

MINUTES of
AIRPORT BOARD MEETING
January 14, 2015
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 6:01 p.m.

II. **ROLL CALL:**

Members Present:

David Epstein	Joe Heueisen	Mal Menzies
Jerry Godkin	Robert Mackey*	Martin Myers*(approximately 6:40 p.m.)
Dennis Harris		*Attended by Phone

Staff/CBJ Present:

Patty deLaBruere, Airport Manager	Debbie White, CBJ Assembly
Marc Cheatham, Deputy Airport Mgr.	Keith Walker, CCF/R
Catherine Fritz, Airport Architect	Eric Feldt, Community Dev.
Ken Nichols, Airport Engineer	

Public Present:

Darryl Daniels, JDA	Brooke Walker, Aero Services
John Kobbe, JDA	Mike Wilson, Coastal Helicopters

III. **APPROVAL OF MINUTES:** *David Epstein moved, Joe Heueisen seconded, approval of the December 10, 2014, minutes as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *David Epstein moved, Joe Heueisen seconded, approval of the agenda as presented. The motion passed by unanimous consent.*

V. **INTRODUCTION:**

A. Airport Manager Patty deLaBruere introduced Darryl Daniels and John Kobbe representing JDA (Jacobsen/Daniels Associates). If anyone had comments regarding the restaurant, they were in attendance.

B. Chair Godkin welcomed Debbie White. He thanked her for coming to the meeting and appreciated her being appointed to the Board to learn about what it does. Ms. White said it felt nice to be in attendance. It will be better once she has attended a meeting and knows the Board so she can keep up on things better. Chair Godkin said the Board would be looking at dates for a retreat with the Assembly, which will be held at the Airport. He said the Mayor thought this should be done a couple of times a year.

VI. **PUBLIC COMMENTS:** None.

VII. **UNFINISHED BUSINESS:**

A. **Proposed Marijuana Ban at Airport:** Ms. deLaBruere said she had been talking with the City Attorney and trying to come up with language on the ban. The City Attorney did more research on the actual language for the State and it gets tricky as far as being able to put a ban in place. This discussion occurred at both the Assembly retreat and meeting. The City Attorney asked the Airport to hold off on the ban until the State can tighten up the language or other things go into effect. What the Airport would be doing by banning it would be to say that no one can have it on their person. The State says that a person may have it on their person, it just cannot be consumed publicly. So that the Airport does not violate or infer that passengers can have it at any time, the City Attorney stated that the Airport should at least post signs that warn or alert them that it is a Federal offense to knowingly carry it on board a commercial carrier, which includes ferries, small commercial carriers and large carriers. This would suffice until the State gets further along on what it will do (and what the City will do) because the only place that the State allows it is in a person's home. This is an update.

Board Member Dennis Harris said that was why he voted no at the last meeting as he felt the Board needed an attorney's advice. He did not think an attorney's advice is needed to install amnesty boxes with big signs at the doors and ask JPD (Juneau Police Department) to confiscate whatever is in the box at the end of every day as they have facilities for destroying such materials. He thought this would alleviate the problem. He also thought that the Airport Manager should mention this particular problem during the upcoming radio interview. Some public service announcements need to go out reminding people that while it is not illegal under State law, it is illegal under Federal law in an airport facility. Board Member David Epstein felt the Airport should touch base with JPD before action is taken to make sure they are willing to do that. Ms. deLaBruere said the City Attorney was looking at what other airports are doing. She said Denver currently has amnesty boxes, and have a ban on it. Their State initiative is worded differently. After discussing the problems that can occur with amnesty boxes, the City Attorney withdrew her push to put in amnesty boxes and said maybe signs are all that are needed.

B. **Concession Expansion – Terminal Departure Lounge (Attachment #1):** Ms. deLaBruere reported that Attachment #1 is a good detailed memo of expanding concessions. It is a preliminary design of what might work and what it would entail to expand, separate out the bar section and even move some prep area into the old Alaska Airlines' offices (who would move to the Juneau Room) and still have a meeting room where the old dining room is currently. She asked for prices and asked JDA (Jacobsen/Daniels Associates) if they would entertain the idea and it would work for them, and Alaska Airlines. Both JDA and Alaska Airlines approved the concept. This would allow the Airport to get more data before it goes into the long-term concession. The Project Office put together the details. The space for Alaska Airlines will increase slightly. There would still be a good meeting room that faces the glacier. The attachment talks about each component of the renovation.

