

MINUTES of
AIRPORT BOARD MEETING
March 11, 2015
Alaska Room, 6:00 p.m.

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

II. **ROLL CALL:**

Members Present:

David Epstein	Joe Heueisen	Mal Menzies
Jerry Godkin	Robert Mackey	Martin Myers
Dennis Harris		

Staff/CBJ Present:

Patty deLaBruere, Airport Manager	Ken Nichols, Airport Engineer
Marc Cheatham, Deputy Airport Mgr.	Debbie White, CBJ Assembly
Catherine Fritz, Airport Architect	Keith Walker, CCF/R

Public Present:

John Kobbe, Jacobsen/Daniels Assocs.	Jordan Hall, Stantec
Fred Oleson, Jacobsen/Daniels Assocs.	John Yarnish, URS
Dave Heimbigner, R&D Rentals	Mike Wilson, Coastal Helicopters
Renda Heimbigner, R&D Rentals	

III. **APPROVAL OF MINUTES:** *David Epstein moved, Martin Myers seconded, approval of the minutes as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Joe Heueisen moved, David Epstein seconded, to accept the agenda as presented. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS: Sustainable Master Plan:** John Yarnish, URS, said a public meeting and technical advisory committee meeting were held the previous day. The technical committee talked about forecasts and factors that they found in data for the last ten years and what they thought was going on. They sought input from people on whether they agreed with their findings or not. They have taken the ten years of data to date and have sorted through it by month and by category and started to reach some preliminary conclusions about what it looked like to them, such as high use of the airport during the summer and low use during the winter; a bigger surprise was how closely the passenger activity tracked with national economic information, which surprised them because of the unique nature of the airport; they spoke to a cargo carrier who talked about the types of cargo being moved, such as Amazon Prime delivering groceries to people and it is filling up airplanes for Federal Express.

They updated the committee on the sustainability portion and what they have been doing in terms of pulling data on electricity and water use. There was a spike in water use for 2012, which upon further examination, it looked like it was due to the runway project. A lot of water was being used for construction. An open public meeting was held last night that was attended

by 10 to 15 people, which is not unusual for an open public meeting on a master plan. The people that came were supportive of the airport. They understood what was going on. There were some residents that were not happy about helicopters flying over their houses.

Mr. Yarnish said they also spoke to the people with the cruise ships to try to get a sense of how they use the airport, as they appear to put a different kind of strain – on the terminal building, in particular. They spoke to the Alaska Committee and did a short presentation to the Rotary Club. They are trying to get as much input as they can by letting people know that the Airport is undergoing a master plan and that it is focusing on sustainability topics. They have found no opposition to the airport and have received some good information.

VI. **UNFINISHED BUSINESS:**

A. **Terminal Food and Beverage Expansion (update).** Attachment #1 is a memo prepared by Catherine Fritz to outline increased costs. The project is a three-phase concession update and includes relocating Alaska Airlines to the Juneau Room, relocating the Juneau Room into a meeting room in the old dining room, and then expand the concession part inside the departure lounge including an expanded bar area and a prep kitchen. This would move the concessions toward the long-term goal. This was approved by the Board in the amount of \$328,000 for all three steps. The first step (relocating Alaska Airlines offices) is on target and they have moved in. As some work was occurring with Jensen Yorba Lott for the larger phase, some items were not present. Instead of \$153/square foot, the cost should have been closer to approximately \$280, which equates to \$124,000 more. There are three options:

