

MINUTES of
AIRPORT BOARD MEETING
September 11, 2013
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 6:01 p.m.

II. **ROLL CALL:**

Members Present:

David Epstein
Jerry Godkin
Joe Heueisen

Robert Mackey
Mal Menzies

Martin Myers
Ron Swanson

Staff/CBJ Present:

Patty deLaBruere, Airport Manager
Marc Cheatham, Deputy Airport Manager
Catherine Fritz, Airport Architect

Kevin Lyons, Airport M&O Sup't
Ken Nichols, Airport Engineer
Keith Walker, CCF/R

Public Present:

Stewart Osgood, DOWL HKM
Brooke, Walker, Aero Services
Tom Middendorf, DOWL HKM
Jordan Hall, USKH

Kent Craford, Alaska Seaplanes
Mike Wilson, Coastal Helicopters
Ella Rogers, Glacier Restaurant
Michael Dobson, General Aviation

III. **APPROVAL OF MINUTES:** *Ron Swanson moved, Robert Mackey seconded, the adoption of the August 14, 2013, regular monthly meeting minutes. The motion passed by unanimous consent.*

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

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **Meeting Room Special Rates and Consideration.** The Airport Board Finance Committee met on August 20, 2013, to take up several Glacier Valley Rotary (GVR) requests: a special meeting room rate for GVR (and other non-profits), a request to forgive past meeting room rents that were never billed (since October 2011), and a request for special parking consideration while at the Airport for their weekly meetings. The Finance Committee discussed all issues at length and made two recommendations for consideration by the Board. The third issue regarding parking was referred back to GVR to discuss with Republic Parking directly since they are the concessionaire. The following motions are proposed based on the two recommendations by the Finance Committee. When discussing a rate for non-profit agencies, it was noted it would be cumbersome to narrow the definition down, as well as the fact that the rates were already

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discounted. The Finance Committee decided to go with a 50% reduction in rate based on the number of uses. This would be for any agency or company who books ten or more meetings a year or someone who meets three consecutive days. *Joe Heueisen moved, Robert Mackey seconded, that with regard to Airport Meeting Room rentals, the Airport shall provide a 50% discount of the then current rates for organizations that sign an agreement to schedule ten or more meetings per year and organizations that book three or more consecutive days for that time period only. The motion passed by unanimous consent.*

The second request was for the Airport to consider the past-due rents since October 2011. The Committee discussed this item in depth. It was estimated that they owed approximately \$3,800 for past-due rent. GVR offered to pay \$1,000 to clear the bill. This amount was accepted by the Finance Committee. Mr. Mackey said that the original idea was to split the amount as each party was at fault. GVR had noted they had passed a resolution to pay \$1,000, and the Committee had agreed. *Ron Swanson moved, Robert Mackey seconded, that the Airport accept a \$1,000 payment in lieu of past due rent prior to July 10, 2013, for the purpose of paying off incurred debts of the Rotary Club. The motion passed by unanimous consent.*

B. Airport Fund Balance. The Airport Board Finance Committee also discussed establishing the 'Airport Fund Balance'. The Airport considered the current amount within the 'Fund Balance' (also referred to as 'Reserves' in the past) and established not only the official name of the account, but the fund amount that should be maintained. Ms. deLaBruere said other airports' fund balances are all over the board. It depends on if they have multi-tenants or several airlines and can be from one month to other airports that have a year or more. The Committee believed that three months was an adequate amount for JNU. If something hits, it can be brought before the Committee and Board. If it is something that can wait until the end of the year and go in with the rest of the budget, the budget would be adjusted and the tenants would pay into it based on the proportionate allocations on airfield and terminal. The fund is anticipated to be \$1.74 million at the end of FY 14. This total includes approximately \$126,000 which was originally set aside for emergency maintenance reserves. The Finance Committee agreed that this 'emergency reserve' account should be consolidated into the total 'fund balance'. *Joe Heueisen moved, Martin Myers seconded, to have a super majority of the Board, which equates to 6 people, to incorporate any monies into the fund balance or any changes to the fund balance. Robert Mackey moved, Martin Myers seconded, a friendly amendment to make the super majority 5/7. The amendment passed by unanimous consent. The motion as amended passed by unanimous consent.*

