

MINUTES of
AIRPORT BOARD MEETING
March 12, 2014
Alaska Room, 7:00 p.m.

I. **CALL TO ORDER:** Acting Chair Joe Heueisen called the meeting to order at 7:02 p.m.

II. **ROLL CALL:**

Members Present (*by telephone):

David Epstein*	Joe Heueisen	Mal Menzies
Jerry Godkin*	Robert Mackey*	Ron Swanson*

Member Absent:

Martin Myers

Staff/CBJ Present:

Patty deLaBruere, Airport Manager	Ken Nichols, Airport Engineer
Marc Cheatham, Deputy Airport Mgr.	Frank Mason, Airport Field Maint.
Catherine Fritz, Airport Architect	Keith Walker, CCF/R

Public Present:

Irene Gallion, DOWL HKM	Jacob Sotsky, Leigh Fisher
Melanya Mason, Student	Joel Kain, Survey Point Holdings
Brad Jacobsen, JDA	Tom Williams, Ward Air
Kathy Smith, Alaska Airlines	Mike Wilson, Coastal Helicopters
Johnathan Limb, USKH	Aaron MacDonald, Jensen Yorba Lott
Tom Schnetzer, Leigh Fisher	

III. **APPROVAL OF MINUTES:** *David Epstein moved, Mal Menzies seconded, the adoption of the February 12, 2014, minutes. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Ron Swanson moved, duly seconded, to approve the agenda. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:** None.

VII. **NEW BUSINESS:**

A. **Airport FY 15 and FY 16 Budgets (Attachments # 1 through #3):** The Airport Board Finance Committee held two meetings on January 31, 2014, and February 19, 2014, to discuss the projected FY 14 budget (current) and the proposed FY 15 and FY 16 budgets. FY 14 budget is projected to come in at a deficit of -\$119,300, under the original projected deficit of -\$157,920. This means that less Revenue Surplus funds will be required in order to balance the budget. Prior to applying rates/fees increases and a

AIRPORT BOARD MEETING

March 12, 2014

Page 2

portion of Revenue Surplus funds, proposed FY 15 and FY 16 budgets were short -\$255,354 and -\$527,654. The Committee passed motions to increase Fuel Flowage Fees and Security Screening fees, as outlined in B. below, as well as apply a portion of the Airport Revenue Surplus funds to balance FY 15. While the revenue increase also impacts subsequent years, FY 16 still shows a deficit. It was agreed to re-evaluate FY 16 next year. To finalize these budgets, the bottom line budget (expense and revenues) will need to be approved, the use of Revenue Surplus funds to balance the budget will need to be approved, and the changes to the Airport Rates and Fees Regulation will need to be approved (the latter is a separate discussion and motion). *Ron Swanson moved, Mal Menzies seconded, approval of the FY 15 and FY 16 proposed budgets as presented in Attachments #1, #2 and #3, and correspondingly approve the use of \$128,487 in Airport Revenue Surplus funds to supplement the FY 15 budget in order to balance. The motion passed by unanimous consent.*

B. Airport Rates and Fees Regulation (Attachment #4): As a part of the Airport FY 15 and FY 16 budget process, the Finance Committee re-assessed the Airport Rates and Fees and the Airport Revenue Surplus funds. Approximately half of the deficit would be supported through the use of Revenue Surplus funds, the remaining balance would need to be supported through revenues generated by increasing the Airport Rates and Fees (as presented in the proposed budgets, above). Based on the model allocation requirements for each user group, General Aviation/135 Operators would need to generate \$19,030 in additional revenues and the Air Carrier/121 Operators would need to generate \$107,837 in revenues, of which \$21,600 is directly related to Airport Security cost of officers at the checkpoint during screening. The Committee approved to increase the Security Screening Fees to \$1.08/per enplaned, screened passenger (up \$0.08). Airport Manager Patty deLaBruere explained that the security screening fees are only assessed to the air carriers based on their screened passengers. When looking at the rates, the increase was based on the dollars spent on the Juneau Police Department officers for the time that the officer is stationed at the checkpoint. This expense is then figured into the financial model solely on the Part 121 (air carrier) cost allocation. The Committee also approved the increases to the Fuel Flowage Fees for the General Aviation/135 Operators (aircraft 12,500 lbs. or less) to \$0.17/gallon (an increase of \$0.015); and the increase to the Fuel Flowage Fees for the Signatory Air Carrier/121 Operators (aircraft 12,501 lbs. or greater) to \$0.155/gallon (an increase of \$0.03). Correspondingly, the Non-signatory Fuel Flowage Fees would increase to \$0.215/gallon. Additionally, the Air Carrier Terminal Rents did not specify a corresponding non-signatory rate, so a line was added to that category to reflect a 25% increase over signatory rates. Ms. deLaBruere reminded everyone that the Fuel Flowage Fee increases were originally passed last year, but were reversed in July 2013 (after working with tenants) with the idea that the fuel flowage fees would be revisited this budget cycle. These increases and language changes were approved by the Finance Committee at the February 19, 2014, Finance meeting, and are reflected in the proposed budget, above. Ron Swanson asked for an explanation of signatory and non-signatory. Ms. deLaBruere explained that a signatory tenant has a long-term agreement