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Airport Architect Catherine Fritz said the new meeting area in the former dining room would be a little bit smaller but work very well as it would be a better shape. This is a three-part project: 1) convert the Juneau Room for Alaska Airlines so they could immediately move into that space; 2) do the improvements in their current space, which the wall would remain while the improvements are made without interrupting the current concession as much as possible and if the design process can be done quickly and smoothly for a contractor, then the improved concessions could operate as soon as the middle of May; 3) the important but less time-critical piece is the completion of the new meeting room, being able to get it usable for the things that will be displaced out of the Juneau Room. The improvements for the concession would expand the area to a full-service bar in the departure lounge and would provide beer on tap and full alcohol. It would also increase the amount of food that can be prepared on site.

Currently the concessionaire cannot prepare any food on site. The proposal is to have a limited hot food menu on the secure site. It would be just a few menu items such as French fries, chicken strips, possibly onion rings in a machine that is called an auto fryer. It does not require deep fat frying in the traditional ways seen in a restaurant. They would also have the ability to cook an item like a chunk of pork and make it into pulled pork sandwiches. However, those things could not be prepared in the new area and wander over into Romeo's and Cup O' Joe's. The pulled pork sandwiches could be served on the non-secured side. Sandwiches, salads and that type of thing can be prepared in the prep kitchen, which could be taken over to Romeo's to sell. They currently purchase all of their foods from local businesses, but there are some supply problems and it is really inefficient for them. During the slow times when their people are waiting for customers, they could prepare some of the things. This would be more profitable and use their staff more efficiently for those slow periods. This is a step toward the longer term plan that was discussed last summer.

The floor plan is part of the attachment showing it would take the Alaska Room and break through and be part of the longer term operation that would have a much larger menu. The compelling reason to do this this is the data that will be gathered from the operation of serving French fries and having a full-service bar would give more information on whether people are dining on the secure side or like Juneau allows people to do, to come 20 minutes before the flight departs, they're through security and on the plane. Maybe they won't hang out at the bar. Mr. Harris said he has had a number of complaints from people traveling in the Southeast and get stuck in the airport for hours on end hoping to fly, and the food choice is very, very limited.

Board Member Mal Menzies said he had come to the airport early for a flight and was not able to get into the departure lounge. He asked if there would be anything available three to four hours ahead of a flight if he had gotten into the departure lounge. Ms. deLaBruere said Alaska Airlines is trying to save money by closing down for a couple of hours.

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Therefore, if there are no bags being sent through, TSA is not going to stay open either. She thought the Airport should push TSA to have the passenger screening open. This shut down is done about six months of the year. A prep kitchen on site would allow the selection on the non-secured side to broaden. Maybe there won't be hot food or sandwiches like the fried foods, but certainly there would be wrapped sandwiches and salads. The idea is to move on this very quickly. Approval was needed at the meeting to move forward to get some of the contracts for mechanical and other things to be able to move forward.

Board Member David Epstein said he is all for increasing revenue and providing more service to our customers, but the Board also needs to keep in mind that the Airport has a serious issue on the North Wing. Does the benefit of going ahead with this proposal outweigh the cost of any potential catastrophic event that occurs until work can begin on the North Wing. Ms. deLaBruere said that is why staff thought through the pros and cons very thoroughly. She knew that everything was going to go into the North end work, but in rethinking this, it is felt that a little bit can be gained out of this. She knew that the expansion is not necessary to realize increased revenues, but it could increase some liquor sales (if nothing else) and that is where the money is made – on the beverages. It could help with the maintenance and operations side of things.

