

MINUTES of
AIRPORT BOARD MEETING
February 10, 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	Jerry Godkin	Chris Peloso
Al Clough	Jerry Kvasnikoff	Danial Spencer
Jodi Garza		

Staff/CBJ Present:

Patty Wahto, Airport Mgr.	Phil Adams, Airport Superintendent
Scott Rinkenberger, Dep. Airport Mgr.	Chris O'Brien, Airport Field Maint.
John Coleman, Airport Business Mgr.	Wade Bryson, CBJ Assembly Liaison
Mike Greene, Airport Project Mgr.	Mark Fvette, CBJ Fire Department
Ke Mell, Airport Project Mgr.	

Public:

Brian Benjamin, Tenant	Matthew Staley, Tenant
Bryan Hinderberger, Subtenant	Mike Wilson, Coastal Helicopters
Kent Craford, Alaska Seaplanes	Nolan Davis, Tenant
Ed Kiesel, Ward Air	Tim Staley, Tenant
Julie Staley, Tenant	Yvette Soutiere, Tenant
Larry Gregg, Tenant	

III. **APPROVAL OF MINUTES:** *Jerry Godkin moved approval of the minutes of the regular monthly meeting for January 13, 2022. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** Chair Clough moved Item B, Tenant Hangar Flooding, in New Business to the beginning of New Business in deference to the people that have joined tonight for the flooding issues around hangars. *Jerry Kvasnikoff moved approval of the agenda as amended. The motion passed by unanimous consent.*

V. **INTRODUCTION OF KATHERINE (Ke) MELL, AIRPORT PROJECT MANAGER:**
Airport Manager Patty Wahto introduced Ke Mell as the new Airport Project Manager effective January 31. She is an architect by trade and came to the Airport through the University of Alaska Southeast. She has also had her own business. She is working alongside Mike, who has been very helpful to onboard Ke. Ke Mell said one of her most important jobs is helping Mike out, who has been working more than overtime for an impossibly long period of time and doing an excellent job holding everything together in an almost impossible situation. They have had some in-depth detailed conversations about coming to the Airport which is very different from the University in some ways and not at all different in other ways. She said it is great to be on board

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and she was pleased to meet everyone. She said to feel free to contact her at any time if anyone has any questions or if there is anything that someone thinks she should know about.

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

VII. **UNFINISHED BUSINESS:** None.

VIII. **NEW BUSINESS:**

B. **Tenant Hangar Flooding** (Attachment #5). Ms. Wahto said there have been hangar flooding complaints in the past for Blocks M, N and O. This year there has been an enormous amount of flooding – not only there, but Alex Holden cargo road had to be closed off for a period of time due to excessive flooding and blocking from frozen drainage areas. When there is a lot of snow and rainfall, the lower areas flood. Several people have brought this problem to the Airport this year. Julie Staley sent an e-mail (Attachment #5) regarding flooding. Another e-mail was received from Richard Forst from the adjacent hangar being underwater. There were numerous phone calls, texts and e-mails from people regarding flooding in the area. Ms. Wahto noted that there were some areas that the Airport tried to correct during the Taxiway Project, but could only go so far with Federal Aviation Administration (FAA) funds.

Airport Project Manager Mike Greene said when the Airport was working on the RSA (Runway Safety Area) 2C Project, a trench drain was introduced on the south side of Block M hangars. It was not expected that this would solve all of the problems because that area is so extremely flat. The resulting grade changes went to the face of the building down to the trench drain, which is still minimal drainage, but did not resolve the problem. The Block M hangars were built with a floor elevation that is extremely low and the adjacent areas are equal to the same elevation. Getting water to move away from Block M hangars is a major problem. This is similar to the Block N and O hangars, which the Airport is trying to move forward to deal with that as well.

Mr. Greene said during the Taxiway Project, the Airport was able to rough-in new trench drains for future drainage, but the FAA did not deem that eligible at the time, but did allow them to be roughed in. The culverts are in place under Taxiway H should the dollars become available. In looking at these issues, the only solution for Block M is new trench drains closer to the building and that would be on the north and south sides. This has been looked at knowing that everything has to drain to the south and not to the north. Ms. Wahto said this drainage direction is because of the storm water pollution prevention plan (SWPPP) and the drainage on the airport to protect Jordan Creek, etc. Things cannot drain into the creek, nor can anything be done next to the creeks. Everything is made to drain toward the float pond.

Board Member Dennis Bedford asked who looked at the grading prior to hangar construction. Mr. Greene replied that during the Ward Air hangar construction, grading was discussed, water shedding off the building was also discussed. He does not know what happened in the past. Clearly Block M was set extremely low. He understood that the hangar needs to be as close to the tarmac as possible for ease of getting aircraft in and out. There is a downside to that and that

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is being faced now. Mr. Bedford suggested there should be a review and something in writing within the Airport regulations or procedures. Ms. Wahto said that Mr. Greene and she had been discussing this throughout the flooding – the elevation and requiring a certain elevation. Another item has to do with the backfill being non-frost permeable, thereby avoiding frost heaves. Whatever fill is going in there and at the elevation needs to be in the lease and a box that is checked.

Board Member Jerry Godkin said he had excavated the area for the Block O hangars per the request of the owners. The owners established the grade. Ms. Wahto noted that the hangars should have some kind of gutter system that could be incorporated into the drainage to help alleviate some of the stuff in front of the hangars, as well as behind the hangars. Another note is there is a five-foot setback on all of the hangars on the front and back. She said paving was accidentally installed up to the hangars, but this did not solve the drainage issues at this hangar either. Some of the CARES fund money can be used for this item. Mr. Godkin said that the trench drain is where people are leaning. He threw out a caution to tenants and Board Members that the trench drain will probably work 80% of the time. He said that this year, 12" culverts were plugged full of ice and the culverts were three feet down. He spent days pouring chemical down them so that the parking lots would drain. He wanted everyone to know that they will not work when they are frozen and it must be understood that this may occur.

