

MINUTES of
AIRPORT BOARD MEETING
February 11, 2015
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Vice Chair Joe Heueisen called the meeting to order at 6:01 p.m.

II. **ROLL CALL:**

Members Present:

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

Member Absent:

Jerry Godkin

Staff/CBJ Present:

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

Public Present:

Jordan Hall, Stantec	Mike Wilson, Coastal Helicopters
Brooke Walker, Aero Services	Tom Williams, Ward Air
Graham Leach, Republic Parking	

III. **APPROVAL OF MINUTES:** *Robert Mackey moved, Mal Menzies seconded, the adoption of the January 14, 2015, minutes. The motion passed by unanimous consent.*

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

V. **SPECIAL INTRODUCTION:** Graham Leach, Regional Manager for Republic Parking was introduced. Mr. Leach has assumed the duties of Vince Speziale. Board Member David Epstein asked about parking pay stands in the terminal. Mr. Leach said he would look into this.

VI. **PUBLIC COMMENTS:** None.

VII. **UNFINISHED BUSINESS:**

A. **Snow Removal Equipment Facility (SREF) Relocation** (Attachment #1): The Airport received the final determination letter (Attachment #1-AA) from the Federal Aviation Administration (FAA) for relocating the SREF to the Northwest quadrant of the airfield. The FAA approves the relocation, but requires repayment for some of the work, fill and permitting (including geothermal field) that were placed during the Runway Safety Area project. The attached memo details the background of this relocation request,

AIRPORT BOARD MEETING

February 11, 2015

Page 2

the analysis and funding summary (Attachment #1-AA). Staff programmed in \$1 million of the repayment into the Capital Improvement Program (CIP), but the relocation would still require \$844,000 (plus \$48,541 State of Alaska matching funds) in reimbursement costs. This is nominal in the whole scheme of this project. The long-term revenue benefits to the Airport (maintenance and operations budget) from leasing out prime access property far outweigh the repayment, as well as allow airport growth. The FAA letter requires a definitive answer on this matter by February 27, 2015. A question was asked whether the \$1.8 million would need to be returned immediately or if it could wait until the Airport receives AIP funding and the project moves forward. Ms. deLaBruere stated that this question could be posed in the reply letter to the FAA. *Dennis Harris moved, Robert Mackey seconded, to accept the FAA's January 26, 2015 determination that \$1,844,577 AIP grant funds be repaid to the FAA along with the associated \$48,541 match that would be repaid to State of Alaska, for the associated relocation costs of the Snow Removal Equipment Facility (SREF) to the Northwest quadrant. The motion passed by unanimous consent.*

Dennis Harris moved, David Epstein seconded, to approve the Northeast and Northwest revised site plans as presented in Attachments #1-A and 1-B (from Attachment #1 memo) that allow for relocation of SREF to Northwest quadrant and an updated development plan for the remaining areas in both the Northeast and Northwest quadrants. The motion passed by unanimous consent.

Dennis Harris moved, Robert Mackey seconded, to approve a modification of the CIP to the project, "Construct SREF Building" that adds \$893,118 to this project line item total. The motion passed by unanimous consent.

VIII. **NEW BUSINESS:**

A. Aircraft Rescue and Fire Fighting (ARFF) Building Accommodation (Attachment #2): The attached memo from Airport Architect Catherine Fritz outlines the need to design the building for the FY 15 (anticipated) acquisition of a new (longer) ARFF truck. There are design funds available for this work in the Airport's revolving CIP design account. *David Epstein moved, Robert Mackey seconded, to approve the use and forward funding of \$100,000 from the Airport's revolving CIP design account for design of the ARFF building addition until such time that the FAA grant is awarded, at which time the revolving CIP design account will be reimbursed. The motion passed by unanimous consent.*

B. Airport Finance Meeting: FY 15 and FY 16 Budgets/Capital Improvement Program (CIP) (Attachment #5): The Airport Board Finance Committee held a meeting on February 10, 2015, to review the FY 14 actuals, the FY 15 projected and FY 16 updated budgets.

AIRPORT BOARD MEETING

February 11, 2015

Page 3

1. FY 14 Close-out overview (see Attachments #5A, #5B and #5C). FY 14 was predicted to be \$157,920 short. FY 14 actually closed out in the black by \$387,756. Expenses were almost \$296,345 less than anticipated and revenues were up approximately \$249,331.
2. FY 15 Projected (see Attachments #5A, #5B and #5C). FY 15 is anticipated to balance without using Airport Fund Balance as originally anticipated. Expenses are expected to be on target; however, Revenues were slightly stronger than anticipated, by approximately \$234,000. This projected summary for FY 15 includes the 'Band-Aid' repair for cargo road. If FY 15 moves forward as shown, the Airport would need to request Supplemental Spending Authority of \$104,800 for the increased Expenses. The Revenues are projected to cover those additional expenses already.

