

MINUTES of
AIRPORT BOARD MEETING
October 12, 2005
Aurora Room, 7:00 p.m.

I. CALL TO ORDER: Acting Chair Gordon Evans called the meeting to order at 7:03 p.m.

II. ROLL CALL:

Members Present:

Pete Carlson*	Fred Gaffney	Tom Williams*
Gordon Evans	Joe Heueisen	
Eric Forrer	Ron Swanson*	*Participated by Phone

Staff/CBJ Present:

Allan Heese, Airport Manager	Virginia Harris, Airport Planner
Patricia deLaBruere, Arpt Business Mgr.	John Coleman, Airport Admin. Asst.
Jerry Mahle, Airport M&O Superintendent	

Public Present:

Ella Rogers, Glacier Restaurant	Chris Wyatt, Chamber/Alaska Committee
Dick Rountree, R&L Leasing/Aero Svcs.	Sharon Honsinger, Public
Laurie Craig, Public	Fred Honsinger, Public
Dennis Watson, Alaska Committee	

III. APPROVAL OF MINUTES: Tom Williams moved, Fred Gaffney seconded, to amend Section IV.D. Water/Sewer Line, Paragraph 3 by replacing this paragraph with “Tom Williams said that inasmuch as he works for a tenant that may be impacted by the project and when it came to a discussion of the merits of the project or a vote, he may or may not have a conflict. Notwithstanding the Chair’s ruling on that issue, he asked to speak to a procedural issue regarding consideration of the project. Acting Chair Evans said Mr. Williams could speak to the procedural issue but felt he might have a conflict in voting and, therefore, should recuse himself as part of the vote. Mr. Williams said that his recollection of the issue was that a conceptual question was raised at the retreat as to whether or not this concept would get tenant support. He thought that potentially this was possible as long as the tenants were queried prior to moving forward. He was now concerned that the Board was placed again in a position of moving quickly and not avoid missing an opportunity without input from the tenants. Airport Manager Heese acknowledged dropping the ball on the tenant input. Acting Chair Evans referred this to the Finance Committee with Fred Gaffney as the Acting Chair of the Committee in Mr. Carlson’s absence.” [This motion is the final wording with all friendly amendments included.] The minutes, as amended, were approved by unanimous consent.

IV. APPROVAL OF AGENDA: Tom Williams asked to add an item just prior to adjournment – an Executive Session to discuss Personnel Issues. Airport Manager Allan Heese asked to add an Item A under New Business, Introduction of the CIP process that staff is starting, with the existing Item A changed to Item B. The agenda, as amended, was approved by unanimous consent.

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V. PUBLIC COMMENTS: Ella Rogers, Glacier Restaurant, said that a representative from OpTiFi will be in Juneau next week to talk with Airport tenants or anyone who would be interested in the service that they provide and to find out if there is anything they can do for the people of Juneau or at the airport with the WI-FI operation. New equipment has been installed and it will be free for the next couple of weeks because they cannot tie the two together with billing at this time. They would rather have the Wi-Fi available and not charged, than to not have it available at all.

VI. UNFINISHED BUSINESS:

A. Committee Reports:

1. Finance Committee (Attachments #1 and #2): Acting Finance Committee Chair Fred Gaffney said that the Committee discussed a request for an incinerator at the airport. This would be a small incinerator at the airport primarily to be used for disposing small amounts of hazardous waste, particularly from international flights, and perhaps could be expanded to include other kinds of waste. This is fairly early in the whole process and will be discussed further as more information is available.

The Committee discussed the opportunity to piggy-back on the Bayview sewer extension project. The main question was: is the cost of putting the water and power in at this time supported and justified. There was a little support from the tenants, but there were still significant questions. The group felt this should be passed at this time because the costs were quite high and would basically provide only the stub out for utilities. There would still be added costs to bring it to each of the individual tenants. A number of tenants that utilize the float pond attended this Finance Committee meeting.

