MINUTES of
AIRPORT BOARD SPECIAL MEETING
May 7, 2020, 6:00 p.m.
ZOOM MEETING

I. **CALL TO ORDER**: Chair Jerry Godkin called the meeting to order at 6:02 p.m.

II. **ROLL CALL**:

Members Present:

Dennis Bedford	Jerry Godkin	Chris Peloso
Al Clough	Dennis Harris	Angela Rodell
Jodi Garza		

Staff/CBJ Present:

Patty Wahto, Airport Mgr.	Loren Jones, CBJ Assembly
John Coleman, Airport Business Mgr.	Rob Edwardson, CBJ Assembly
Marc Cheatham, Dep. Airport Mgr.	Teresa Bowen, CBJ Law

Public:

Mike Wilson, Coastal Helicopters	Kent Craford, Alaska Seaplanes
Tom Williams, Ward Air	Ed Kiesel, Ward Air

III. **NEW BUSINESS**:

A. **CARES Act Grant (Attachment #1).** Airport Manager Patty Wahto said this meeting is to discuss the Federal Aviation Administration (FAA) CARES Act grant. She wanted everyone to understand what kind of material the Airport has from the FAA, including the grant, so that everyone understands the regulation and policies that are guiding the Airport through the CARES Act. The FAA portion of the CARES Act follows specific guidelines for the FAA, unlike some of the other CARES Act money that is out there.

1. General. The first item is the Grant, which includes Grant Assurances. There are things in there that must be followed, in particular Grant Assurances 22 and 24. They all apply, but 22 and 24 are the most relevant when it comes to the revenues. She said this is operational and within the realm of whatever the FAA says it can be spent on based on the policy. The Airport has to follow all of the rules. There are some key things that the Airport is required to follow and some references to the federal policy on revenue that was noted as a link. Regarding the special Board meeting held on April 23, the Board elected to go with the first of the three options. Option 1 was for general operational costs for the airport, including expenses such as payroll, utility bills and debt service. Basically, anything that is within the federal policy that is followed for is what this can be spent on. Some items include, but are not limited to, funds must only be used for purposes directly related to the airport. This includes reimbursement of airport operational maintenance expenses or debt service payments. The funds must be used within four years or 1,460 days from the time the grant was

accepted, basically until April 27, 2024, to use the funds. The funds can be used back to January 20, 2020 of this year. One requirement is that airport staffing levels have to be maintained at a minimum of 90% through 2020. A link was provided for the policy and procedures concerning the use of airport revenue, which is a really important document to read. The City Attorney has spent a lot of time reviewing this, going through it and giving some legal review of that for the Airport. The Airport will rely heavily upon her review, as well as going back and forth to the FAA for anything that might be in a gray area. The funds cannot be used for past projects or reimbursements.

Funds may be used to reimburse payment of debt service created on or after April 14, 2020. This is important because it fits the bill for the General Obligation (GO) Bond payments that occur from April 14, 2020, on and until the grant end date of April 27, 2024. Funds must be supported with documentation and they have to be able to be audited. This is huge and something that is followed to the letter of agreement with the FAA on even the project documents. Every time an invoice is submitted to the FAA, the Airport makes sure that all back up is available for the audit. The FAA has said to expect an audit on this as they will want to know how the funds were spent. Having good records and methodology is necessary. This is a draw down grant just like any other grant the Airport has. Invoices will be submitted and the account will be drawn down.

One link (https://www.faa.gov/airports/cares_act/media/cares-act-airport-grants-faqs.pdf) is for frequently asked questions. They are Q&As, not necessarily legal documents. It gives a basis for where the FAA was going when they were looking at the CARES Act funds and how they are spent. Another item is the "Airport Sponsors Considering COVID 19 Restrictions or Accommodations" (https://www.faa.gov/news/media/attachments/UPDATED%20Information%20for%20Airport%20Sponsors%20Considering%20COVID-19%20Restrictions%20or%20Accommodations.pdf), which is commonly referred to as the white paper. This, too, answers some things but is by no means a legal document. It is for guidance and reference points of where to look for the information. Also included the CARES Act Grant website (https://www.faa.gov/airports/cares_act/) for the FAA as there is a lot more information out there. There is probably more than anyone ever wants to read.

