

MINUTES of
AIRPORT BOARD MEETING
July 14, 2022
6:00 p.m. via ZOOM

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

II. **ROLL CALL:**

Members Present:

Dennis Bedford
Al Clough
Jodi Garza

Jerry Kvasnikoff
Chris Peloso
Eve Soutiere

Dan Spencer

Staff/CBJ Present:

Patty Wahto, Airport Manager
Phil Adams, Deputy Airport Mgr.
John Coleman, Airport Business Mgr.
Mike Greene, Airport Project Mgr.
Ke Mell, Airport Architect

Chris O'Brien, Airfield Maint.
Wade Bryson, CBJ Assembly
Sherri Layne, CBJ Law
Jeff Rogers, CBJ Finance

Public:

Ken Nichols, DOWL/HKM
Jaci Hayden, DOWL/HKM

Greg Knight, KINY Radio

III. **APPROVAL OF MINUTES:** *Dan Spencer moved approval of the minutes of the June 9, 2022, Board meeting. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Chris Peloso moved to approve the agenda. The motion passed by unanimous consent.*

V. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

VI. **PRESENTATION – DOWL ON PARKING LOT OPTIONS (Attachment #6):** Airport Manager Patty Wahto said Ken Nichols from DOWL was on line. This parking lot work is in the early development design. No action is expected at this meeting. This will be an update only for the Board. Mr. Nichols discussed Attachment #6. The parking lot was constructed in the early 1980's with some incremental changes. The most recent change was revenue control by the parking vendor. The work areas are long-term parking, employee parking (which are separated), short-term parking, taxi/ground transportation, and rental car lot. Shell Simmons was not originally looked at but when DOWL did the site investigation and looked around, it was clear that the parking lots, roadway to the airport, and bypass road to Yandukin operate as a system and they looked at it as a system. Final design will last into early 2023. Bids are expected early in the year, with construction award so that phase 1 of a two phase construction project can be started in 2023, winter shut-down through March 2024, with completion of construction near the end of 2024. The infrastructure is beyond its useful life. The previous discussions with the Board focused on the pavement issues to keep people from falling into potholes and trip hazards. As DOWL got into it, it became clear that vehicle access is not very optimal, ADA (Americans with Disability Act) compliance is almost non-

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existent, the lighting is subpar, security is something that was requested to be upgraded in terms of access for pedestrians across Yandukin to the north and into the lot, and provide cameras eventually to see what is going on in the lot, other infrastructure associated with the whole system, and electrical vehicle charging. The entryway into short-term and taxi staging areas show failed pavement in association with drainage systems. There are a couple of booths for revenue control. In the meetings with the parking vendor, it was clear that these types of booths are not where the industry is going, they were obsolete many years ago. The potential to upgrade the system to have automated gates for credit card reader along with a pay-on-foot station inside the terminal are things that will likely be integrated into the project. Two stakeholder meetings were held, meetings with Republic Parking and meetings with staff were also held on how to lay out things with the desirable amenities. Access control was discussed, as well as vehicle and pedestrian traffic flow. Of course, ADA was accommodated. There has been a lot of input.

DOWL discussed three alternatives, plus the preferred, which is a combination from the first three. All of the new alternates gain parking. Based on input from Republic Parking and other vendors at other airports, the desire is to combine employee parking with the public parking. This does a couple of things, employee badging in and out and covers a concern noted that the long-term parking was almost always full. Mr. Nichols replied that adding the employee parking would add some additional spaces. The sizes listed at other airports is close to the CBJ (City & Borough of Juneau) minimum, which is 8.5'x17'. Other airports use close to the CBJ minimum, in fact there were compact parking spaces that are 8'x16'. The 9'x18' spot is generous. There are also oversized vehicle parking spaces that are made for trucks. Minimum drive aisle space is 18'. The existing and proposed drive aisles are 29', which would accommodate hang over space for long vehicles and still accommodate two-way traffic. Lifetime expectancy for the rental car lot is as long as it exists. The terminal plan expansion would basically wipe out the rental car lot.

