

MINUTES of
AIRPORT BOARD MEETING
November 12, 2014
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER**: Chair Jerry Godkin called the meeting to order at 6:03 p.m.

II. **ROLL CALL**:

Members Present:

David Epstein	Joe Heueisen	Mal Menzies
Jerry Godkin	Robert Mackey	Martin Myers
Dennis Harris		

Staff/CBJ Present:

Patty deLaBruere, Airport Manager	Marc Cheatham, Deputy Airport Mgr.
Catherine Fritz, Airport Architect	Keith Walker, CCF/R
Ken Nichols, Airport Engineer	

Public Present:

Mike Wilson, Coastal Helicopters	Renda Heimbigner, Tenant
Jason Kulbeth, NorthStar Helicopters	David Heimbigner, Tenant
Kathy Smith, Alaska Airlines	

III. **APPROVAL OF MINUTES**: *Dennis Harris moved, Joe Heueisen seconded, the adoption of the minutes for the regular monthly meeting of October 8, 2014, and the special meeting of October 22, 2014. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA**: *David Epstein moved, Martin Myers seconded, to approve the agenda. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS**: Kent Craford, Alaska Seaplanes, said Alaska Seaplanes serves Angoon, Tenakee and Pelican under the U.S. D.O.T. Essential Air Service (EAS) Program. They found out D.O.T. is considering terminating EAS from Juneau to those three communities, potentially in favor of service to Sitka. The reason being is that there is an operator (Harris Air) who is seeking scheduled authority and if they get that authority and they provide the minimum level of frequency requested by D.O.T. (about seven flights a week for Angoon and Tenakee, and six a week for Pelican) that they will consider dropping subsidization for Juneau flights. This will, of course, be game over for at least the type and frequency of service that those communities have received from Juneau historically and currently. This is a big deal for Alaska Seaplanes and a very big deal for Angoon, Pelican and Tenakee, and it is a big deal for this airport. The three mayors of those communities have come together and written a joint letter to D.O.T. and to the Congressional delegation. There has been near unanimous support in the communities for

AIRPORT BOARD MEETING

November 12, 2014

Page 2

maintaining Juneau service at the current frequency, which is far greater than the minimum EAS frequencies. This is a big issue and they need all of the help they can get. He met with Patty last week and are asking the Airport Board to support them in prevailing upon D.O.T. to maintain service from Juneau, and Juneau only, from Angoon, Tenakee and Pelican. They would appreciate the Board's support.

He felt a letter to the D.O.T. Undersecretary would suffice and be terrific. He said in the peak season (May to September), they do three flights a day to Angoon and Tenakee. In the wintertime they fly at least daily. Pelican requires six flights a day year-round under the EAS determination from 1980. Some days during the summer, all five float planes would go out there in the morning. The communities are adamantly opposed to going anywhere other than Juneau. Tenakee and Angoon have had scheduled service to Juneau since 1934. They are fighting very hard to keep it. D.O.T is looking to cut costs and if they can get someone from Sitka to provide the minimal level without subsidy, it saves them some money.

Mr. Craford said they had not talked to the City about supporting this, but had discussed contacting the Chamber. Board Member Dennis Harris suggested contacting the Convention & Visitor's Bureau. Mr. Craford said the Postmasters in the communities are apoplectic as the mail is distributed from Juneau. It would then have to go to Sitka and nobody really knows yet. He had asked D.O.T. about the mail, who said it was the Post Office's issue.

He said Alaska Seaplanes has a new proposal of adding a caravan with IFR (instrument flight rules) capability. He noted you obviously can't fly IFR to the communities, but they can get out of Juneau. So to be able to file a flight plan and get up and cancel and get back in the same way, they think that can help their reliability. Airport Manager Patty deLaBruere said she had forwarded the letter from the Mayors and another letter which references orders as examples. She sent these downtown and to the lobbyist. Board Member Joe Heuelsen said it sounded like there was a consensus of the Board, and they could direct the Manager to write a letter for the Board's signature. Chair Godkin said they would get right on it.