1. Authorize additional funds, which will come out of the terminal renovation project and there is sufficient funding. The impact is if the money is spent now, more funding will be needed in the future for the North Wing replacement.
2. The project could be paused and rethought. The priority has been to get a full bar operational. A narrow area is dedicated to beer and wine sales; however, it does not function very well for the concessionaire as it does not look or feel like a bar. It is either totally empty or packed full with too many people. There are licensing issues if the alcohol overflows beyond the current bar area.
3. Reduce the scope of the project to meet previously approved budget, but this redesign would push the project out through August 2015. This would reduce the concession remodel to bar area only and eliminate the prep kitchen. The impact of not having a prep kitchen is that JDA will still have to purchase all of their food from outside. JDA was trying to increase the opportunities to use their staff more efficiently. During the slow times of the day, their staff could be assembling sandwiches, salads, etc. The expense of these items would be significantly less. The contract with JDA is that the more they profit, the more the Airport profits. Or reduce the scope of project to meet the previous approved budget and redesign the project to give additive alternates which would then come back before the Board for action prior to bidding. This would extend the project into September and potential design cost increases.

Ms. deLaBruere said Brad Jacobsen with JDA had told her they would support whatever direction the Board wanted to take. They did not want to be a factor to the outcome. Board Member David Epstein said he would be uncomfortable with the Board approving \$124,000 from the Terminal Renovation because he is not sure the \$124,000 will cover it. On the other hand, it could be less. Board Member Mal Menzies said he could see an error in construction

costs, and believed there would be a little more cost rise. He did see that the funds are available. He felt more comfortable with proceeding with option 1.

Board Member Dennis Harris said he is very uncomfortable when the restaurant part jumped up by 77% and it is almost 38% more for the entire project. He said that he realized there is the cash flow to deal with it, but it did not give him great confidence in an estimate and not a fixed price. Will the lessee pay additional money for the additional space? He asked how fast the payback will be. Ms. deLaBruere said the figures have not been run, as it is not only on square footage, but what JDA makes on a percentage of gross that could be realized by doing prep on site and having more sales. She said if they looked back, it was planned to get a baseline by getting a couple years of data before the Airport goes back out again for a new contract. Mr. Harris said he would like to see an estimate of how long the payback period is for improvements when it is for a specific tenant. Chair Godkin said the Airport currently has a good concessionaire and he supported moving forward with the project. Board Member Joe Heueisen said he is appalled by what it takes for construction. He was in favor of moving forward with option 1. *Joe Heueisen moved, Robert Mackey seconded, to proceed with the current project and increase the cost of project funding by \$124,000. A roll call vote was taken and the motion passed on a six to one [Dennis Harris] vote.*

VII. **NEW BUSINESS:**

A. **Runway Rehabilitation Grant Amendment.** Ms. deLaBruere said things are progressing very quickly over the last 24 hours. Paint was going down quicker than staff could get NOTAMs out and information to tenants. NOTAMs have changed about once an hour. The project will concentrate on Alpha Taxiway in the next few days to a week. The flight check will occur around the 24th and 25th. Therefore, at least the threshold markings need to be down at that time. Ken Nichols and the contractor have been working very closely with staff. There have been a number of change orders due to a number of additions just because of what is found moving into the project, some additional funding for the FAA for additional NAVAIDs, and the materials testing that has to be done with the State. The FAA grant amendment is in the amount of \$985,479, with the State match of \$32,849 and local match of \$32,849 that will come from the Construction Contingency Reserve account (revolving CIP account, until staff applies for PFC application #9 to help reimburse some of the temporary things that have been used for the local match). Staff requested Board approval for the additional grant dollars (that have been submitted to the FAA in anticipation of the grant award). *Marty Myers moved to approve a federal grant amendment in the amount of \$985,479.63, an ADOT grant amendment in the amount \$32,849, and transfer \$32,849 from the Airport Construction Contingency Reserve account as local match; and forward to the Assembly for final appropriation upon final grant award. The motion passed by unanimous consent.*

B. **City Email Addresses for Board Members.** A request was made to check into having City email addresses for Airport Board members. Staff consulted with City and this became quite a discussion with a lot of departments (MIS, Clerk, Attorney, City Manager, etc.) to address concerns of separating personal and private emails, having retention, etc. The City is continuing to work through this matter and hopes to have more information soon.