Board Member Dan Spencer wanted to make sure that if the Board is prepared to move forward, the tenants would have to be prepared to make their own investment to match up with what the Airport is doing. Ms. Wahto said that the tenant will have to come out from the five-foot setback to meet the pavement. She said this would have to be a complete buy-in by tenants. This has to do with snow removal, wherein the Airfield has been removing snow close to the buildings. They should, in fact, be staying away from the buildings by five feet, especially because of the angles and blades. In that part of it, you don't want to end the pavement only to catch a blade.

Yvette Soutiere said she rents Rich Forst's hangar in Block M. She said she is really interested in hearing what others have to say. This year, it has been 100% flooded like almost every day. Last year, it came in from the door side that is facing north. This year it is coming in from the south. She said it is way worse this year in that she is dealing with about two inches of water.

Dr. Brian Benjamin said he is at Hangar 2, Block M. He purchased the hangar from Dr. Belflower and is also the aviation medical examiner who does all of the flight physicals for commercial and private pilots. He bought the hangar 10 years ago and has occasionally had a little bit of water on very stormy and windy days in the hangar. He redid the floor and epoxied it with a one-inch threshold on the door and put new rubber on the bottom of the door, which solved all of his flooding problems until they put in a new trench drain by the taxiway. After that, flooding has occurred pretty regularly, with this year as the worst after the hard freeze. He now gets flooding coming in under the door, over the threshold and water seeping in from his neighbor's hangars under the walls. There is two to three inches of water in there. He has spent

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\$750 in heating oil above normal just to keep it semi-dry. Whatever was done with the asphalt, it raised up quite a bit. He said you can see the asphalt is higher than his concrete extending out at least a foot or two. Any rain that comes off the roof or rain in general just flows into the hangar. He has spoken with every member on his side of the Block M hangars and they are all having the same issue. He did not know if it was something with the new asphalt, whatever they put underneath there that raised it up with the frost. It is certainly worse now, but it has been there ever since the repaving in front of the hangars. He thought the trench drain is a very good idea and will work for most of the issue. He was not opposed to putting a gutter system on there, too. He just wanted to do something to stop the problem. He asked about the five-foot borders in front of the hangars. Did that mean that the trench drain will go five-feet out from the doors, because he was not sure that would solve the problem with the way the asphalt is raised up a couple of feet. Or is the trench drain going to be right up against the end of the concrete pad, which he thought would be the best.

Board Member Dan Spencer asked if the difference between concrete and the pavement now was solely due to the frost. Dr. Benjamin said this was not an issue. When the newest pavement was installed, it was directly flush with his concrete. Now it is raised up from this winter. Mr. Greene said the Airport is not supposed to put in improvements on tenant leased property. The pavement was placed up to the hangars as part of the Runway Safety Area (RSA) 2C Project, which should not have been done. He was not aware of the setback at the time. The intent was to introduce a slope from the face of the hangar to the new trench drain that the FAA allowed to be installed about 30 feet away. That was a very flat area to begin with. The trench drain was supposed to collect off of Taxiway H, but a back-slope away from the building was installed to get down to and from the M hangars. The asphalt was scraped off in this area, compacted and new asphalt was installed on top of it. What was there was a mixture of pit run and some small organics, but there wasn't anything that gave them an indication that there was a problem with non-frost susceptible soils. But what is being seen and described is clearly frost heave.

When the Airport comes back in there to do anything new, the first thing that has to be done is let the tenants establish what will happen within the five-foot setback. Whatever the tenants decides, the Airport can pick up from that edge five feet out and then continue the slope out to the new trench drain to insure that water cannot back up any more than it has been. The Airport cannot build within the five-foot setback. Dr. Benjamin pointed out that there was no flooding before the new asphalt. They didn't have any opportunity to put in a concrete pad at that time. He said he is not opposed to putting something in, but it sounded like the trench drain will be five feet out from his door, which will definitely not solve their problems. This problem was already not great, but it has gotten a lot worse after the asphalt.

Mr. Greene said one thing that has always bothered him is that all of the water coming off the roof is uncontainable. It drops the water right in front of the doors. Even if there is snow build or anything else, you get a freeze, which causes a dam, and then it warms up and water comes off of the roof. It seems like that makes the problem extremely worse. He thought as part of any

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solution that is looked into, whatever is put into the ground, it should have piping that will receive downspouts whether the tenants ever decide to install gutters or not. He thought the solution should also address that. When he first started at the Airport, he could see moving water across the tarmac towards the hangars. How is that fought? The only way is to do it with slope, and there is not enough slope to deal with it. With trench drains, the Airport will introduce the slope that is needed to gather, contain the water, and move it away from the hangar, but there is still the issue of water pouring off of the roof.

Board Member Jerry Godkin said that Block N is a big, long hangar. He said storm drains would need to be run to each corner of the building, maybe to the middle of the building and back to have the ability to collect gutter water. All of that infrastructure would have to go in for every building and have the necessary slope to get away out to the ditch on the other side of Taxiway H. Is there a percent of grade that is a maximum or minimum through an AC (Advisory Circular)? Mr. Greene said he was sure there was but that the Airport would never approach a maximum as the Airport is essentially flat. If a box drain is installed six feet out, the tenants would be responsible for their apron to slope into that box drain and there would have to be piping for storm for the gutters around the big, long building. Mr. Greene said that is what they have been looking at. Whatever happens on the five foot setback – whether it is a concrete or asphalt apron – it has to give the Airport a good, firm edge to tie into. It has to be something that works for the tenants. Mr. Spencer was concerned that the costs to the tenants could be quite daunting.

