

MINUTES of
AIRPORT BOARD MEETING
May 9, 2017
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair Joe Heueisen called the meeting to order at 6:02 p.m.

II. **ROLL CALL:**

Members Present:

Dennis Bedford
David Epstein

Jerry Godkin
Dennis Harris

Joe Heueisen
Angela Rodell

Member Absent:

Martin Myers

Staff/CBJ Present:

Patty Wahto, Airport Mgr.
Marc Cheatham, Dep. Airport Mgr.
Catherine Fritz, Airport Architect
Ken Nichols, Airport Engineer

Scott Rinkenberger, Airport M&O Sup't
Trinidad Contreras, CBJ Law
Loren Jones, CBJ Assembly Liaison
Keith Walker, Fire Department

Public Present:

Irene Gallion, DOWL

Mike Wilson, Coastal Helicopters

III. **APPROVAL OF MINUTES:**

A. Assembly Member Loren Jones noted that on Page 4, last sentence, "Harry" should be "Harriet". *David Epstein moved, Jerry Godkin seconded, approval of the minutes of the April 11, 2017, Board meeting as amended. The motion passed by unanimous consent.*

B. *David Epstein moved approval of the April 27, 2017, minutes as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *David Epstein moved, Angela Rodell seconded, to approve the agenda as presented. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:** None.

VII. **NEW BUSINESS:**

A. **Bylaws of the Juneau International Airport - Update** (Attachment #1). Airport Manager Patty Wahto said the Bylaws of the Juneau International Airport were written and passed in 2004. It was brought to staff's attention that there were a few things that needed to be updated: specifically the meeting date, where it is located, and the time.

AIRPORT BOARD MEETING

May 9, 2017

Page 2

She wanted to make sure to give the Board a chance to make any other changes that may need to be made. Board Member Angela Rodell asked if Article IV under Meetings, Number 2, that the notices of the meetings shall appear in the local newspaper, was a requirement by the CBJ (City & Borough of Juneau). Mrs. Wahto suggested that it should read "through the CBJ public notice system". *Angela Rodell moved, Jerry Godkin seconded, to amend the Bylaws for Article IV, Number 2 of the Bylaws be reflected to read that the "Notice of the meeting shall appear as published by the City & Borough of Juneau's public notice system."* The motion passed by unanimous consent.

Mr. Jones said that he had worked with the Hospital Board and whenever they changed their bylaws (which also incorporate the medical bylaws), the Assembly has approval over those bylaws. He asked the Law Department whether the Airport Board's bylaws would need to be adopted by the Assembly and they said they did not know the Board had adopted any. He suggested talking to the City Attorney to see if the bylaws would need to be adopted by the Assembly. Assistant Attorney Trinidad Contreras will look into this and respond back to the Board. Mr. Epstein said he wanted to make sure all boards operated in the same manner. Ms. Rodell said the bylaws are very important in organizing the Board's responsibilities. It was her preference to get an answer and if the bylaws need to go before the Assembly for approval, she would like to move in that direction as the bylaws are important. Board Member Jerry Godkin said this document has been around for a long time and is not something new. Mr. Jones suggested that the motion include that they be forwarded to the Assembly if that is required. That way the work is done and the Board is covered. *Angela Rodell moved, Jerry Godkin seconded, to approve the updates, as amended, to the Bylaws of the City and Borough of Juneau International Airport Board as shown in Attachment #1 and reflecting the earlier amendment and to be forwarded, if required, to the Assembly for their approval. The motion passed by unanimous consent.*

B. Airport Manager's Report:

1. Airport Engineer and Architect Positions. Ken Nichols has been rehired full-time as the Airport Engineer/Airport Planning Engineer Manager effective April 17. Ms. Fritz was rehired in February 2017 as the Airport Architect as a long-term temporary for up to 50 weeks while the Airport continues to search for a full-time architect. In the meantime, staff continues to work with the Law Department for a personnel plan.
2. Marine Engineers' Beneficial Association (MEBA) Negotiations Re-opener. The MEBA negotiations contained a reopener clause when negotiations were completed last summer. In particular, MEBA wanted to reconsider pay wages again. Negotiations were held in April and similar to last year, a \$950 lump sum payment was approved and will be prorated for anyone less than full-time. This will take place in the first pay period in July for fiscal year 2018. Mr. Epstein asked if the budget could absorb the increase. Mrs. Wahto said the Airport will have approximately \$23,000 impact for FY18 and could be absorbed.

