

## AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission  
From: Ken Hibl, City Manager  
Date: October 13, 2016  
Regarding: Renewal of Airport Manager's Contract

For the Agenda of October 17, 2016

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**Background** The contract between Mr. Gary Todd and the City of Clare for management services of the Clare Municipal Airport will expire on October 18, 2016. Mr. Todd has agreed to continue providing these services to the City for another three-year period; the City Commission is asked to approve the renewal of the contract (*copy att'd*).

*Note.* The verbiage of the contract is unchanged with the exception of the length of the contract (three years vs. previous annual renewals); the compensation, which was previously approved by the Commission; the method that cell phone reimbursement is paid (previously deducted from annual compensation); and the addition of the following verbiage as a responsibility of the Airport Manager (Item "W" in the contract): "In consultation with the Airport Advisory Board and the City Manager, attempt to devise means, methods, and programs to generate additional annual revenue and find cost saving measures through operations at the Clare Municipal Airport."

**Issues & Questions Specified** Should the City Commission renew the contract?

**Alternatives**

1. Renew the contract.
2. Renew the contract with modifications and/or stipulations.
3. Do not renew the contract.
4. Defer/delay the presentation to a subsequently scheduled City Commission mtg.

**Financial Impact** By adoption of its Resolution 2016-122 (*copy att'd*), the City Commission previously approved the annual compensation for Mr. Todd.

**Recommendation** I recommend that the City Commission renew Gary's contract by adoption of Resolution 2016-124 (*copy att'd*).

**Attachments:**

1. Contract.
2. Resolution 2016-122.
3. Resolution 2016-124.

## **AIRPORT MANAGEMENT AGREEMENT**

**WHEREAS**, the City of Clare (City) is the owner of the Clare Municipal Airport; and

**WHEREAS**, Gary Todd has offered to the City of Clare a proposal to provide airport management services for the Clare Municipal Airport; and

**WHEREAS**, the City of Clare has accepted the proposal of Mr. Gary Todd to provide airport management services for the Clare Municipal Airport, thereby obligating both parties to the terms, conditions, and stipulations of an Agreement for airport management services outlined herein.

**NOW THEREFORE IT IS AGREED**, the City hereby authorizes Mr. Gary Todd to operate and manage the Clare Municipal Airport on behalf of the City of Clare and under the direct supervision of its City Manager, subject to the conditions, terms, and stipulations listed below.

### **Responsibilities of the Airport Manager**

1. Mr. Gary Todd shall serve as the Airport Manager for the Clare Municipal Airport, subject to the rules and regulations of the Michigan Bureau of Aeronautics and the Federal Aviation Administration and the terms, conditions, and stipulations of this Agreement. The duties and specific responsibilities of the Airport Manager include:
  - A. Planning, directing, and coordinating activities concerned with the operation and maintenance of the Clare Municipal Airport.
  - B. Developing local rules and regulations; enforcing all applicable Federal, State, and local rules and regulations.
  - C. Ensuring that all airport requirements for the class under which the airport is licensed are maintained.
  - D. Determining and taking appropriate action to assure that all pilots, mechanics, instructors, aircraft, and schools operating at the airport have appropriate and valid airworthiness or competency certificates, registrations, and other required permits as issued by appropriate State, Federal, and local agencies.
  - E. Maintaining and preserving an airport register book showing arrivals and departures of aircraft, the number of airmen and passengers, and other relevant information required by the Aeronautics Commission.
  - F. Maintaining a record of the number of gallons of aviation fuel purchased, used or sold at the airport. A monthly report of fuel usage/sales will be provided to the Clare City Manager; reports will also be provided to the Aeronautics Commission as required.
  - G. Posting current local airport rules.
  - H. Filing NOTAMS with the proper Federal agency designating any change in airport conditions.

