

MINUTES of
AIRPORT BOARD MEETING
January 14, 2021
6:00 p.m. via ZOOM

- I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 6:02 p.m.
- II. **ROLL CALL:**
Members Present:
- | | | |
|----------------|------------------|---------------|
| Dennis Bedford | Jerry Godkin | Chris Peloso |
| Jodi Garza | Jerry Kvasnikoff | Angela Rodell |
- Member Absent:
Al Clough
- Staff/CBJ Present:
- | | |
|---------------------------------------|----------------------------------|
| Patty Wahto, Airport Mgr. | Beth McEwen, CBJ Clerk |
| Scott Rinkenberger, Dep. Airport Mgr. | Greg Smith, CBJ Assembly Liaison |
| John Coleman, Airport Business Mgr. | Christine Woll, CBJ Assembly |
| Mike Greene, Airport Project Manager | Teresa Bowen, CBJ Law |
| Tiara Ward, CBJ Finance | |
- Public:
- | | |
|----------------------------------|--------------------------------|
| Luke Canady, Public | Kent Craford, Alaska Seaplanes |
| Mike Wilson, Coastal Helicopters | |
- III. **APPROVAL OF MINUTES:** *Angela Rodell moved approval of the minutes of the December 10, 2020, Board meeting. The motion passed by unanimous consent.*
- IV. **APPROVAL OF AGENDA:** Dennis Bedford noted that Item C has confusing verbiage between Item B and C, as Item C is for property acquisition. Airport Manager Patty Wahto said she would make the change. *Chris Peloso moved to approve the agenda as amended. The agenda was approved as amended.*
- V. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.
- VI. **UNFINISHED BUSINESS:** None.
- VII. **NEW BUSINESS:**
A. Disadvantaged Business Enterprise/Airport Concession Disadvantaged Business Enterprise (DBE/ACDBE) Consultant. Ms. Wahto reported that these programs are currently being done in-house by staff. These are federally required programs for the Airport concessions and contracts or improvement projects that have to have the DBE component. This is not just setting them up in the contracts. It is tracking quarterly and annual reports and setting goals. Staff began looking at other airports to see what they do. For those airports that do not have a full-service DBE and ACDBE department, they go out for consultants. The Airport plans to go out for a contract to bring in a consultant

to handle this program. The money will come out of the operations account instead of staff charging time to operations. It is part of the budget. *Angela Rodell moved that the Board approve the funding for a selected contractor to review, develop, and implement the Disadvantaged Business Enterprise and Airport Concessions Disadvantaged Business Enterprise programs at the Airport, at a cost not-to-exceed \$55,000 per year, for five years. The motion passed by unanimous consent.*

B. Float Pond Phase 2. Ms. Wahto said that Phase 1 Float Pond replaced the valve that goes into the river at the west end of the float pond. Phase 2 has been designed, which would raise the road bed, place additional rock and a new shoulder elevation. It will reset some of the gangway slabs that have been sinking and breaking apart from wave action on the south side of the float pond. It will be deeper and better built than they were before. The Airport improved the roadway and widened it, but it was not raised. While this is not part of the Runway Safety Project, it is its own project and federally funded. The grant is not in place yet. It was to be Federal Fiscal Year (FFY) 2021. It is expected to be a \$1.7M project. It will hopefully be bid this summer. It is not expected to be a heavy-duty project, with the exception of bringing in some fill. It will not be a long project to complete. The Airport would like to use \$40K from the CIP (Capital Improvement Project) Revolving Funds until a grant is received.

Deputy Airport Manager Scott Rinkenberger said that for the past several years, staff has encountered a lot of wave action that has undermined a lot of the docks on the south shore of the float pond. More to the point, a lot of the tenants who were on the south shore have contacted the business office to relocate on the float pond as they are incurring damage to their aircraft and docks. The Airfield crew checks the float pond twice a day, especially during storms. The recent storm with the record rainfall almost overflowed the float pond and staff tried to drain the pond, which has to be done between high tide cycles. This has been a constant struggle for the float pond.

