

MINUTES of
AIRPORT BOARD MEETING
February 8, 2012
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Acting Chair Butch Laughlin called the meeting to order at 6:00 p.m.

II. **ROLL CALL:**

Members Present:

Pete Carlson

David Epstein

Ron Swanson

Tamara Cook

Butch Laughlin

Steve Zimmerman*

*By Telephone

Member Absent:

Jerry Godkin

Staff/CBJ Present:

Jeannie Johnson, Airport Manager

Marc Cheatham, Airport Special

Patty deLaBruere, Deputy Airport Manager

Projects Officer

John Coleman, Airport Business Manager

Ruth Danner, Assembly Liaison

Catherine Fritz, Airport Architect

Keith Walker, CCF/R

Tom Carson, Airport Engineer

Public Present:

Irene Gallion, DOWL HKM

Robert Breffeilh, Hangar Owner

Jim Vuille, Retired FAA

Brian Hanson, DOWL HKM

Ella Rogers, Glacier Restaurant

III. **APPROVAL OF MINUTES:**

A. *Steve Zimmerman moved, Pete Carlson seconded, the adoption of the January 11, 2012, regular monthly meeting minutes. The motion passed by unanimous consent.*

B. *Ron Swanson moved, David Epstein seconded, the adoption of the January 17, 2012, Committee of the Whole minutes. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *The agenda was approved by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **RUNWAY SAFETY AREA (RSA) PHASE II DESIGN BRIEFING, BRIAN HANSON, DOWL/HKM:**

Brian Hanson said he is the Project Manager/Engineer of Record for the RSA Phase II Project. A lot of work has been done around the airport and will be wrapped up in March or April. The next project will finalize the Runway Safety Area (RSA) project. This will relocate the thresholds per the Environment Impact Study (EIS). The 26 threshold will be relocated 520 feet, which will likely occur the summer of

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2013. The taxiway extension will be built on that end, with some FAA work – MALSR control building and then the 200/400/600 foot bar infrastructure that will be installed. Taxiway Echo will be straightened out and made to follow FAA standards. As part of the EIS, because of the deicing contaminants, it looked at bringing all the drainage into the pond that was feasible. Therefore, a culvert will be bored under Taxiway Alpha and under the runway. Some of the drainage that ends up in Jordan Creek will be intercepted and put into the pond with the boring. Block O will get some resurfacing and some ditches will be regraded with a crushed aggregate surface in the area. Wig wags (flashing alternating yellow lights) and runway guard lights (RGL—two yellow lights off the side of each taxiway as you pull up to the taxiway) will be installed.

The threshold on Runway 8 will be shifted 120 feet east. The MASLR will be reconstructed with a new MALSR system. Taxiway B is also being reconstructed to align with the new threshold, as well as Bravo-1. The area is all filled in now and they will construct the apron that goes with it. The apron will be constructed up to the building restriction line, which will be in line with all the other hangars. There will be apron access all the way down to the seaplane base road. Drainage system improvements will be installed in the northwest development area, as well as completing the perimeter road and a fuel farm access road that was in the permit requirements, which will entail a bridge. The estimated cost is approximately \$22-25 million for the base bid. There are FAA improvements, design, construction, etc. that add onto the cost. It is similar to the size of the previous project.

When the West Finger was designed, the road was initially just embankment placement, which means the basic footprint is put in and then they will go back in and place a crushed aggregate surface course. This will make it a drivable road for the leaseholders. The emergency vehicle access road (EVAR) will include an upgrade to some of the fencing as well as the access for the emergency vehicles so they can make a loop. This will entail dressing up the EVAR, placing some fencing and some gate replacements and associated improvements. A paved turn around will be done at the end as well as a better graded access up onto the runway. They will inspect the Jordan Creek culvert and it may be included as part of the Phase II work, but they do not know where that is yet.

When discussing the funding, Airport Manager Jeannie Johnson said the funding is looking pretty good. One of the concerns she has is the match for small hub airports under the new reauthorization is increasing. An e-mail was received which said it would be held at the current 5% rate until the RSA project is done. The project does not lend itself well to being split into two. If it were split, the City would have to hire one contractor to do one piece and another contractor to do the other piece. The FAA agrees that all the funding needs to be applied for at one time.

Mr. Hanson said the project will be bid in May or June and getting someone under contract to potentially start as early as July, but probably more likely August. The bulk of the

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construction and the bulk of the impacts that airport users might see will probably occur in 2013. The landing distance of the runway will not change after this construction.

