

MINUTES of
AIRPORT BOARD MEETING
March 14, 2012
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 6:00 p.m.

II. **ROLL CALL:**

Members Present:

Pete Carlson	Jerry Godkin	Ron Swanson
Tamara Cook	Butch Laughlin	Steve Zimmerman
David Epstein		

Staff/CBJ Present:

Patty deLaBruere, Deputy Airport Manager	Marc Cheatham, Airport Special
Catherine Fritz, Airport Architect	Projects Officer
Jerry Mahle, Airport M&O Superintendent	Tom Carson, Airport Engineer
John Coleman, Airport Business Manager	Keith Walker, CCF/R

Public Present:

Irene Gallion, DOWL HKM	Ella Rogers, Glacier Restaurant
Jim Vuille, Retired FAA	

III. **APPROVAL OF MINUTES:** *Steve Zimmerman moved, David Epstein seconded, the adoption of the February 8, 2012, regular monthly meeting minutes. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Ron Swanson moved, Steve Zimmerman seconded, to adopt the agenda. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:** None.

VII. **NEW BUSINESS:**

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

1. We have recently applied for the following FAA AIP grants:
 - a. AIP 55 "Construct SREF & Lighting Vault": \$17,598,750 FAA; \$463,125 State; \$463,125 PFC, **Total \$18,525,000**
 - b. AIP 56 "Construct RSA": \$30,425,741 FAA; \$780,146 State; \$820,714 JNU Dirt, **Total \$32,026,561** -- This will finish up the Runway Safety Area project funding.

Airport Business Manager John Coleman said it is hoped that these funds will be appropriated at the June Assembly meeting.

AIRPORT BOARD MEETING

March 14, 2012

Page 2

Deputy Airport Manager Patty deLaBruere said that the runway will be resurfaced in a few years. In order for the runway to be resurfaced, the taxiway will need to be upgraded because of the weight of the aircraft. A pavement evaluation will be done in the next year or two. Chair Godkin said he was astonished with the runway cracks, holes, and patching that was failing and causing FOD. Ms. deLaBruere said the patch is actually holding up pretty well, but when something goes over it, it peels up. It is the part of the area it is adhered to that is breaking off. Alternate means of large patches have been reviewed and will continue to be investigated.

2. Airport staff received a briefing from Alaska Department of Transportation and Public Facilities, Pat Carroll and Keith Karpstein, concerning an upcoming road project of benefit to JNU. DOT will be resurfacing Yandukin and Shell Simmons Drive sometime during the spring and summer of 2013. They will keep JNU informed so we can help minimize any traffic disruption that might occur.

3. Another item that has been brought to staff's attention is the condition of the air cargo road, which continues to deteriorate rather rapidly. Discussions have been held with Rod Swope as the problem was brought to his attention. This project will be huge as it includes the subsurface, water, sewer, drainage and the road is down about 1 to 1.5 feet lower than the rest of the surrounding properties. This will be a \$3 million project.

4. Airport Engineer Report (Attachment #1): Airport Engineer Tom Carson reported that the pond was frozen during the month of February. No more dredging will occur. AIC finished the installation of the culvert between the taxiway and the runway. The backfill is continuing in the infield and expected to be finished by the weekend. Work has started on the south side and the head wall will be formed next week. It is hoped that the culvert will be done by the end of March. The storm drain in the northeast development area was worked on during the month of February. The deadline for this is March 30. The pipe is now in the ground and is functioning. The northeast development area is expected to be done by the end of April, which is the contract deadline. Completion of the overall project is scheduled for the end of May. The extended deadline will not affect the next project.

Board Member Ron Swanson asked about erosion on the banks of the float pond. Mr. Carson said the issue is most pronounced in a stretch of 300 to 400 feet and it happens to be where the road is at the lowest point. With the new RSA, a lot of snow has been stockpiled in a ditch at the very west end, and then the weather circumstance of snow in the ditch and ice in the pond, and with ice clogged culverts that would normally drain into the pond, water filled the ditch and flowed across the low section of the road. The surface on that parking area was D-1, which was not good enough material to resist that kind of stuff. A work order was issued to replace that stuff in that stretch there with 2" minus, which is the kind of fill that is in the far end of the

AIRPORT BOARD MEETING

March 14, 2012

Page 3

RSA. It works great, drains and stays put. This will fix the road for this year. When that road is replaced as part of Phase 2 (probably 2013), asphalt will be laid across there, plus the shoulder will be all 2' minus.

Work continued with the FAA for the 08/26 MALSR design, which is blended with the Phase 2 RSA project. Coordination is also occurring with DOWL (the design engineers) and the FAA design team. The 95% design submittal is due March 19, with a little less than two weeks to get comments back. The design meeting will occur on March 29. At that point, all of the input will have been given and DOWL will go back and finalize the documents. The 100% drawings are due on April 16, which will go through the CBJ for about one month. Discussions were held on Board Member review of the 95% documents. As these documents are close to being done, minor changes can be done. Chair Godkin said Board Members are free to look at the documents, but no Board actions can be made. Suggestions can be taken under advisement. Steve Zimmerman and Butch Laughlin were interested in looking at the documents when they became available.

5. Airport Architect Report (Attachment #2): Airport Architect Catherine Fritz said the terminal is in construction mode again. Things are coming apart slowly as the snow melt system needs to be protected. The construction crew is doing a good job. The gift shop design is almost done. This work will be done to spruce up and modernize the space. The shop may need to close three to four days for construction. The art display cases for the departure lounge continue to be set up, along with other exhibit-type things. It is hoped these will be in place when the tourists arrive. The coffee shop installation is being done in the departure lounge. Work is occurring with ESS to staff the coffee shop in the departure lounge as long as there is no cost for build-out to ESS. It is hoped this will be open by the first of May.