Board Member Jodi Garza asked about documenting the lost revenues for the year and whether it was based on the projections or previous year or what? Ms. Wahto said that both will be shown to the FAA and get their concurrence. If it is something that is being agreed upon because the Airport was expecting to increase rates but did not, that would be a good reason to say it will need to be based on this year's expected revenues. If there isn't a basis but there were projections, how far off are they from last year's or current year's revenues. So an example is landing fees: if they have been running at $2.2M and then it is projected to be $2.4M but the Airport is not raising rates, the FAA would ask what it was based on. It has to be discussed with the FAA. It is a combination of both: a lot of the revenues between where the Airport was last year and where the Airport is going this year (down) and the current years ahead, the only one that would have looked a little different would have been the rates for FY22. The rates were going to be raised in FY22 and she did not know if the Board will do that. There was a good solid backing of why they were being raised.

2. Airport Financial/Anticipated Revenue Shortfall. Ms. Wahto referred to the table below:

Airport Revenue Losses/Shortages

	FY20	FY21	FY22	FY23	FY24	
AFB	290,200	522,800	733,600			
COVID	1,323,100	2,439,300	1,841,200	1,878,024	1,924,975	
Total	1,613,300	2,962,100	4,575,400	1,878,024	1,924,975	**12,953,799**

The 733,600 would assume no rate increases through FY22; this could potentially carry into FY23-on, but assume rates would increase at some point as planned for budget deficit (pre-COVID)

* AFB=Airport Fund Balance

The line for the AFB for FY20, FY21 and FY22 were the shortfalls that were anticipated in the budget pre-COVID. Those were the projected shortfalls. In FY22, the Airport was scheduled to raise rates to cover the shortfall. It will still show as a shortfall, but she did not see raising rates by FY22. On the next line, she projected variable rents/rates and fees. They are not the rents, but the ones that depend on passenger and aircraft travel. The fuel flowage fees, landing fees, security fees, concession fees, parking lot fees, and rental cars are based on a percentage or something else that drives the number up or down. Just based on the variables, the COVID differences, the Airport is expecting an additional $1.323M of revenue loss just for the current year. In FY21, the Airport anticipates $2.439M of revenue shortages. She then projected out the numbers for a couple of years. Ms. Wahto based FY22 on the current year with a little inflation and then a little higher for FY23 and FY24. She thought the inflation ratio was about 1.1. It comes up to about $13M, which is a little higher than shown to the Assembly because she went out to FY24. This will continue to be reviewed for the next several years and adjusted accordingly. She projected 50% down in March; 95% down in April due to the lockdowns; with maybe a bounce back. She then escalated it back up to about 75% next year. The 25% was carried through the four years.

Ms. Wahto said there has been no request from Republic Parking for abated rent. They have asked for a couple of months of deferred payments on what they currently owe. They put the gates up but are now talking about putting them down again.

When she said that the traffic was down 95%, they could not even pay for a person's payroll for that. Republic Parking is introducing an app that you can use to pay. They will still have an attendant and take cash.

3. **Airport Funding Plan.** The Assembly requested putting a working group together to see where the Airport was on things, to see if there was anything that could help the City legally through Airport payment, i.e., the GO Bond. Meetings were held on May 1 and May 5. There was unanimous consent by everyone to make sure that the Airport is solvent, up and running, and still able to pay the bills. There were other ideas that were out there: tenant rent abatement or relief consideration was brought up by several members. Similar to the Airport, if they are not solvent, the Airport may not be solvent in the future. There were certain things such as looking at pre-paying Airport Rescue & Fire Fighting (ARF/F) and Juneau Police Department (JPD) and what that would do. There was some talk about doing some deferred maintenance that would normally be paid through operating expenses, i.e., pot holes in the parking lots. After talking with the Chair and putting in the breakdown:

$14M	Airport revenue supplement/COVID expenses
$3.1M	CBJ (City & Borough of Juneau) bond debt
$3.0M	Cares Act relief for tenants
$1.6M	Airport maintenance/small projects (i.e. pothole repairs, etc.)

This was just a sample of what it may look like if it was broken down. In reality, three of them are clumped together as they are operational expenses. She reminded everyone that the Airport wants to make sure that there is good methodology and good auditable records before it moves forward or promises anything. Ms. Wahto had staff call other airports (Attachment #2) to try to figure out rent abatement for tenants. Airports were contacted, as well as some of the lobbying groups for airports. This is a huge issue as in one of the earlier white papers, abatement was not allowed, and then it was allowed. Unfortunately, there is a long list of airports that have not done it and she guessed they do not have a lot of extra money to offer it to tenants. Others who were thinking about it have reached out, too.