Ms. deLaBruere said of the \$1.74 million anticipated FY 14 fund balance, there is \$126,000 set aside as emergency maintenance reserves. The Finance Committee had approved joining the \$126,000, leaving it in the \$1.74 million and not set it up as a stand-alone account. This is a housekeeping issue and would no longer make this a separate

emergency fund. *Joe Heueisen moved, Ron Swanson seconded, to combine the residual emergency reserves of \$126,000 into the existing airport fund balance. The motion passed by unanimous consent.*

Additionally, the Finance Committee determined that the official name of the fund balance would be determined under FAA guidance. The Airport contacted the FAA and will follow *Airport Compliance Manual, FAA Order 5190.6B* by referring to this fund as "Revenue Surplus". Two more motions were proposed and approved by the Finance Committee. *Joe Heueisen moved, Robert Mackey seconded, to change the fund name to the FAA recognized name appropriate for cash on hand which is 'Revenue Surplus' account. The motion passed by unanimous consent. Joe Heueisen moved, David Epstein seconded, that three months operating budget shall be maintained for the Airport for the 'Revenue Surplus' account. The motion passed by unanimous consent.*

VII. **NEW BUSINESS:**

A. **Airport Manager's Report:**

1. Visit from our DC Lobbyist. Katie Kachel, the City's DC Lobbyist, was in town the week of September 3. Ms. Kachel toured the airfield to see updates on the RSA, SREF and 26 MALSR projects. Airport projects and delays with federal funding were discussed. Ms. deLaBruere said staff has been told that the grant for the runway rehabilitation design has gone through. It is hoped that the Master Plan grant will also come through in the next few weeks. Both of these grants were introduced to the Assembly at Monday night's Assembly meeting. The City pulled a lot out of their hat to get this on the September 9th meeting. It is set to go for public hearing on the 23rd.

The Urea/E-36 deicing issues at both the EPA (Federal) and DEC (State) levels were discussed. The Airport still uses Urea even though the rest of the country has gone to the E-36. The lobbyist is very much aware that Juneau was pulled out and stands alone on the regulation rule with the EPA. The Airport may have to work with DEC on a State-level to look at a waiver or some other loophole within the EPA process.

Other updates about the 26 MALSR were discussed. It is not known where the funds were going to come from and things are getting pushed back. She felt the Airport is very lucky to have received the grants received during this fiscal year. Staff will continue on as October begins a new federal fiscal year.

2. New Lights: A new cell tower by Verizon has been installed on Spuhn Island. There has been a lot of work put into this tower by Teri Camery with the Planning Commission. The neighbors in this area did not feel the tower had gone out far enough as the light now affects so many neighborhoods. The light was not done to specification. The request by the Airport was that a white flashing strobe by day and a red flashing strobe by night be installed. The painting of the tower needed to be done from the tree level up. When the tower went up, only the white strobe was

installed, which had a lot of people calling downtown. She thought this was being fixed.

3. Misplacement of Threshold Light Cans on 08: Ms. deLaBruere said the flight check that was to be done mid-September has been pushed out to the first week in October. It is hoped that everything will be done toward the end of the month. Airport Engineer Ken Nichols said the contractor has removed the old threshold bar that was poured with incorrect elevations as the surface finish of the concrete was unacceptable. Basically the snow plow rings would have stuck up above the ground as much as ½” for 13 out of the 18 lights. It is now formed and ready to go. FAA is double checking the area before the concrete is poured on Friday. It will take a couple of weeks to back fill, pave, repaint and move everything back. Mr. Nichols felt the issues with this problem fell across the board – design issues, construction issues, administration of the contract, and incorrect direction given by him. Ms. deLaBruere said the wrong sized light cans were also installed.

4. Airport-Airfield Staff Restructure at the Laborer Level. The Airport is re-evaluating the Laborer positions that are currently on the airfield. Some ideas are consolidating the multiple seasonal positions into full-time.