AIRPORT BOARD MEETING

March 12, 2014

Page 3

which the Airport can count on for financial investments, while a non-signatory may have an agreement with the Airport but there is no long-term commitment and may simply be a month-to-month or a short-term (few months) commitment. Mr. Swanson asked if there were any non-signatory tenants in the Terminal. Ms. deLaBruere stated that there are no non-signatory tenants in the Terminal at this time. Mr. Swanson asked if Delta Air Lines would be a non-signatory tenant when they start operating at the Airport. Ms. deLaBruere replied that the Airport and Delta Air Lines are still in negotiations and it has not been determined if they will be signatory or non-signatory. *Ron Swanson moved, Mal Menzies seconded, approval of the updated Airport Rates and Fees Regulation 07 CBJAC 10.020, as presented in Attachment #4, and to begin the public process/comment period before coming back before the Airport Board for final approval and submission to the Assembly. The motion passed by unanimous consent.*

C. Runway Rehabilitation: The Engineer's Estimate for construction is \$22,361,958.50; staff expects construction bids to be ready for Board review on April 9, after which it will be possible to apply for the Airport Improvement Program (AIP) grant based on the actual bid amount. Staff would like to introduce the funding appropriation at the April 7 Assembly meeting using the Engineer's Estimate, and follow up with the Public Hearing at the April 28 Assembly meeting using the actual amount of the AIP grant request and appropriate matching amounts. Mal Menzies asked if the request for proposal (RFP) would be ready by April 9. Airport Engineer Ken Nichols replied that the RFP would more than likely not be ready by April 9. He followed up to explain that the funding appropriation could still be set by the Assembly, even if the RFP was not ready. *David Epstein moved, Mal Menzies seconded, approval of the appropriation of the AIP grant, Alaska Department of Transportation matching grant, and Airport matching funds from dirt royalties, using the Engineer's Estimate for Introduction, and actual amount of the grant requests for Public Hearing. The motion passed by unanimous consent.*

D. Airport Terminal Phase II Renovation: Ron Swanson stated that he was not in favor of a decision tonight, with only having two Board Members in person. Mr. Swanson also stated that he was partial to the concept that Tom Williams suggested. Tom Williams noted that it he was in favor of Concept 2. *Ron Swanson moved, David Epstein seconded, to table this item. The motion passed by unanimous consent.*

E. Airport Manager's Report:

1. TSA Baggage Screening Update. After receiving the Assembly's letter on the issues, Senator Begich sent a letter directly to the TSA reiterating the public concern. We also know that Congressman Young's office has been in communications with the TSA. We are standing by for more updates or additional information when needed. Acting Chair Heueisen thanked the Alaska Committee and Alaska Airlines for their support on this issue.

2. Airport Engineer Report (Attachment #5)

3. Airport Architect Report (Attachment #6 and #7)

VIII. CORRESPONDENCE: None.

IX. COMMITTEE REPORTS:

A. **Finance Committee**: None.

B. **Operations Committee**: None.

C. **Art Committee**: Committee Chair Ron Swanson stated he met with staff on art and will have an update at next month's meeting.

X. ASSEMBLY LIAISON COMMENTS: Ms. deLaBruere stated that Assembly Liaison Jerry Nankervis was sick and asked her to review the Assembly Committee of the Whole (COW) meeting. Ms. deLaBruere reported as follows:

A. **CBJ Budget Projections**: The City Finance Department gave a general 'snapshot' overview of City budget for FY 15/16. There are still some unknowns. They anticipate deficits for both years; FY 16 more so because of the loss of some grants. The Assembly asked the City Manager for a plan of the revenue increase and expense decrease -- very specific and dollar amounts and look at possibly reducing services if not resolved.

B. **Transit Development Plan**: There was a debate over the five-year plan, but the Assembly Committee of the Whole approved forwarding the five-year Transit Plan to the full Assembly so that they can get moving on some of the grants.

C. **Asset Management - Building Maintenance, Airport, Docks and Harbors, Public Works**: The Assembly asked the City for what/how four departments are planning for maintenance of assets within their budget. A list of all assets (including equipment, buildings, lands, etc.) was sent to the Assembly, but they would like a long-term maintenance schedule and plan for buildings in the future.

D. **Cell Tower Master Plan and Ordinance Review**: The Assembly placed a moratorium on further cell tower installation until a plan could be developed. The City is working on that plan and corresponding ordinance. They hope to have it completed soon.

E. **Spuhn Island Cell Tower Update**: The Assembly agreed to look at options for the cell tower that was installed on Spuhn Island. Residents around the area voiced complaints about the tower, but specifically about the lighting. Community Development provided costly options for the cell tower nuisance, but after consulting with FCC and FAA confirmed that the obstruction lighting could not be removed or modified in any way without diminishing safety. The Assembly COW determined that nothing further

AIRPORT BOARD MEETING

March 12, 2014

Page 5

could be done on this cell tower and would not be forwarding on to the full Assembly for action; basically the matter/investigation was closed.

XI. **PUBLIC COMMENTS:** None.

XII. **BOARD MEMBER COMMENTS:** None.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on April 9, 2014, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** *Mal Menzies moved, David Epstein seconded, to adjourn. The meeting adjourned by unanimous consent at 7:40 p.m.*