They considered restriping with smaller spots. The parking number of spots is not enough today. Other items considered were putting the lots off site or building a parking garage. Ms. Wahto said the Airport would love a parking garage, but there are no funds and it is not eligible for federal funds. Eventually, the parking garage would house the rental cars, producing a CFC (Customer Facility Charge) fee for the additional parking spaces, which is what they do at other airports. You get the extra fees to help offset the costs of the garage. In some point in time, the Airport will need to look at that. There is an unusual traffic count here.

Mr. Nichols said as the methods are being developed for rebuilding the infrastructure, take into consideration of what the footprint of an initial garage might be so that drainage infrastructure is not installed beneath that. The type of renovation that goes into the rental car lot is minimal, which area is the first thing that would need to be replaced with the terminal expansion. The intersection needs to be reconfigured. Not included in the parking lot project is a look at the future to ensure the system works well was a need for lease lot access for the Alaska Seaplanes facility, and a need for a loading area, which was included in the recommendation. The two parking lot entrances will be moved and slightly reconfigured which will allow for more queueing. The hotel shuttle and taxi staging area is designed to provide approximately three

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times the current space. To address ADA, two additional walkways have been added. This will help to funnel passengers to a fewer number of based places and help to slow down traffic. It will include EV (electric vehicle) charging and ADA parking will be in the front of each of the two lots. The bus loading area has a request to change the exit for that area making it easier to plow snow and get buses in and out of the area. The rental car lot is the same configuration. An ADA parking spot has been added per code and there is an EV charging area, although it is not known if it is needed. The access control logistics still need to be worked out for the rental car lot. A need for pedestrian crossing and pedestrian access along Yandukin all the way around the lot was seen as a need. Areas have been identified for snow storage. Each of the alternatives have pedestrian access striped on the ground to help get passengers into the lot. A need for a pedestrian crossing in the hotel area was addressed.

Realizing these improvements should be done, there are various sources for funding. Under AIP (Airport Improvement Program), you are allowed to get FAA (Federal Aviation Administration) funds for your entrance road, which this would be so considered. There is also a potential for highway funds for the local system.

He said the next sheet showed the same entrance, with a different exit control system. This would include a pedestrian backbone out to the far reaches of the parking lot. Pieces and parts are all interchangeable. The snow plow method would be pushing and piling out toward the outer edge or down in the two corners where landscaping is located.

The next sheet's configuration is a little different in terms of the layout of the parking. It has a little bit different pedestrian walkway. He said DOWL looked at what happens with a one-way drive and the overall transportation system around the airport. Although this was part of the circulation system in the past, they realized the traffic numbers support a two-way system. The change to a two-way road was a good thing. This layout provides an additional 110 spots.

The preferred alternative has two different backbones to be used for pedestrian walkways. They could be covered in the future. This alternative has the exit lanes lined up with a drive lane for good queueing. One thing that was brought up as a theme was that short-term parkers need to have a variety of options in terms of exiting in case one thing or another is not working, as well as an opportunity to hit an exit booth. One airport Mr. Nichols worked at did not have a booth. If there was a problem, someone could be summoned outside to help.

DOWL looked at a round-about, which is a great way to funnel people in the area. This could be looked at in the future. Although it doesn't change the classification of the intersection, it would make it easier for people in their decision making.

DOWL developed a cost estimate that included hard and soft costs of development with a range of costs from \$7.4M to \$9.5M, with a midpoint of \$8.17M. This range is based on the preferred alternative and does not include the round-about. It includes allowance for various construction methods. It allows for uncertainty in market conditions. The range will get smaller as it goes forward. This work includes Shell Simmons, but not Yandukin. The rental car lot is estimated at \$430K for an overlay. Pavement and site work will be the biggest

component. Drainage and lighting were not included initially. It has been realized that the pipes and catch basins are failing, the lighting system is beyond its useful life and should be replaced with a system that is more energy efficient and better brighter lighting.