5. Juneau Police Department (JPD) at Airport October 1, 2013. Airport staff spent most of the day with half of JPD training for their October 1st takeover. A lot of them have been at the Airport before, so some of it was a brush-up. This was training and familiarization with the airfield. The next training will happen on September 26. JPD is feeling fairly comfortable with what their duties will be.

Board Member Ron Swanson said he had received complaints that the curbside signs are not big enough, people think the taxi cab stand is a smoking stand. He said he thought the lettering on the real smoking stands needs to be red. He wondered if the Police Department could more vigorously enforce the smoking issue than what is currently happening – which is nothing. Ms. deLaBruere said this will be taken up. She thought that better signage is necessary.

Mr. Heueisen said the traffic situation in meeting airplanes is a zoo. He said he got off the plane on Sunday night, the cars were lined up on all curb area two and three deep. They were not actively loading, but actively waiting for people. No one is making anyone move. He said the cell phone lot is not being used. He said the lot should be better published. Chair Godkin said enforcement is the key. Ms. deLaBruere said two things were discussed with JPD as priorities: the checkpoint and have the presence and deterrent on the curb. Not only is this a TSA enforcement issue, it is a City roadway and you cannot park on any roadway and just leave your vehicle. She has seen ambulances and fire trucks trying to get to the Airport by yelling at people in cars to get them to move to get the ambulance to the Airport.

Board Member Robert Mackey said with September 11, there is a security issue when cars are parked at the curbside. If someone had a heart attack or there was a fire, emergency personnel cannot get in or out.

6. Airport Emergency Drill Exercise. Saturday, September 14, 2013, will be the required Airport Emergency exercise. The EVAR (emergency vehicle access road) will be closed the night prior (closed September 13 at 6:00 p.m. through September 14 at 5:00 p.m.) due to scene set up. There are notices being sent to tenants, public and NOTAMs issued to alert people of the drill. This triennial live drill is an FAA requirement.

7. September 11 Anniversary: Ms. deLaBruere said that 12 years ago all airports and the whole nation went through a major change in U.S. history. She was acting manager at that time and getting ready to go into a meeting when everything was closed up. She said everything has changed dramatically for airports in that 12 years.

8. Airport Engineer Report (Attachment #1): Airport Engineer Ken Nichols said there are a couple of people in attendance at this meeting who came from Anchorage – Stewart Osgood and Tom Middendorf from DOWL. They have discussed the master plan project. The RFP process will begin after the grant is awarded. This is expected to take approximately two years to complete.

The Phase IIA Runway Project work is currently for FAA, which included the MALSR bar, foundation work and the underground work for 08 MALSR within the fence. The FAA then takes over the underground work and installs the wiring and the lights on top of all of that. The Airport has to be very careful that the FAA will accept the work once it is done. In the last month, the 26 end was done. The FAA has not fully commissioned all of the nav aids. All of the lights for the 08 MALSR system are being replaced because of the runway shift. The work is slightly delayed by the FAA's contractor. He expected that all of the new lights won't be operational until the end of October.

Another project related to the Runway Safety Area (RSA) project was tree removal. A good meeting was held with Alaska Airlines personnel to establish ½ mile minimums instead of ¾ mile minimums, which identified what needs to be done. A couple of advisory groups have been met with and the permitting process is going forward. He said after he met with Alaska Airlines, there will not be as much of a visual impact as expected.

Some initial figures have been put together for the runway rehabilitation. It was noted that Jordan Hall, the Juneau representative from USKH, was in attendance. More people will be in town for geotechnical investigation. More tenant meetings, including one-on-one meetings to include helicopter operations, tie down relocations,

and how the parallel taxiway will be used as a runway. A meeting was held with FAA Tower representatives and a safety person from Anchorage to discuss things involved with this project. Some preliminary plans and/or figures should be available at the next Board meeting.