Project Manager Mike Greene said the primary issue is that if the pond is caught with high water, the wave action starts to erode the roadway on the south side. It also erodes around the concrete head walls around the ramps and puts that in a pretty precarious situation. Staff is working on better ways to monitor the water and better ways to open the valve vault, but ultimately the wind and rain cannot be fought, which makes the project necessary. When asked about pond weed, Mr. Rinkenberger said staff is actively removing pond weed during the summer with a rebuilt weed harvester. Additionally, they have an aquatic weed-whacker that is used. *Chris Peloso moved to approve the transfer of \$40,000 of Airport CIP Revolving Funds to the Float Pond Improvements CIP until grant funding is received. The motion passed by unanimous consent.*

C. Property Acquisition Specialist. Ms. Wahto said staff is looking at putting together a Request for Proposals (RFP) for a property acquisition specialist who would assist the Airport through the federal process of acquiring the Channel Flying property, which is

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the non-Airport owned piece that the airport surrounds. The Federal Aviation Administration (FAA) encouraged staff to look for a specific property acquisition specialist because that is what they do. They know the federal regulations inside and out and can take the Airport through the process. This is eligible for federal funds as part of the acquisition process. The \$50K staff is requesting is to start this project, which would be transferred from the CIP revolving account until a grant is received.

Board Member Dennis Bedford said he has a distrust for high-priced consultants and this seemed pretty rich. The standard real estate commission is 4% and it is shared by many people. Ms. Wahto replied that there is an Advisory Circular (AC) written on property acquisition. It is quite extensive. The idea is that this is up to \$50K, which is hoped to cover the Airport through the appraisal process and negotiations. This was strongly encouraged by the FAA just so that the Airport does not get muddled down in the federal requirements. This is an eligible property. The reason the Airport is buying this property is to come into compliance with a compliance letter that was received a couple of years ago. Appraisals are not cheap when it comes to Airport-acquired property. It is different than what is done outside the fence with commercial or private property. It was told that one appraisal is all that will be necessary. Mr. Bedford said he would be against purchasing the building and wanted to purchase the land only. Board Member Jodi Garza asked about an approximate value to the property. Ms. Wahto said she had not looked it up, but thought it was under \$1M for the property only. Per the FAA, the cost can be no less than appraised value. The Board will be updated as the process moves forward. *Angela Rodell moved that the Board approve the transfer of \$50,000 of Airport CIP Revolving Funds in order to forward fund the design effort and acquire a property acquisition specialist until grant funding is received. The motion was approved by unanimous consent.*

D. Airport Manager's Report:

1. Airport Fund Balance (AFB) and Capital Revolving Account Balance (Attachment #1). There has been no change on the AFB side of things. This includes where the Airport is through FY20 with the addition of the CARES Act and shows the bond amounts, as well. The budget update has not been done for the FY21 and 22. As such, the CARES Act funds are not put in for placeholders. It will be after the fact. The only place Ms. Wahto could see this would be into the fourth year of the CARES Act grant, which will be April of 2024, to make sure they are applied for in a timely manner. It will not show on the City's finance system, but may show once the updates are done. Ms. Wahto will speak to the Controller to see if it is something that shows up as an estimate.

The two CIP projects that were proposed above and passed account for \$90K that shows coming back out. The \$675K has not officially gone back in through the City meetings. The Airport is doing it as a transfer; therefore, the \$675K has been decreased by \$90K through a transfer.

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2. Financial Model Update. Staff met with Matt Townsend from Frasca on Tuesday to look at the model that he is refining for the Airport. The timing has been perfect because there will be a new financial model and then the new City system and how the budget is presented. They have a new spreadsheet that will be a lot easier to use. Between the two, it is good timing. A budget meeting is planned sometime in early February, at which time the model will be available to play with. With that in mind, there will be some adjustments based on personnel costs, but for the most part, it will be a fairly flat (no change) with the addition of CARES Act that will help with the expenses.

One of the questions that was brought up was if Frasca was to go back and look at historical research on the Airport's finances and it was not. The scope of the project with the new consultant is to provide the Airport with a new model. In doing so, the consultant still looks at the model to see how allocations are done, if there were any problems with it or how it was done, and in his review of the current model, he did not find anything that was out of line. He said it was pretty straight-forward, although cumbersome. Staff feels that they are working toward an easier usable model – something that people can work with and understand. It will have a lot of drop downs and will be fairly straightforward once someone looks at it for a while. She is hoping to convene a Finance Committee meeting in the first part of February to look at the budget.