Phasing will include no more than 50% of the lot impacted at one time. There are three phases: 2023 is the main part of the lot; 2024 would be the hotel shuttle/taxi area, loading area and improvements on Shell Simmons; phase 3 would be sometime in the future which would be the round-about, pedestrian pathway and any improvement to Yandukin that might yet be identified. The pavement should be looked at for a mill and overlay at some point. The phases are so that the lot can remain open during the whole time.

Ms. Wahto said this is the first blush with more to come. Chair Clough said he and the Board would like to see a minimalist approach, as well. With \$5M set aside, it is a lot more money than originally set aside. Ms. Wahto said that the numbers have been set for high prices. The previous estimate would be just a minimal approach if just the pavement is replaced. The recommendations are based on all of the infrastructure that is worn out – the underground piping for the drainage system, the electrical system, the lighting, some reconfiguration so that this is in compliance with what the Airport needs and niceties, puts the higher number on the board.

VII. **UNFINISHED BUSINESS:**

A. Interest Income Loss Explained (Attachment #5) – Jeff Rogers, CBJ Finance

Director. Mr. Rogers said the first attachment was their estimate of what the losses will be by fund in FY22, which is the year that ended on June 30. The City uses an investment manager out of New York. They manage about \$170M in a mid-term portfolio, which is where the bulk of CBJ cash is that it does not need immediate access to for cash flow purposes. It is the majority of the return. The Airport loss was \$86K, which would change to a loss of \$144K because there was a forecast of \$54K of investment income. This is just a portion of the overall loss. The second attachment is a graph. On a fixed income portfolio that is made up entirely of bonds with an interest rate, the bonds respond to changes in Treasury bills. As nominal interest rates on federal yields increase, bonds will lose value and if they decrease, bonds will gain value. You can see in fiscal year 2019 and 2020 the City had significant returns above and beyond what was expected in those years. The Airport shared in those good years. The years in which interest rates were rapidly falling from 2.5% or 3% down to basically zero, it yielded incredible investment returns. Interest rates have now rocketed up. The Treasury yield has increased in the same span of time in FY22. The City has seen considerable losses in the portfolio. The chart shows that if the plan is for the average ten-year return for investment, that is what the City will continue to do. The investment manager said that the City pulled forward a portion of its earnings from the future, now some of it is being given back. He said it is unfortunate when it happens this way because of the loss. This is giving money back that you got in excess returns in 2019 and 2020. On any given day, the City has \$225M to \$250M of total assets under management both in the bank and the portfolio seen in the attachment. The City spells out what types of investments it can make. The City targets a two to five year government quarterly index which includes both government and private bonds. The investment managers normally contact the City once a

year, but will now contact the City twice a year. Mr. Rogers said he will try to do a better job making sure the information gets out to the enterprise boards. If the investment gains, it gets shared proportionately with all of the funds.

Chair Clough said that because of the current volatile nature, staff needs to keep a close watch on this particular line item and make sure the Board understands the volatility. On the other hand, he thought it was imperative that the Airport receive semi-annual or quarterly communication from Finance on where they are heading. The loss of \$140K is a lot of money to be dealing with this late in the game. This shouldn't have been a surprise to anyone. Communication is key and they would appreciate the door being opened wider.

When asked if the Airport's money could be put into a more conservative investment, Mr. Rogers said he would take the request and see what could be done. He said he wouldn't advise the Airport to do it as the City's money loses value sitting in the bank. To invest it more conservatively than the current method would mean that the money would lose money sitting in the bank even faster. There has not been any precedent in the last ten years – or interest rates rising this rapidly and the portfolio losing value like this. He said the returns were received in the prior years. He said the Airport is giving back returns that were received two or three years ago. This is a very low risk.

Ms. Wahto said this is a single line item in the budget. It has shown an increase of \$20K to \$30K for a while. No one paid attention until suddenly we lose a lot on paper for that year. Assembly Liaison Wade Bryson said this investment firm was brought on in October 2019. The Assembly has drilled down the line of questions: Are they making the right investments? What would it look like to be a little riskier? What would it look like to be a little more conservative? He felt they were doing it carefully and cautiously and using tax payers' money. Listening to the two gentlemen and Mr. Rogers, it sounded like they knew what they were doing with taxpayer investments. In terms of the group that is making the investments, he felt very confident in them.