As part of the runway rehabilitation project, changes will be made to the connector taxiways according to the design Advisory Circular (AC), which changed in September 2012. Some of the major changes included: eliminating direct access from a ramp to a runway due to a history of runway incursions because of that situation; eliminating taxiways that are not at a 90 degree angle to the runway, which provides better visibility both on and off the runway; and eliminating big expanses of pavement where pilots might get confused. Three taxiways have design issues according to this AC – Charlie, Delta, and Echo. Echo was slated to be reconfigured in the RSA project. When it was realized that the design was not according to the latest AC and combined with some cost savings that needed to be done with the RSA project, it was pulled from the project. There is at least one proposal from USKH to completely remove Echo intersection. He was looking for initial feedback or comments from the Board. A lot of meetings and discussions will occur.

Mr. Menzies said this proposal would create a lot more congestion. He suggested talking to 135 operators. Mr. Swanson agreed with Mr. Menzies. He said the airport has all the safety precautions. He had never known anyone who had an incursion on the airport. He thought this was silly. Mr. Heueisen said when he came in on Sunday night, there was a lot of taxiing to get back to the terminal. He asked if this has been discussed with Alaska Airlines. Mr. Menzies said he would like an airfield tour. Mr. Heueisen said he would also like a tour of the FAA facilities – Tower and Flight Service. Chair Godkin assigned this to the Operations Committee.

Mr. Nichols said he will have a final walk-through inspection with DOT on the Yandukin project on September 12.

9. Airport Architect Report (Attachment #2): Airport Architect Catherine Fritz said she would be happy to add a building tour for any interested Board Members. Chair Godkin also suggested another aspect would be a tour of the Airport Rescue & Fire Fighting (ARFF).

Ms. Fritz said the staff continues to be busy with the changeover in concessions that is coming – food and beverage, specifically, but also looking for new opportunities in retail and other services to boost that part of the Airport's revenue. There are three potential vendors, who need to submit a modest written proposal. Those proposals and an interview will occur by the end of the month. Some definitive proposals to respond to are expected and then negotiation will begin. Simultaneously while working on these proposals, the Airport is working with Purchasing and Law on the

ability for the Airport to entertain other proposals for any kind of concessions to the degree the Airport is able to. If the Airport is not satisfied with any of the proposals or is only satisfied with a portion of the proposal, then the Airport will very quickly forward into a public announcement and marketing of the fact that the Airport's doors are open for business. This will be a more informal process. Ms. Fritz said there is an evaluation committee that will do the interviews. It is made up of people who have food and beverage experience in the community and people who are familiar with the procurement needs at the airport.

Concerns were voiced over the possibility of no food service at the Airport. Ms. Fritz replied that the survey done by Alaska Airlines consultant cited serious concerns about the Capital City not having high quality, good food and beverage available all the time and in the secured area. To that end, the Airport is now at the critical point of selecting someone. The selection process is underway. Staff has done due diligence to look at the process of getting a liquor license, which is possible within 90 days through assurances by the ABC Board staff. There are two proposers who are interested in operating the bar. There are three proposers who are interested in operating other aspects. By the end of the month, there should be a recommendation on someone to negotiate with. Unless it is found through the process that staff believes there is no one to move forward with.

Ms. deLaBruere asked if it is possible for Board Members to sit in on the interview process. Ms. Fritz said she understood that it was a closed process, but she would ask for clarification from Purchasing. It was asked to have a Board Member involved in the process. Chair Godkin said the Board will have a recommendation brought to them. Ms. Fritz said she thought staff would summarize the presentations of who interviewed, their printed documents (which are all public information). After the process is done there is full disclosure of everything that was presented. The City tries to keep the process relative to the Letter of Interest (LOI) and keep it non-political and consistent with the planning work that developed it in the first place. This process is extremely simplified from previous processes. People who have previously shown interest received multiple phone calls and were placed on the list. Ms. Fritz said she had never been in a process that worked so hard individually over many weeks and months to get people aware of what was being done.

Before the process is seen through, Plan B is now being developed. Plan B is if someone has an idea and wants to come to the area and do it now, the Law and Purchasing Departments are clearing the way to allow people to come forward with a business idea at any time. She understood this was scary and there are a lot of what ifs. Staff is working very hard to answer as many of these questions in solid ways so that when January 1 comes, there is an operation with a new group. ESS did not respond, despite multiple attempts. They did participate in the pre-proposal meeting,

but no proposal was received. Ms. Fritz said she will work immediately to see how to engage the Board in this process.