AIRPORT BOARD MEETING

May 9, 2017

Page 3

Board Member Jerry Godkin said he wondered about the wisdom of downtown doling out more money when all that is heard on the radio, etc., is the financial issues. He thought when they came out of negotiations there was going to be an expectation of some belt tightening. You keep hearing out people being laid off. You look at \$23,000 with the Airport and the rest are downtown. He did not understand what someone is thinking. Board Member Dennis Bedford asked what kind of a raise that would equate to. He felt that the Airport staff needs to be kept on a par with other employment. Mrs. Wahto said what was tried to be done with a lump sum was avoid a percentage increase. A lump sum is just that; it doesn't go on in perpetuity. This equates to approximately a 1% increase.

Board Member Dennis Harris asked how much input the various departments and boards have on these negotiations. Mrs. Wahto said there are two people from HR (Human Resources) and four or five others representing various departments that have MEBA employees, as well. They are in on the negotiations and at least have to be briefed on it. Once the contract is agreed to by the parties, it has to go out to the MEBA members to be ratified. The Airport is on the negotiating team.

Mr. Jones said all negotiations are done under the direction of the City Manager with policy input from the Assembly. The Assembly sets the outside limits of the economic parts and generally doesn't worry about the leave policy and internal contract. It is brought back to the Assembly during negotiations and then brought back to the Assembly prior to it going out to a vote. It is accepted by the Assembly under executive session until the unions ratify. This is the second year of the contract with an economic reopener, which the union has the right to request. They did, the Assembly set the guidelines and the negotiating team met those guidelines.

Mr. Harris asked Mr. Jones how many bargaining units the City has and has the Assembly given any thought to having separate bargaining units for the Airport. He presumed there was a separate union for the Public Safety personnel. He realized that the union might object to it, but asked if there was any thought about establishing separate bargaining units particularly for enterprise boards. Mr. Godkin said the Airport balances its budget on the backs of the tenants. He had some philosophical issues. He said the Airport does not get taxes from downtown to balance the budget. That is what gives him the most heartburn. Mr. Jones said there are four bargaining units within the City & Borough. The Hospital negotiates their own contract with their employees. Unless there is a dispute, the Assembly only approves the final product. The City has MEBA, Public Safety and Fire Fighters. Each negotiation is done separately. The stance generally fits the same economic outline, but since the specific issues are on how they are paid and compensated, the negotiations are different. Generally the terms of the economic cost are the same. Generally once all of those have been negotiated down, similar economic results are paid out to all of the

AIRPORT BOARD MEETING

May 9, 2017

Page 4

non-union employees. The State negotiates with four or five different unions and until this year, non-covered employees got the same economic benefit as the union employees. This was all part of understanding where the budget was and what could be done within the existing budget.

3. Jordan Creek Corridor Clean-up Update. Mrs. Wahto said debris continues in this area. Several tents and a mess were cleaned up earlier in the day. Superintendent Scott Rinkenberger and USDA Wildlife Biologist Tyler Adams attended the April Wetland Review Board (WRB). The WRB is taking up Title 49 and, in particular Jordan Creek with the Airport's request for a waiver to cut within the 25-foot protected zone. This is still in draft form, but there was quite a bit of input from the Airport. The next meeting in May has been rescheduled for June 1. The Airport hopes to attend that and keep pushing this amendment for Title 49 so that clean-up can be done.

4. Honsinger Pond Access Update. Previously, the Board approved the idea of a swap of land for the contingent access for Bicknell's property. Mrs. Wahto talked with Public Works Director Roger Healy earlier on some issues. Staff will continue to work with them on turning this into a right-of-way and gain the land swap. This will be quite a process as it goes through the City before the Airport goes to the Federal Aviation Administration (FAA) for approval.

5. Gift Shop Flood. Contractors were working on sprinkler heads in some offices for the TSA (Transportation Security Administration) break room. When they were changing out some sprinkler heads, one was still active. When the flood occurred, it went all the way down to the gift shop. Staff is working with Risk Management and the Airport's insurance, who has been talking with the contractor's insurance company. There was quite a bit of time and resources put into cleaning up the gift shop. They lost product that will have to be covered by insurance.