Brian Hinderberger, Julie Staley's subtenant, said he has owned his aircraft for seven years. He is in Block N, Lot 6 on the south side. For the seven years, he has experienced water ingress and infiltration for the entirety of his lease time there. Whereas he may not have had it for periods of time, it has always been there for seven years. This year has been the worst. He said that there are other projects for drainage in the works, they should be held off and these hangars should receive priority because of the worst water infiltration. He said he did not know if the hangar owners will want to input any money with an 80% solution. He thought that for agreement from tenants and owners, it needs to be a solution that the rest of the airfield gets, which gets no water inside the hangar. Haines just did a big project up there and he wondered if it was possible to have a heated drain system?

Ed Kiesel, Ward Air, said that the flooding problem began when the new drain was put in. He thought a slope would be the way to deal with the water draining towards the new drain. If pieces of wood have to be placed to get up into the hangars, that can certainly be done. The flooding is unreal. It will start rotting out the hangars. The water needs to be taken away from the hangar door. He thought a sloped asphalt away from the hangar doors where the airplane has to be pushed up hill to get the water away from the doors. It actually comes through the wall from neighbors. He said he has never seen flooding like this before. Last year there was a little bit of flooding, which was the first year for any flooding. They have owned the hangar for eight

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to nine years, but there has never been water on the floor before last year. There has been three to four inches of water and it seems like it is everybody along the way.

Julie Staley, hangar owner, said Dale Staley passed away in 2014 and he was an original owner of #6 and #8. She inherited those and has learned a lot in the past seven years. She did not recollect as much water in the hangar as she has seen increasing over the past seven years. Brian Hinderberger is in a hangar next to hers and there has always been a degree of water in those hangars, but nothing like it has been recently. The water sheds from both the roof down the hangar door and underneath the door, as well. She installed some brushes down the side of the hangar doors in 2019 because she thought it was being blown in and installed a flap on the bottom of the door. When the water sheds down the front door, it hits the flap and runs away from the hangar door, but it is not helping this year. This is the first year that the water has gone all the way to the back of her hangar.

She was involved in the new paving and the insertion of the trench. She was surprised that it was so far out. She had discussions with Scott Rinkenberger, DOWL Engineers and Secon about why it was so far away and they tried to explain the slope to her. She remembered being with them with a level and the blacktop was higher than her floor. DOWL went along and placed chalk marks where there were humps and then then brought a grinding machine to grind it down, but it never reached a point where it was below the level of her hangar floor. During the winter, there was frost heave and the black top separated from the concrete pad of the hangar, leaving a gap, but it is also exacerbated by the frost heave. The black top raises even more during the winter. She said this is a problem not only in the winter but also in the summer.

Ms. Staley said the Airport plows three to four feet out from the hangar door. She comes down a couple of times a week to shovel snow away from her hangars in the hope that it will drain away. She had the springs checked on the hangar door to make sure that it was hitting the concrete pad evenly and tight. She had the rubber checked on the bottom of the door to see if it was in good condition. She was in a quandary as to what to do next. She had suggested sandbagging on the inside of the hangar door to see if that would help keep the water out. When it is coming in from adjacent hangars and now from the back side, she did not know what to do next. She was flummoxed about the five-foot setback. She said that as far as she could remember, the black top was right up against the door. When the more recent work was done, the black top came right up to the door again. She said she was concerned with the precedent being set by the City coming up to the hangar doors and now to learn about the five-foot setback. She wanted to be involved in the process.

Ms. Staley said she is not an engineer, but is willing to learn and do what she can to try to keep the water out of the hangars. She is doing everything she can to keep the hangars dry. She also has a heater in the hangar she occupies and she has also gone through a lot of fuel this winter trying to dry out the hangar.

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Matthew Staley, a son of Julie Staley, said based on his background, he is a student pilot so he speaks a little bit of the airplane stuff and he is trained in architecture, so he speaks a little bit of the building and ground stuff as well. He asked how low the trench drain could be placed. Mr. Greene said everything that has to drain has to drain to the float pond. So if you look at where the Block M hangar is in relation to the float pond, in order to get water to flow all the way over there, there would have to be a very shallow drainage system. There is currently a catch basin on the west end of Block M and that is where all drainage would be taken. Unfortunately that means that the trench drains would have to be shallow. The other thing that needs to be addressed as part of anything that is done is everyone has to remember that any kind of drainage system will require an increased maintenance presence. If really cold, freezing weather is anticipated, there are deicers that should be put in there. The solution is one that everyone needs to think about: how it is done, how to deal with the inefficiencies of that system, and the drawbacks of when severe winter weather occurs (like this year).

Mr. Staley said the benefit of moving it closer to the hangars without going into the five-foot setback would be if the ramp is imagined like an inverted triangle where the low point is the trench drain and the trench is dragged left or right or south or north, when the trench is moved as close to the hangars as allowed, it would get the maximum slope away from the hangars. That might mean that it will take a little more effort to push the plane in, but it would mean that the water would be more easily able to flow into the trench drain. He said he knew there was a concern with it filling up with ice and the water can pool, but the area of a triangle does not change if the one point is moved. The water will pool to the same height either way, but he suggested moving it as close to the hangar as possible and get the drain as low as possible and five to six feet away from the hangar. The gutters are a great idea.

Mr. Staley said Block M is unique in this set as it is the only hangar that slopes in both directions. All of the others have a shed roof, so they would have to install gutters on both sides of Block M. This only accounts for the roof. It does not account for any wind-blown water on the wall or anything coming off of the paving. The other part of this, it was frustrating that they were not involved with the five-foot setback when that was done. He hoped they would not be on the hook for solving the problem the second time when they weren't involved the first time. He said that all of the hangar owners at the meeting would be happy to pay to install a gutter on the building.