There was a discussion about additional personnel in a proposal brought back about adding a wildlife hazard biologist to the staff and attempting to find a funding source. There was considerable discussion about the exact duties of this position and it was agreed that Mr. Gaffney would work with staff to flesh it out more to be brought back to the Finance Committee.

The Committee worked on the airline occasional use fee. This issue began because of the Casino Air trips to and from Reno. Staff will bring this back to the Finance Committee.

Fingerprint and badging fees were discussed. The Committee talked about proposed language to revise the fee structure. The main concern was about lost badges or badges not turned in intentionally and the problem that causes. The current charges just reflect pass-through costs associated with fingerprinting, but did not take into account staff time. Airport Business Manager Patty deLaBruere said the proposed fee structure will be brought back to the Finance Committee scheduled for October 26. She noted the problem with the badging and fingerprint fees is that it has been a policy that people have signed for when they get their badges and do their fingerprints, but has never been solidified in a regulation. This will make it formal.

Mr. Gaffney said the next item, a review of parking lot rates, will also come back to the Finance Committee. There have been concerns about the rate structure, emphasis in trying to

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encourage more use of the long-term parking as opposed to short-term parking, and a proposal put forward for doing away with the free parking at the airport, which will be quite controversial. He asked staff to go through a very careful and deliberate process with the public and clearly bring people along to let them know the proposal of changing fees to allow ample opportunity to discuss that with the Board before they go into effect.

The terminal project was discussed. A couple of items dealt with the restaurant's vending machine operation in the departure lounge. Mr. Gaffney noted that Tom Williams had requested a CIP update presentation at a Finance Committee meeting for November 2.

Fred Gaffney moved, Joe Heueisen seconded, to direct staff not to participate in the utilities extension to the float pond at this point and time and the \$500,000 expenditure necessary to do that. Tom Williams noted a conflict of interest at the Committee meeting and he continues to have the conflict and asked to be excused for the vote. The Chair excused Mr. Williams from voting on the issue. The motion passed by unanimous consent.

Acting Chair Evans said that a question still remained to be answered about Assembly support for the Off Airport Car Rental Fee. Airport Manager Heese said that there has not been any movement on this issue from the Attorney's office. No one from staff has approached anyone on the Assembly regarding this question. At this time, it is not known who will be replacing John Leque in the Law Department.

2. Operations Committee: Committee Chair Joe Heueisen said that the Wildlife Hazard Advisory Group was referred to the Operations Committee. But as Pete Carlson was out of town, the meeting will be scheduled when he returns to Juneau.

B. EIS Update: Airport staff continues to work with resource agencies and the FAA to develop a suitable and acceptable mitigation package as compensation for the impacts our planned projects will have on the environment. Staff has been working closely with the consultant, Tom Carson of Carson Dorn, to help develop the plan. Because of the complexity, this takes a lot of time. He thought the FEIS is on track for some time after the first of the year, with a record of decision and permits shortly thereafter.

SWCA, the EIS consulting firm, is working to address several work items in response to comments to the DEIS. These include hydrologic analysis of the Mendenhall River due to fill on the west end of the airfield; possible relocation of the ASOS to avoid impacts to neighboring privately held property; hydrologic study regarding the possible connection of wetlands north of the east end of the runway to the Gastineau Channel east of the airport instead of around the east end of the runway; and an analysis of the possibility of a De Minimis impact of airport projects to the Mendenhall Wetlands State Game Refuge. Completion of these items is necessary before responses to public comments and the Final EIS can be completed.

Mr. Heese noted that Senator Murkowski will be meeting with him the following day at 4:30 p.m. Acting Chair Evans said he might like to attend this meeting. Mr. Heese said this

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meeting was at the Senator's request. He has notified both the City Manager and the Mayor of the meeting.

