

ATTACHMENT #3

Finance Committee Meeting Minutes

October 26, 2005

2:30 p.m., Aurora Room

Present:

Pete Carlson, Airport Board

Fred Gaffney, Airport Board

Tom Williams, Airport Board

Allan Heese, Airport Manager

Patty deLaBruere, Airport Business Mgr.

Virginia Harris, Airport Planner

John Coleman, Airport Admin. Asst.

James Pak, Pak's Custom LLC

Mark Choate, Pak's Custom LLC

Paul Zamensky, Alaska Airlines

Kathy Smith, Alaska Airlines

The Committee amended the meeting agenda to put the discussion of the parking lot rates first, since James Pak and his representative Mark Choate were in attendance. Airport Business Manager Patty deLaBruere related that representatives from other airports attending the WRAPm meeting believe it is better to not have free parking. Also, other airports charge fees to off-airport parking enterprises that are located in the vicinity of an airport. Mark Choate discussed the ways in which Pak's loses revenue: customers enter and leave multiple times to remain within the free parking time limit; people abandon cars in the lot; people park in the long-term lot and have someone pull a ticket and pass it to them when they're ready to leave; people claim they lost their ticket to pay the lesser fee. Kathy Smith, Alaska Airlines, said that Juneau parking revenue is low compared with comparably-sized airports. Allan Heese, Airport Manager, said that many passengers arrive by bus and taxi. Mark Choate said Pak's is not making a profit, and the proposed fee schedule looked OK. Pete Carlson, Committee Chair, said the new rate structure does not have to go downtown for approval. Fred Gaffney said it does need to go downtown for discussion, and the public also needs sufficient notification in the name of good public relations.

Tom Williams suggested two changes to the proposed rates: In Short Term, "Next 30 minutes \$1.50"; In Long Term "0-120 \$3.00." Fred Gaffney suggested that public objection to any higher rates will be high, so we must make sure that we set the rates appropriately for the long term so another rate change is not necessary too soon. There was a general discussion of the impact of the proposed parking fees on tenants. It was stated that some tenants lease space for parking/deliveries. It was generally agreed that the impact to the restaurant would be negligible. Tom Williams moved to refer the proposed rates to the full Board with a recommendation to pass with the suggested changes. Fred Gaffney said he is in favor of the opportunity for public comment; Pete Carlson opposed the idea. Tom Williams moved to put it on the agenda for the November 2005 Board meeting, to be implemented January 1, 2006. Allan Heese pointed out that the short term lost ticket fee should be \$35/day instead of \$25/day, so that losing the ticket isn't cheaper than paying for the day of parking. Mark Choate agreed. Tom Williams amended his motion in accordance. Motion passed unanimously. Allan Heese requested the concessionaire to provide projections for revenue at new rates.

Patty deLaBruere said that air emissions testing for an incinerator at the airport could start at \$40,000/year, and the question still remains where to dispose of the ash. She had discussions with State DEC and the State's portion appear to be the easiest for permits. Adhering to Federal Standards, such as the Clean Air Act, Water testing, disposal and other standards could be a testing and permitting nightmare of expenses. Most of these are ongoing expenses. This is one of the reasons that the landfill no longer incinerates. Fred Gaffney suggested that the Committee table the issue due to the cost. Pete Carlson agreed.

Allan Heese reminded the Committee of the original problem, which was that international flights have to take their garbage with them. He thought the Board could influence the Assembly to make some kind of incinerator provision for the city. The Committee agreed that Board should support the Assembly if they decide to do anything to mitigate the problem.

Tom Williams moved, Fred Gaffney seconded, to adopt the Miscellaneous Rates & Charges proposed by staff. Tom Williams moved to adopt the tiered schedule for the Air Carrier Occasional Use Fee for Terminal and the Fingerprint and Badging fees as written. The only discussion was with Kathy Smith, Alaska Airlines, who stated that normally signatory airlines would request a credit for departure lounge, gates and other common use areas when another carrier uses them. In Juneau's case, they encourage this occasional use knowing that it has only occurred two times and that it would only help the airport. Alaska Airlines was all for that. Patty deLaBruere stated that this is why a cap of four times per month was placed on the occasional use. Beyond that, the Airport would want some sort of signatory arrangement (lease), and the 80/20 formula would be applied.

Pete Carlson said that information he received states that airports will be required to staff the exit lanes of departure lounges, and that there is a 90-day implementation deadline. Kathy Smith said that a new TSA ruling contradicts this. Patty said that TSA has been losing employees to attrition locally, and could soon be at 50% of required staffing level here. Kathy Smith was going to have their security department forward on the ruling that they have on the staffing of exit lanes. She thought this was a moot point for airport concern now.

Allan Heese said that gross assumptions for the EIS is a ROD by the end of March 2006, and the outside chance of starting dredging in 2006. He said the airport is looking at ways to accommodate Alaska Airlines issues. Kathy Smith said that she wants the CIP to include Alaska Airlines' needs, principally a cargo hard stand. She asked if that fit with the reconstruction of the 135 Ramp. Allan Heese said that the challenge is to schedule components of major projects, and that effective dredging to eliminate pond weed is a major challenge. AIP and PFC funding and time constraints were discussed. Allan Heese explained the \$3 million mitigation package; JNU share is \$250,000.

Fred asked about time line for FY 07/08 budget. Patty deLaBruere said that she will get information from downtown in January to develop the budget.

The meeting adjourned at 4:45 p.m.