Chair Godkin said he wanted to discuss the GO Bond debt. He asked Ms. Wahto to discuss the payment of the GO Bond debt and why it is a good thing for the Airport to pay the bond debt as requested by the CBJ Assembly. CBJ Assembly Edwardson said he appreciated the Airport Board looking into it and give the City the opportunities to leverage the funding fully. Mr. Edwardson said the Assembly has asked the Airport to leverage the $21.7M CARES Act funding in order to backfill investments that the CBJ has made in the Airport and to do it within the FAA rules. They have asked the Board to look at the possibility of doing that. The CBJ is facing a $34M shortfall over the next 30 months. They want to make sure that there is no money left on the table that they can legally get that is within the letter and spirit of the law for any potential federal funding that might be available.

Assembly Member Loren Jones said the Assembly was looking at $6-7M of General Obligation bonds that are going into the North Terminal. In looking at the CARES Act money, debt service was one of the allowable expenses. The money was available for four years. The annual debt service on the GO Bonds is about $700K a year, and four years would be $2.8M. In addition, for the North Terminal, the Board moved $800K in and the Assembly gave $300K in general fund money. They thought that some of that might go back into the fund balance and if the $300K was available to go back to the Assembly that would be great. The main idea was that these funds could pay for four years of the bonds, which would be $700K a year that the Assembly would be relieved of to help deal with their deficit.

Board Member Angela Rodell said that in terms of intent, the Airport is an asset of the City and the City is going to have a very difficult time over the loss of revenue. The CARES Act money that is going to the City & Borough of Juneau has a lot of restrictions on it. To the extent that the Airport can create relief for the City and thereby the residents of this community in terms of taking on that debt service for four years, it is something that the Board should try to use the money for. It helps the North Terminal. The North Terminal is a great project and it will continue to employ construction workers. It is going forward as planned. This is a win/win for everyone. It builds an asset that is really important to this community going forward, and it creates some budgetary relief for the City for the next four years as the City has to reconstitute and rethink about its own priorities in light of what is happening. Chair Godkin said the $700K would have come from the taxpayers, so this would help the taxpayers. Ms. Rodell said that by the Airport taking on the responsibility and being able to use some of this money for that purpose, it gives relief to the taxpayers in this community.

Board Member Al Clough said he had a lot of uncertainty of how the shortfall for the Airport is going to evolve for the next four years. He asked if the Board does indeed move forward with picking up the bond debt, does the Airport have the opportunity to start with a lesser amount to give the Airport a bigger cushion for operating expenses. If the expenses stay in check, could it then be backfilled. Or can it be reevaluated each year? He asked if there was a way to move into it and still maintain flexibility should the expenses be further out or further compromised than what the Airport staff believes it is in. If the Board gives the City $3M and the downsize deficit is twice what is anticipated, the Board screwed up by getting rid of the money. Ms. Wahto said she can’t answer how soon the City needs to know this information. From the standpoint on how it is dealt with on annual basis, it is simply that amount of debt service that is transferred into that year’s operating budget and then paid through the CARES Act. For the Airport it is operationally year-by-year.

Mr. Clough was concerned that the Airport might be in the hole down the line and be obligated to pay the debt service. He thought if this could be metered out where every year it could be re-evaluated, it would give the Board some lead time to make appropriate changes if necessary. Mr. Jones said that at least for FY21, there will be an ordinance on June 8 to pass the budget. Under the charter, if the Assembly fails to pass the budget by June 15, the Manager's budget is automatically adopted. So at least for FY21, they would need to know the intent of the Airport before they finalize the budget.

Chair Godkin thought that year one was less and then years two through four go up. Ms. Rodell said this was probably the case as the bonds were sold in November. Chair Godkin said the $21.7M minus $3.1M for the bond debt, as well as $3M for CARES Act for the tenants and the $1.6M and the maintenance, can be kept lumped as the grant. The pie does not have to be broken down if the Board doesn't want to. He would like the Board to come up with some sort of commitment to the Bond Debt. For planning purposes, he thought this was fair and a good thing and the Board can do.