Mr. Harris was concerned whether the project can be done on time and whether the payback period would make it worthwhile to bother with it. Ms. deLaBruere said that even though this is CIP (capital improvement project) funds, you still have to have some basis for looking at it, whether it is the utilities that it uses or whatever it is. Based on the \$330,000, if this was actually put against the M&O (maintenance & operations) budget, it could be paid back in a couple of years straight line. If it had added it additionally into the budget, it could take even longer. Because this is being separated out, and this is actual CIP funds rather than operating funds, it had to be put in there so there was some comparative value to it. The red flag for the coordination with Purchasing and Engineering will fall on Ms. deLaBruere. She said it is being brought up with them. It will not be sprung on them and then there is contracts and getting a contractor on board. The Airport did pretty well last year getting the bar in the non-secure side fairly close to the beginning of the season. This would have to move forward starting tomorrow.

Chair Godkin asked if funds that have come from the State and Sales Tax money might be withdrawn. Ms. deLaBruere said this item was voted on, but if something is actively being done, she thought it would go forward.

Ms. deLaBruere said there are some things she wanted to touch on that have popped up and it has to do with funding. She said staff had received information on the signs – they will be \$3,700 per side of sign, which is well within the budget. Staff will move forward on that.

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In talking about the budget crunch, Ms. deLaBruere said the FAA is anxious to get going on all the projects the Airport has listed on this year's CIP list, which tells the Airport the FAA has already plugged in the numbers. This is very positive that the FAA wants to move forward on all the projects for Federal fiscal year 2015. Now there is even more work ahead for staff. *Joe Heuelsen moved, Mal Menzies seconded to approve the use of terminal renovation project funds for food and beverage concession area expansion in the departure lounge which includes the relocation of Alaska Airlines' administration offices to the current 'Juneau Room' and renovate a portion of the former dining room into a new meeting room; as outlined in the January 8, 2015, memo (Attachment #1). The motion passed on a five to one vote.*

VIII. **NEW BUSINESS:**

A. Recent Runway Closure and Friction Devices: Ms. deLaBruere said the Airport had to close the runway due to nil braking action. There were very cold temperatures followed by freezing rain, which made it so slick that there was no choice but to close it. This was the perfect storm because two out of the three friction measuring devices went down. Even if the runway had gotten better, the runway would not have been able to be opened. The Airport's Mechanic came in and he was able to work on the wiring and fix one of the devices, so the Airport was able to open up later on in the night. Alaska Airlines had to cancel flights, but no medivacs were known to be cancelled. In the meantime, staff called around and appreciated the State stepping in. There were a lot of people helping locate a friction measuring device for the Airport. One was borrowed from Ketchikan. This was not a good situation to be in so staff has looked at ordering some new equipment. The current devices are 20 to 25 years old. Staff will order a couple of new simplistic Tapley meters, which are universal at airports. Each meter will cost \$2,000. The Airport has to outline which devices it will use in the Airport Certification Manual, but Federal regulations require that the Airport has a way to test the system daily and give out Mu readings. Even if there are dry conditions, the reports have to be updated.

B. Airport Manager's Report:

1. Certification Inspection. The Airport had their annual FAA certification inspection with Airport Inspectors David Wahto and Matt Stearns. The week-long inspection went very well. The Letter of Correction contained a few items that the Airport either corrected while the inspectors were here or will be corrected when the runway rehabilitation project is completed. Mr. Harris requested a copy of the Letter of Correction and the recommendations. It will be forwarded to him.

2. SREF (Snow Removal Equipment Facility) Relocation Update. The Airport sent further analysis and justification on the costs to relocate the SREF to the FAA in October. On January 9, 2015, the FAA reported that they were working with FAA Headquarters to give their response. Ms. deLaBruere felt this was important, combined with the fact that they want to move forward on the Airport's CIP list, which includes some items in the Northeast quadrant. The letter has not been received yet.