Concession ideas currently being discussed include some retail kiosks in the departure lounge during the holiday season or services that might be used during a short-term period – such as a chair massage. This can be an opportunity for a first try to see if a business might be viable at the airport. If it is successful during a four to six-week period during the holidays, maybe it means it can work in the summer and then year-round.

The historical exhibit project is underway. A couple of historical photos scrapbooks were brought to the meeting that Board Members may review after the meeting.

The first terminal design meeting will be held tomorrow. The work of providing as-builts, asbestos and hazardous material assessments on existing facilities and some of the ground work is ready to be done. The Airport can launch into some design work and bring forward a scope, schedule and budget for the \$10 million project. Ms. deLaBruere said an idea of signs is there is a 1% for art within the projects. The new “Welcome to Juneau” sign may be an excellent idea to get the sign in and have it as the 1% for art. Ms. Fritz said this is part of City ordinance. Staff has the ability to define the location and type of art to be considered. If the Board is interested in a big exterior “welcome to Juneau” or “welcome to the airport” sign, it could be a possibility for the Airport to spend the monies on. There is a lot of room for input, but this was an idea that might dovetail well.

Plan B for the Snow Removal Equipment Facility (SREF) is being developed. If the Airport is not successful with FY13 funds from the FAA, then a discussion has been held with the FAA as to what should now be done. Given the demand for funding for the runway rehabilitation and other priorities within the state, it is pretty uncertain that the Airport would qualify for any of the discretionary funds at least in FY14 and possibly FY15. They are suggesting that the Airport go back to a two-phase project, which is approximately \$10 each. Fortunately, if the entitlement funds for FY14 and FY15 are applied, which is \$2.5 million each year for a total \$5 million and the Airport has \$6 million from the match sources that are already promised, which would get Phase 1 of the building. The FAA would pick up with discretionary funds in FY16 for the remaining Part B – another \$10 million – to finish the building. This is still in the early stages, but it is looking more difficult to get FY13 funds. Staff is not stopping: the job shack is just about ready; a fencing contract will start soon; and AEL&P is pulling power to the site. Staff is doing everything possible to be ready at a moment’s notice to bid the project as soon as funding is available.

Chair Godkin asked about the compaction problem that had been noted on the site. Ms. Fritz said the issue was larger than the footprint of the building. What got

concluded for the purposes of the SREF was the cost of removing material and importing appropriate fill material that would be compacted appropriately is included in the scope of the project. This will be in Phase 1. The rest of the site remains in a condition that will be dealt with as more development is done on those sites in the future. Chair Godkin said the Airport is paying for this twice. Ms. Fritz said this item is not in dispute for the contract but the project is not closed. She said she did not have details of how the dispute was settled. She said her direction was to adapt the SREF building to accommodate installation of new material to remedy that problem.

VIII. **CORRESPONDENCE:** None.

IX. **COMMITTEE REPORTS:**

A. **Finance Committee:** Committee Chair Joe Heueisen said the Finance Committee did have a long meeting and they look forward to having more in the future.

B. **Operations Committee:** None, but a meeting will be held.

X. **ASSEMBLY LIAISON COMMENTS:** None. Ms. deLaBruere noted there was an Assembly Finance Committee scheduled this evening. The Clerk's office will assess the timing and days of the week that the Finance Committee meetings are held in the future because they are seeing that this day conflicts with the Airport Board meeting and a few other groups.

XI. **PUBLIC COMMENTS:** Ella Rogers, Glacier Restaurant, said the reason ESS did not sign in on the Letter of Intent was they were under negotiations with 64 Thunderbird LLC. She did not know what is currently happening but it would be a direct conflict of interest since 64 Thunderbird LLC were looking to purchase the equipment and liquor license. She said she had been in the airport for 27 years. Until Jeannie [Johnson] left, there had been no communication with ESS asking any questions about what they thought would work or any questions at all. She realized this was water under the bridge, but it was not for her. She said they had not been contacted at all asking what they thought would work or changes that they thought would be good. She noted she was on the committee when the renovation was being built and had really pushed to have the rooms. She said Jeannie decided that the Airport would run the rooms rather than the concessionaire.