VI. **UNFINISHED BUSINESS:**

A. **Financial Plan Recap of Capital Project:** Ms. deLaBruere reflected back to the October 22 meeting where the capital improvement project (CIP) plan was reviewed. There were four projects that need to have some sort of action plan or strategy for funding. The four projects are:

AIRPORT BOARD MEETING

November 12, 2014

Page 3

1. Terminal Renovations (North Wing replacement).

Funds Secured:

General Obligation Bond (2012)	\$ 6,900,000
PFC (#8)	\$ 993,333

Funds Not Yet Secured:

FAA AIP Entitlements (FFY 2017)	\$ 2,600,000
State DOT Match to AIP	\$ 86,667
*Local/Airport Match/Obligation (FY2016)	\$ 3,420,000

*Through New Gen Obligation Bond**

TOTAL	\$14,000,000
-------	--------------

2. Snow Removal Equipment Facility (Design/Geothermal loop Field/Snow Removal Equipment Facility Apron (SREF) building Phase I/SREF Apron; four projects).

Funds Secured:

Ballot Measure Sales Tax	\$ 3,100,000
Special State Legis. Grant	\$ 3,000,000

Funds Not Yet Secured:

FAA AIP Entitlements (FFY 2016)	\$ 2,600,000
FAA AIP Discretionary (FFY 2016)	\$20,383,125
State DOT Match to AIP	\$ 746,104
*Local/Airport Match/Obligation (FY2016)	\$ 3,404,104

*Through New Gen Obligation Bond**

TOTAL	\$33,233,333
-------	--------------

3. Alex Holden Way (Design and Construction).

Funds Secured:

-0-

Funds Not Yet Secured:

Special State Legis. Grant (Request 2015)	\$ 300,000
Local Gen Obligation Bond (FY 2016)	\$ 3,500,000

(or additional Special State Legislative Grant)

TOTAL	\$ 3,800,000
-------	--------------

4. Other 2018 projects (Taxiway A Design, Snow Removal Equipment, Phase II SREF Sand and Chemical Facility).

Funds Secured:

-0-

Funds Not Yet Secured:

FAA AIP Entitlements (FFY 2018)	\$ 2,600,000
FAA AIP Discretionary (FFY 2018)	\$ 3,446,875
State DOT Match to AIP	\$ 201,562
*Local/Airport Match/Obligation (FY2016)	\$ 201,563

(Through New Gen Obligation Bond)*

TOTAL	\$ 6,450,000
-------	--------------

AIRPORT BOARD MEETING

November 12, 2014

Page 4

These projects have a component to discuss getting on some sort of City program. Now the Airport needs to move forward to capture the italicized items, which total about \$10.53 million of either general obligations bonds or some other form of contribution that the Airport is looking for help. This may be through an additional grant (like the special State grant). Board Member Robert Mackey said that the old fire hydrants on the field are in need of being replaced and he asked if staff had gotten a price for that yet. He thought this might be included in a CIP if it is a marginal amount. Ms. deLaBruere said one fire hydrant has been replaced through the M&O (maintenance and operations) budget. She said there is about \$10,000 annually to have Public Works winterize them, work on them and help evaluate them. This has not been done overall as far as replacement goes. Mr. Mackey said this is a time bomb that is out there and if there is a hard winter, the Airport could find themselves replacing them earlier rather than later. Having an idea of where that fit in and all of the costs would be wise.

Ms. deLaBruere said the request is to formulate how staff goes down formally and say this is what the Airport needs and push for it. It may involve going down at the Assembly level and tell them why. A very comprehensive CIP program has been outlined. Certain matches through Passenger Facility Charges (PFC) are taken out through a certain time frame with additional projects that will speak for a new PFC. The projects are big ticket items and community based. Mr. Harris said he was willing to go to the Assembly or Committee meetings to relay this need. He said contacts should be made now. Board Member Joe Heueisen said the normal team is the Finance Chairman, the Chairman of the Board and the Manager, with full input from the Board. Chair Godkin said the Manager goes to more meetings than he does and keeps the Board informed. He suggested that the Board needs to know about future CIP meetings so that they can prepare with her and show their support.