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3. Capital Improvement Program Funding: The FAA has said that everything outlined for Federal fiscal year 2015 (the first six items on the CIP list), with the exception of the MALS (which is separate funding), has been scheduled for entitlements and discretionary funds. Airport Engineer Ken Nichols said he received a phone call from Pat Zettler to confirm the Airport will be ready to move forward with the projects that were listed. He wanted to make sure there was a “game plan” to get to the goal of issuing a grant for all of the things listed on the Airport’s program. This will mean moving forward with some consultant selections and developing the projects to a point to get grant funds. The sixth item is for the Northeast Apron, which says they approve the redesign that was put forth in the letter of justification for building that apron out.
4. Legislative Reception. Ms. deLaBruere reminded everyone that the annual Legislative Reception will take place on Thursday, January 22, 2015, from 5:00 p.m. to 6:30 p.m. All are invited. Airport staff plans to have a summary of talking points and facts available to Board members prior to attending the event.
5. SkyWest/Delta Visit. Delta will be in town to discuss schedules and their use of SkyWest CRJ’s. This will either be for the whole summer or part of the summer. A meeting will be held on January 15. Steps will likely be used for the CRJ’s. The consultant is currently looking at arrangements for that aircraft today. SkyWest will have a technical flight crew in next week to do some approaches and have their crew on the ground be familiar with the area. SkyWest will use the public approach and not the RNP at this time.
6. Assembly Retreat. The Assembly held a half day retreat in Assembly Chambers on January 14. Assembly Member Debbie White said they spent several hours going through the different ideas of what needs to be concentrated on. There was a list provided that had to be ranked 1 through 13 as to what was most important.
 - a. The first priority was promoting housing availability and affordability;
 - b. The second was child care;
 - c. Downtown revitalization strategy, including the Gastineau Apartments;
 - d. Biosolids solution;
 - e. West Douglas;
 - f. Dealing with the laws of marijuana;
 - g. Transit improvements and decisions;
 - h. Unfortunately the Lemon Creek area plan had to fall down farther on the list because in the past a lot of industrial land has been used for light commercial, which didn’t leave much.
 - i. A few were pushing hard to work on better communication with the public. For example, on the land use plan on things related to the marijuana industry, a lot of the

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public took that as the City was trying to usurp the vote of the people, which is not the case;

- j. Expanding Juneau's position as a research center;
- k. Asset management, which has more to do with keeping track of what equipment the City has and what kind of maintenance schedule it is on;
- l. There was a push to work technology more, like with the City website so people can make their water/sewer payments or tax payments on line.
- m. A few people thought that work needed to be done on the fireworks complaints that have been going on.

She has had a lot of ideas and she will be tackling the table of permissible uses next. Even though she's not on the Lands Committee, the Assembly liaison asked for her help with that because she has had a copy of this on her desk for the last 15 years.

7. Action Line Guest Spot. Pete Carran is back on-air hosting Action Line. Pete has asked the Airport to be on his program on January 26. Patty deLaBruere and Ken Nichols will be joining Pete to discuss Airport projects and anything else the Board would like mentioned.

8. Airport Engineer Report (Attachment #2): Mr. Nichols reported a workshop for the Sustainability Master Plan would be better held in March as the consultant wants to do a first public meeting open house then as well. This will give the consultant and staff more time to develop the information that is presented to the public and make sure that it is what staff wants to be discussed with folks.

Weekly meetings have started with FAA with regard to the Runway Rehabilitation Project. Mr. Nichols said he would like to hold an Airport Board Operations Committee meeting soon to discuss some of the things that will happen in the early spring and start getting that information out there. Mailers will also be sent to tenants to help spread the word. They are trying to figure out the minute details for transiting in partially marked areas, etc., for the transition period.

The Alex Holden Way estimate is for information and is a concept cost level estimate, with a 30% contingency. It is based on the actual dimensions of the pavement and utilities that are out there. It was noted that Rorie Watt in Engineering felt the numbers were a little high. The unit prices have been agreed upon with Engineering staff. This cost estimate would be for all of Alex Holden Way, but phasing and repairs need to be discussed. This was for 800 feet of street and areas outside of the street lane width (which is actually more pavement than the street itself), some extensive storm drain repairs, etc. Ms. deLaBruere said that one of the phases is an area that can be done by staff where the drainage leads into the corner of Renshaw Way and Alex Holden Way. Mr. Nichols said that these drainage areas need to be cleaned out. If it is constructed the way the as-built show, staff can

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rehabilitate the drainage system in that corner and alleviate a lot of the flooding problems.

The FAA likes to issue grants on bids, but there is not time to get bids to get the grants. The FAA will issue grants on estimates, but it would be best to have a firm design put together with good cost estimates before final grant numbers are requested.