B. Bagwell Gas Detection/Alarm System. Ms. Wahto said the Board was advised at the May and June meetings that the bagwell gas detection system estimates were put together under the time that all the players were working on the terminal project. By the time the project was designed and went out for bid, costs came in a lot more expensive. Part of it was the mobilization of all the different subcontractors that have to come in. It takes a lot of people. One bid was received that came in well above the engineer's estimate from Schmolck in the amount of \$195.4K. This is being brought before the Board for approval. *Dan Spencer moved to approve the bid award for the Bagwell Gas Detection System to Schmolck Mechanical Contractors in the amount of \$195,400, funding provided by the Airport CARES funding. The motion passed by unanimous consent.*

VIII. NEW BUSINESS:

A. Airport Manager's Annual Evaluation: Chair Clough said the Board will look at doing the Manager's evaluation in executive session at the August 11 Airport Board meeting.

Prior to that meeting, the typical evaluation will be sent out to Board members with a return date.

B. Airport Manager's Report:

1. Airport Fund Balance and Capital Revolving Account Balance (Attachment #1).
 There has been no change on these documents.

2. CARES/CRRSAA/ARPA Fund Balance (Attachment #2). Ms. Wahto said this is being carried forward each month. Attachment #2 shows the balance at \$7M.

CARES/CRRSAA/ARG Act Use		7/1/2022
30,590,133	Grant awards*	
(727,145)	FY20 Operational Expenses	
(3,427,111)	FY21 Operational Exp incl tenant relief; yearend	
(602,375)	FY21 Airport GO Bond debt service	
(662,625)	FY22 Airport GO Bond debt service	
(203,028)	TWY Regulator Upgrade (appropriated)	
(1,610,000)	Bag Belt Replace - Est; + \$50K design (10/21)	
(600,000)	Parking Lot Design (max) - Estimate	
(238,400)	Bagwell Gas Detect \$43k desgn+construct 195.4k pend	
(165,000)	SREB Circulation Pump Upgrade *May 22 bids	
(175,000)	Sand/Chem bldg Back-up Boiler TBB July 2022	
(50,000)	Forklift vehicle	
22,129,449	Balance	
	<i>Proposed Use</i>	
(98,347)	Required Concession Relief (not for other use)	
(1,200,000)	FY22 Tenant Rent Relief (est)	
(2,192,800)	FY22 Operational Expenses (est) + 107.9K int hit	
(1,200,000)	FY23 Tenant Rent Relief (est)	
(1,572,100)	FY23 Operational Expenses (est)	
(1,421,500)	FY24 Operational Expenses (est)	
(660,300)	FY23 Airport GO Bond debt service	
(657,000)	FY24 Airport GO Bond debt service	
	<i>*April 2022 Board Project Approvals*</i>	
(100,000)	Terminal Seating	
(75,000)	Terminal Lighting	
(350,000)	Terminal Ceiling	
(20,000)	Man Lift	
(35,000)	Fuel Station Access Control & Generator	
(20,000)	TSA Bag Screening Floor	
(32,000)	SREB Wash Bay Protection	
(296,400)	NWDA Electrical Upgrades	
(190,000)	Float Pond Electrical Upgrades	
(5,000,000)	Parking Lot Construction -TBD -Est (in design)	
7,009,002	<i>Proposed/estimated balance FY22 end</i>	

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This chart includes estimates for FY23 and FY24 use of funds, General Obligation (GO) Bonds for FY23 and FY24 and the \$5M for the parking lot. Over the next month or two staff would like to work with the Board on the list of projects to see where to go in the future.

3. Airport Superintendent Position. The Airport has hired Andres Delgado. He will be coming from Bakersfield, California, to fill the position on July 25, 2022. Phil has been doing double-duty with both Airfield and the Deputy position.

4. Airport Triennial Wheels-rolling Emergency Exercise. This drill will take place July 23. Phil has been heading that up. He said he almost has the needed number of volunteers. More notices will be put out to the public so that when smoke is seen, people do not make calls.

