

ATTACHMENT #7

MINUTES of
AIRPORT BOARD MEETING
October 12, 2011
Alaska Room, 7:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 7:01 p.m.

II. **ROLL CALL:**

Members Present:

Pete Carlson	Jerry Godkin	Ron Swanson
Tamara Cook (via phone)	Butch Laughlin	Steve Zimmerman
David Epstein		

Staff/CBJ Present:

Jeannie Johnson, Airport Manager	Marc Cheatham, Airport Special
Patty deLaBruere, Deputy Airport Manager	Projects Officer
John Coleman, Airport Business Manager	Mark Lykins, Sr. Equipment Operator
Catherine Fritz, Airport Architect	Merrill Sanford, CBJ Assembly

Public Present:

Sarah Day, Juneau Empire	Robert Breffeilh, Hangar Owner
Irene Gallion, DOWL/LEPC	Chris Letterman, Glacier Valley Rotary

III. **APPROVAL OF MINUTES:** *Steve Zimmerman moved, Ron Swanson seconded, the adoption of the September 14, 2011, regular monthly meeting minutes.* Ron Swanson said that Catherine Fritz gave a presentation on the bid opening for McGraw and he had asked and gotten the answer at the meeting. He asked to have this added to the minutes.

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

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **Winter Meeting Times:** Proposed 6 P.M. October through March – Ron Swanson suggested this meeting time be considered as he found himself waiting for the 7:00 start time during the winter. If it is okay with other Board Members, the meeting could start earlier and finish earlier. He noted another consideration is the operating times of the air taxi operators and they would be done by this time during the winter. *Ron Swanson moved, David Epstein seconded, from October through March the meeting time starts at 6:00 p.m. until completion. The motion passed by unanimous consent.*

B. **Not for Profit Rate for Alaska Room** (Attachment #1) - Finance Committee Report and Recommendations: Airport Manager Jeannie Johnson said that the Finance

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Committee met on October 11. All members were present and four public members (members of Rotary) were present. Mark Cheatham put together a PowerPoint presentation on the rental rates on various rooms around town. The bottom line is that while ESS is catering and with the goal of getting Rotary in the room as quickly as possible, the Committee set a temporary rate of a minimum of \$75 per week, which includes a \$50 base rental rate and \$25 of concession income. This meeting will tie the room up for about three hours. Once the Airport has the concession agreements in place for other caterers to come in, the rate will go to \$100 minimum, which will be a \$50 room rental rate, plus the additional will be made up with concession fees. The reason for the difference is that the concession rate with ESS is at 4%, which is very, very low. This seemed to be something that will work for Rotary. Mr. Swanson asked why the Board is setting the concession rates. Ms. Johnson said that the concession fees are what the Airport gets from the food sales. When ESS sells a meal, they pay 4% of that price to the Airport. This is a base rental fee of \$50 and the way the Airport can get it to \$75 to cover the staff time, is to supplement the \$50 with a concession fee that the Airport gets. The Airport would get this amount from ESS anyway, but the Airport is trying to be community friendly as Rotary cannot pay more than \$50.

Tam Cook asked how the rate would compare to the cost of a regular user. That rate has not been set yet as the Finance Committee meeting was to set the not-for-profit rate simply because Rotary needs to get into the room. Ms. Cook had an objection to giving a non profit a break that is excessive as the City & Borough is a non-profit itself. When you consider the public interest, she was not sure that the Airport Board should give a very huge discount to non-profits. She felt this was putting the cart before the horse. David Epstein said the Rotary was asking for a volume discount as they meet every week. He asked if the Manager had spoken to Law. Ms. Johnson said Jane Sebens had not been available. Mr. Epstein said the 4% is status quo until such time as the contract expires and then whoever comes in afterwards will not likely have 4%. Ms. Johnson said ESS will not be the only ones catering in this room and ESS has been notified that ESS will apply the same way that another caterer will for this room. The Airport will negotiate a concession rate across the board with each one of the caterers. The rate will be set, but a 4% concession rate for food at an airport is extremely low. Ms. Johnson said that her understanding was the Board wanted to get something in the interim to get Rotary into the Alaska Room, which is what is being done. She did not feel this was a cut rate. She said both for-profit rates and not-for-profit rates have been reviewed. Mr. Swanson said Ms. Johnson has done this under the Board's direction to meet with the Finance Committee and come up with an interim plan as the Airport had a willing renter and the Airport wasn't sure if they were a willing landlord. It turns out that the Airport is in the interim and this is the interim plan to accommodate a willing renter. This will bring in income. He noted that although the City is not-for-profit, the Airport sort of is and must keep its head above water. He felt that the room should be rented, even though a permanent

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plan is not in place. Ms. Cook asked how long this will be an interim plan. Ms. Johnson said her goal is by the end of the year staff will have the concession contracts ready to go through law and whoever is interested in dealing with those has the ability to sign up. She said that Ms. Cook had suggested whatever is done for a not-for-profit organization should be a percentage of what we do for a for-profit business. *Ron Swanson moved, Steve Zimmerman seconded, to approve the interim plan as presented by Ms. Johnson until February 2012, which is Rotary specific. By February, the permanent plan for the room should be at least started. The motion passed by unanimous consent.*

VII. **NEW BUSINESS:**

A. **AIP Grant:** The Airport has received FAA grant AIP54 in the amount \$6,301,428 for the Runway Safety Area (RSA) project, and a State of Alaska DOT matching grant in the amount \$161,575. Ms. Johnson said this is what you call running an airport on the installment plan. Because Congress only gives the authorization for FAA to operate in little bits and spurts, that is how the Airport gets its money. Although \$6.3 million is not a little money, it makes FAA staff and City staff work harder to put the grants together for installments. This will go toward paying for Runway Safety Area construction. *David Epstein moved, Pete Carlson seconded, that the Airport Board approve the appropriation of AIP54, \$6,301,428, as well as the State of Alaska matching grant in the amount \$161,575. The motion passed by unanimous consent.*

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

1. **Condolences:** Ms. Johnson extended the condolence of the entire Airport staff to Mr. Godkin for the loss of his father.
2. **Field Maintenance Staffing:** Jerry Mahle is home and doing better. Mark Lykins is now the Acting Airport Maintenance & Operations Superintendent and was in attendance at the meeting. He is doing an excellent job. Bob Simpson retired from the Airfield crew. Lamar Riddle moved into Mr. Simpson's position. Everyone is getting ready for winter and working very hard as they are short-handed.
3. **Sand Shed Paint Update:** Ms. Johnson reported Aral Loken said they paid \$13,800 to have the Coastal Helicopters building painted. This compares to the one quote for the same work at \$32,500. The Loken contractor was not licensed and bonded. Through Purchasing rules, an RFP will have to go out for this work. Another piece is that the Airport does not have money in the budget. She asked for direction from the Board. Mr. Swanson asked when the eye-sore will be torn down. Ms. Johnson said that it will be torn down when the money is received to build the new chemical storage building in approximately three years or maybe longer. Mr. Swanson reiterated that the Loken contractor cannot be hired and