Ms. deLaBruere said she sent out the GAO (General Accounting Office) document regarding what the Passenger Facility Charge (PFC) cap means. It is hard to know how they come up with the numbers. If they pass the PFC to go up to \$8.50 or even \$6.47 and then apply CPI thereafter, it would help the Airport immensely in the matches and items that are not eligible under normal federal funds. She knew airlines did not like it, but with budget cuts this may be the way the Airport funds things more often than not. She will keep the Board informed as more information comes in.

Mr. Harris asked about the mislabeling of vaults and how it could be done with an inspector on the project. Mr. Nichols said several vaults were installed that withstand air traffic over the top of them. They take three to four months to receive. The contractor ordered the labels cast into the lids so they would say a certain thing on the lid. They ordered the wrong number of one and a couple of extras that were blanks just in case. When it came down to the time to get those installed and open up the runway, they had the right number of vaults, but not the right thing on the lids. In an expeditious manner, the Airport allowed them to install the ones that did not say the right thing on the lid to get the runway opened up and they have not come back to replace them in the meantime. Rather than order the right lids, they have proposed things like grinding off what is there and welding something on, which could work, but they would rather just get a label made. The Airport feels this will not work because either the labels stick up too far and get knocked off by a snow plow or too small to be readable from the edge of the runway.

9. Airport Architect Report (Attachment #3): Airport Architect Catherine Fritz reported staff spent a lot of time developing concepts for how to make all of the parts and pieces work for the concession expansion. There was a CIP meeting held in December to review the CIP plan with Engineering and the Finance Director. The meeting was worthwhile to talk through the list and why the Airport is requesting money from a local sales tax or a potential bond measure in the Fall. This helped them understand the Airport's logic so they can help the Airport see the plan move forward or make modifications to the plan as they start to be enmeshed with other projects and department needs as the CIP budget develops.

Things will shift and change. One thing that was missed on the CIP was replacement of the roof for the existing shop and snow removal maintenance facility. The roof is in very bad condition and actively leaking. The project will not take a lot of design

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work, but it definitely needs a roof replacement. It is exacerbated by the fact that it has no insulation on the roof. Energy conservation is not a particular deal on the building for how it is being used now, but if a new roof is installed and the building will be used in the future, staff needs to think about whether or not it should have insulation.

Staff started scoping the ARFF (Airport Rescue/Fire Fighting) project. Staff was very thrilled to hear the FAA plans to fund this project. This includes the purchase of a new piece of equipment (a new ARFF truck) and expansion to the building to make it bigger to house the truck. Once the match funds and funds to begin the design project are found, the grant can be prepared and submitted.

There is another surplus bid going on for the kitchen items. The ATM (automated Teller Machine) was let out for bid. The existing contract is very old and expired. The Airport's hope is to have an ATM on the non-secure side and one on the secure side. Part of the concessionaire's (JDA's) costs are the fees that are associated with their point of sales (the Square system). If more people use cash, there are fewer fees associated with sales. Not only will the Airport receive revenue from the ATM (which is currently \$165 per month), but the concessionaire will make more profit on the secure side which means the Airport makes more profit.

The price (\$3,700 for each side) was received for the "Welcome to Juneau" sign. The City will pay the cost of one side and the Airport will pay for the other side. The base is ready to go. There is no production time or mockup of lettering at this time.

The Airport has set aside some of the work for the renovation of the first floor restrooms. The concession expansion will take all of staff's energy. Since the north wing demolition and replacement is not going to occur immediately, the Airport will not be immediately losing the restrooms on the far end. The proposal is to use operating funds from next year if they are approved in the Airport's budget process. This would include an interior renovation of both the men's and women's restrooms in the knuckle area of the building.

A scoping memo has been given to the Airport Manager to deal with the situation with Delta. When Delta started last year, there was no time to deal with any kind of consideration of bag belt extensions to have another carrier. Two sets of bag belts are needed ... one where people check in and another one on the back side after the bags go through screening and go out to the carts, which is kind of short now. It would be best to do both improvements. The bags will need to be handled the same way they were last year. This will be something discussed with Delta as the Airport does not have money sitting around. Ms. deLaBruere said the information had been forwarded to Delta, who said they would analyze it and get back to the Airport. This renovation

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would block Alaska Airlines' door into their back office and add a bag belt in front of this area. Alaska Airlines has another door to access the area.