Ms. Wahto said there was a possibility of using $3M for some tenant rent relief. She said several people wish to speak on this. There are a couple of concessionaires: REEF Parking and SmarteCarte have requested to defer what they owe until July or August. The Airport is still expecting revenues albeit lower than expected. Tailwind who runs the restaurant and bar has already received a grant for the paycheck protection program (PPP). They are now in a state where they feel comfortable about making payments again. The FAA has given airports approval to defer rents through December 2020 without charging interest. In the white papers, there is the ability to abate rent. It is how the Airport does this and the methodology that the Board has to make sure it is set up, very specific, very auditable, and very legal.

Kent Craford, Alaska Seaplanes, asked how the bond debt being paid will help support the taxpayers. Will the tax rates be offset by that amount? Mr. Jones said currently the budget to balance includes a tax increase of one mil rate, which is about $5 million. This would offset the need for $700,000 of that $5 million. Mr. Craford said the Board has received letters (Attachment #3) from the Tenant & User Group, Coastal Helicopters and Ward Air which spoke to the use of the Cares Act Fund to provide some needed tenant relief.

He submitted a letter (Attachment #5) to the Board earlier in the day to draw attention to an issue that was raised at the March 19 special Board meeting. It had to do with the model that has been used for a long time to calculate the respective burdens that the 121 and 135 operators bear as relates to raising revenue for the Airport budget. It was revealed at that meeting that the calculation has had an error in it and it is not known for how long. But the practical effect is that for some time, perhaps years, the amount of revenue attributed to the 135 operators has been understated. The model took the total land lease revenue and divided it by the 85/15 split (121 to 135). So it allocated 85% of the land lease revenue to the 121 operators. As everyone knows, most of the land lease payers on the airport are 135, mostly commercial operators who operate or lease hangars are 135 operators. What this did was skewed the formula to the disadvantage of 135 operators. For the projected out-years (FY21 and FY22), the calculations showed a combined total of $225,000 in overpayment. That is just for two years in going forward. It is not known what the impact was in FY20, much less 19, 18, 17 and so on. They asked the Board to hire an independent accountant to do an analysis of the model, taking a look at all the annual iterations of the model going back several years to find out the origin, timeframe of this error and find out how long it has been happening, calculate the sum total of the impact, add that up and find out how much the cumulative overpayment or under attribution of revenue has been ascribed to the 135 operators and then refund that amount. Mr. Craford said this issue predates and is separate from the Cares Act funding, but the fact that the Airport has this money, it certainly provides the Airport a lot more liquidity and other options. If ever there were a time to correct this error, it seems like the time would be now. He encouraged the Board to include the issue into the discussion with respect to how this money is spent.

Chair Godkin said he had reviewed his letter. The Board takes this to heart and they want the tenants to see credibility in the model and to see credibility in the process. With that said, he is going to ask the Finance Committee to look into this. He also called downtown to talk to Mr. Rogers (Finance Director) to see what is available to the Board in terms of having a third party. He said the City has staff from Elgee Rehfeld on retainer. He said the Airport is eligible to jump into that resource. He said he was going to come up with a couple of items for the Finance Committee to do. He wanted the model looked into and look into restoring credibility to the model for down the road because people go and all of it will be handed off at a later date to somebody. The Board wants to have the creditability in what is handed off. He appreciated Mr. Rogers’ offer as a tool in the box for the Finance Committee. He thought the Board was interested in having credibility to that. He thought that a third party needs to look at the model and a new model may need to be developed that is more easily understandable. He thought that Tom Williams had a lot of information on the model as he was around when it was developed.

He said he will move forward with getting the Finance Committee to work on this and utilize the tools if they need it. Mr. Craford thanked Mr. Godkin as it sounded like he had taken it to heart. They very much appreciated it. Mr. Craford said their CFO Max Mertz, who is not associated with Elgee Rehfeld, has offered to help as well. This has been discussed for some time in the Finance Committee for the past several years. This seems timely as the model has been around for 10 to 15 years and it seems timely to brush it off, take a better look at it. They are not asking for special consideration, just for accuracy and fairness and if there has been an error, for that to be corrected. He thought it would be a good start to providing the 135 operators – getting the historical overpayment back would be a nice shot in the arm right now. It would be very helpful and timely.