6. Delta Air Lines Returns: Delta Air Lines resumes service between Seattle and Juneau on May 19th. Mr. Harris asked if Delta had given any indication of re-establishing year-round service and asked if the Airport had been trying to market them to do that? Mrs. Wahto said there has been some talk about year-round service. She did not know if they would commit to this winter, but there has been talk. If it doesn't happen this year, it may happen next year, but talks are continuing. Mr. Godkin suggested that this should be pushed by the Mayor and Assembly. Mrs. Wahto thought that was an excellent idea. Chair Heueisen said it is important that the Airport coordinates these things. He noted the Chamber of Commerce promised things to Delta Air Lines and the Airport has to be very careful about any promises. Mr. Harris suggested spending a small amount of money to see if McDowell Group can provide some information that can be used for ammunition. He also wondered if it might be worthwhile attending an airport management workshop in the Atlanta area

AIRPORT BOARD MEETING

May 9, 2017

Page 5

which would allow Mrs. Wahto to visit Delta headquarters. He suggested maybe even taking a McDowell Group consultant to try to offer more convincing arguments. He also suggested getting the Travel Industry Association, the Juneau Chamber, the State Chamber and other people to talk to Delta about what a wonderful place this is to operate at a relatively low cost. Because Juneau has a single carrier and many people who have become involved in the loyalty program that Alaska Airlines offers, it is very difficult for another airline to compete in this market. If they take the time, perhaps Delta can think about how to develop the Southeast Alaska market. He said having competition from here to Anchorage would really help.

Mrs. Wahto said Delta knows the numbers and Delta would not normally operate jet traffic in a town the size of Juneau. They would normally operate regional jets. It is unusual, but it is a very good economic place for them to come into – especially seasonal. One thing is if Delta would continue or commit for a long-term, they will have regular travelers. Back in the late 1980's when it was Western and then even as Delta in the early 90's, it was the same thing with them bringing in seasonal travelers and a lot of them were booked through agencies. It was not a lot of local traffic. Delta has an RNP (Required Navigation Performance) as of late summer last year. In the 90's, Delta had difficulties getting into Juneau. The fact is that they have committed to putting in something you don't go into lightly in a town of this size. She thought this should be pushed.

7. Airport Engineer Report (Attachment #2): Airport Engineer Ken Nichols reported the RSA (Runway Safety Area) IIB is the apron project adjacent to the Snow Removal Equipment Building (SREB). The project has hit some unknown items (garbage and bed rock) in the drilling. There have been some other minor change orders, but everything is still less than one percent of the project. Secon is really pushing it hard to get things done. Secon was awarded the cargo hard stand, which includes the concrete work under Gate 5. Based on the time it took to get a contract in their hands and the time it takes to get steel here to put the rebar in the concrete, it will not be done by the time that Delta arrives. Staff has worked with Delta to get procedures in place, including the ramp parked next to Gate 6 so their passengers can get on and off the aircraft easier.

The Airport has two Requests for Proposals (RFP) that have been sent to Engineering. The Float Pond Improvements Project is a smaller design package to raise the south float pond road and put in some armor rock so that there is less damage to the floats from wind and wave action and to reconfigure the outlet valves so staff can shut off the water (instead of only by tidal action). The second is Taxiway Alpha Design, which is a very big project. It will probably go more than a year in the design process and all the coordination that needs to be done. Staff will take a little more time, to think things through better and have a good phasing plan. He has asked a couple of Board Members to help and thanked them for their help. Coordination is occurring

AIRPORT BOARD MEETING

May 9, 2017

Page 6

with Coastal Helicopters and their contractor to install water and sewer to their tour facilities. The timing of this work will be critical so no baggage operations will be stopped from going into the bag well.

Mr. Nichols said the review document that was put together as an addendum to the contract – the economic impact of the airport – is complete. People can see how many jobs are provided by the airport and how much money impacts to the community the airport provides. It is very significant. There are two parts left to the overall plan: one is the Airport Layout Plan, and this was stalled out getting into the FAA's hands and now for review because of the Runway Incursion Mitigation (RIM) Planning that the Airport was doing. Now that there is a proposed solution for the three taxiways to take care of RIM, those are being put onto the Airport Layout Plan for future and then the Airport Layout Plan will be routed through the FAA for their review. The second part that needs to be done prior to finalizing the report is the economic plan or the capital development plan. The long-term list of projects and how to finance them is being developed. The good news from the consultant is that the Airport has a short-term problem with the amount of funds that the Airport has for projects. The Airport has been playing catch-up after this long period of no construction projects because of the Environmental Impact Statement. It will take a few more years to get to the point of fixing problems that are already there and get into more of a maintenance mode. It will be a few months before the final plan is presented to the Airport Board and then on to the Assembly for adoption.