5. Ramp and Remain Over Night (RON) Design Project, Jetbridge 5 Design Project and Float Pond Access Road/Embankment Construction Grants. Ms. Wahto said the Float Pond Project will be going out to bid shortly. Jetbridge 5 and RON Projects are design projects. Because of the hiccups of getting someone on board for design, it stretched it out a lot longer. These projects may necessitate a special Board meeting to push these through and put forward to the Assembly. This is a head's up at this time.

6. LAB Hangar. Ms. Wahto said Mr. Coleman has sent out another request to the proposed buyer of the LAB hangar, but we still have not heard back. The Bennetts have continued to do work on the hangar. Some environmental has been done for the most recent fuel spill outside the hangar. DEC (Department of Environmental Conservation) was involved with that. There was an outstanding default letter to LAB from ten years ago and LAB has been reminded of the default situation is still valid. The Law Department has said this is not eliminated by selling the building. It would stay with LAB. Reliable Transfer is still the planned buyer.

7. Outbound Baggage Belt (Corner) Repair. The repair was done on June 29th with a new part. Board Member Dennis Bedford said the belt was down for six weeks. Alaska Airlines paid overtime for quite a while, with some delayed flights. Ms. Wahto said a lot of lessons were learned from this. This was an emergency repair with the City but the longest item was because the vendor we were working with had been purchased by a foreign company and they had to get a business license. This was one part. From the Airport's standpoint it is important to have additional parts on hand, which is what the Airport is looking at with the new system. These are not easy to come by. The Airfield crew jumped in. Mr. Bedford suggested a checklist of things to look at on a regular basis. When asked what the age of the baggage belt is, Ms. Wahto said some parts are 30 years old. The new system will be completely brand new with additional parts for repairs.

8. Bag Claim Floor Tile. A price has been requested for retiling the floor. The cost can be covered within the Terminal Project. The Airport is looking to do something similar to what was done with the ceiling tiles, using the match money to do this project.

9. Block M Hangar Flooding/Topo Map (Attachment #7). The survey heat map done by DOWL showed that the area is flat and drains to the hangars. This was the first step and then the next step is to design something. It was suggested this be taken to the Operations Committee. Ms. Wahto said another hangar owner on the west end has stated the same thing about drainage issues in that section. Mr. Bedford said how did we get here and how do we prevent this from happening again. The whole idea would be to have planning as to what height hangars should be set at, knowing that if you're going to be tying into the rest of the paved areas, it needs to come up three to five inches so that the hangars are not setting at grade. Mr. Bedford said this should be in the lease document or a change to the leasing procedures.

10. MEBA Union Negotiations. The contracts for the Marine Engineers Beneficial Association (MEBA), the Juneau Police Department contract, and unrepresented employees went to resolution before the Assembly and includes a 5.5% increase in FY23, as well as a 5% increase in health benefits. For FY24, it will be a 2% increase for wages and a 5% increase for the health benefits. For FY25, it will be a 2% increase for wages and a 5% increase for the health benefits. This affects MEBA (Airfield Maintenance) and unrepresented (Terminal and Administration) staff. According to the packet, the FY23 impact for the Airport is \$215,700; FY24 is an impact of \$103K; and FY25 is an impact of a little over \$106K, compared to the base year. The PSEA contract for the officers will have the same increase. When the firefighters finish up their negotiations, it will have an impact, too.

11. Insurance Underwriter Meeting. Staff met with Jim DuBois with CHUBB who assesses all of the risk at the airport. They are another set of eyes on the airport to look at ways that the Airport can improve to maybe not save money, but to save on any risk. He will come out with a recommendation with what he saw. This will make it better for the insurance.

12. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Project Reports:

- *Capstone Clinic* for administering vaccines ended at the end of June. They moved out and the area is available for JCVB (Juneau Convention & Visitors Bureau).
- *Title 49 (Jordan Creek) Variance Request*. Ms. Wahto reported the expected meeting for July 26 has now been set for August 23. There was more information that was thought to be beneficial that may make a stronger case for the Planning Commission, so the Airport elected to delay the presentation to the Planning Commission.
- *Runway 26 Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) approach lighting*. Ms. Wahto said the language was sent

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to Senator Sullivan's office that said if the Airport put in a full MALSR system, then the FAA would then take over. This is in the FY23 Reauthorization Bill.