Mr. Harris thinks there is a lot of misunderstanding at the Assembly and in the community in general as people seem to think that the entire operation of this airport is paid for by federal funds with a slight match. That is not true. Generally, most people do not know that. He thought if there was some other way to get the information out, through radio programs, etc., it would be helpful. Chair Godkin said he agreed using the media outlets to let the community know what the Airport does and how it functions so that when it comes time for something to be on the ballot, that there is an understanding and know why it is put on there.

Ms. deLaBruere said she would contact Engineering and the Manager's Office to start with meetings and see if they have questions. Chair Godkin asked if it would be prudent to have some one-on-one time with the Mayor to get some guidance on how the Airport should proceed. Ms. deLaBruere agreed.

VII. **NEW BUSINESS:**

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

1. Architect and Engineer Contracts. Both Ken and Catherine are working for the Airport as contractors. The positions are on the books as a zero dollar cost as they are paid through project funds. As employees, they are putting in 75-hour pay periods and they are on the books. With contractors, there is the benefit during slower times that they do not have to put in that time. As projects ramp up, there is more ease with what they are charging for. The Airport is working on longer term contracts for the Architect and Engineer positions. Both of these have been set up as short-term contracts to keep continuity with the current Airport projects. We hope to have these completed and out for bid soon.

2. Airport Maintenance & Operations Superintendent: The position is currently posted as "open until filled". Five applicants have been interviewed by Airfield staff and Administrative staff. There are some good candidates. She hoped to fill the position within the next month. There are some people that do not live in Juneau and would take time to get here.

3. Airport Engineer Report (Attachment #1): Airport Engineer Ken Nichols said there are many meetings with the Master Plan consultant today and tomorrow. These meetings are to get the consultant to understand needs at the airport. The Runway Safety Area punch list items are ongoing. There will be two more days of work for the Runway Rehabilitation Project before winter shut-down. Chair Godkin asked if all the tenants were on board for the runway shutdown in the spring. Mr. Nichols said no, but there have been meetings with tenants to have them understand what the project is and how it will go forward. There will be more meetings with tenants and stakeholders so that everyone understands the critical timeframes of switching between main runway and temporary runway and back. There will be more meetings with Air Traffic Control, as well. Mr. Myers asked if the non-commercial tenants have been notified. Mr. Nichols said he has gone around and given out information, but he agreed, some individualized information needs to be given to the tenants on the east end that will have aircraft taxiing in front of their hangars. Ms. deLaBruere thought there was a letter prepared and she will check with staff to confirm it was sent. Chair Godkin said to feel free to hold the public venue through an Operations Committee meeting if needed.

Mr. Heueisen asked what was happening with the 26 MALSR. Ms. deLaBruere said the Airport is going through the ATO (Air Traffic Organization) group and pushing it through that means for funding. Senator Murkowski is aware of it. The Airport told them the priorities, and that it was going through F&E (facilities and equipment) funds rather than going through AIP (Airport Improvement Program) dollars. This is also going through the Lobbyist's office.

AIRPORT BOARD MEETING

November 12, 2014

Page 6

4. Airport Architect Report (Attachment #2): Airport Architect Catherine Fritz reported that at the end of October, it was found that the Airfield shop's roof was leaking and not on the CIP plan. Staff is currently looking at a total tear-off of the asphaltic built-up roof that has been there since the original building. There is no insulation. The building is a good solid structure and staff should be planning for its reuse after the new SREF is built. This will result in a CIP plan change some time soon.

A meeting was held with the food and beverage concessionaire. A lot of the bugs of the operation have been worked out and they would like to pursue some additional facility improvements. This is an interim concession and staff is trying to balance in the partnership of investing minimal amounts and get enough data and information about this new model of food service so staff can make some informed decisions when it goes for the permanent concession. With that in mind, staff is taking a look at expanding the departure lounge side as the long-term plan calls for the majority of the concession to be on the secure side. A lot of information is being gathered and they are floating some ideas.