VII. **UNFINISHED BUSINESS**: None.

VIII. **NEW BUSINESS**:

A. **Airport Manager's Report:**

1. **Brief on Alaska Airlines Meeting of January 18th Including Q400 Aircraft**: A meeting was held with Kathy Smith and a group with Alaska Airlines on January 18. This was Ms. Smith's first visit since the terminal was finished and she was delighted at what it looked like and the fact that Juneau had done a marvelous job at not overbuilding as other airports have done. She was also delighted that it did not cost Alaska Airlines any money for the build out. She is very supportive for the north terminal phase, which again will not cost them anything. Alaska Airlines staff noted the drawings for the north wing renovation showed some Q400 aircraft. When asked what the schedule was for Q400s coming to Juneau, it was even more nebulous than last year. A statement was made by Alaska Airlines staff that they needed to make a decision on whether Fairbanks or Juneau would be their hub.
2. **Brief on Meeting with Katie Kachel and Don Nordon, DC Lobbyist**: The lobbyists were here on the same day and time as the Alaska Airlines group. Discussions were primarily about the FAA reauthorization that had not occurred up to that time. Additional funding pieces that might be found for the Snow Removal Equipment Facility (SREF) were discussed, including the VALE grant, which the airport does not qualify for. They tried to determine if people are using this grant's funds. If they are not and if the parameters are so tight that people are not using the funds, Byron Huffman from the FAA suggested trying to get the Congressional delegation to have the rules expanded a little bit. Ms. Kachel is working on that.
3. **FAA Reauthorization Bill**: Congress completed their work on the FAA reauthorization bill. There have been 23 temporary extensions over the course of 4.5 years. This bill is on the President's desk for signature. It will leave Passenger Facility Charges (PFC) at \$4.50 for the next four years. This does change the match for small hub airports of which Juneau International Airport is one. It is not known at this time how much that will be. The Airport plans on accelerating the application for funds for the SREF to February 15, because the latest authorization expires on February 17.
4. **Snow Removal Equipment Building (SREF) Presentation to Alaska Delegation**: The Alaska delegation (and their staff) will be here on Saturday at 1:30 p.m. A meeting will be held at the airport and a briefing will be given on the SREF project. A tour to the old shop and the sand shed will be given. They are very

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interested in it. The Airport is asking for a \$3.1 million appropriation in the State budget and this will be a good chance to bring them up to speed.

5. Additional Public Notice of Board Agenda: Ms. Johnson went to the January 30 Assembly Human Resources Committee (HRC) meeting to represent the Board's views, but due to a fire alarm (the building was cleared for 20 minutes) and a packed agenda, the HRC was not able to get to the topic. This has been rescheduled for March 15 and will begin at 5:15 p.m. in the Assembly Chambers. Several other Board Chairs from other enterprise funds were also in attendance.
6. Food and Beverage in the Departure Lounge: Icy Straits Point has decided that their tourism season was coming up very quickly and they could not provide the staff to do this project. Staff will go back to square one and figure it out. The terms of the RFP will change. Ms. Johnson spoke with Dan Knauss of ESS and Ella Rogers to see if the terms were changed if they would be interested as they still have exclusive rights in the terminal. They said they are interested. The terms would be that the Airport would build it out, with minimal build out costs. Terms will be loosened to get someone in there to sell coffee and grab and go food.
7. North Terminal Renovation Project Presentation to Assembly Public Works & Facilities Committee: A presentation was given to the committee last Monday. There are approximately \$84 million worth of requests for \$40 million worth of sales tax money (see Attachment #3). The Airport's request was for \$28 million. Ms. Johnson said she did not get a good vibe from the Committee as far as the Airport being able to get the full amount. She thought if the airport was going to get anything close to the full amount, they will need to come together, make a plan and get the community behind them so that the Assembly will hear that there is that type of support. In the past, it was rather large projects that were funded. It seemed that the list included small amounts of money and she found out as a former politician that it is easier to please a lot of people than to say that they will fund one project to finish it up. The Airport project is the only one that is in the middle of a phase. Sales tax money started the project and it was thought that it would be finished up with sales tax money.

Airport Architect Catherine Fritz gave the North Wing Terminal Renovation presentation she gave to the Committee to the Board. The terminal has 96,000 square feet total, with 53,000 square feet currently renovated. Anything 1984 and newer would be added on to and anything prior to 1984 would be replaced. A lot more information needs to be shared. One of the critical things that need to be understood is that due to the structural limitations (the electrical, the mechanical, the way that the building was added onto over time), there would be a difficult time breaking the project down into more projects. The priorities were reviewed,

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an overview of the funding the Airport had before, and then brought them up to date with the current priorities. Some things have been moved into lower priorities, such as providing for international arrivals and providing a structure for long-term/short-term parking.