Kent Craford, Alaska Seaplanes, referred the Board back to the May 7, 2020, meeting where this first came up. He was encouraged that staff has undertaken the development of a new model. He was looking forward to seeing that go to the Finance Committee and interested in participating. He thought the key to the model is transparency and that there is some understanding and buy-in to how the model is developed. That it is fair and equitable involving both 135 and 121 operators. He expected this will be the model that the Airport will operate upon for the next decade or so. He thought some work and investment in the model is crucial.

He referred the Board back to the May 7, 2020, meeting minutes where that was discussed. At that time, he submitted a letter to the Board expressing concern about what was revealed as a misallocation of the land lease revenue and a deficiency in the amount of land lease proceeds that were attributed to the 135's. It was reported at the time that the model that had been used for some time had split the land lease revenues 85/15 for 121/135, basically shorting the 135's, which are the larger tenants for land leases on the airport. At the time, there was much discussion about that. The Board committed to reviewing the model and pursuing an independent look at it. He wanted to check in on it. He appreciated everything that Ms. Wahto said about the new model, but he thought there was some unfinished business. He thought it was crucial to go back and look and make sure the old model was applied properly, that all the math was done properly, that the costs were allocated properly and the tenants were charged properly. He wanted to make sure that it did not get forgotten about. There were a lot of commitments made on May 7, 2020. He said they had been very patient as there is a lot going on, but he wanted to make sure it didn't get swept under the rug.

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Ms. Wahto said that her understanding was that it would be tackled through Finance Committee meetings. While the Airport did look at one of the accounting firms that does the audits as well as folks in the Finance Department, this is not their expertise. They came back to the Airport saying they could not help. Ms. Wahto has a lot of historical information and a lot of notes that she wants to bring to the Finance Committee meeting as it will be more entailed. Chair Godkin suggested that this should be the first item discussed. He thought this would help the Board Members to get through this in an open and public manner.

3. Baggage Conveyor Repair. In August, the Board approved the repair of a section of the baggage belt that goes between where TSA does their screening and Alaska Airlines. This was a large repair that cost \$22,000. As they were working on this project, multiple issues are occurring where the sections are not matching up. It was happening intermittently last year, but has become more of an issue. Staff has called in RNC Engineering to work on getting all the belts talking and all of the eyes focused so that they are staging properly. If this is not a simple fix, staff will come back to the Board for the next project. This is a 35-year-old system and components may need to be replaced. This is considered a maintenance item.

4. Cynthia Johnson Retirement. Cynthia Johnson, the Airport's Architect/Engineer Associate and headed up the Land's Department before coming to the Airport, has worked in a part-time position for the last eight years. She worked on some procurement, lands issues and one of the larger projects has been the DBE Program. She helped to get goals together and tracking in place. The Airport will miss her as she has done a great job for the Airport. Ms. Wahto wished her the best in her retirement.

5. Snow Removal Equipment Building (SREB) Heat Pump Repairs. The Airport has a regular maintenance contract for the heat pumps, but one component that was out of warranty was damaged during a recent electrical surge. The piece is a little over \$22,000. This repair will use insurance and be a part of the claim to Alaska Electric Light & Power (AEL&P). The computer logged information that shows this happened during the spike in the power. Project Manager Mike Greene said both the SREB and the Sand/Chemical Building were hit with this power surge. The Sand/Chemical Building lost a compressor. Thankfully the City has Daikin under contract and they were able to troubleshoot the systems. Right now, the SREB cannot produce the heat needed over at the Sand/Chemical Building, which is running at 50%. Chair Godkin asked about surge protectors for this type of surge. Mr. Greene replied that these buildings have everything in place, but this surge was large enough to bypass everything. The Electrical Engineer is looking at this to see what the best way to protect the building will be.

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6. South Float Pond Erosion. This was discussed earlier in the meeting. Ms. Wahto appreciated the crew who stepped in to assess/repair the problem.

7. 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:

- *COVID Updates*. The most recent information from the State may be found on the **Alaska Travel Portal** at: www.alaska.covidsecureapp.com. Additionally, more information may be found at: <https://covid19.alaska.gov/travelers/> and FAQs: <https://covid19.alaska.gov/faq/>. Ms. Wahto encouraged everyone to stay in tune with what is going on with State travel mandates and the changes that occur on a fairly regular basis.