C. Terminal Project: Acting Chair Evans said the issue failed by 270 votes. The pool issue failed by 737 votes. Airport Manager Heese said there are several people in attendance for this topic. The question from staff is what is the will of the Board either short- or near-term. Staff has been discussing what it thinks the Airport can do and as was discussed during the Terminal Planning meetings that began a year ago, there are things that need some fairly immediate attention. If the Airport is not going to go forward with any full or major remodel of the terminal or maybe wait for a chance at sales tax before moving forward, would the Board want to look at some of the other projects that might fit into the CIP to be done independently and benefit the Airport by the seriousness of the action required. He addressed three items for consideration:

1. The canopy in front of the terminal on the sidewalk. The weather has taken a serious toll on the structure and the Airport should do something to improve the structure.
2. The roof on the 1984 addition to the terminal needs to be replaced. A terminal roof replacement was done a few years ago and staff elected not to do that portion for two reasons:
 - a. The cost at the time was exceeding the dollars available, and
 - b. It was thought that it could be done as part of a new terminal renovation.
3. There was an idea of taking the mechanical room, which is a large portion of the second floor space and putting that on the roof. This would do two things: It would give an opportunity to upgrade the equipment and an opportunity to create a lot of new useable space inside the building in some critical passenger and public area.

In order of expense, the least expensive project is the canopy. The roof and the mechanical relocation could be done as one project. He recommended that looking for sales tax would be beneficial to the overall project. It would behoove the Airport to wait two years. In the interim, the Airport should look at the possibility of doing one or more of the projects listed above.

Joe Heuseisen asked if the Terminal Planning Committee is still viable. He thought that the group felt committee was still a very good idea. Ron Swanson said he thought the Committee was not in existence. It could be resurrected. Tom Williams agreed with Mr. Heuseisen. He thought the group should be reconstituted to at least get an initial direction on where they want to go because they spent time and went through the process. They can come back with recommendations and then you have buy-in from the community members, too. He thought the projects Mr. Heese listed should be posed to the group.

Acting Chair Evans said that he had been talking to people who think that the Airport should not give up, but should go forward. This would mean not waiting for the two years and nine months when the sales tax would come up, but working with the City on a GO bond issue for something like this. This is what happened for the new school and the police department. He thought that as a property owner that paid \$10,000 worth of property tax, he did not mind paying more to get this done and get it done right away. He said the City's Finance Officer

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agrees and thinks it would be a reasonable way of doing things. He asked if the Airport has the money to repair the canopy. Mr. Heese said this was planned to be discussed under the CIP discussion.

Mr. Evans said that there had been a letter to the editor right after the election and then the Empire editorial that said the Airport project was probably very good but it did a lousy job of letting the public know about it. In one sense, they are right. The Board was trying to do everything itself. The City gave no help, even though it is their airport.

Fred Gaffney said the concerns he heard about was the \$18 million parking garage, plus \$18 million of unidentified funding that was necessary to complete the project. People asked what the big problem was anyway as the airport seems to work. Clearly the public has not been brought along. Even though the Board is aware that TSA has taken a lot of space at the airport, he guessed that 95% of the population had no idea of the TSA's space requirements. He would like to keep going on the project as he felt it was a worthy project.

Dennis Watson, 9333 Northland Street, said that he is a member of the Alaska Committee who certainly supported the airport project. He was confused when attending the terminal planning meetings. He said when you are marketing a project, you have to prove the need and then you create the supply. He thought there was a loss of focus on the stated objective. He suggested not overwhelming the public with too much information at one time. He thought feedback would need to come from people who did not attend the meetings and are non-biased.

Chris Wyatt, a member of the Alaska Committee and with the Juneau Chamber of Commerce and part of the Airport Terminal Expansion Committee, said it was her understanding that the Committee would stay together as they were under the impression that we were going to be getting an approval with the 1% tax that the committee would stay together and work. It might really be a good idea to actually get a subcommittee of that group going and maybe work on some of the comments that Dennis had suggested with the focus groups. But it was her understanding that the Committee was to stay active because everybody really thought that the project was so important.

Mr. Swanson said the Board needs the help in the political process. Somehow the information needs to get out earlier this time. Acting Chair Evans said he suggested looking into a GO Bond and soon.