The Airport continues to have three primary goals: reducing the operating costs, modernizing the infrastructure, and improving passenger experiences. These are not just so the airport can be a pleasant terminal to pass through. These goals will keep the terminal part of the revenue picture of being able to provide for itself as an enterprise board organization. It has to do with keeping the costs down for the tenants so that the costs of maintenance and repair of the building does not fall on the backs of the tenants. The floor plans were presented and provide for 32,000 square feet of new building and 11,000 square feet of renovation. This is within the parameters of not overbuilding. Staff is trying very hard to replace the deteriorated infrastructure in a way to produce revenues, serve the public and keep the operating costs low. The plan seems to be able to do that. The space would allow additional space to be built for an operation such as FSDO. A new mechanical penthouse space would be built near the tower to house a new DOS unit and some heat pumps. It would be a simple structure off to the north. Currently a single concessionaire uses a large amount of square footage, which will probably not continue after 2013. The airport should be a place people want to go to, not a place you have to go through. This is critical infrastructure and it should be vibrant, economically sound that reflects the values of the community, works for the visitors, and can be planned on serving the public for a long time. The cost will be about \$28 million.

Board Member Ron Swanson said it seems like there is a willing tenant in FSDO. Why wouldn't the Airport design in the space and make it an easier sell to the City to say there is a tenant that is willing to lease space. He asked what staff would do if the City said the Airport could have \$10 million. Ms. Johnson said staff is working on a plan. She thought a new plan would be brought to the Board at the next meeting. In the meantime, she thought everyone who has any contact with the Assembly or any members of the public, ought to be taking the pulse of the community as to whether they would vote for the sales tax issue with \$20 to \$28 million on there for the airport. This would take people coming out of the woodwork supporting this project, so staff is going back to take a look at what can be done. Mr. Swanson said he thought it was a good idea to have a Plan B.

Assembly Liaison Ruth Danner said the entire list would go before the Assembly Finance Committee to be reviewed. She said she needs a spreadsheet to analyze the projects. Then she will need to determine how many people will benefit from the project, what are the costs associated with not doing the project. She will analyze the cost and benefits of each one. She said she has no idea of how to

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choose the projects. She said a Plan B is a great idea. She said if there is a strong enough case of why the Airport needs three-quarters of the funds, then maybe there is a strong enough argument to actually make it a separate item on the ballot. Chair Laughlin said it would be nice to know what percentage of people in Juneau use the airport. Mr. Swanson said the last project may be a detriment to the Airport's position of needing this project. He said that many of the passengers that use the 135 operators do not vote in Juneau. They come from outlying towns and return to outlying towns. Ms. Johnson said a Plan B will be brought back to the Board at next months meeting.

8. Snow Removal Equipment Building Funding Q & A: Ms. Johnson said talking points for the SREF were handed out at the last meeting. She was not able to go to the legislative reception and wondered if anyone went and chatted with very important people about it. Chair Laughlin said it went good. He talked to the Governor about what it takes to get on top. The Governor said he has a lot of money for capital improvements but the project has to be on the top of the list. He starts on the top of the list and when the money runs out, he's done. Mr. Swanson said he met with Kathy Smith. They talked about the Q400s and Ms. Smith said that Alaska Airlines is definitely looking at Juneau as a mini-hub with the Q400's going to outlying communities but gave no timeline.
9. Airport Engineer Report (Attachment #1): Airport Engineer Tom Carson said AIC is working on the Jordan Creek culvert. AIC did the first pour of the first head wall on February 7. A second pour will be done in the next few days, with another pour a few days after that. It looks like the central portion of the Jordan Creek culvert will be behind them by the end of February. They will then move to the piece on the south side of the runway. During March, AIC will be tending to the storm drain for the SREF building infrastructure project. The target is the end of March. The target for the end of April is to have the stockpiled material placed around the airport in the northeast development area and targeted to be finished by the end of April. They are scheduled to depart by the end of May. This is a \$30 million project and they earned \$25,000 in January. Better progress is expected. Chair Laughlin asked if the dredging was done. Mr. Carson replied that AIC has everything they need in the stockpiled material. There are a few small details to finish in docks, but dredging is complete.
10. Airport Architect Report (Attachment #2): Airport Architect Catherine Fritz reported that the construction has begun with the front entry blocked off, the coffee shop moved, and the gift shop moved down a little way. It is going very well. Steel, glass, and wall system orders are all underway.