The State signed a contract with Capstone Clinic to come into the larger airports – Anchorage, Fairbanks, Juneau and Ketchikan – to be the meeters, greeters and testers at the airport. They may use some of the same personnel. A lease will be in place for an initial period of six months, with the State’s option to extend to 12 months.

- *Alaska Department of Environmental Conservation Storm Water Pollution Prevention Plan (SWPPP) Multi-Sector General Permit (MSGP) Inspection, Fines and Compliance Order by Consent (COBC)*. An extension was requested to January 19, 2021. Teresa Bowen has been working on this quite a bit. The comments on the COBC were submitted on January 12, 2021, as well as a memo and response to fines. They have received it and will get back to the Airport.
- *Egan/Yandukin Intersection Improvements Project*. The Alaska Department of Transportation (ADOT) held another stakeholder meeting for panelists on January 7 and Ms. Wahto attended. They narrowed the selection down to three for comments, as the other two would not be practicable for construction. Out of the three designs, two (the full intersection and the diamond intersection) took a huge swath of Airport property on the Northeast Development Area that was going to be problematic for the FAA and the Airport. She noted the Federal requirements for land acquisition, as well as high expenses for that. The alternative (partial intersection) is a straight shot forward without taking any Airport property. It still develops to the north of Fred Meyers and carries on down Glacier Highway and goes to the McNugget intersection. This would also install lights at Egan/Yandukin for left-hand turns off of the highway. Ms. Wahto felt this was a good option and the cheaper of all of the designs.
- *Passenger Facility Charge (PFC) cap increase*. There is nothing new on this. There are several airports in the nation that are now stepping up to push the increase. They know that with the decreased passenger travel, a lot of the larger airports strictly rely on PFCs to get projects done. Without getting the funding for the projects, they are trying to get the PFC cap increased.
- *Polyfluoroalkyl Substances (PFAS) Testing and Monitoring*. The Department of Natural Resources (DNR) has done their review and passed it along to Fish & Game, who does the oversight of the Mendenhall Game Refuge. We are waiting for the permit to be issued on this, which should be soon. This is for the remaining wells in

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the Game Refuge. The second part is contacting land owners. When discussing this with Ms. Cox, she said they were about half way through contacting the businesses and residents in the area. There are 1,500 businesses and residents in the area that are being contacted. They hope to get through this about the same time as the drilling begins.

- *CBJ Title 49 (Jordan Creek Greenbelt).* Deputy Airport Manager reported that the Southeast Alaska Watershed Coalition and a voluntary citizens group from Litter Control is looking to the new Glory Hall to initiate a partner/stewardship of the Jordan Creek greenbelt as it involves the tributary area in the general area of the Glory Hall. It was a positive meeting. The Glory Hall is looking for occupancy to start around July 1. It is a work in progress with the Southeast Alaska Watershed Coalition.
- *Glory Hall Request for Electrical Service through Airport Property.* Community Development did not like this application, but they had to refer it to the Airport for comments on the request. Although this would take the least expensive route, due to the federal requirements, it was deferred to the FAA Airports Division. Staff attended some meetings with Community Development and the land owner. An e-mail was received that the property owners rescinded their permit request through this area. They will stay in the right-of-way and bring it around.

8. Airport Engineering Projects Report (Attachment #2): Project Manager Mike Greene reported that Dawson Construction continues to enclose the building. The temporary enclosure is in place so the heat will be able to be held inside the facility. The crews are moving forward with the rough-in for the mechanical/electrical/plumbing. The contractor has started work on interior wall framing and hollow metal door frames.

Staff is working on putting out a bid for the Fire Alarm Upgrade Project that has to do with the entire terminal. The project is driven by determination that the existing fire alarm system is in need of a mass notification, so this project is intended to introduce that component, which will time in with the work that the contractor is doing with the Terminal Project. Chair Godkin asked if staff could do some sort of video and pictures/presentation to see the progress.

Sand Shed Demolition: The contractor has gotten all of the structural steel in place now. The insulated wall panel showed up today and so work on their insulation will begin shortly. Quite of few problems occurred wherein the concrete footings that were supposed to be at each new column location turned out not to be there. The column footings were all redesigned. The contractor has been coordinating with Craig Loken and Mike Wilson, who have been cooperating with the project. This is really appreciated. The anticipated completion date is March 15. There are still a few issues to be resolved that do not require access into the building. A few delays have occurred due to COVID 19.