- I. Noting and advising appropriate State and Federal agencies of proposed construction or zoning changes adjacent to or near the airport which could affect air navigation.
- J. Preparing reports and information related to all aspects of a general aviation airport and as required by the Michigan Aeronautics Board and the Federal Aviation Administration.
- K. Preparing airport business plans, promotion plans, and development plans.
- L. Serving as a member of the Clare Municipal Airport Advisory Board.
- M. Monitoring airport leases, rentals, landing, and airport user fees for currency; in concert with the Airport Advisory Board, submitting recommended fee rates and changes to rates to the City Manager and City Commission.
- N. Preparing an annual airport budget and monitoring expenditures; advising the City Manager whenever budget adjustments are necessary.
- O. Overseeing the upkeep and maintenance of all airport infrastructure and landscaped areas; coordinating upkeep and maintenance requirements directly with the City's Director of Public Works and the City Manager, as appropriate.
- P. Monitoring all airport related construction projects.
- Q. Attending airport related meetings as directed by the City Manager; reporting substantive information gathered at these meetings to the City Manager and the Airport Advisory Board.
- R. Coordinating crash, rescue, and other emergency planning requirements and procedures with appropriate local, State, and Federal agencies.
- S. Informing the City or the City's contractor when mowing of grass or weed control is required; responsible for certifying completion of mowing of grass/weed control by City's contractor.
- T. Preparing necessary documentation for State and Federal airport grant applications.
- U. Establishing an information network to keep all aircraft owners, pilots, airport users, airport contractors and lessors, members of the Airport Advisory Board, the media, the Clare Area Pilot's Association, other local fraternal organizations, and the public apprised of airport activities and programs; promoting an atmosphere that encourages harmonious relations with the aforementioned parties.
- V. Coordinating all airport programs, projects, and events with all appropriate Federal, State, and local agencies.
- W. In consultation with the Airport Advisory Board and the City Manager, attempt to devise means, methods, and programs to generate additional annual revenue and find cost saving measures through operations at the Clare Municipal Airport.
- X. Performing other airport related duties as directed by the City Manager or mandated by Federal, State, or local rules, laws, or regulations.
- Y. Provide aviation fuel services at the Clare Municipal Airport. These services shall include obtaining price quotes and coordinating aviation bulk fuel delivery; providing recommendations to the Airport Advisory Board and the Clare City Commission regarding the retail sale price of aviation fuel; establishing a system of accountability of aviation fuel and revenues generated from the sale of aviation fuel; maintain accountability of generated fuel revenues until these revenues are relinquished to the City Clerk/Treasurer's Office; provide a monthly report of fuel

- sales to the City Manager; establish procedures to ensure that fuel services are available to pilots and aircraft owners of the Clare Municipal Airport; establish procedures to ensure the availability of aviation fuel services for transient aircraft.
2. Mr. Gary Todd shall provide the City with a means to contact him when he is not on duty.
  3. Mr. Gary Todd shall provide the City with a complete report of all pertinent airport activities by the 2nd Thursday of each month.
  4. Mr. Gary Todd must maintain Michigan licensure with the Michigan Aeronautics Commission, and will provide evidence of same to the City.