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Mr. Harris said he had raised the question. He went to the Clerk's office and City Attorney's office for the Board training sessions which taught about the open meetings act, public notice requirements and the public records act. He asked the City Attorney if it was better for the agency that they are on the board for to have email addresses rather than having private email addresses. The City Attorney said there is a concern if a board member were to email another member from their private email account to their private email account and there was some controversy that arose and litigation was involved, the home personal computer or laptop could be subject to legal discovery. He said he did not want attorneys trying to subpoena his computers. That was why he raised the question. He said that if information is copied to everyone, it turns it into public records discussion. There is a difference if it is sent directly to Airport staff. He was glad to have raised the concern because it is important that public records be accessible. He thought it was better for the volunteers that serve on boards if the agency can assign email addresses. They can be redirected to private email accounts, but if the public sends an email, it would go to that address, which would mean avoiding any ex-parte communication if there was any controversy, which he thought was a really good idea. He hoped to hear something positive soon.

Assembly Member Debbie White said that if City email is provided, they want to make sure to use the web mail. If it is forwarded to the personal email, it still makes the personal devices subject to search. She only accesses it through the web portal or with the app on her I-Pad. Chair Godkin said even if their own email was provided, wouldn't they still want to check personal email anyway? He felt it was still subject to search. He was not too worried about it. Mr. Heuelsen said that he remembered that business of the Board was not to be conducted by email. Information can be traded, which is very helpful. Even if City email was provided, they would probably come back to look at the private computer. Mr. Mackey said he thought it was a good move. He was all for public record disclosure and transparency. He believed in abiding by the law.

C. Airport Manager's Report:

1. Airport Engineer Report (Attachment #1): Airport Engineer Ken Nichols said staff has been really busy the last couple of days, which he characterized as adapting to the construction schedule. The contractors need to try to meet the weather windows in Juneau to get this project started and finished early in the tourist season.

A copy of the presentation that was part of the technical advisory committee is posted on the website under the Master Plan. It has some good information in terms of statistics, environmental and operational and financial and social sustainability, which are things that the technical advisory group and Board put together in previous workshops.

He noted that Matt Freeman became the FAA Project Manager for the Runway Safety Area project a few weeks ago. Staff believes the grant amendment is moving forward. This equates to an approximate 5% increase in costs over the original bid amount. This is a reimbursement program and the Airport is expected to have the funds moving forward. The FAA is being gracious in doing a grant amendment before the end of the project and staff appreciates that. An increase of up to 15% of a project is allowed without too much trouble.

No progress has been made on the Alex Holden Way supplemental agreement, but it is coming soon. When asked about timing, Mr. Nichols said this will be done earlier in the year if it meets with the contractor's schedule. A conference call for the current permit holders for the multi-sector general storm water permit was held. Staff listened as the agency went through section by section of the permit. There were not any big surprises. They have a new guideline in putting together a storm water pollution prevention plan so that will help in meeting the Airport's compliance. There will need to be some information brought to the Board. Staff needs to put their thinking caps on and figure out what to do on the east end to change operations so that the Airport's good standing is maintained.

2. Airport Architect Report (Attachment #2): Airport Architect Catherine Fritz reported the Airport is proceeding with purchasing the equipment that will help the concessionaire work. One of the City's cooperative purchasing groups has some very competitive prices, will meet all of the procurement requirements, and allow the purchasing of items that are really wanted. With the authorization from the Board, the bid is ready and will probably be advertised on Friday, with a three-week bid that is expected to open on April 3. If the bids come within the allowable amount, the contractor will need to submit some documents and then a notice to proceed can be issued, which will hopefully be by the middle of April.

Airport staff is preparing the space to the extent feasible. The other advantage that this contract has is the contractor can start working without SIDA badges as the area is non-secure. They will have to get SIDA badges because there are some things that interface on the SIDA wall, but they don't have to wait for the process to happen before they start.