Airport Manager Heese said that Assembly Member Wanamaker suggested that the City take on the idea of a survey to poll the public about why they did not vote for the two failed projects – the Airport Terminal and the Aquatic Center. The idea would be to get the information from the voters. The Assembly generally liked the idea and asked the City Manager to ascertain the cost of that poll. The McDowell Group said that if they did a telephone poll of 300 people, it would cost \$7,000-\$10,000. Someone else suggested that there may be some entity interested in doing this for no cost. It was suggested outside the Assembly meeting that if the Airport Board had some money toward a survey like that it would be most welcome.

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Eric Forrer felt that the project should be pursued. The number of things on the ballot were apples, oranges and lemons. It was not a matter of choice, but of completely different priorities. He noted that the ballot contained basic infrastructure with the harbor and the other two set aside projects. The red flag to him was that you are not being asked to vote on the projects but on some kind of unseen political struggle. The no vote was a vote of frustration on the part of all parties and lack of cooperation at the City and Board level. He felt a restructuring of the approach is appropriate with the Airport Board not taking no for an answer. The City of Juneau is entirely a creature of transportation. If large air traffic stopped, the City of Juneau would cease to exist as we know it. If the pool does not get built, nothing will change as we know it. The Board needs to reach out to the public, and even to the group that wants a pool. If everyone is in it together, it will work much better.

Acting Chair Evans suggested that Mr. Swanson should keep the committee going and get it reactivated quickly so no time or interest is lost. Mr. Swanson said he would do that when he got back.

Mr. Heese asked as the staff looks at putting together the Capital Program for the next two to three years, how should the terminal project be factored into that? There had been a time line that was fairly workable on the project that was constituted previously. If that time line is to be continued, staff understands where to go. If projects are going to be pulled out, it will present some challenges for staff over the next few months as the Capital Program is put together. Fred Gaffney said that the first two items Mr. Heese listed are maintenance items. He believes in maintenance, which is truly important. He suggested that this needs to come up in front of the Finance or Operations Committee to look at the entire CIP project and how to fold in the maintenance items that need to be done. Mr. Heese said the canopy project is definitely a maintenance project and if the terminal is ever done as envisioned, that project would probably be thrown away. The roof project is somewhat that same way, but this would not be destroyed by the terminal renovation project. The third project, relocation of the HVAC, fits in with what was talked about being done. Acting Chair Evans said to keep moving forward and work with the Finance Committee on this planning.

Mr. Gaffney said there is a considerable uncertainty on the dates to get projects going again. He felt this would be good for the Finance Committee to begin unraveling. Over the next couple of weeks, perhaps the Assembly can give the Board more guidance of their expectations as far as future funding, planning, etc. Mr. Heese said the Mayor has called for a retreat on October 20. He thought that new liaison assignments could potentially come out of this retreat; therefore, Merrill Sanford may or may not be the liaison. There also may be a listing of Assembly goals. It might behoove the Board members to have dialogue with some Assembly members to get into that discussion. Joe Heuelsen will speak to Merrill Sanford. Fred Gaffney said he would talk to some of the other Assembly Members.

Mr. Heese said the current sales tax will be collected for two years nine months. The next likely opportunity that sales tax would come up for a vote would be in 2007. The renewal would potentially begin in October or November 2007. This would be the timing if the sales tax were pursued.

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VII. NEW BUSINESS:

A. Introduction of the CIP Process: Airport Manager Heese said staff is beginning to get a handle on what is expected to be the next few years' project, how the huge projects will be broken up into pieces that are manageable to grants, project management, contracting, etc. The goal is to satisfy the Finance Committee's request to have a presentation on November 2. In the interim, there will be numerous meetings with staff, FAA and hopefully a public meeting for public and tenant input for the capital program to see if any projects that are important are missed and to understand what their needs are. This will occur some time before the next Finance Committee meeting to add the input into the program. The goal would be to bring back a capital program to the Board at the November meeting for introduction and maybe more discussion at the November meeting and hopefully action/approval at the December meeting.

Fred Gaffney felt that public input is needed. He would like to see the CIP listing and information distributed to the public and tenants prior to any public meetings so they have it in their hands and can say this is when this taxiway is going to be done and this is when this project is proposed. Ben use to provide those documents in the past. It would be helpful if that could be provided (perhaps even electronically) to the 12 or so major tenants on the airfield, to give them a heads up and request any additional projects they may have.