The response was sent to the FAA (Federal Aviation Administration) on what staff feels would be the fair and equitable repayment of funds for utilizing the site at the east for a different use than the SREF and specifically authorizing it for an FBO.

Staff is looking at the possibility of remodeling restrooms in the knuckle of the building. When the demolition of the north wing occurs, it will take the existing bathrooms out. Therefore, staff has tried to figure out how can as much of the plumbing be maintained as possible and yet, do a facelift and get ADA as it is not accessible. When the restrooms are eliminated, there won't be any accessible facilities on the ground floor. The knuckle replacement is five to ten years away, so it is time that these bathrooms are dealt with. Some money has been programmed into the Airport's operating budget for next year.

As there is not a funding plan, no work is being done toward replacing the north wing at this point. The concept has been approved, but no more money will be spent on design or components until there is some indication that funding for construction will be coming soon.

Mr. Mackey asked if there was a ballpark estimate for the cost of the roof. He also asked if there was anything in the reserves that could be thrown at one of these projects. Ms. deLaBruere said the reserve account has been spent down to within \$30,000 to \$40,000; therefore, the extra funds are not available. As far as cost, there are a lot of things that have to be considered prior to the estimate. The roof has been hot-mopped several times and cannot be done again.

AIRPORT BOARD MEETING

November 12, 2014

Page 7

Mr. Epstein said that he had seen food carts brought into the non-secure area of other airports and thought it might be a neat idea to pursue. These are being showcased in Portland. He thought that there was some local consumable product that might be something to look at to get people to be excited about coming to the airport. Ms. deLaBruere said maybe this would be something JDA (Jacobsen/Daniels Associates) could look at, too. Part of the problem is space.

VIII. **CORRESPONDENCE**: Ms. deLaBruere noted an e-mail request had circulated regarding fund-raising possibilities. Ms. deLaBruere contacted the Law Department and they said there is nothing on the City for this. They suggested that once you start something like this outside the leased space of what a tenant currently has, the Airport could ask them to rent a room at the non-profit rate. This gives equal opportunity for anyone to come in. Mr. Mackey said one of his concerns is that it would be in competition with the vendors. He would be a lot more comfortable if a person would go to the vendor and the vendor asked how to do it. He thought that would be a lot better of a process. Ms. deLaBruere said the vendor may be limited under what their license allows. Mr. Mackey said it limits the Airport's liability to an extent but it also keeps the Airport from offending a vendor by being too liberal with the policy down the road.

IX. **COMMITTEE REPORTS**:

A. **Finance Committee**: Committee Chair Heueisen said he had been attending the community economic outlook meetings on a regular basis and they seem to be somewhat ambivalent about the airport. He is glad to have Barbara [Sheinberg] on Board with the Master Plan because she is acutely aware of what is going on with the Airport.

B. **Operations Committee**: None.

X. **ASSEMBLY LIAISON COMMENTS**: Ms. deLaBruere said the Assembly was still discussing it, but the Clerk's office has said that Debbie White will be the new liaison.

XI. **PUBLIC COMMENTS**: None.

XII. **BOARD MEMBER COMMENTS**:

A. Martin Myers said he would be out of state for December and January, but will call in for the meetings. He noted that his e-mail contact would be the Gmail account.

B. Joe Heueisen said it was very important that if a Board Member is traveling that they call in because there are no excused absences. A certain number of meetings must be made or a person will be taken off the Board.

XIII. **ANNOUNCEMENTS**: Ms. deLaBruere wished everyone a Happy Thanksgiving.

Chair Godkin asked if there was a Christmas breakfast planned this year. Ms. deLaBruere said she had not thought that far ahead.

AIRPORT BOARD MEETING

November 12, 2014

Page 8

- XIV. **TIME AND PLACE OF NEXT MEETING**: The next regular Airport Board meeting will be held on December 10, 2014, at 6:00 p.m. in the Alaska Room.
- XV. **EXECUTIVE SESSION**: None.
- XVI. **ADJOURN**: The meeting adjourned at 7:00 p.m.