slowly declining, because income from dues is not keeping up with our expenses. Our two biggest single expenses after Newsletter costs are an annual $400 contribution to EAA and $230 in dues to the North Metro Chamber of Commerce. Vivian suggested that we consider dropping our Chamber of Commerce membership and reducing our EAA contribution since in recent years several of our meetings (picnic, safety seminars) have been held in other locations. The Treasurer’s report was moved, seconded, and passed by voice vote.

Discussion then turned to how to address the treasury decline. Ideas were:

- Ask MAC to send one Newsletter issue to all tenants to try to boost membership
- Hold a wintertime event to raise funds
- Hand out information, and possibly set up a booth, at Discover Aviation Days. Possibly set something up next to the Key Air facility.

After some discussion, a motion was made to drop the Chamber of Commerce membership and reduce the annual EAA contribution to $250. The motion was seconded and passed by voice vote.

Ordinance 107

John Krack summarized the proposed changes to Ordinance 107 (Reliever Airport Rates and Charges), which were published in the March Newsletter. Questions and comments during the discussion were:

- Has there been any national research done on the fees (particularly landing fees) at similar airports around the country?
- What percentage of Signature revenue is landing fees?
- Bump the fuel flowage fee and drop the landing fee
- Look at a hybrid approach (e.g., no landing fee if you buy fuel) to get the best possible cost distribution.
- Look at the tax structure

Airport Activity

Joe Harris discussed some of the activities he’s been involved in:

- MAC is looking to update the minimum standards ordinance (Ordinance 78) for commercial operators
- He attended a summit of all communities across the state who have or have lost commercial air service. There are lots of issues, including connecting agreements and aircraft types (affects ease of boarding, etc.).
- Phoenix is the number 1 destination from MSP.
- New shades have been installed in the tower. The old ones were original, from 1996. The new ones are a great improvement.
- MAC is looking at extending the tower hours.

Discover Aviation Days

Craig Schiller noted that in the past the ACAA has contributed to DAD to provide free meals to DAD volunteers, and asked that we consider doing it again this year. He said that they expected 50-75 volunteers. No action was taken. This will be an agenda item for the May meeting.

Elections

Officer elections were held. Michael Lawrence, Vivian Starr, and John Krack agreed to serve another year as President, Treasurer, and Secretary respectively. Don Johnson was elected as our new Vice President.

The meeting was adjourned, time not recorded.

Respectfully submitted by John Krack, Secretary, ACAA.

WANT Ads

Volunteers Wanted for Discover Aviation Days. Call 763-568-6072 and leave a message.

WANTED: Contributions for Blaine Airport Promotion Group. See **www.aneairport.org** for details.

HANGARS FOR RENT: Several south facing tee hangars available. Call George at 651/271-3023.

ACAA OFFICERS AND COMMITTEES

President:	Mike Lawrence	763-780-2802
V. Pres:	Paul Thomas	651-483-9808
Secretary:	John Krack	763-786-5876
Treasurer:	Vivian Starr	763-559-4683
RAAC Rep:	John Krack	763-786-5876
RAAC Alt:	Don Rosacker	651-633-1751
Legal Adviser	Hal Hitchcock	651-717-0859

Committees & Members

Fire, Building Codes, and Environmental

Gary Speckteter (Chair) 770-403-3450
Randy Huyck 753-1918
Roger Wyatt 755-7544
Dick Schoen 646-7539
Mike Holmquist 651-633-6525

Newsletter

John Krack 763-786-5876

Safety

TBD

Public Relations (Proposed)

Taxes

Vivian Starr 763-559-4683
Paul Thomas 483-9808
John Krack 763-786-5876

Membership

John Krack 763-786-5876

Commissioner: James Deal

Airport Mgr.: Joe Harris 763-717-0001

Discover Aviation Days

2012 Dates: June 2-3, 2012

Website: **www.DiscoverAviationDays.org**

Email: Info@DiscoverAviationDays.org
Phone: 763-568-6072

Planning Team:

Craig Schiller
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Michael Lawrence ACAA

ANOKA COUNTY AVIATION ASSOCIATION

The ACAA is an association of hangar owners, hangar renters, FBO owners, pilots, flight instructors, commercial operators, and anyone else with an interest in the future direction of the Anoka County Airport. Our mission is to actively promote a variety of interests and activities relating to the Anoka County Airport operation including:

- Safety
- Airport improvements
- Hangar use, lease contracts, and building/fire codes
- Relations with MAC, MnDOT, and adjoining communities
- Business and commercial interests
- Recreational Aviation
- Any other areas of interest to the membership

To get results, we need your support.

To join, either:

Attend the next meeting at the EAA Building, just north of the Golden Wings Museum facility. See the calendar on page 1 for the date and time of the next meeting.

Or:

Fill out the membership form on the back page, and send it with $15 for one year, $27 for two years or $35 for three years to the address indicated on the form.

NEWSLETTER ARTICLES REQUESTED

Please send newsletter articles to:

John Krack
7629 Lakeside Rd. NE
Fridley, MN 55432
(h) 763-786-5876
Email: **av8r00@gmail.com**

Articles may be typewritten, handwritten or on disk in Microsoft Word format or text file. See the calendar on page 1 for next newsletter deadline.

Newsletter Want-AD Service

As a benefit to members, a free want-ad service is available. Rules are:

1. Ads must be received by the date indicated in the calendar notes to be guaranteed to appear in the next newsletter.
2. Anyone or any business may submit an ad.
3. There is no charge for paid-up members.
4. Graphical images are OK if in a standard computer image file format (.gif, .jpg, .bmp. etc.). Hard-copy images are also acceptable.
5. Send ads to the Snail Mail or Email address shown above.
6. Want Ads will run for 3 issues, unless canceled early or renewed to run longer.

Email List

Vivian Starr maintains an extensive email list of people interested in what's happening in the Minnesota aviation community. She keeps us up to date with timely reports on MAC meetings, and other activity of interest. In fact, many of the articles in this Newsletter were originally distributed via email. If you're not on the list and want to be, send your email address to Vivian at **DVStarr@aol.com**.

7629 Lakeside Rd. NE

Fridley, MN 55432

ANOKA COUNTY AVIATION ASSOCIATION MEMBERSHIP APPLICATION

Name____

Address______________________________________

City__________________State________Zip________

Home Phone (____)______-____________________

Work Phone (____)______-____________________

Cell Phone (____)______-____________________

Email Address ________________________________

_____New Member ___Renewal

Please tear off this information sheet and mail along with a check (payable to ACAA) for:

☐ **$15 - 1 Year** ☐ **$27 - 2 years** ☐ **$35 - 3 years**

(Please check desired membership term)

To: John Krack
7629 Lakeside Rd. NE
Fridley, MN 55432

Your renewal date is shown on your mailing label.

Do you have any special concerns or issues you would like to communicate?

____

____

To help us keep current with our members' interests, please fill out this survey.

Are you an: Aircraft Owner?____________
Type of Aircraft?___________
____
____
Hangar Owner?____________
Hangar Street and #?________
____
Pilot?____________________
FBO?____________________

Do you have any special interests, such as:

Aircraft Restoration?____________________
Homebuilding?____________________
Recreational Flying?_________________
Other?____________________________
____
____

***Office Use Only: Check #:*_________ *Entered:* _________**