Chris O'Brien submitted the following question via Zoom to Mike Greene, "Do any of the other hangars that have trench drain and repaving work done, for instance H and I on the west end have flooding issues? It seems that the trench drains work fine everywhere else and this is a pavement/grade issue." Mr. Greene said the trench drains that were installed on the west end do work. The good thing about a big long set of trench drains is that if you get ice in one location, the rest of it is still collecting. The problem with Block M is that the floor is so low, which is the base problem. The fact that water comes in from the north where no work or changes have been done since it was first installed, confirms the fact that it is low. Because it is low and a low

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drainage solution has to be placed, it is known that trench drains will need to be used. Whatever trench drain solution that staff comes up with has to be done in conjunction with the hangar owners so that they can dictate what happens within the first five feet and then the Airport will figure out where the trench drain goes after that, depending on how steep the ramp will be coming out of their doors. The solution is fairly straight forward, but it is one that needs to be coordinated.

Chair Clough said he has a hangar on the west side of the field and it has had water issues on and off. He has worked with the Airport from time to time to try to flush the drainage on parts of the area. This winter, they have had water issues in the hangar like he has never seen before. No work whatsoever has been done by anyone around the building to change the grades. It has been a really difficult winter for these issues.

Board Member Jodi Garza asked if the trench drains would be an 80% solution. Ms. Wahto did not know what will come from this. She said Mr. Godkin thought it might be 80% based on past experiences with trench drains. Mr. Greene imagined that this could be bumped up to 100% if the drains were heat-traced. Ms. Garza asked in terms of the five-foot responsibility for lessees, will a full consensus be needed from all lessors? Ms. Wahto replied this is an all or none. It can't be done to some areas and not others. She noted that the five-foot setback is in all of the leases. Ms. Garza asked how something like this happens in hindsight. Ms. Wahto said a lot of hangars were being built without elevation parameters given to anyone. The hangars were not built high enough. She did not think there was anything else in the area when these were built. The west side is higher because a lot of that was still being built.

Chair Clough recommended assigning the issue to the Operations Committee, with the direction from the Board to essentially acknowledge that at least part of this problem is due to construction activities for airport improvements which exacerbated an existing situation that wasn't perfect and to work with staff to come back with a recommendation on the best solution with an opportunity to minimize the flooding in these buildings and acknowledge that the Airport is at least culpable for part of this. He encouraged Field Maintenance to do the best they can to eliminate the snow around those buildings on airport property through the remainder of the season. In the past, there has been a lot of work done on the north side of the buildings to try to get some of the snow accumulation out to do what can be done to help alleviate the problem.

A. FY21 Close-out, FY22 Projected Budget; FY23/24 Proposed Budget (Attachments # 1, #2, #3 and #4). Ms. Wahto said the attachments are the summaries that went before the Finance Committee on February 2. The FY21 close out had \$7.9M for the budgeted expenses, but at close out it was a little over \$8M with some increases in some contractual services and some other components put into that with Board-approved improvements. This was offset by some other things that went down. The net was an increase of \$121K. Revenues were budgeted at just under \$7.4M, which decreased with COVID hitting the revenues. The anticipated revenues were a little over \$5M, with a plan to use CARES Act funds. Any rates and fees adjustments were

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taken off of the table due to CARES Act and trying to keep solvency with Airport tenants. The actual revenues were \$4.6M. Revenues were down \$2.78M from budgeted, but revenue decreases were seen in every category due to COVID. The only thing that stayed steady was the interest income. FY21 close out was anticipating a shortfall of \$523K to be covered with fund balance. The actual deficit was \$3.4M, plus some change. This included the tenant relief approved by the Board of roughly \$1.2M. The other item not included in the bottom line was the Board and Assembly approved General Obligation (GO) bond debt service for FY21 which was \$602,375. There were some internal adjustments which will involve a little bit more that will show up in FY22. All in all, FY21 is in the red but covered with CARES Act, including the tenant relief.

FY22 Projected said the revised expenses were adopted at \$7.9M and are projected to be at \$8.6M, which is an increase of \$690K. There are several items the Board has approved as part of the CARES Act funds that are captured as capital projects: fork lift (\$50K) acquisition; the bag well gas detection system (just under \$100K); the circulation pump (\$175K), which equate to \$433K of the \$690K. There are also increased prices in deicing chemicals in that more product has had to be ordered due to the weather. The CPI increase is also being experienced. On the revenue side, revenues were projected to be about \$6.1M. They are expected to be slightly higher now – \$6.5M. The revenues are still down. This does not account for the \$1.2M tenant relief that was approved. This has to be tracked separately from the expenses that don't meet with the revenue. The shortfall is expected to be a little over \$2M. The Board approved use of CARES Act contributions. This equates to just under \$3.3M use of CARES Act funds.

FY23/24 biennial budget expects increases in expenses. Expenses are looking to be about \$8.75M for FY23 and just under \$8.9M in FY24. When staff met with the Finance Committee, the increases are not additions to the budget, but cost increases. The Airport is seeing a 6% CPI. The full cost allocations (downtown services) are increasing. The highest per percentage increase is insurance. Even the insurance policies for the Airport are going up \$95K in FY23 and \$142K in FY24. This will be an increase from \$236K to \$378K. This is a significant jump and it is throughout the Borough. A lot of the increases are things way out of the Airport's control. The revenues are expected to rebound close to pre-COVID, but not entirely. It is projected to be about \$7.2M for FY23 and just under \$7.5M in FY24. These equate to what was predicted in FY21. A year from now, the Airport will still have CARES funding, but rates and fees will have to be looked at as well. The book needs to be opened next year, because pre-COVID the Airport would be in a deficit and the rates and fees have not been looked at since 2016.

FY23 anticipates a shortfall of just under \$1.5M for FY23 and a shortfall of just under \$1.4M for FY24. CARES Act funds are planned to use for these shortfalls. Rent abatement of \$1.2M will be used in FY23 again for tenants, which is a separate item. *Dan Spencer moved to approve the FY22 Projected, and FY23/24 Proposed Airport Budgets, as presented in Attachments #1, #2, #3 and #4, including the use of CARES/CRSSAA/ARG funding in the amounts of \$1,491,800 for*

FY23, and \$1,377,700 for FY24 to cover expenses; and forward to the Assembly for consideration/adoption. The motion passed by unanimous consent.