Chair Godkin added that he has confusion on the fund balance. He did not know what percentage of the fund balance weighs more heavily on the 121s or the 135s. He thought when there are discussions about using fund balance, where that weight comes from. Whose money is really in that fund balance? There are a lot of questions. He said hypothetically, if it was all 135 carriers and they came to the Board to ask to spend the fund balance; that would carry a lot of weight. If Alaska Airlines comes and the Board thinks the 121 has the largest say in the fund balance when they want to spend it, the Board listens. This is something else he wanted the Finance Committee to address.

Ms. Wahto said the Cares Act fund money cannot be used for something that has already happened. She said she had already started doing research on this. It is not that clean. She said what would happen is the Airport would have to have run a residual methodology for rate setting, which means at the end of every year, the Airport closes out and sees where each dollar of revenue went to each expense and either collect the balance that is owed or give it back in some way. There are a lot of things that go into this. Mainly in the last year and a half, there has been a very large uptick in the number of 135 land leases, which attributed to the larger amount as looking forward to FY21, but was not there in past years.

The other thing that people may remember, there was a large overage for the terminal cost center and so, as agreed upon by the Finance Committee and the tenants, they agreed to pass through that large overage in the terminal to the airfield to make up some of the differences there. Again, the bulk of that would have been the 121 carrier. They pay the predominantly larger amount. It is not clean to say that this happened in this year. Based on the model back in 2005, the Airport took the old spreadsheet and everything of how it was broken down was transferred and there was a column on the new form that said air carrier land leases versus 135 and General Aviation (GA). It is a combination of 135 and GA. That was all carried forward with the idea that at some point in time, it would be discussed. At that point in time it was where it should have been with the 85/15 split. That has always been on that sheet and carried forward. Could she say emphatically that there was always an overage for the 135 and GA? She did not think that could be said.

She said moving forward, a new model that is far easier for someone to look at and understand would be good. The model the way it was originally set up was taking into a lot of factors from debt service, capital projects, PFCs (Passenger Facility

Charges) and even doing forecasting. It is a very complex model. Unless you are living and breathing it on a regular basis, it is very cumbersome. She encouraged that this is now the chance to move forward and maybe get a better, easier model out of it.

Mr. Craford said the complexity is understandable, but that is all the more reason to dive into it. In the ten years that he has been an observer to the budget process, this has been an 85/15 split in the model which informs that split and the discussion about the revenue allocation typically came right at the end of the budget process. They give it a brief discussion and move on. He said this is an opportunity since the budget was just passed that there is some time to roll up the sleeves and dig into it. He thought with the help of some independent resources, we can do it justice. There seems to be a collective will to look deeper into this. He encouraged this process to begin sooner than later. They are happy to be a part of that.

Chair Godkin said that the projected loss that was listed was for FY21, not anything that was previous, but they were in projections when the Manager and Finance came up with the budget that these numbers were in projections, but not in actual.

Tom Williams, Ward Air, said he began work at Aero Services as the Financial Officer back in 2000. Shortly after that they got involved with the Airport Board. At that time they worked together to develop a pretty simple straightforward model, which was used for a few years. Subsequently, a consultant was brought in and they made a much more sophisticated model (read complicated), but that is what consultants typically do. Subsequently, since 2005, he has not been intimately involved with the model. He has a general concept but is not familiar with it. He said he would be more than willing to assist with going back and making a simplified, easy to understand and much more transparent model.

On late Tuesday afternoon, he forwarded a letter signed by Ward Air President Ed Kiesel dated May 5 (Attachment #6) to the Board Members, and others. He hoped that it was distributed and would be made part of the record. As indicated in the letter, Ward Air is very happy that the Board is making sure that the funds are principally used for operations and maintenance, and that was an excellent decision. As the Mayor suggested and requested, the Board should make whatever help that can be provided to the tenants to ensure their viability because their viability contributes to the Airport's viability. There were four points in the letter.

First, Ward Air believes that the maximum amount of funds that are likely to be needed for maintaining Airport Operations over the next four years should be maintained. This brought him back to a concern that he had with Item #2, the Manager's projections. While he appreciated that she has a methodology, compared to an $8M budget, there is only a 30% shortfall projected for revenues. He had real concerns that the 30% shortfall is not enough. Then in FY22, essentially she projects only a 22% shortfall. He said travel is way down. Major investors, such as Warren Buffet, just dumped their stocks in total and has some real concerns whether the airlines can come back quickly. He thought it was very appropriate to not spend anything more than needed for the principal purposes of these funds for the first year and then start to take a look at where the Airport is. If the Airport is back to close to normal operations and it is not needed, then he thought it could be used for more discretionary functions. The primary use is obviously to make sure the Airport remains viable, covering their lost revenues which will be significant, but also provide a relief to the tenants. He couched the relief to the tenants to the commercial tenants. The commercial tenants are the ones that are seeing reduced activity. It was not just because they are a commercial tenant, but he thought there was a better nexus between the purposes of the COVID 19 funds, the government has decided for the safety of the population to restrict the number of operations, which is principally hurting the commercial side. He thought the rent abatement should be done for commercial tenants.