**Responsibilities of the City.**

1. The City shall appoint by Resolution Mr. Gary Todd as the Airport Manager; said Resolution will grant the Airport Manager adequate power and authority to exercise control over the airport for the enforcement of Federal, State of Michigan, and local rules and allow him to take appropriate actions pertaining to the airport and its use.
2. The City shall provide office space for the Airport Manager at the Clare Municipal Airport.
3. The City shall provide adequate administrative support to the Airport Manager to allow him to perform the responsibilities stipulated in this Agreement. The adequacy of said administrative support will be determined by the City Manager.
4. The City shall provide general cleaning supplies and services to maintain the Airport Manager's office, the airport lobby, and the public restrooms at the airport.
5. The City shall be responsible for snow removal from the airport runway, public taxiways, and public airplane parking ramps.
6. The City shall be responsible for the maintenance and upkeep of all public facilities and structures at the airport, to include runways, runway lighting, parking lots, taxiways, wind direction indicators, and other equipment required for the operation of the airport.
7. The City shall pay for the cost of electricity, heating, trash collection, public fire extinguisher maintenance, operation of the pay phone, the installation, maintenance and cost of telephone services for the business use of the airport manager, and approved expenses incidental to the operation of the airport.
8. The City shall provide for the mowing of grass and the control of weeds at the airport - either by contract or by use of City resources.
9. The City shall pay the annual cost for licensing and registration for the Airport and for the Airport Manager.
10. The City will reimburse the Airport Manager for other reasonable expenses directly related to the operation of the airport, to include the manager's attendance at Federal and State Aeronautics professional business functions; all such expenses must be approved in advance by the City Manager.
11. The City shall maintain insurance for the operation of the Airport.
12. The City shall provide airplane rental space to the manager for the purpose of providing FBO services and waive the fee for the rent of that space by adoption of Resolution 2015-119.

**Terms of the Agreement.**

1. This Agreement is for a three-year period of time commencing October 18, 2016, and expiring October 17, 2019.
2. The Agreement may be terminated by Mr. Gary Todd by providing the City of Clare forty-five (45) days notice.
3. The Agreement may be terminated by the City for reasonable dissatisfaction with the performance of Mr. Gary Todd or other stated cause. The City shall provide Mr. Gary Todd forty-five (45) days notice to terminate the Agreement and specify the reasons for termination.

**Compensation.**

The City shall compensate Mr. Gary Todd the sum of \$30,000 per annum paid in 24 equal payments. The amount of compensation is an increase to the amount of compensation provided Mr. Todd in his last management services contract with the City of Clare and was approved by adoption of the Clare City Commission's Resolution 2016-122. In accordance with the provisions of the referenced resolution, the effective date of the increase in compensation shall be November 1, 2016 and continue throughout the contract period unless specifically amended by the Clare City Commission. An additional \$600 (\$50 per month) per annum shall be provided to Mr. Todd to compensate him for the use of his privately-owned cell phone used in the execution of his day-to-day responsibilities of managing the airport. All compensation shall be provided within three days following each of the City Commission's regularly scheduled meetings at which they approve payment of bills, for service provided the preceding two weeks. Mr. Gary Todd is and shall be at all times a sub-contractor for the City. In no event shall Mr. Gary Todd become an employee of the City. Mr. Gary Todd shall be and is responsible for all tax compliance associated with the above noted compensation.

**Nature of Relationship.**

At all times the relationship between the City of Clare and Mr. Gary Todd shall be that of a contractor and a sub-contractor. In no event shall the Agreement create a master and servant relationship under the common law, or an employment relationship.

**Notices.**

Notices permitted or required under the contract will be sufficient when sent by First Class Mail with the proper postage affixed and mailed to Diane Lyon, 202 West Fifth Street, Clare Michigan 48617 and Mr. Gary Todd, 3410 North Branch Dr., Beaverton, MI 48612.

**Assignment.**

The agreement will binds both parties and their respective heirs, successors, legal representatives, and assigns. The Contractor will not be able to assign the agreement or any interest therein, including rights and duties of performance, without the City's written consent. No assignment made without the City's consent will relieve the Contractor of any obligation of the contract.

**Other Conditions.**

This is the entire agreement between the parties pertaining to management of the Clare Municipal Airport. Any prior oral representations, discussions, or written representations have been incorporated into this Agreement.

**Governing Law & Severability.**

The agreement will be governed by and construed in accordance with the laws of the State of Michigan. All provisions of the agreement will be severable and any provision which may be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions.

**Choice of Forum and Waiver of Federal Jurisdiction.**

To the extent any dispute arises under any provision of this agreement, the parties hereby agree to and consent to submit to the jurisdiction of any state court in the State of Michigan. The parties hereby also affirmatively waive any and all recourse which may exist now or in the future to any Federal forum, whether judicial or administrative.