C. General Obligation (GO) Bond Debt Service. Ms. Wahto said this was a 2012 GO Bond on the terminal, part of which bonds were sold for the terminal and the last piece of it was sold for the newest part of the terminal to match the federal funds and other non-federal portions of funding for the project. The Assembly came forward for the FY21 and FY22 budgets and requested the use of some of the CARES money for two years of the City's GO Bond for the Airport Terminal. There was a little over \$600K in FY21 and \$662,600 for FY22. One of the things that came forward was a request from Mr. Rogers about the Mayor wanting to have a discussion about adding the GO Bond for FY23 and FY24 debt service. It would have to come in as a special request because it couldn't just be put into the budget without having Board discussion. The FY23 debt service is \$663,075 and \$657,124 for FY24. Before the Board was able to discuss this, it went as a memo from Mr. Rogers to the Assembly Finance Committee to approve the additional CARES Act funds for the GO Bond debt service. Ms. Wahto let the City know that this had not been discussed nor was it in the budget. Ms. Wahto put in a request to the Assembly Finance Committee Chair to reconsider if for nothing else but to allow a discussion to happen for the Board and Assembly Members and depending on tonight's discussion. Ms. Wahto reminded the Board that the Airport is the City. This is City money for the Airport and they certainly want it used in the best way. The Airport has gone to the City in the past for funding. Chair Clough said personal feelings as Board Members or just members of the community are kind of notwithstanding here. The City is the senior agency involved and ultimately if the municipality directs the Board to do something with funding that is eligible for other uses within the confines of the airport, it is their privilege to direct that and it has to be respected. He thought in this case it was very unfortunate that the discussion did not occur before someone downtown decided to direct where funds were allocated. Mr. Spencer said the Finance Committee Members wanted to have a discussion with the Board. Their intent was to have the discussion.

Mr. Bedford said he spoke to several people around the airport who were a little bit confused about this. He gathered some opinions and wrote up a position paper about it. It includes his feelings and others. He read it into the record "Some ten years ago the good citizens of Juneau, recognizing that a vibrant commuter airline industry contributed significantly to the local economy, and that a comfortable and efficient terminal was essential to the industry, voted approval of \$6M GO bond to help fund the reconstruction of the airport north terminal. Correct me if I'm wrong, but this money was essentially a grant, neither offered nor accepted as a loan, neither shown on the balance sheet nor considered as such during financial deliberations concerning the project. Had it been, the Airport might have used other funding sources, a Private Public Partnership was considered, scaled back the project, delayed the project, or elected to renovate the existing building. All lower cost options that were considered. When COVID 19 struck, our wise fathers (and mothers, if you will) in Washington D. C. provided a large sum of money to the City of Juneau to help weather the storm, and they also saw fit to provide a separate

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award to the Juneau Airport for the same purpose. At the time, the City Assembly requested that the Airport fund two years of debt service on the bonds out of the Airport's award. I read the CARES act when it was first made public and I believe that it does allow for repayment of debt and isn't too specific about whose debt, but I wonder if repaying the city's debt violates, if not the "letter of the law", perhaps the spirit. The Airport Board approved the transfer of funds with one dissenting vote. Now the Assembly is asking that the Airport fund an additional two years out of the Airport's CARES allotment."

Mr. Bedford felt that the funding of the first two years was premature and ill advised, and he felt that funding an additional two years is even more so. The Airport's regular sources for discretionary funding are limited and inflexible. Staff is currently working on a list of projects that could be funded by the Airport's CARES Act award and at least until staff and the Board have had time to review this list and prioritize, I think that it is foolish and irresponsible to commit to funding the City's debt. In reviewing the list myself, I feel that there are more than enough very worthy projects at the airport than there is CARES Act funding to cover them. The Assembly has overriding power over the Airport budget. Let them make the call and take the political hit. As it stands, it will be the Airport Board (not the Assembly) that must answer to tenants and users.

Kent Craford said he is the President and co-owner of Alaska Seaplanes. He spoke in support of Mr. Bedford's comments about the requested transfer to cover interest on the GO Bonds. They have owned Alaska Seaplanes since 2011 and prior to that he was with Wings of Alaska. He has been involved with operations on the airfield for 15 years. In that time, he has been privy to many budget sessions and the annual ebb and flow of revenue and expense on the Airport budget. He thought having been privy to it over that time, the Airport truly does operate as a true enterprise. It is set up as an enterprise agency. Through careful financial stewardship of staff under Patty, her predecessor, and the Board, it has always been self-sufficient. It is a huge job creator and revenue generator. Airfield activity contributes a lot to the CBJ general budget through property taxes. He thought it was odd that so much is paid in property taxes despite not owning any property and being merely lessees. Yet every year the property taxes are dutifully paid. All of that goes downtown. The Airport is a great revenue generator for CBJ and it asks very little from the Assembly as an enterprise agency.

In 2012, the question was put before the voters if they wanted to have a new commuter airline terminal and the voters approved that. They decided to tax themselves to develop this terminal. It took a while, but they were delighted to move into that beautiful facility last year. It is a credit to the Airport and the City & Borough of Juneau and importantly, it is the hub for all of Southeast Alaska. The commuter project was chosen by the City taxpayers to tax themselves to pay for the project.

Last year in the midst of COVID with all of the Federal money coming down, which was a tremendous unforeseen windfall of money, it was thought it was going to be needed to offset lost

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revenues. Thankfully revenues have begun to rebound and the Airport is now left with a significant amount of money that will probably never be seen again. The money is importantly free of a lot of the restrictions that the Airport has on other funding sources. The Airport has this one unique opportunity in time to finally address some of the most pressing problematic issues that are on the airport than cannot be done with Airport Improvement Program (AIP) dollars, etc. The flooding issue on Block M is a great example of that. The Airport needs to preserve as many of those unrestricted dollars as it can for Airport projects for which there are no shortage of projects.

