

MINUTES of
AIRPORT BOARD MEETING
March 14, 2017
Alaska Room, 6:00 p.m.

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

II. **ROLL CALL:**

Members Present:

David Epstein
Dennis Harris

Joe Heueisen

Martin Myers

Members Absent:

Jerry Godkin Angela Rodell

Staff/CBJ Present:

Patty Wahto, Airport Mgr.

Ken Nichols, Airport Engineer

John Coleman, Airport Business Mgr.

Loren Jones*, CBJ Assembly Liaison

Catherine Fritz, Airport Architect

Keith Walker, Fire Department

*via phone

Public Present:

Irene Gallion, DOWL

Mike Wilson, Coastal Helicopters

Tom Williams, Ward Air

Kurt Schwager, Jacobsen/Daniels

III. **APPROVAL OF MINUTES:** *David Epstein moved, Marty Myers seconded, approval of the minutes of the February 14, 2017, Board meeting as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** Chair Heueisen said that because Jerry Godkin and Angela Rodell were not in attendance, Item C under New Business should be postponed until it could be discussed with the full Board.. Airport Manager Patty Wahto asked to pull Item D under New Business due to Scott Rinkenberger doing snow removal and defer to next month. *David Epstein moved the agenda be approved as amended. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **Northwest Development Area (NWDA) Water and Sewer Extension:** The Operations Committee has met a couple of times regarding water and sewer extension for the NWDA. This would be added onto the Runway Safety Area/SREB (Snow Removal Equipment) project. The meeting was to discuss putting in the stub outs for the water and sewer to the current tenants/future tenants in the NWDA. The cost is very important so the tenants have knowledge of the cost of connecting to the stub outs. The Operation Committee asked staff to poll the tenants to ascertain the interest and the amount the

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tenant is willing to pay. The results were received from eight out of twelve of the Block I tenants, who capped their costs at \$5,000. Since it is not known what the cost will be, Mrs. Wahto felt it was prudent to find out the cost and bring it back before the Board if it is a viable option. This will be an additive alternate in the bid.

B. Electrical Panel Upgrade Project - Gate 2 Passenger Board Bridge (PBB): With the end of the cargo combi aircraft in 2017, the Airport will need another jet way. Except for emergencies, there will be no need for aft loading. Additional upgrades will need to be done to the electrical panel when adding the jet bridge,. The electrical panel is eligible for a Federal Aviation Administration grant and has gone in for pre-application with the Gate 2 Boarding Bridge. Airport Architect Catherine Fritz said funding is needed as the Airport Improvement Program (AIP) grant will not be available until the fall (at the end of the Federal fiscal year). She asked for pre-authorization for forward funding from the Terminal Renovation fund to allow the bid to be awarded when it comes in next week. Mrs. Wahto said this will be for pre-design for Gate 2 and the electrical work. Mrs. Fritz said the panel upgrade construction cost estimate is about \$100,000 and there is also design work for the PBB, which is currently out for solicitation request for proposals from consultants to help finish the design work. Then there are some miscellaneous expenses on construction administration of the electrical panel, project permits, etc. that come to a total of \$211,000. Completion of the addition of the Gate 2 PBB is expected at the end of the year. *David Epstein moved, Marty Myers seconded, the Board approve the use of \$211,000 of the existing Airport Terminal Renovation Project funds for the forward funding of the terminal electrical panel upgrades and design of a Gate 2 Passenger Boarding Bridge (PBB); to be reimbursed upon receipt of FAA Airport Improvement Program (AIP) grant. The motion passed by unanimous consent.*

VII. NEW BUSINESS:

A. Appropriate Passenger Facility Charge (PFC) 7 Amendment: Mrs. Wahto said this is for the hard stand for air cargo and jet way 5 continuation projects. When the bid went out for the air cargo hard stand it came in too high. There is some additional work at jet way 5 that needs to be added into this project. The Airport has discussed using the interest in the PFC 7 account with both the FAA and the airlines. The amount of interest is \$309,000. This money will be used to complete the project. This will make this a \$609,000 project. *David Epstein moved, Marty Myers seconded, that the Board approve appropriation of PFC7 amendment #6 in the amount \$309,578 to the Part 121 Ramp CIP Project (A50-068). The motion passed by unanimous consent.*

B. FY 16 Actuals; FY 17 / FY 18 Updated Budgets (Attachments #1, #2 and #3)

1. **FY16.** The Airport Board Finance Committee met on March 6, 2017 to review the FY16 Budget Actuals, as well as review FY17 Projected Budget and FY18 Updated Budget; as shown in Attachments #1, #2 and #3. FY16 finished in the 'black' by \$886,251, much higher than originally anticipated. The budget was a combination of increased revenues and decreased expenses compared to original projections. This adds to the Airport Fund Balance.

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2. **FY17/FY18.** Last year, FY17 budget was balanced using \$137,600 of Airport Fund Balance (also raised Airport rates/fees starting FY17), and FY18 budget was submitted as a deficit budget of \$157,600.

As presented at the March 6, 2017 Finance Committee meeting, the Airport will begin phasing to a new runway deicer (New Deal) starting FY17 (now). This deicer meets EPA standards which we do not meet with Urea (ammonia). The Airport has violated its multi-sector general permit (with Department of Environmental Conservation) by exceeding the allowable amount of ammonia. The Airport needs to take steps to correct this violation by changing its runway deicer. The positive side is that since the Environmental Protection Agency ruling, more deicing products have been developed; and more importantly, costs have come down dramatically. The increases to the FY17 and FY18 budgets (shown in the attachments) phase in the new deicing chemical and phase out the urea. With other budget changes, the bottom line for FY 17 shows a -\$240,000 deficit, and the bottom line for FY18 shows a -\$438,000 deficit.