- *Board Agenda Format.* Ms. Wahto noted that there would be a different format for the Board agenda. The entire City is beginning with a new system. This will make all agendas look the same. The old system is going away and the City is now using a new system.

13. Airport Project Managers Reports (Attachments #3 and #4): Mike Greene, Project Manager, said regarding the Terminal Reconstruction Project, Dawson has had a small crew present addressing punch list items and things that were needed to be completed under the base bid. They were working on the roof today after an inspection by the roof manufacturer. For the next two weeks, they are going to hit the punch list pretty hard. There are a few RFPs (Requests for Proposals). One is the tile replacement in the baggage claim area. That proposal came in at \$176,266.32. That was at the low end of our estimate. This is something that has to be reviewed to determine whether this can go forward.

The Terminal Fire Alarm Project included an unplanned fire alarm that went off yesterday. It was the result of a technician that came to work on the vending machines and decided he would remove the dust by blowing it with a vacuum cleaner, which made the dust go airborne where it encountered a smoke detector and the whole system was triggered. That was the first test of the system. It has not been accepted, nor is it complete yet. It does work. Now that the permanent phone lines have been installed for the system, the final cutovers will be made where the Airport will no longer be running two parallel systems during the next two weeks. All of the testing will be done at night.

The representative from Carlisle will be inspecting the Sand/Chemical roof. This has not happened yet due to Covid. The warranty will begin for that project.

The Float Pond Improvement Project Phase II has the bid documents being finalized, with advertisement on July 18. Bids will open on August 18 and it will be known at that time whether the two alternates will be done.

An RFP was issued to Dawson under the CBJ's term contract for the SREB Wash Bay Water Protection. Dawson is working on getting the Airport a number shortly.

The two AEL&P (Alaska Electric Light & Power) projects that will extend power to the float plane pond and power to the northwest development area have been inked with AEL&P and they are ordering materials. A construction schedule is not available yet. It is anticipated these projects will be done this fall.

Ke Mell, Airport Architect, reported that as of close of business today a proposal has not been received for the Jetbridge 5 replacement. She expected the proposal in the next few days.

The Terminal Hazmat report has been assigned to Dahlberg Design for the proposal fee of \$7,800. This will document, sample and test the areas of the terminal that have not been previously tested as part of the renovation project.

IX. **CORRESPONDENCE**: None.

X. **COMMITTEE REPORTS**:
A. **Finance Committee**: None.

B. **Operations Committee**: None.

XI. **ASSEMBLY LIAISON COMMENTS**: Wade Bryson said the Triennial Disaster Preparedness Drill was discussed at the LEPC (Local Emergency Planning Committee) and he has been announcing it regularly on Problem Corner. The Assembly has been in union negotiations for the past several meetings. They were very pleased to see the agreement with MEBA.

XII. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**: None.

XIII. **BOARD MEMBER COMMENTS**:
A. Eve Soutiere introduced herself as the new Board Member. Chair Clough welcomed her to the Board.

XIV. **ANNOUNCEMENTS**: None.

XV. **TIME AND PLACE OF NEXT MEETING**:
A. The next regular Airport Board meeting will be held on August 11, 2022, at 6:00 p.m. in the Alaska Room and via Zoom.

XVI. **EXECUTIVE SESSION**: None.

XVII. **ELECTION OF OFFICERS**: Dan Spencer nominated Al Clough for Chair. The nomination was approved by unanimous consent. Dennis Bedford moved Dan Spencer as Vice Chair. The nomination was approved by unanimous consent. Jodi Garza was approved as Secretary.

Chair Clough asked people to start thinking about the price tag on the parking lot. The placement on the Committees will be set at the next meeting.

XVIII. **ADJOURN**: *The meeting adjourned by unanimous consent at 8:09 p.m.*