B. Airport Manager's Report: Airport Manager Heese reviewed the Airport Manager's Report (Attachment #3).

10. Acting Chair Evans asked if the ordinance limiting the tenant members on the Airport Board that was passed by the Assembly limited the number to two or three. Mr. Heese replied that the limit is two. Mr. Evans said that this will occur next year and that he and Tom Williams would be coming up to the end of their terms.

VIII. ASSEMBLY LIAISON COMMENTS: None.

IX. PUBLIC COMMENTS: Dick Rountree, R&L Leasing, asked to make sure the Finance Committee minutes, IV, Para. C, were accurate. He felt that the following should be added: the tenants (Mr. Rountree; Jim Wilson, Coastal Helicopters; Bob Jacobsen, Wings of Alaska; Ed Kiesel, Ward Air) that were sitting in the meeting were polled about what they thought about doing away with the free parking. Chair Evans said that the minutes should read all tenants present at the meeting agreed with doing away with the free parking.

He said he had talked with a lot of people about the new terminal sales tax vote. Tenants he spoke to were concerned about where the Airport would get the other \$18 million and so they voted against it. He said as a former member of the Terminal Planning Committee, he would be willing to come back and work on this.

X. BOARD MEMBER COMMENTS:

A. Tom Williams said he would like to have the Finance Committee for next year's or this year's budget research having a microphone in front of each Board member and a microphone for testifying to allow anyone on the teleconference to hear everything that is said. Airport Manager Allan Heese suggested that the Board could use the Assembly chambers as it is

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already set up for exactly that purpose. This is not attractive to staff but is an option. Ella Rogers said that the Aurora Room is set up with a wireless microphone available for use.

B. Ron Swanson agreed with Mr. Williams. He thanked everyone for their work on the terminal planning sales tax issue in his absence. He knew they had worked hard in the end and he wanted to thank them for it. Mr. Evans also thanked everyone on the Board and the public who contributed to the Alaskans for an Improved Juneau Airport. The funding broke even for the advertising. He also thanked the Alaska Committee for the ads that they ran.

C. Fred Gaffney asked to have all Airport Board meetings listed in the "What's Happening" section.

XI. ANNOUNCEMENTS: None.

XII. TIME AND PLACE OF NEXT MEETING:

A. The Airport Board Finance Committee will meet on October 26, 2005, at 2:30 p.m. in the Aurora Room.

B. The Airport Board Finance Committee will meet on November 2, 2005, at 2:30 p.m. in the Aurora Room.

C. The next regular Airport Board meeting will be held on November 9, 2005, at 7:00 p.m. in the Aurora Room.

XIII. EXECUTIVE SESSION TO DISCUSS PERSONNEL ISSUES: Tom Williams moved, Fred Gaffney seconded, and asked unanimous consent that the Board recess and go into executive session for the purposes of personnel issues. The motion passed by unanimous consent. The Board took a five minute break at 8:33 p.m. The Board came out of executive session at 9:00 p.m. The Board had discussed personnel issues that the Chair will take up with the Airport Manager in the future.

XIV. ADJOURN: Fred Gaffney moved, Joe Heueisen seconded, to adjourn the meeting. The meeting adjourned by unanimous consent at 9:03 p.m.