Ms. Fritz said a problem that will occur with using the CRJ is it introduces the problem the Airport has of not having an elevator on the secure side of the building. The Airport does have a ramp now, but it doesn't help the person go through screening, get in the departure lounge and then what. The people have to be handled on an individual basis. They have to take them circuitous routes, which is not the greatest.

Chair Godkin gave a compliment to staff and whoever made the sales pitch to the FAA regarding the ARFF vehicle and the building addition even though there is no requirement from the FAA to have that size of vehicle, which necessitated expansion of the building. He thought it was very complimentary of the FAA to support that based on some data that having 3,000 gallon aggregate on the first truck rolling out there versus the old 1,500 aggregate says a lot. This will only cost \$56,000 from the City and what it leverages is a good thing. Ms. Fritz gave the Fire Department kudos on that. They were the ones that said this is the right thing to do to have this piece of equipment. Chair Godkin said this will not negate the potential of larger aircraft. It will still require additional staff.

Vice Chair Joe Heuelsen said the new ramp is a nice piece of equipment but was concerned about leaving it outside. Ms. deLaBruere said staff has discussed putting a cover between where the tower column comes up and the area of the new piece of building where the departure lounge sits.

IX. **CORRESPONDENCE:** None.

X. **COMMITTEE REPORTS:**

A. **Finance Committee:** None, but meetings will be held the early part of February.

B. **Operations Committee:** None, but the Operations Committee will hold a meeting shortly.

XI. **ASSEMBLY LIAISON COMMENTS:** Assembly Member Debbie White said she is glad to attend the meeting. She said unfortunately the Board's meeting occurs at the same time as the Assembly Finance Committee, which she cannot miss. She welcomed the Board filling her in so that she could have something nice to say during her liaison report.

XII. **PUBLIC COMMENTS:** Mike Wilson, Coastal Helicopters, said the night flights had a record night and flew 600 people, which put \$9,000 in the Flying Lion's Sight Program and \$9,000 for the Children's Tumor Fund. It was an excellent night. They started early and flew late. He thanked the Airport staff, Tower and everyone that helped out. He said they usually fly between 300 and 325 people.

XIII. **BOARD MEMBER COMMENTS:**

A. David Epstein said he would be out of state for the Legislative Reception.

B. Dennis Harris asked about the essential air service program which included doing mail for Hoonah and Kake out of Sitka. Ms. deLaBruere said she had heard nothing further on this.

Mr. Harris said that a retreat with the Assembly would best be held on a Saturday afternoon.

He asked about a staff breakfast. Chair Godkin said this would happen after the holidays.

He noted that JetBlue is offering Summer service to Anchorage and offering \$99 fares between Anchorage and Portland and Anchorage to Seattle for \$97. He asked if there was anything that could be done to get JetBlue to come into Juneau that would bring the fares down, competitive service, and, of course, more landing and rental fees for the Airport. Mr. Heueisen said competition has been frequently invited in hopes to get competitive prices and a lot of airlines have taken a serious look. However, the constraints of the relatively low volume, seasonal volume, weather, terrain, etc., make it a pretty unique place to want to come in, particularly during the winter. He said the door is always open.

The Economic Development Conference is holding an innovation summit on January 28 and 29 at Centennial Hall. Early bird registration is \$250. He thought if there is staff training and seminar money and a staff member that had time, he thought it would be very good from someone from the Airport to be participating in this summit. It will cover a lot of things about shaping the economic future of southeastern Alaska.

He suggested that the Manager remember that KTOO has an afternoon talk program every weekday at 3:00 in the afternoon. They are always looking for guests. This would address a different and significant audience. It is another way to reach people without costing anything.

XIV. **ANNOUNCEMENTS:** None.

XV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on February 11, 2015, at 6:00 p.m. in the Alaska Room.

XVI. **EXECUTIVE SESSION:** None.

XVII. **ADJOURN:** The meeting adjourned by unanimous consent at 7:33 p.m.