Additionally, FY17 projected expenses are expected to exceed FY17 approved expenses by \$43,900. This means that the Airport must get supplemental spending authority from the Assembly.

3. **Airport Fund Balance.** FY16 ended in the 'black'. The Airport has to have a 3-month reserve on hand, which is about \$1.76 million. The Finance Committee approved using the Airport Fund Balance to balance FY17 and FY18. Using the Fund Balance will still give a Fund Balance of \$2.2 million when done with FY18, but the Board also approved the use of Airport Fund Balance to use as forward funding for several Capital Improvement Program (CIP) local match (scheduled for repayment with a future PFC application).

4. **Budget Action.** The Finance Committee agreed to continue to use Airport Fund Balance to cover both the FY17 and FY18 projected budget deficits at this time. This means that by FY19/20 budgets, tenants/users should plan to budget their share of deficit; rates and fees increases are projected even if the budget is status quo.

Marty Myers moved, David Epstein seconded, to approve the FY17 Projected Budget and the FY18 Updated Budget, as show in Attachments #1, #2 and #3 (dated March 6, 2017), with the use of \$240,000 of Airport Fund Balance to balance FY17, and the use of \$438,000 of Airport Fund Balance to balance FY18; and request Supplemental Spending Authority from the Assembly in the amount of \$43,900, for FY17 projected expense increase; and forward to the Assembly for approval. The motion passed by unanimous consent.

C. **Maplesden Road - Access for Bicknell Property:** Postponed until the April meeting.

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D. Airfield Updates–Presentations by Scott Rinkenberger, Airport Superintendent:

Postponed until the April meeting. The eagle sweeper is an item the Airfield came up with and is more of a show and tell item. It will be brought before the Board at the April meeting.

E. Airport Manager's Report:

1. Wings of Alaska - Fjord Flying Operations. The Airport has been verbally notified that Wings of Alaska – Fjord Flying ceased operations in February. We will work with them over the next few weeks to cancel leases and vacate their premises.

2. Airport Engineer Report (Attachment #4): Airport Engineer Ken Nichols reported one of the big things going on is getting the Northwest Area, called RSA (Runway Safety Area) IIB, kicked off and started. There is a preconstruction meeting scheduled for later in the week. Another item that is taking up his time is Taxiway Alpha and Runway Incursion Mitigation Project, where meetings have been set up in April. There is Board representation by one of the Board members. Once the Airport has a plan and is getting to the point where they are moving forward with implementation, it will definitely include the Operations Committee.

3. Airport Architect Report (Attachment #5): Airport Architect Catherine Fritz reported February was very busy despite the cold weather. The ARFF (Aircraft Rescue/Fire Fighting) building has kept on task. They are a little behind schedule, mainly because the sequence around getting concrete slabs poured, which the last pour was done earlier that day.

Scoping the next phase of the SREB project occurred in February. She recently received a proposal from the design team. Staff will begin to figure out what can be done next with the priorities and the remaining funding (approximately \$3 million). The bids for the electrical panel will be opened on Tuesday, March 21. This is a small contract. She asked the Board if they wanted to review the bid or can staff proceed without Board review or action on the bids. The estimate is \$91,000, with a contingent of 10%, which brings it up to \$100,000. A special meeting can be held. The Board said they did not need to weigh in on this bid.

Staff is working on a radio coverage project. There are some blind spots at the Airport where reception is not good. The emergency services teams of Police and Fire have asked to try to upgrade that. A design team will be hired to put together documents, which will be sent out to bid.

Maintenance projects are continuing. The men's restroom is being remodeled and will be done in another week or two. The hot water in the restrooms is closer. It has taken some searching. Some valves have been ordered that should fix the problem.

VIII. **CORRESPONDENCE**: None.

IX. **COMMITTEE REPORTS**:

A. **Finance Committee**: Committee Chair David Epstein reported the Finance Committee met last week. He thought it was a good meeting. He appreciated the engagement of the air carriers. He thought that the correct conclusion was arrived at.

B. **Operations Committee**: Committee Chair Marty Myers reported that the Operations Committee met yesterday. Updates were given. Other items will be discussed at a later date.

X. **ASSEMBLY LIAISON COMMENTS**: Assembly Member Loren Jones said the Assembly is starting their budget process on April 5. He did not know when the Airport would do their presentation to the Assembly.

XI. **PUBLIC COMMENTS**: None.

XII. **BOARD MEMBER COMMENTS**:

A. Dennis Harris asked what kind of progress has been made with the City regarding trimming along Jordan Creek. Mrs. Wahto said she has followed up on this and the City reports they are still waiting to rework a code issue. He hoped this could be nudged along at City Hall.

B. Marty Myers said he will not be in Juneau for the April 11 meeting, but he should be able to call in.

XIII. **ANNOUNCEMENTS**: None.

XIV. **TIME AND PLACE OF NEXT MEETING**: The next regular Airport Board meeting will be held on April 11, 2017, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION**: None.

XVI. **ADJOURN**: *Dennis Harris moved, David Epstein seconded, to adjourn. The meeting adjourned by unanimous consent at 6:40 p.m.*