Quite a bit of work has been done on the ARFF project. Staff anticipates having the RFP for design complete in March. If any of the Board Members are interested in reviewing the RFP and understanding more about the consultant selection process, staff can accommodate that in a variety of ways depending on what the Board would like to do. Otherwise, it will go down to Engineering and use the standard procurement method. The services will be for design and construction administration services under the same contract. This will give the Airport a design team. The planning work associated with the ARFF project is being done in-house. This is planned for FAA dollars/construction in 2015 with construction in 2016. Chair Godkin asked about the ARFF truck as it takes 18 months to build after it is ordered. Ms. Fritz said this would be happening this spring. Mr. Heueisen and Mr. Harris were interested in a copy of the RFP.

Ms. Fritz said staff has contacted Commercial Art to get a mockup of the sign and it has been promised within a couple of days. The mockup is the actual materials with the real colors and font style. It will be like a chunk of the sign. Mr. Heueisen said he didn't care what color it was, it just needed to get done as he had worked on it and other projects for 20 years. Mr. Harris agreed that this needed to get done.

VIII. CORRESPONDENCE: None.

IX. **COMMITTEE REPORTS:**

A. **Finance Committee:** No meetings.

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

X. **ASSEMBLY LIAISON COMMENTS:** Assembly Liaison Debbie White reported that there was good feedback from the Assembly Members on the joint meeting.

XI. **PUBLIC COMMENTS:** None.

XII. **BOARD MEMBER COMMENTS:**

A. David Epstein asked if the painting exercise that staff had to react to was considered to be a one-off event or could a repeat possibly happen. If so, how is staff prepared to respond to it or preclude it. Ms. deLaBruere said staff is on top of things. The very fact that staff happened to be in the Alaska Room and looking out to see it happening was by fluke. Staff will keep working hand-in-hand with the contractor.

In discussions with the FAA over the number of deviations that they recorded, as they look at it now, they realize there were things beyond the control – the fact that every time a NOTAM was put in, it would be bumped off the system hours later because it wasn't written exactly correct or the way they wanted to see it. There are a lot of pieces to this, but the biggest piece was that the letter of agreement that was internal with Air Traffic for the movement areas hadn't been approved yet. Therefore, the idea of Taxiway Hotel being a movement area was not considered approved within the FAA. Therefore, the FAA had to back off and say there were no deviations because technically it wasn't in their letter of agreement. With that being said, if it gets approved tomorrow and by the time staff goes through all of this, staff will certainly be on the ball now that they have talked to more people and tenants. There is kind of a long explanation going out with two more maps for the east-side and west-side tenants. Some boards will be made up to alert people there is another active taxiway out there. Even though they've erased the board from any deviations because of a technicality, staff is taking it seriously. Staff needs to move forward, but yet has to have a handle on the contractor.

B. Robert Mackey apologized for being late as they had inclement weather and traffic was a little backed up. He wanted to make sure his attendance was noted.

C. Dennis Harris said there were several speakers discussing several legislative issues involving the ferry system and funding for the travel industry association and an issue he wanted to raise – the time zone change. He said this has an impact on Wings Airways and all the other folks that do flightseeing. Because if the bill passes the house, they will lose one hour of flightseeing time. It is not as important in June and July, but toward the last half of August and into September, they will lose one hour of flightseeing time. He didn't know if the Board should take any action on it or whether it should ask the staff to send a letter. He said it is not a good thing economically for our region. It is not a good thing economically

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for the tourism industry and he did not think it was a good thing anyway. He knows a lot of people that do not want to lose an hour of fishing time in the evening.

Joe Heueisen said he understood that and quite a few people from Southeast Alaska weighed in on it, however, according to Senator Egan, he just doesn't have the vote. The person that he spoke to said it could possibly get stuck in committee in the House, but it might require some input.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on April 8, 2015, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** The meeting adjourned by unanimous consent at 7:06 p.m.