FY15 budget, as presented, includes \$105,000 for repairs to Alex Holden Way (Cargo Road). This cost is a 'Band-Aid' until the Airport can budget for the full replacement (utilities, subgrade, repave). With the Airport undergoing Runway Rehabilitation this Spring (2015), RAP (recycled asphalt) will be available, as well as a contractor on-site to place the RAP. For this reason, the 'Band-Aid' approach works well for this fiscal year only. With limited Maintenance and Operations funds required, the estimated price for the additional labor, equipment, oil and some drainage repair (by Airport crew) would be approximately \$105,000. This is a major improvement for the money. It is estimated that the 'Band-Aid' fix to Alex Holden would last 2-5 years until a longer term solution could be funded.

3. FY 16 Updated (see Attachments #5A, #5B, and #5C). FY 16 budget was presented as a deficit budget of \$400,787, which would be revisited this year. Staff took a very hard look at the expenses, aiming for a 2.5% cut. As such, the Airport trimmed \$170,100 from the FY 16 Expense budget. Similar to FY 15, FY 16 Revenues are anticipated to be stronger in the Landing Fees and Rentals categories. This means that the overall updated budget for FY 16 is anticipated to close out \$182,782 in the black. No increases to the Airport Rates and Fees are required.

4. Finance Committee Recommendations. The Finance Committee considered the excess revenues from FY 14 Actuals (\$387,756) and the anticipated excess revenues for FY 16 (\$182,782). They also considered the encumbered Airport Fund Balance that was budgeted in FY 14, FY 15 and FY 16 would not be needed to balance those budget years which meant the established three-month reserve of the Airport Maintenance and Operations Budget would be slightly higher again. The Finance Committee also considered the Airport's Capital Improvement Plan (CIP) that has undefined local match for FY 15, forward. The Finance Committee approved the use of these additional revenues from FY 14 and FY 16 (estimated) for the Airport's CIP project matches; the \$387,756 from FY 14 budget (excess revenues) as well as the \$182,782 (anticipated excess revenues) from the FY 16 budget set aside for CIP local

AIRPORT BOARD MEETING

February 11, 2015

Page 4

matches; total CIP match through budget = \$570,538. This still allows an Airport Fund Balance in excess of three months.

David Epstein moved, Dennis Harris seconded, to approve spending \$105,000 (not to exceed) of FY 15 Maintenance and Operations Budget Expenses to repair Alex Holden Way (i.e., the cargo road) resurfacing, using our Runway Rehabilitation contractor, Secon, through a Supplemental Contract Amendment. The motion passed by unanimous consent.

David Epstein moved, Dennis Harris seconded, to approve the FY 15 'Projected' and FY 16 'Updated' Budgets, as presented in Attachments #5A, #5B and #5C, and forward to the Assembly for final adoption; and approve the corresponding \$104,800 Supplemental Spending authority for the FY 15 projected additional expenses. The motion passed by unanimous consent.

Marty Myers moved, Robert Mackey seconded, to approve the use of \$387,756 from FY 14 budget (excess revenues) as well as the \$182,782 (anticipated excess revenues) from the FY 16 budget, and set aside for CIP local matches; for a total CIP match fund of \$570,538. The motion passed by unanimous consent.

5. Capital Improvement Project Review (Attachment #5D). Airport Manager Patty deLaBruere said that the other item discussed at the Finance Committee meeting was an update of the CIP spreadsheet, which included the Alex Holden Way repair. It also had things that the Board passed in December, such as the expanded food and beverage concession in the departure lounge. This is a cleaned up version of the CIP, which the Committee passed as the newest updated version. A summary of the key changes are:

- a. Jet Bridge & Boarding Ramp (1, 2) are complete; final figures incorporated
- b. Alex Holden Way temporary repair (7) is added
- c. Concessions Expansion (8) is added, as approved at the January Board meeting
- d. Airfield Shop Roof Replacement (9) is added
- e. SREF Building Construction (18) has incorporated the FAA repayment for relocation
- f. ADA Elevator/Terminal improvement (20) combined as single project
- g. North Terminal Replacement (24) updated funding dates, adjusted for 2015 concession expansion, and added east vestibule improvement to project
- h. Funding years adjusted on some smaller projects (local match for Capital projects)

David Epstein moved, Robert Mackey seconded, to approve the updated Capital Improvement Project (CIP) list as presented in Attachment 5D. The motion passed by unanimous consent.

C. Airport Manager's Report:

1. The Request for Proposals (RFP) for Project Management Services (Architect and Engineer) has been canceled from the solicitation process. The Airport will work with CBJ Engineering, Purchasing and/or Human Resources on the process in the near future, whether as an employee or a different RFP. Staff will keep the Board updated. Until then Catherine Fritz and Ken Nichols will continue with their current contracts. Both are on a contract, which will be pushed further as needed.

2. Delta Air Lines Year-round Service: As the Airport was notified late last month, Delta will begin year-round service to and from Seattle beginning in mid-May. They will use B737-800 aircraft in the summer (including this year's summer runway construction) and transition to Delta Connection (SkyWest) using CRJ-900 in September and continue through the Winter/Spring months.

3. Assembly/Airport Board Combined Retreat. The Assembly and Airport Board have scheduled a combined retreat in the Alaska Room at the Airport on February 19, 2015, at 6:00 p.m. The retreat is planned to keep the Assembly informed on Airport projects, budget and general updates.