Mr. Harris asked where the lavatory dump station will be located and the temporary solution that is currently being used. Mr. Nichols said the requirement from the federal organization was to have wash-down facilities and a better pad where the wastewater was dumped. The plan is to put expanded facilities at the current location in the fuel farm. It is currently shut down. Aero Services is using an alternate facility and has installed water for wash down on their trucks.

8. Airport Architect Report (Attachment #3): Airport Architect Catherine Fritz reported the substantial completion date of June 1 for the Airport Rescue Fire Fighting Project is looming. The contractor is doing a great job. The second milestone is at the SREB. The steel erection is starting. They will be raising structure on Monday. Both projects are moving ahead well. No major change orders have occurred to date. The electrical utility work for the SREB was completed last week. As soon as the steel is up, the transformer will be installed and the electricians will be able to start taking off inside the building.

There is an RFP for the Gate 2 Passenger Boarding Bridge and a firm by the name of Burns McDonnell was selected for that work. The City was not able to successfully negotiate a contract with them, so Ms. Fritz is working with the number two firm which is led by Jensen Yorba Lott Architects with an aviation specialist at Landrum

AIRPORT BOARD MEETING

May 9, 2017

Page 7

& Brown. The Airport is optimistic that a contract will be done shortly so the Airport can still meet the deadlines for grant conditions for the FAA for that work. The electrical panel upgrade is also part of the Gate 2 work and it is underway. The materials are on order and the Airport will be working with Alaska Electric on that work shortly.

She received a call today that the radio coverage improvement project is just about ready for 95% submittal, which is close to being done. The Juneau Airport sign is continuing. Final orders of all materials are continuing. The Project Office is very busy working closely with Building Maintenance, Airfield and all the other people that use and interface with the building.

Mr. Godkin asked about the TSA break room. Is it a temporary move? Mrs. Wahto said this is a longer term move. They are currently in a portion of the Aurora Room, with the rest of the room as a storage area. The whole idea was to start moving folks that would be impacted by the North End remodel. This will be a lease.

The tenant improvement form from GCI is strictly a form to look at how the proposed work impacts the building and operations. GCI is replacing some outdated equipment (fiber, a pedestal and the way their service comes in the north end). Ms. Fritz assumed the purpose of this will be to improve all of the services they offer within the building to individual tenants or through the public wi fi. Nothing was said to GCI about increasing the speed. Mr. Harris suggested checking with GCI to see if there was some kind of a device that would allow high speed service through Ethernet as available at other airports.

VIII. **CORRESPONDENCE:** None.

IX. **COMMITTEE REPORTS:**

A. **Finance Committee:** Committee Chair David Epstein reported there was a successful Finance Committee meeting on March 27th that attended to the PFC issues that were on the Board's plate.

B. **Operations Committee:** None.

X. **ASSEMBLY LIAISON COMMENTS:** Mr. Jones said the Assembly Finance Committee will meet tomorrow night. They hope to be 95% through the budget by the time they leave tomorrow. If not, they will finish up on the 17th in order to meet the deadline of June 15th. Monday night's Assembly meeting will be at 5:00 p.m. instead of 7:00 p.m. as there is a fundraiser to raise the \$100,000 deductible for the playground at Centennial Hall at 7:00 p.m.. The Airport budget has been approved.

XI. **PUBLIC COMMENTS:** None.

AIRPORT BOARD MEETING

May 9, 2017

Page 8

XII. **BOARD MEMBER COMMENTS:**

A. Jerry Godkin said changing our Board meetings from Wednesdays to Tuesdays is paying dividends. It facilitates the Assembly liaison to attend the meetings and Mr. Jones is at 100%. The Board appreciates it.

B. Dennis Harris said with the summer coming, he will either be late or miss the July meeting as he has something booked that he cannot get out of.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on June 13, 2017, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** *Dennis Harris moved to adjourn. The meeting adjourned by unanimous consent at 7:04 p.m.*