Mr. Craford was privy and involved in the conversation last year at this time when the Finance Manager downtown made the same request. In the meetings last year he basically told the Board either do this or we'll make you do it. So it was done. Here we are again. Notwithstanding what the Chair said about the Airport is the City and the City is the Airport, while all of that is true, the elected Assembly are the ones who make the decisions where the money is spent – not City staff. City staff can make requests and everything else, but ultimately the authority lies both with the Airport Board and the City Assembly. What he would like to see is the Airport Board take a position that it believes is the right thing for the Airport and leave it to the Assembly to decide whether they want to override that. They are elected by the people and have the authority to overrule the Airport Board if they so choose. He thought it is the Airport community's responsibility to stick up for the Airport and to do what they feel is best for the Airport. He did not see how what is best for the Airport is taking \$600K and sending it downtown without anything to show for it, especially when the voters said, we're willing to pay for this and now the vote of the people is reversed. The voters intended the money to stay with the Airport. It should be used for Airport projects, of which there is no shortage. He encouraged the Board to say, no, we're going to keep the money and let the Assembly decide if they want to overrule that.

Chair Clough said the Assembly met as the Finance Committee and approved the transfer of funds by unanimous vote last week. To a certain extent, the Assembly has already made a decision on this. That doesn't mean that they can't change their decision. His feeling was that the Board has the opportunity to request that the City Assembly reconsider this action and point out to them the importance of these dollars for Airport-specific projects. As Kent and Dennis pointed out, the bond issue was a voter approved issue and the voters certainly understood at the time that they were going to be responsible for the cost associated with it.

Ms. Garza pointed out that the memo that was written by the Finance Director to the Finance Committee, not only did he not reach out and ask the Board about the use of funds, but he didn't outline in his memo that the Board has proposed uses of funds. She thought it was important for the City Finance Committee to know that this is not just extra funds. There are plenty of places that the funds can be used for at the Airport. In addition, there has been over \$340K of emergency use that would have had to have been pulled out of the Airport Fund Balance – forklift, pumps, etc. There is no shortage of use for these CARES Act funds. Mr. Rogers should have at least reached out to Patty or the Finance Committee and included to the Assembly

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Finance Committee that there are proposed uses – not just a windfall cash that has nothing for it to go to.

Airport Board Member Jerry Kvasnikoff said the Board is obliged to carefully consider and decide the best and highest use of this money. The parking lot popped into his head. He was not sure that the repayment of voter-approved general obligation bonds is necessarily the highest and most immediate Airport need. He agreed with Kent and Dennis and he would not vote to approve this at this time.

Ms. Wahto clarified one thing that Ms. Garza stated, the City reached out to her in January (a week to week and a half prior to the Finance meeting) but they were in the fact gathering stage. They were still gathering information as far as how much money the Airport had in grants and they were going to get back with the Airport. The Finance Director said it was probably a request coming down the line. She provided him with the FY23 and FY24 proposed use of funds, the tenant relief for FY23 and the list they put together for the Finance Committee and Airport Board meeting in January that had \$25M to \$30M in projects that the Airport had that were not FAA-funded and could be done using some of the money. She thought it was misunderstood somehow that the Airport had \$19M in funds it did not know how to spend, when really there is far less than that – around \$9M. It is not that the Airport doesn't know how to spend it, it is knowing which projects to prioritize. The list did not include the parking lot pavement work and things that were already decided, which was stated in the e-mail. Not all of the information may have been out there for the Assembly Finance Committee to look at. Chair Clough said that when this money was first received by way of the CARES Act, the staff did some initial work and gave a list of items where the money could be spent. The Board looked at that and did not know how long the mess would last. They wanted to be very deliberative on how the dollars are spent. At that time, it was thought that it would be a one-year disaster. It is now year three. It is discouraging to see the Airport almost penalized for being cautious with how the funds have been disbursed. This was a very deliberative action on the part of the Board.

Dan Spencer said he wanted to make the same point that Ms. Wahto did. The Board approved the rent relief (\$1.2M) for another year because the tenants at the airport could use the relief. If the debt service is paid, he thought that would be \$1.3M. This was not known at the time the rent relief was considered. He did not think it would have changed their vote on the rent relief, which he thought was a better use of the money.

Wade Bryson, Assembly Liaison, said he appreciated listening to what everyone has said. He recalled the Assembly's part. He tried to share that the Airport Board knows they had money, time limits and were trying to spend the money in the appropriate timeframe. Here is how the next three months will work that might help the Board decide how to approach the Assembly. There will be one Assembly Finance Committee meeting in March and then in April and May, they meet every Wednesday. He was willing to bet that Ms. Wahto has a budget and presentation that they will see during the Assembly budget time period. He recommended that

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would be the appropriate time to say, “Hey, let’s not burden the Airport with a \$600+K per year.” It is when they are discussing Airport financing. If you start to throw requests or opposition to something that they are not discussing, it could get a little lost. He empathized with both sides. There is not enough money to go around. There is not enough money for the Airport. With the inflation impacts that the Airport is having, it will all make it compounded and make it very difficult. The last thing that he recommended to the Board was when they are discussing finance with the Assembly, he strongly recommended a humble, cooperative approach. There has been an occasion when an organization acts as if the Assembly either owes them money or shouldn’t touch their money and that does not usually bode well. He felt this would give the Airport Board the best chance.

Mr. Bryson suggested that each Airport Board Member think of the Assembly Member they know the best and reach out to give them a head’s up. He said the Assembly has seen the \$600K coming from the Airport helping the City; but if it was said that if the burden is put back on the Airport, they will run into issues x, y and z down the road. Putting that thought into Assembly Members’ heads, they might think about the long-term consequences. He felt this should be done sooner. Another thing he suggested, when it is time to get Assembly action, rally as many people to support the Airport through e-mails and respond to the Assembly in public testimony. The Assembly listens to that. If they get 200 e-mails for Eaglecrest, Eaglecrest got their funding. If hangar owners and lessors to rally to the cause, it would help.