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Taxiway Rehabilitation Project: Secon is in winter shut-down, but is still moving forward with the construction of the new Airfield Lighting Regulator Vault (ALRV) at the SREB complex. Alaska Commercial Contractors, Behrends Mechanical and Ever Electric are putting that together. It is now fully enclosed with Ever Electric having most of the systems roughed in. Behrends Mechanical set the heat pumps in place, with an expected completion date in February. Then the ALRV cut over is expected in the spring. Secon was very good in getting the revised schedule put together to get all of their work done last summer.

Ramp Lighting Upgrades: This will replace the building-mounted lighting systems that illuminate the Part 135 and Part 121 ramp areas with new high-efficiency LED fixtures. It is hoped to get this project out to bid by the end of the month. This will be a springtime/summer project.

VIII. **CORRESPONDENCE:** None.

IX. **COMMITTEE REPORTS:**

A. **Finance Committee:** Committee Chair Angela Rodell had nothing to report.

B. **Operations Committee:** No report.

X. **ASSEMBLY LIAISON COMMENTS:** Assembly Liaison Greg Smith reported there has been a reduction in the community risk level for COVID. The vaccine is starting to roll out, with a little bit of a rough start, but it is anticipated that over 1,100 people will be vaccinated this weekend. The Assembly is working on the final CARES Act distribution. Funding is starting for some of the recently-approved bond projects. One of the big priorities for the Assembly was to work on housing. A tax abatement ordinance has been moved to the Assembly. Mr. Smith said the Assembly met with the State legislative delegation, local and federal lobbyists. There is the same story with the State: how do we pay for the services, including a PFD with the decreasing revenue without breaking the permanent fund. The recently passed CARES Act funding provides support to schools, hospitals and airports. The federal lobbyist also said the City should expect to see legislation from the incoming Biden administration about additional relief, as well as a large infrastructure package. There is not as much action on the cruise ships in the 2021 season as they would hope. The City, operators and the industry are ready, willing and encouraging others at the federal and state levels to prioritize and start to get this issue going so there will hopefully be some semblance of a cruise season.

Assembly Member Christine Woll said she wanted to introduce herself as the newest Assembly Member. She started in October and she is trying to spend some time getting to know the boards and commissions. She thanked everyone for their service and said to feel free to reach out at any time. Chair Godkin thanked Ms. Woll for her interest in the Airport Board.

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

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XII. **BOARD MEMBER COMMENTS:**

A. Board Member Dennis Bedford suggested that staff do some brainstorming as to how things will be handled if COVID does not get over as soon as suspected – maybe some long-term planning or reduced budget. He said as a dedicated Board Member, he was looking at the damage done by the ARFF truck. He said he was a little disappointed with the operator who got stuck. Chair Godkin said ARFF has a new driver who went beyond where he should have gone. With the help of staff and a couple of loaders, they were finally able to get it back on the road and into service. Mr. Bedford was concerned that this equipment would not be able to respond to an aircraft accident on the wetlands. It was explained that this piece of equipment is too heavy to respond to the wetlands. Ms. Wahto said that the Airport did have a Hagglund at one time, but it was taken out of service. She thought it was a few years out before a new piece of equipment that would work on the wetlands was purchased.

B. Board Member Jodi Garza agreed with Mr. Bedford about a long-term plan for COVID, especially with the travel season 2021. If Alaska Airlines starts selling middle seats and more traffic is seen, more people will be coming through the COVID testing lines and it would be good to have that run efficiently and look professional. Ms. Wahto said that there is no space available in the terminal at this time. Although the concession space has decreased, the area has been taken up by COVID meeters, greeters and testers. Hopefully as the State winds down and we are able to get out of testing, getting the money-makers back for travelers will need to happen. Hopefully we will be able to get the area back, but it will take time. Chair Godkin said he thought that people will want to travel after they get their shots. But he did think it would be good to plan. Mr. Bedford said his concerns are if the travel remain down in the future and the CARES Act funds are not available, then what will happen with the budget.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on February 11, 2021, at 6:00 p.m. via ZOOM. [**Changed to February 18, 2021.**]

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** *Chris Peloso moved to adjourn. The meeting adjourned by unanimous consent at 7:30 p.m.*