4. Airport Engineer Report (Attachment #3): Airport Engineer Ken Nichols said he spent most of his time on the Runway Rehabilitation Project working with the FAA, the contractor and the Safety Officer to move things forward. An Airport Tenants Users Group meeting was held on Monday, which provided an update to the tenants. There was an Airport Board Operations Committee, which was attended by a few tenants and FAA representatives. This will be an all hands on deck for about four months. The Airport will be negotiating with Secon for the repair for Alex Holden Way as an addition to the project. The northeast development apron needs to be designed and funds are available in the Runway Safety Area (RSA) project. The FAA is on-board with supplying discretionary money for the apron project.

5. Air Cargo Hard Stand: This is something that has been out there for years and funded through PFC #7. The reason it has not been done is because the Airport was trying to decide where to put it. It was going to be over where the freighter is currently parking, but Alaska Airlines was not sure they were going to park there or move to Gate 6. The money is there for this project.

6. Airport Architect Report (Attachment #4): Airport Architect Catherine Fritz reported staff has been working on the concessions expansion. This is a three-step process, with the first step being conversion of the Juneau Room to Alaska Airlines new office. Hopefully it will be ready by the end of the month. Then the current Alaska Airlines office will be demolished and remodeled for the bar and a prep kitchen. The space is currently being designed by Jensen Yorba Lott. The interior

AIRPORT BOARD MEETING

February 11, 2015

Page 6

build out of that will need to go through a full bidding process. It is hoped to have that on the street by the first week of March, which will take approximately one month to bid and the contractor would start in April. The third piece is to take a portion of the old dining area and convert that to a small meeting room that is very simple and straight forward. It will replace the Juneau Room. There will continue to be a large portion of the old dining room that will remain unfinished. As other needs for the terminal and plans develop toward the replacement of the North Wing, staff will be able to start to determine whether any of that space might be available for leasing or other uses. For the immediate needs, the small room will be slightly smaller than the old Juneau Room. The priority to this is to have the concession operating in its new space for the coming tourist season.

The “Welcome to the Airport/Juneau” sign is in its final mock up with the actual colors of paint. It is hoped to have it very soon.

A small bid was let for the Automated Teller Machine (ATM). There were multiple bidders. The winning bid will equate to \$10,000 additional revenue to the Airport and it will include an ATM in both the departure lounge and the non-secure side. The current ATM was provided by North Rim Bank. The winning bidder is a company that manages ATMs for multiple kinds of banks. They are an Alaska-based company. They currently have ATMs at the Fairbanks Airport and at the University in Fairbanks.

Staff worked on updating the CIP and getting the scoping started on the ARFF. They have been asking the contractor to get badged and begin the repairs on Gate 6 roof as it is still leaking. This will be done this spring. This work will be done by a certified roofing contractor. This is not warranty work and will be paid by the Airport.

The existing shop is a wood structure with glue lam beams with wood decking. It is a well-constructed building and very solid, but it will not remain solid if the roof does not get repaired. The roof is saturated and has no insulation. Therefore, the water goes right through the wood decking. If this is delayed too long, the cost benefit will be compromised.

IX. **CORRESPONDENCE:** None.

X. **COMMITTEE REPORTS:**

A. **Finance Committee:** Committee Chair Joe Heuelsen said a meeting was held and reported on earlier.

B. **Operations Committee:** Committee Chair David Epstein reported that a meeting was held earlier in the day. There was a very detailed report from the Airport Engineer regarding the arrangements for the impending runway reconstruction project. Everything should be ready to begin the project on April 1.

XI. **ASSEMBLY LIAISON COMMENTS:** None.

XII. **PUBLIC COMMENTS:** None.

XIII. **BOARD MEMBER COMMENTS:**

A. Marty Myers said the snow removal alternatives had been discussed before the season. He asked how that has gone and whether or not the pond has been used. Ms. deLaBruere replied that the Airport has been very fortunate with a very low snow year. The snow from the ramp is being removed and placed on the south side of the float pond and down towards the pond. The Airport is not lacking for space for snow removal.

B. Dennis Harris said he would like to minimize the amount of paper being printed out for the Board to deal with. He hoped that those that wish to have things e-mailed to them and either print them themselves or put them on a device could do so. Ms. deLaBruere said that either the group could decide that or individuals could let her know, which would be related to staff and that person would be removed from the mailing. Mr. Harris said he would love to have the documents electronically.

C. Joe Heuelsen said this year's budget for FY15 and FY16 did not fall together magically. He said they turned out really well and it was a lot of hard work and information gathering by specifically Patty, but also the whole staff. He thanked them for the work they did on the budget this year.

XIV. **ANNOUNCEMENTS:** None.

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

A. A joint Assembly and Airport Board meeting will be held on February 19, 2015, at 6:00 p.m. in the Alaska Room.

B. The next regular Airport Board meeting will be held on March 11, 2015, at 6:00 p.m. in the Alaska Room.

XVI. **EXECUTIVE SESSION:** None.

XVII. **ADJOURN:** *Dennis Harris moved, duly seconded, to adjourn. The meeting adjourned by unanimous consent at 7:05 p.m.*