**Anti-Waiver Modification.**

Once entered into, all modifications of the contract will only be allowed in writing and signed by both parties. No oral modification or addition or deletion will be binding on the parties. Non-enforcement of any condition, obligation, or requirement under this agreement will not be deemed a waiver of that condition, right, or obligation.

**Witnesses:**

**City of Clare**

\_\_\_\_\_

**By:** \_\_\_\_\_

**Pat Humphrey  
Its Mayor**

\_\_\_\_\_

**By:** \_\_\_\_\_

**Diane Lyon  
Its Clerk**

**Contractor**

\_\_\_\_\_

**By:** \_\_\_\_\_  
**Gary Todd**

**Signed this 17<sup>th</sup> day of October, 2017 in Clare County, Michigan.**

\_\_\_\_\_ **My commission expires 08/17/2017.**  
**Diane Lyon, Notary Public**

**RESOLUTION 2016-122**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN INCREASE TO THE CONTRACTUAL COMPENSATION PAID TO MR. GARY TODD, THE MANAGER OF THE CITY OF CLARE MUNICIPAL AIRPORT.**

**WHEREAS**, the City of Clare enjoys a contractual agreement for management services of the Clare Municipal Airport with Mr. Gary Todd; and

**WHEREAS**, the current compensation paid by the City of Clare to Mr. Todd for said services is \$20,400 annually; and

**WHEREAS**, Mr. Todd applied for and has been selected to manage the Mt. Pleasant, Michigan Municipal Airport as a full-time employee of said municipality for significantly greater compensation and benefits; and

**WHEREAS**, said offer for employment has caused the City to reevaluate its current compensation to Mr. Todd and concurrently evaluate the tremendously positive impact and the immense value Mr. Todd's management services have had on the Clare Municipal Airport and the City in general during his nearly four-year tenure providing said services; and

**WHEREAS**, based on said reevaluation and evaluation, the City has determined that it is in the absolute best interests of the City to retain the outstanding contractual management services of Mr. Gary Todd and additional compensation should be offered to Mr. Todd for said purpose.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves an increase in annual compensation to Mr. Gary Todd for contractual management services of the Clare Municipal Airport, the new amount of said annual compensation to be \$30,000.

**BE IT FURTHER RESOLVED THAT** the increase in said compensation shall be effective on the 1<sup>st</sup> day of November 2016.

**BE IT FURTHER RESOLVED THAT** the Clare City Commission concurrently approves an amendment to the City's approved 2016/2017 Fiscal Year Budget commensurate with said increase in compensation and directs its Treasurer to take actions needed to administratively amend the City's approved budget accordingly.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner Bonham and supported by Commissioner McConnell. The Resolution declared adopted by the following roll call vote:**

**YEAS: Bob Bonham, Pat Humphrey and Jean McConnell.**

**NAYS: Karla Swanson.**

**ABSENT: Carolyn (Gus) Murphy.**

Resolution approved for adoption on this 7<sup>th</sup> day of October 2016.

**RESOLUTION 2016-124**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE RENEWAL OF THE AIRPORT MANAGER'S CONTRACT.**

**WHEREAS**, the City of Clare enjoys a management services contractual agreement with Mr. Gary Todd for management of the Clare Municipal Airport; and

**WHEREAS**, said contractual agreement shall expire on October 18, 2016; and

**WHEREAS**, both parties desire to renew said contractual agreement for a period of three years.

**NOW THEREFORE BE IT RESOLVED THAT** the City Commission of the City of Clare hereby approves the renewal of the contractual agreement for management services for the Clare Municipal Airport with Mr. Gary Todd for a period of three years, the terms, conditions, stipulations, and compensation of said agreement as outlined therein.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**This Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 17<sup>th</sup> day of October 2016.

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Diane Lyon, Clare City Clerk