At one time, the wall to the adjoining room was supposed to be open and the restaurant was excited because it would be the largest room outside of Centennial Hall to be able to rent. She thought that the wall made a difference in the people that will use the room. It is a direct conflict of interest with the Aurora Room, which they rent. She said they have very few rentals with the new rooms. When they rent the Aurora Room, if a certain amount of food is purchased, the room was included and they did not charge them for the room. The restaurant has an agreement with the parking concessionaire that for two hours of parking. If there is an event, the person is charged \$1.00, which Rotary is currently

getting as they are still using ESS for their food. She said she took it personally. She noted they did not charge the Airport when they used the Aurora Room.

She said she receives two comments: Why is the Architect taking care of food service and why are they tearing down the kitchen before they decide what they want to build on a permanent basis? Why is the Airport going to spend money for two to three years and then have to change it again? Mr. Heueisen said he is concerned about ESS getting back in the process of showing a letter of interest because he had always wanted them still here as they have the corporate knowledge and experience. If anyone knows what works and doesn't, it is them. He said they are still in the ballgame. Ms. Rogers said that she had been told several times that the former Airport Manager had made statements to several people that ESS would definitely not be back. Mr. Swanson encouraged Ms. Fritz to seek some of the institutional knowledge from ESS.

XII. BOARD MEMBER COMMENTS:

A. David Epstein asked how the volunteers will be coordinated for the emergency drill on Saturday. Deputy Airport Manager Marc Cheatham said the volunteer meeting will be held on Friday at 5:30 p.m. in the Alaska Room. The meeting will discuss the safety plan, volunteer protocol, parking and the scenario. Ms. deLaBruere said there is a different protocol depending on what capacity a person is volunteering in.

Ms. deLaBruere said that the Airport staff was advised that the Alaska Airlines Q-400s would be coming through on their way up north to start their program up there. They were going to come through and not say anything. Ms. deLaBruere told them that they couldn't bring in a Q-400 and not let people know what is being done with it. She said that this was an introduction to the plane. It was part of a publicity stop but also to get fuel and continue on for the beginning use up north. There are still concerns about using the 400's here as it is another pilot base, staging of equipment and maintenance, and accessibility – getting the equipment equipped with the proper RNP procedures as well as training the pilots. They would have to do a lot of pre-planning and coordination to bring the aircraft to Juneau.

Mr. Epstein said he belongs to one of the groups that rents the Aurora Room – Retired Federal Employees – and they were wondering if it would be available for their meeting in January. Ms. deLaBruere said as far as she knows it would be available. Ms. Fritz said an item on the chart is catering for Airport meeting rooms and at this point, the Aurora Room is still listed as a meeting room. She said she did not know if it is included in the rate structure or what the arrangements will be for it, but there are no immediate plans to change the status as a meeting room. Ms. Fritz said there are two parties interested in catering and assuming one of those are acceptable, there will be food. Ms. deLaBruere said that meeting the deadline for January is conceivable. She said that with the contract closing out, it is conceivable that arrangements can be made with another catering business to provide service. Chair Jerry Godkin asked staff to solicit a list of people currently using the room and make some contacts.

B. Joe Heueisen said that the Board thinks that both Ken [Nichols] and Cathy [Fritz] are doing a really great job. He apologized for blind siding them with some of the questions, but it continues to be a concern that the Board wants to be in all phases of the operation of this Airport. He thanked them for their good work.

C. Mal Menzies said the Alaska Committee discussed the Q-400s and they (two aircraft) will be coming through Juneau monthly as they go to Portland for maintenance. Ms. deLaBruere said these will be flights without passengers.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on October 9, 2013, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** *Ron Swanson Epstein moved, Joe Heueisen seconded, to adjourn. The meeting adjourned by unanimous consent at 8:05 p.m.*