ATTACHMENT #3

JUNEAU INTERNATIONAL AIRPORT
MANAGER'S REPORT
October 12, 2005

1. Contract negotiations between the City and Borough of Juneau and the Marine Engineers Beneficial Association are continuing. They started late in August; I have no prediction as to when they will be completed. I am a member of the CBJ bargaining team; we have been meeting approximately eight hours each week.
2. I will be meeting with Senator Lisa Murkowski on October 13th at 4:30 p.m. Any Board members wishing to join the meeting were asked to contact Mr. Heese.
3. Staff hosted a visitor from Poland on October 3. Mr. Jan Malawko visited the United States on an educational program hosted by the U.S. State Department. Time was spent talking with him about issues related to airports both in Alaska and in Poland. Coastal Helicopters took him and his State Department guide on a complementary flight over the ice cap. The weather was CAVU and they had a wonderful time. They arrived late night on Sunday, October 2, and left early morning on Tuesday, October 4.
4. JNU was visited October 2–3 by the Alaska Airlines 737-400 with the new salmon paint scheme. It is an impressive paint job.
5. All the regular, seasonal positions for our snow removal crew have been hired. Jim Ryan, a previous year-round employee, had resigned his position to relocate to Washington State. We have hired him back to fill our 6-month seasonal position. He started back to work on October 3 and will work through the end of March. Other seasonal employees will start to work November 1 and stay until the end of February, i.e., 4-month positions.

Until this past spring, State hiring and labor practices allowed retired employees to come back to work without receiving retirement benefits as compensation but receiving benefits as though still retired. However, that program has been terminated. We have two seasonal employees who were taking advantage of that provision who are “grandfathered” for this season. After this season, new requirements will kick in that are much less attractive to an employee who has retired and might wish to come back to work for CBJ.

6. Jerry Mahle is planning our annual snow and ice control meeting for November 7 at 8:00 a.m. This meeting is training for all our snow removal crews (and refresher for seasonal crews), and provides an opportunity for tenants, FAA and airport staff to talk over procedures and priorities.
7. I am traveled to Fairbanks from Oct 6-9 to participate in a General Aviation conference. I participated as a member of a panel discussion on Airport Manager issues; specifically, I spoke on the concerns we have regarding installation of EMAS and on General Aviation security issues.
8. Ordinance 2005-32 was passed by the Assembly at their October 10 meeting. This ordinance requires the Airport Board (and other enterprise fund boards) to consult with the City Manager prior to any personnel actions regarding the Manager/Director of their respective department.

9. Construction Projects:
- A. Taxiway Extensions. All work is now complete and the FAA Final Construction Report is forthcoming.
 - B. Delta One Ramp Expansion: Due to a series of exceptional heavy rain storms throughout September, the project will not be completed until early spring. Paved areas nearest the hangars on the north side of the project (R&L Leasing, and Army National Guard) which were cut out to install drainage structures and pipe were paved. This should eliminate or minimize any impacts to operations at the two hangars or to Wings of Alaska. The remaining work to install the base gravel (D-1) and pave the rest of the ramp can begin as soon as the area dries out in April or May. Permanent asphalt will be installed in the areas to be paved this week, so increases in project cost will be minimized.
10. Resolution 2005-27 was brought back to the Assembly under reconsideration and passed. This limits the number of Board members who may be tenants or employees of tenants.
11. Alaska Airlines enplanements were up 4% in 2005 year-to-date compared to last year. The Airport has been using 2001 as a benchmark and these numbers are up 2.5% over 2001 year-to-date. September 2001 was a low month as the air space was shut down. September of this year was up 22% over September 2001.
12. Resolution 2330 dealing with the second crossing from the mainland to Douglas Island. This is brought up to the Board's attention because the three locations that the Assembly supports are Vanderbilt, Sunny Point and Yandukin. The Juneau Empire reported that the Assembly chose Yandukin to avoid impacts to the airport. For anyone who knows where Yandukin is, it would be a bit of a challenge to avoid impacts. The Assembly turned down support for anything west of the airport because of the environmental issues, the Mendenhall Peninsula, the length and route. It is troubling that the Assembly would look at Yandukin as a location for a second crossing. This could certainly have a negative impact to the Airport. This will be watched very closely when the project gets reenergized and moves forward. A road or bridge too close to the runway could negatively impact the approach minimums for Runway 26. The planners are aware of it; staff will make sure they don't forget about it.
13. There was a power outage on Sunday evening. An emergency generator kicks in during these outages but does not include Jetway 3. The Airport is looking into this. The timing was such that people who know the airport continues on generator power came to Glacier Restaurant for dinner. The Restaurant stayed open until 9:45 p.m.