Staff finished the RFP with the gift shop. A refurbishing of the interior space will involve painting walls and a portion of their ceiling will be replaced (as some of

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the old ceiling is in the old portion of the building). When this is reopened at the end of May with a totally renovated space, it will be as nice as it can. The gift shop owners are working with staff to get new display cases.

Staff continues to work on the repairs to the exterior door vestibules. Parts are being salvaged from the main entry to be stored for patchwork repairs of the doors in the future. The artwork whale plane has been installed in the departure lounge. This was a graphic piece done by Pat Race. This was a collaboration of work. Staff believes this will be a great signature piece to take off from and do some branding and other exciting logo work.

The stands for the departure lounge display cases are done. The cases are being done locally with a really great design thanks to Jeannie Conneen. Ms. Conneen is working on a kick-off for the short-term displays of some student 3-D work from both high school and university students for this spring. The idea is to have a temporary exhibit that is several months long so it doesn't have to be changed out all the time. This will be something in the departure lounge that will continue to define where people can and cannot walk. Work is continuing with the miners on the mining exhibit. The miners really wanted to keep the exhibit but it couldn't remain in its old case. They have agreed to pay for the new case and staff has worked with them on a design that will be complimentary to the Airport's case design. They are very happy and hope to get it done before the start of the tourism season.

Staff continues the performing art venues. The Thunder Mountain Big Band will be at the airport on President's Day Monday. They will be in the departure lounge baggage claim area again. They are thrilled to be a part of the airport and give people a chance to hear their music.

A report was given to the Legislature House Resources Committee on the geothermal system. That was an honor to be asked to talk about that and talk about the Alaska Energy Authority that funded that work. The Airport received a \$513,000 grant.

Mr. Swanson said the owner of the Hummingbird Gift Shop was fairly displeased with the coordination. He did not like the design of the curved cases. He asked if the difficulties had been ironed out. Ms. Fritz said the gift shop owners are happy now.

- IX. **CORRESPONDENCE:** Ms. Johnson said she received a nice e-mail from Rich Etheridge that said he was at the Civil Air Patrol. The e-mail went on to say that during the heavy winds and snow, the ground crew is doing an awesome job keeping up with everything mother nature is throwing at them. It's a great crew out there. He was glad they are keeping things safe for us all.

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X. **COMMITTEE REPORTS:**

A. **Wildlife Hazards Working Group:** Group Chair Steve Zimmerman asked Ms. Johnson if there had been any progress on the mini-assessment on Duck Creek. Ms. Johnson replied there has not been any progress.

B. **Finance Committee:** The Finance Committee will meet next Thursday.

C. **Operations Committee:** The Operations Committee will be meeting on February 15, at 5:30 p.m. in the Alaska Room, to discuss the west finger.

XI. **ASSEMBLY LIAISON COMMENTS:** Assembly Liaison Ruth Danner said the Assembly is looking at the budget. She asked if there was anything the Airport wanted said during the liaison comments at the Assembly meeting. She suggested this information could be sent to her in an e-mail.

XII. **PUBLIC COMMENTS:** None.

XIII. **BOARD MEMBER COMMENTS:**

A. David Epstein asked the status of Jerry Mahle's position. Ms. Johnson said that the position description is being developed. This will hopefully be out by mid-March. Mr. Epstein said he will be calling in for next month's Board meeting.

B. Ron Swanson said that in the past, some Assembly Liaisons did not attend the Board meetings. He thanked Ms. Danner for taking the interest in the Board and coming to the meetings. He said the Board really appreciates that. Ms. Danner said she takes her service to the Board as seriously as she does all of her commitments. If she has the ability to attend, she will. Mr. Swanson also noted that the sand shed needs to be painted. Ms. Johnson said that the costs for the paint and equipment are being plugged into the budget. The Field Maintenance staff will be the crew.

XIV. **ANNOUNCEMENTS:** None.

XV. **TIME AND PLACE OF NEXT MEETING:**

A. An Airport Board Operations Committee meeting will be held on February 15, 2012, at 5:30 p.m. in the Alaska Room.

B. The Airport Board Finance Committee meeting will be held on February 16, 2012, at 9:30 a.m. in the Alaska Room.

C. The next regular Airport Board meeting will be held on March 14, 2012, at 6:00 p.m. in the Alaska Room. Ms. Johnson said she would not be able to attend the next meeting, that Ms. deLaBruere would be sitting in for her.

XVI. **ADJOURN:** *Steve Zimmerman moved, Ron Swanson seconded, to adjourn. The meeting adjourned by unanimous consent at 7:05 p.m.*