Chair Clough suggested the Board Chair working with staff will send a memo to the Mayor and Assembly outlining the comments of the discussion held this evening – the use of the bond debt through CARES funding is perhaps a hasty action and not in the best interest of the Airport and pointing out where the dollars are intended to be used. It will give them a head’s up that during the budget time in the spring, the Board will be formally requesting that they redline those items out and put that money back into the Airport budget. The Board is not trying to be confrontational at all. It is trying to be educational on the great needs of the Airport and the extraordinary things that these funds allow the Airport to do. He hoped they could make a compelling case.

Mr. Bedford said he agreed with the Chair. He said he got off on the wrong foot with this thing. He felt it was mishandled. As a Board Member, the money being given to the City was presented at one meeting and passed by everyone (except him). He thought it was presumptive for the Assembly to ask for the COVID money. He was not sure it was legal. He agreed confrontational is not the way to approach this, but that is what is in his heart. Beyond that, he knows the Assembly’s process is pretty inflexible, in other words, their sources of revenue are very hard to change. He thought it should be pointed out to them that the Airport’s funds are even more so.

Mr. Kvasnikoff agreed with not getting confrontational, not even a conceptual confrontational situation, but he thought that something to be pointed out is that the Airport did kick in for two

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years and it was a significant amount that came out of the CARES money allocated to the Airport. It is not that the Airport is not willing to do the Airport's part in helping with that, it is more that this thing is running on a little bit longer than originally thought and the Airport is trying keep its powder dry. There are some pretty significant needs.

Ms. Garza agreed with the diplomatic approach. She did want to say their absence here and Mr. Clough's lack of being able to get hold of the Mayor speaks volumes, as well. The comment about the Airport is part of the City and the Airport is trying to use the funds for the Airport for the betterment of the community and the City. Her question to the City would be if the funds are given for the GO bonds, what would the community benefit from that? Would it be a better benefit to make the improvements at the Airport or to pay off the GO Bond debt? What other funds would be alleviated or used in a different way?

Ms. Wahto clarified Mr. Bedford's comment about the legality. Debt Bond Service is a legal use for Airport Debt Bond Service, which this is. This has been vetted with both the FAA and the Law Department. Mr. Bryson said he appreciated the comments about the reasons that the Assembly did not make the correct action at the right time. All of this will help the Airport's case. That is the information that the Assembly will need to know.

The Board took a five-minute break.

D. Airport Manager's Report:

1. Airport Fund Balance (AFB) and Capital Revolving Account Balance (Attachment #6). There have been no changes to these documents. Two items under the Capital Revolving Account Balance includes two items that were forward funded in the amount of \$148K. The grant work has begun and this will be repaid when the grants are received.
2. CARES/CRRSAA/ARPA Fund Balance. The chart below includes the items put in for FY23 and FY24 as presented earlier in the budget, the tenant relief previously approved by the Board and then it has the TBD at the very bottom and whether or not the GO Bond Debt Service for FY23 and FY24 and the Parking Lot Construction as the design moves forward and it will be either repairs or the full project.

CARES/CRRSAA/ARG Act Use		2/2/2022
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	
(92,885)	Bagwell Gas Detect/Alarm - est; + \$42,885 design	
(115,000)	SREB Circulation Pump Upgrade	
(175,000)	Sand/Chem bldg Back-up Boiler system	
(50,000)	Forklift vehicle	
22,324,964	Balance	
	<i>Proposed Use</i>	
(1,200,000)	FY22 Tenant Rent Relief (est)	
(2,084,900)	FY22 Operational Expenses (est)	
(1,200,000)	FY23 Tenant Rent Relief (est)	
(1,491,800)	FY23 Operational Expenses (est)	
(1,377,700)	FY24 Operational Expenses (est)	
	GO bond debt service FY23/24 TBD	
	Parking Lot Construction - TBD	
14,970,564	<i>Proposed/estimated balance FY22 end</i>	
*\$98,347 concession relief requirement		
Note: Add'l Concession grant \$393,387 signed 1/3/22, not incl in total		

This is just an update. A more expansive spreadsheet is being developed that includes how each of the grants can be used. This is turning out to be a large Excel spreadsheet.

3. FAA Alaska Region 2021 Fact Sheet (Attachment #7). The FAA Alaska Region publishes an annual data sheet on Alaska airports. The attachment shows the most recent data, including Juneau, during another COVID year. The Airport continues to miss a lot of the helicopter operations and commercial operations.
4. Airport Triennial Wheels-rolling Emergency Exercise. This is planned for July 23. This will be the live drill date, which is required every three years to fulfill the Part 139 certification with the FAA. It is tabletop for two years. The first meeting was held on February 3rd. There will be a lot of meetings leading up to the drill in July. The Airport will be looking for victims to help. This will be measured as July gets closer in case a waiver needs to be requested to decrease the number of live bodies used due to COVID. The FAA says that there has to be so many based on the type of aircraft, but if it can't be done due to COVID, a waiver will be requested.

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

- *Oshkosh Plow Trucks*. They are still working.
- *COVID-19 Testing and Vaccines at Airports*. Capstone Clinic is providing vaccines at the airport. They moved their testing out of the airport, which is now located at one of the mini-malls.
- *DNR Land Conveyance/Easement*. During the Airport Runway Safety Area (RSA) Project, the ends of the runway shifted and required additional land (safety area) at each end of the runway. Additionally, the installation of the Runway 8/26 approach lighting (MALSF/MALS) requires easement into State wetlands. Two tracts of land at each end are still in the process of finalizing survey work and conveyance to the Airport. Staff is working on this with State of Alaska Department of Natural Resources (DNR) to close out this portion of the project. The Airport is also considering the conveyance of the third tract of land (west end) that currently is easement only. The Airport is waiting to hear from DNR on the cost (mitigation ratio) needed for this additional 8.34 acres. Paralleling this work, the Airport is looking at acquiring accretion rights in the wetland for future rebound land.
- *Mask Mandate at Airports Extended*. Masks are required at Airports until March 18, 2022, unless something is heard differently.