He was pleased to hear that there appears to be a way forward for rent abatement. He did not think it should be done for four years. He thought it should be done for one year and then reevaluate the situation. If commercial activity has come back sufficiently, then it makes sense to not extend the rent abatements/waivers. It will then be known how much money is left in the COVID 19 pot for the out years. The rent abatements are important because they are fixed costs. They are not fluid like costs such as fuel flowage fees, etc. Rent has to be paid whether they fly an hour or lots of hours.

As for the City's request for the Airport to use some of the money to pay the bond debt service for the Airport projects, he had an issue with that. He did not have an issue if there are funds left over at a point where better projections can be made. While he appreciated the City looking for any pot of money they can use to offset their loss of revenue, he thought everyone needs to remember that they were GO bonds. They weren't Airport revenue bonds; they were GO bonds, which means that they were paid by the general revenues of the City – principally property taxes and sales taxes. Consequently, if the Airport uses Airport funds to offset those payments, in essence, they are subsidizing those other two revenue sources. The other thing to remember is the Airport tenants already pay a property tax. Over the years, it has been discussed about what is received in return – it goes downtown for general operations. To the extent that the tenants have paid property taxes for years, he was not sure that he was sympathetic with the rest of the town subsidizing the bonds that were used. He said it would be a better match to say the Airport tenants have paid property taxes for years and consequently, you can match the property tax payments with something coming back to the Airport. Plus, it was the voters that decided to go ahead and have the City issue those GO bonds. He didn't object to any excess funds being used for the bond if it is legal, but he did not think it was a good idea for the

Airport Board, which is primarily responsible for the Airport, to prematurely dedicate the funds.

He knows it will help the City, but he thought there was another way to look at that. If things recover the way everyone hopes they do, and you had a big pot of money, then he would support rather than releasing the funds back to the Federal government, moving toward a defeasance of the total bonds, which might even use more of the funds, again, once you know you have enough funds to do that. So maybe there is $6M or $7M of bond indebtedness that needs to be repaid, if in year two when things were back and the Airport did not need all of the $21.7M, the Airport Board could offer to move to the bond defeasance and essentially if bond defeasance is workable, and it may well be, you can pay off the bonds in total. Would that help the City's immediate cash flow? No. Does it potentially help the City's long-term cash flow? Yes. Does it protect the Airport and the tenants from prematurely designating money when they don't really know what the impact is? He had concerns that the Manager's numbers may be low.

He recommended that the Board do Airport funding, tenant relief, hold off on the bonds for at least a year to see what goes on. He hoped that under any scenario, particularly as the 135 vs. 121 shares are reevaluated, that the Board would endeavor not to go into the Airport's fund balance for operational costs. The Airport needs to use the CARES Act money to the extent possible before the Airport goes into any of the funds, especially in light of Mr. Craford's concern.

Chair Godkin said when Mr. Williams made the request for the operators, and he thought a big thing that a lot of the Board members read into this is being fair to everybody, that has to be considered. When he made the request for rent abatement or whatever it is, was it based off of the Congress' letter or the white paper? Mr. Williams said he had not looked in depth at what the FAA requires and he understood the item of fairness. If the Board wants to extend it beyond the commercial operators, he was sure they would have a rationale for doing that. The only reason he requested assistance to commercial operators is because there is a clear nexus between what the restrictions on travel have done to the commercial operators. He did not know if he could see what the nexus would be between those travel restrictions and a personal hangar. Whatever the Board does, they need to make a clear case why they would choose one group over another or make it available to everyone.

Chair Godkin understood where all of the letters are coming from – they want relief. He said the Board is trying to find a way to provide relief that will stand up to the scrutiny of the agencies that have bequeathed the Airport the money without many guidelines other than if it is done wrong, it has to be paid back or we have to ask the tenants to give it back. The Board needs to move along expeditiously, but do it right. Mr. Williams said that if it is found that rent abatement was not available, they would be glad to follow-up with the legislative delegation. Chair Godkin said he hoped that they are lobbying them fully because any clarification will help the rest of us.