Construction documents for the Snow Removal Equipment Facility (SREF) are almost complete and ready for bid. The documents will be held until funding is received. Staff is optimistic that Airport Manager Jeannie Johnson's efforts in Washington, D.C., as well as the efforts on the hill in Juneau will provide funding.

A good meeting regarding the SREF was held with the Alaska Delegation on February 11, 2012. They went on a tour and asked good questions about the issues and why the building is needed so desperately.

VIII. CORRESPONDENCE:

A. E-Mail from Ruth Danner, Chair of the CBJ Assembly Human Resources Committee (HRC), concerning decision by the HRC to require no additional steps for public notice of meetings and a reminder to be mindful of the importance of transparency in our work (Attachment #3). Chair Godkin said Mr. Epstein and Ms. Johnson attended the HRC and he testified on behalf of the Airport as well as other members of the enterprise boards

AIRPORT BOARD MEETING

March 14, 2012

Page 4

(one of each). He relayed the Board's concerns that they thought they met or exceeded the requirements of the problem that was brought to their attention two meetings ago. Mr. Dybdahl concurred and made a motion to leave everything as is. Some good points were brought up.

IX. COMMITTEE REPORTS:

A. **Wildlife Hazards Working Group:** No report.

B. **Finance Committee:** Ms. deLaBruere said the Airport Finance Committee held two meetings on February 27, 2012, and March 6, 2012 (meeting minutes, Attachments #4 and #5). FY 12 is projected to have a (\$371,100) deficit by year end. This shortfall will be made up with the Airport's fund balance (previous years' excess revenues). The Finance Committee then looked at the start of biennial budget years FY 13 and FY 14. Initially, both years were looking at major deficits mostly due to revenue cuts and shortfalls. At the March 6, 2012, meeting, the Committee agreed to apply \$306,100 of the Airport's Fund balance and raise rates for large aircraft landing fees and fuel flowage fees as indicated by the Airport Finance Model for FY 13. No increases were indicated for small general aviation aircraft or small commercial (Part 135) operators. This would balance FY 13. These same rate increases would carry forward into FY 14 to help offset that year's deficit. FY 14 still shows a deficit of (\$249,300 rounded). The Committee unanimously approved the FY 13 and FY 14 budgets, as shown in Attachment # 6, with FY 13 balanced, and FY 14 with a deficit of (\$249,300 rounded). The Committee will revisit the FY 14 budget next year. The Finance Committee forwards the budget to the Board for approval, and subsequently on to the Assembly. Ms. deLaBruere said the marine passenger fees are designed to pay for capital projects related to the cruise ship industry, not for maintenance and operations. Chair Godkin said the Airport needs to generate revenue from room rentals and getting the concessions going. *Butch Laughlin moved, Steve Zimmerman seconded, to recommend approval the FY 13 and FY 14 budgets, as presented in Attachment #6 to March 14, 2012 Agenda, and forward on to the Assembly for adoption into the City budget. The motion passed by unanimous consent.*

As a part of this budget process, the Finance Committee approved increases to the Airport Rates and Fees Regulation at their March 6, 2012, meeting. Signatory Landing Fees would increase to \$2.18/per 1,000 lbs (increase of \$0.20), estimated annual revenue of \$140,000; Non-Signatory Landing Fees would increase to \$2.73/per 1,000 lbs (increase of \$0.25), estimated annual revenue \$6,300; Signatory Fuel Flowage Fees for aircraft 12,500 lbs. or more to \$0.125/per gallon, (increase of \$0.04), estimated annual revenue \$114,000; and Non-Signatory Fuel Flowage Fees for all aircraft to \$0.20 (increase of \$0.005), estimated annual revenue \$2,800. Since Airport rates and fees are set by regulation, the rates/fees increase must go through the public regulation process. Once approved by the Airport Board, the regulation must go out for a 21-day public comment period before coming back to the Board for final approval and subsequent submission to the Assembly for final action. Mr. Swanson asked if JNU was pricing itself out of the fuel market with these increases. Ms. deLaBruere said this was discussed

AIRPORT BOARD MEETING

March 14, 2012

Page 5

with Alaska Airlines and they realize that some way their portion of the pie will be the same size even if they tankered fuel. *Butch Laughlin moved, Ron Swanson seconded, to recommend approval of the rates/fees increases to Fuel Flowage Fees and Landing Fees, as presented in the draft amendment to 07 CBJAC 10.020 Rates and Fees, Attachment #7, and begin the 21-day public comment period before coming back to the Board for final approval, and subsequent submission to the Assembly for Regulation approval. The motion passed by unanimous consents.*

Ms. deLaBruere said the Airport's budget presentation to the Assembly is scheduled for April 25 at 5:30 p.m. in the Assembly Chambers.

C. Operations Committee (Attachment #8): Committee Chair Butch Laughlin said the meeting was called to solve any problems with user spaces in the west finger and what they would get in those spaces. The meeting discussed rates and the surety of people being able to continue to use the docks as long as they pay for them. He noted there are three additional spaces in both the west finger and the main pond area.

- X. **ASSEMBLY LIAISON COMMENTS:** None.
- XI. **PUBLIC COMMENTS:** None.
- XII. **BOARD MEMBER COMMENTS:** Ron Swanson said he does not want the white building to fall through the cracks. Ms. deLaBruere said this is one of the additional expense items that was put into FY12 – paint for this spring.
- XIII. **ANNOUNCEMENTS:** Ron Swanson said he will not be in town for the next Board meeting and will try to call in.
- XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on April 11, 2012, at 7:00 p.m. in the Alaska Room.
- XV. **ADJOURN:** The meeting adjourned by at 7:05 p.m.