6. Airport Projects Report (Attachment #8): Mr. Greene reported that the **Terminal Reconstruction Project** now has dates as to the opening the public areas. The end of this project is in sight. A substantial completion date for Phase II is the end of March, although Requests for Proposal (RFPs) are being issued to the contractor to deal with the repair of things as the project progresses. This will extend Dawson's time on the project, but they will meet the completion deadline and turning the facility over for use. They will continue to do some behind the scenes work as they go.

The **Terminal Fire Alarm Project** is moving ahead. The contractor is getting ready to do cutover work where the new equipment is being turned on. The new PA components are being installed right now. It won't be very long before the new fire system is up and running.

Work is ongoing getting the new generator installed, tested, start-up and commissioning for the **Taxiway Project**. A problem recently occurred where the load bank would not work, which places this on hold until it is decided whether to repair or replace the load bank. The new generator has started. Some testing has been performed in parallel. Both generators will run together if the need arises. The fine tuning is being done and then a maintenance contract will be done with CAT and NC and this project will be closing.

Ms. Garza asked if the Loken's problem with the shared wall issue with the **Sand Shed Demolition Project** has been resolved. Ms. Wahto said everything was resolved with Coastal Helicopters. There was \$5+K paid to Coastal for the work they did.

IX. **CORRESPONDENCE:** None.

X. **COMMITTEE REPORTS:**

A. **Finance Committee:** Committee Chair Garza had nothing further to report. She said everything had been covered under the New Business section.

B. **Operations Committee:** Committee Chair Dennis Bedford had nothing to report but will have a progress report for the March Board meeting.

XI. **ASSEMBLY LIAISON COMMENTS:** Assembly Liaison Wade Bryson reported in talking with the City Manager that the cruise industry is planning on a full return to Juneau, which will mean the helicopter landings and takeoffs will increase. He said he had heard of problems with the homeless and the Glory Hall in previous Airport Board meetings. He has been working with the Glory Hall for a little while and he joined their board this month. He thought it would put him in a good position to help liaison any issues between the Airport and the Glory Hall. Whatever issues are going on in that shared area, he said he would stick himself right in the middle of it. He said he did not make as much headway with Title 49. He will talk more with Ms. Wahto about a couple of steps that might be taken to solve the border/boundary issue. He has started picking away at that, as well.

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

XIII. **BOARD MEMBER COMMENTS:**

A. Jodi Garza asked about lease lots around the airport. When are the other lease lots going to go out? Alaska Seaplanes has a lease lot that is reserved. They want to start building. Will the Airport be doing any sort of ads, promotions or are they just as people come in? Ms. Wahto replied that a few people have asked where things are. The next lots are expected on the west end. There are currently eight or nine people on the hangar wait list. There have been a few other things that have stopped the Airport from moving forward. Relocation of some of the utilities. Power needs to be brought in. It is planned to work around the Civil Air Patrol hangar. This has not been forgotten.

Ms. Garza noticed that the old L.A.B. hangar is up for sale. She had heard it was in really bad condition. She wondered if there was anything from the Airport Manager about the poor condition of that building. Ms. Wahto said the realtor representing L.A.B. has contacted the Airport. She cannot talk for anything having to do with the hangar itself. There have been inquiries on it, but it needs to be aviation use especially with its location and access control within the airport on the main ramp. There has to be an aviation component or demonstrate that there are no other aviation needs or wants for that building and then it would have to come before the

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Board in order to sell it for non-aviation purposes. There are other things that are being worked with through the Law Department to make sure that the Airport stays on the up and up with L.A.B. and the Bennetts making sure that they understand that they are liable for anything around that property having to do with past cleanups, etc.

Mr. Spencer asked about the non-aviation use. He did not know that was a possibility. Ms. Wahto agreed that is for the most part correct. They would have to demonstrate that the hangar needs to be sold and there is no aviation interest. This happened once and that was with the old flight school hangar that houses U.S. Geological Survey (USGS) and some engineering firms that do work for the airport periodically. This is between L.A.B. and Alaska air freight. Years ago this building went up for sale and it was for sale for quite a while. Capital City Weekly (Heimbigners) purchased that hangar. They were not aviation, but they tried to do as much as they could with renting out for aviation purposes. In the past, they leased to TSA, a couple of design consultants who were doing work for the Airport and they are still leasing to USGS. They are dedicated to trying to insure that anything on that fence line was for aviation purposes. That came before the Board probably 23-25 years ago. There are now provisions within the FAA that things could happen. It is not ideal, but there is a process that they could ask. It would have to go before the Board and the FAA.

Jerry Godkin asked the asking price. Mr. Bedford thought it was \$625K. Mr. Godkin said this is leased land. It doesn't bother the Airport if they sell it, tear it down. He asked if they could leave the Airport with the dilapidated building. Ms. Wahto said there is also a possibility of abandonment. They are not technically operating under a certificate. Normally the Airport keeps them on the hook, but they could walk away. The Bennetts have been making their payments.

Ms. Garza said she thought there were some environmental concerns that she has heard about. What effect could those have on the Airport? She asked if there were any liens on the property. Ms. Wahto said this was what has been discussed with the City attorneys. Staff is making sure that there is still some liability that stays with the owner because it is in their lease.

She asked for an update on Air North and if there is any change. Ms. Wahto said a meeting will be held tomorrow with Air North, Customs and a few other folks to discuss some of the ground logistics. It looks like they are looking at four days a week, instead of three.

XIV. **ANNOUNCEMENTS:** None.

XV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on March 10, 2022, at 6:00 p.m. via ZOOM.

XVI. **EXECUTIVE SESSION:** None.

XVII. **ADJOURN:** *Dan Spencer moved to adjourn. The meeting adjourned by unanimous consent at 8:47 p.m.*