Board Member Dennis Bedford said this almost has to be done on a case by case basis. He said Wings Airways is totally dependent on tourist activity and are really hurting. Some of the other carriers still have a local base of clients. From his sense, the medevacs business hasn't been affected a whole lot. The Airport also subleases to UPS and FedEx. He said their business is up. He said the Board would like to help. He asked if this is done for the commercial operators, the 135 operations and then there is kind of a blurry line between them and the GA guys.

Angela Rodell said she has been an advocate for the debt service on the GO bond issue. The GO bond is a huge support to building the north terminal. There will be a number of years of service. The Airport is looking at providing just four years. The City and taxpayers will come through on their commitment to the Airport, even if the Airport pays for years one through four, years five through ten will come from the City coffers. This is not deferring or diminishing the City's responsibility or commitment to the Airport completely with this money. This is a portion that will help the City, with a portion to help the tenants and it is a way to leverage the $21M that the Airport is getting and to maximize it to the greatest use to the greatest number of beneficiaries.

Chair Godkin said that no motions will be made at this meeting. He felt that there needed to be another couple of meetings. He said he is asking the Finance Committee to do a lot with regards to the model and restoring some credibility back in there, which is a whole other issue. He thought the Board needs to work on the tenant relief. He also believed this is a very small portion of the $21.7M to make a commitment to the CBJ Assembly to help pay that back for the taxpayers. He thought that left a lot of money there so that four years from now, he did not think money would be given back. He would not have a problem allocating $3.1M to the Assembly in their endeavors, which leaves a lot of wiggle room, even if Patty's estimates are off.

Ms. Garza said she had been watching how this will all shake out and what the effects will be. Just for commercial airlines, according to Airlines 4 America, flight numbers are predicted to be down by over 75% for the foreseeable future. Going forward, flight loads are also going to be down considerably in order to accommodate social distancing and those types of things. TSA numbers are down 95% in April for some of the larger places. Hawaii travel is down 98% and they have closed their borders almost completely. If there is time before a decision is made, she suggested running through the numbers and get less crystal ball and more data predictions on them and the Finance Committee can take that up. No one knows, but to the extent that the Board can, data should be used for the predictions going forward.

Board Member Dennis Harris echoed some of Ms. Garza's feelings. He said that in travel industry trade press and airlines press industry coverage, there are a lot of rural airports in California and Arizona in the desert, i.e., if you want to land a 737 at Moses Lake, you will have to thread between all of the planes parked on the taxiways. Not only are there the 737-Max's that haven't been delivered yet (some of which have cancelled orders on them), there are planes going out of service all over the place. Almost all of the US Airbus fleet are being parked because of fuel usage and the fact that 319s and 320s are too big for the routes that airlines are flying. Alaska Airlines is going to get rid of most of theirs that they inherited from Virgin and stick with Boeing. This is happening all over the world. He thought there would be a lower number of flights here for quite some time. He did not think the travel industry will recover until there is a vaccine that is widely available. He thought there would be at least a year a two-year slump here. He thought it would be the same thing for the independent travelers. He thought the Board should be careful. He would like to see a small amount spent on somebody to enforce parking at 11p.m. and 5a.m. Other than that, it seems to be a good mix. The fact is the Assembly did not have to issue GO bonds; they could have issued Revenue bonds and let the Airport pay for them, which is a different ball of wax. He thought the Board should be thankful that this money is going to pay four out of the ten years of debt service and he thought that was good. He was basically in agreement with what has been done so far.

Mr. Bedford said he is very conservative and liked the way things are headed. He, too, said it might be politically expedient to consider spending a very small amount of the money in a high profile manner that airport users could see up front. He was not sure what they would be.

Chair Godkin said the normal May meeting will not be held. He said Ms. Rodell knows what needs to be done. He said when the CBJ meets as the Finance Committee, it is like a committee of the whole. He did not mind doing the same if she needs help. He thanked Ms. Bowen for attending all of the Board meetings and all of the feedback she has done.

IV. **ADJOURN**: *Dennis Harris moved to adjourn. The meeting adjourned by unanimous consent at 8:07 p.m.*