

MINUTES of
AIRPORT BOARD MEETING
June 13, 2012
Alaska Room, 7:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 7:00 p.m.

II. **ROLL CALL:**

Members Present:

Pete Carlson
David Epstein

Jerry Godkin
Butch Laughlin

Ron Swanson
Steve Zimmerman

Member Absent:

Tam Cook

Staff/CBJ Present:

Jeannie Johnson, Airport Manager
Patty deLaBruere, Deputy Airport Manager
Catherine Fritz, Airport Architect
Steve Ayers, Airport M&O Superintendent

Marc Cheatham, Airport Special
Projects Officer
Keith Walker, CCF/R

Public Present:

Irene Gallion, DOWL/LEPC
Ella Rogers, Glacier Restaurant

Jim O'Donnell, Hummingbird Hollow
Gift Shop

III. **APPROVAL OF MINUTES:** *Steve Zimmerman moved, David Epstein seconded, the adoption of the May 9, 2012, regular monthly meeting minutes.*

IV. **APPROVAL OF AGENDA:** Steve Zimmerman noted that the Wildlife Hazards Working Group meeting will be held on June 14, 2012 (not June 30). *Steve Zimmerman moved, Butch Laughlin seconded, to approve the agenda as amended. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** Jim O'Donnell, owner of Hummingbird Hollow Gift Shop, said he has issues with the process, planning and management of the remodel of the gift shop. A meeting was held on February 3rd and it was stated that the gift shop renovation was supposed to be complete on May 26. He had issues with the way the remodel is being done, planned and who is operating the remodel part of it. The remodel lacks McGraw people. Although Greg Jerue is a great person and is employed by the Airport, he seems to have handled most of the remodeling features. He thought it took Mr. Jerue ten times longer than if two professionals were in there doing the job. The losses for the business were incredible, which reflects on what the City would be making in rent. He asked when the gift shop renovation was supposed to be complete. Board Member David Epstein asked if the lines of communication had been satisfactory. He said he thought Mr. O'Donnell wanted answers about the delay in getting the work done. Mr. O'Donnell said

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he had been asked to move things, which they do when asked. At that same time, there was a cold air issue with an expansion joint and installation of new power and phone down to the new POS area. Then nothing happens on the project for 1.5 weeks. He said they had jumped when asked to, but the amount of waiting time is incredible. When product is removed for the remodel, the gift shop loses a lot of money. The windows were installed before Memorial Day, and then the laminates were ordered. The windows would have been a three- to five-day project; it has now been one month with unfinished windows.

VI. **INTRODUCTION:** Airport Manager Jeannie Johnson introduced Steve Ayers as the new Field Maintenance Superintendent. She noted that he is doing a great job.

VII. **UNFINISHED BUSINESS:** None.

VIII. **NEW BUSINESS:**

A. Appropriations: Runway Safety Area (RSA) Phase 2A and Air Traffic

Organization (ATO) Grant: The Federal Aviation Administration (FAA) is issuing Juneau International Airport (JNU) a letter of allocation in the amount of \$22 million for Runway Safety Area Phase 2A construction (\$20 million) and MALSR Reimbursable Services (FAA ATO payment=\$2 million). In this case, FAA will issue a letter of allocation in advance of the grant award so that JNU can appropriate the funding more quickly, and thereby avoid the loss of several weeks of the construction season. Matching funds are from JNU gravel royalties and Alaska Department of Transportation (ADOT).

RSA Phase 2A went out to bid on June 5, 2012. Bids are due on July 6, 2012. This item is on the Assembly agenda for introduction on June 25. Final Assembly action for appropriation and award of the contract is scheduled for the July 16th Assembly meeting. The bid opens at 2:00 p.m. The group (that is sequestered) sits independently without knowing who the bidders were, a sheet of paper summarizing the bids and the group will decide if they can afford the alternate or not (without knowing the names of the contractors). This group is typically made up of people recommended by the Airport Manager and approved by the Engineering Department. The announcement is then made of the apparent low bidder and a posting is done. This begins the protest period, which is a time where bidders who are not the top bidders may protest. Once that is over, then a recommendation for award to the Assembly begins. The money has to be appropriated before the bid award. Therefore, this has been set up so that if it all works the way it is supposed to, it will all happen at the same meeting. *Steve Zimmerman moved, David Epstein seconded, the Board approves the appropriation of AIP funding, ADOT match, and Local match in the amounts of \$22 million, \$709,680, and \$756,987, respectively, upon receipt of the FAA letter of allocation. The motion passed by unanimous consent.*

B. Airport Manager's Report:

1. Sand Shed Painting is complete. Airport Maintenance & Operations Superintendent Steve Ayers reported that the sand shed was painted and cost approximately \$9,100. This is finished other than some minor roof repairs that will

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be done this summer. The Board thanked the staff. Board Member Butch Laughlin said there has always been head butting between the City and Loken about the center leakage problem and the drain between the two buildings. Ms. Johnson said this has been through two Airport Boards and two Airport Managers. The Board decided that this is not an Airport problem.

2. The Request for Proposal process closed at 2:00 p.m., June 7, 2012, for Departure Lounge Food and Beverage. One proposal was received. It is from Heritage Coffee. Ms. Johnson met with Grady from Heritage Coffee on Tuesday. He is cautious and wants to make sure he doesn't lose his shirt. Discussions are ongoing about how to make it work for both parties. The theory is to start easy and small. Their plan is to do hot drinks, cold blended drinks and see how that goes. If an agreement is reached, they will open at 5:30 in the morning and remain open until 10:00 a.m. Grady is working with Ms. Fritz and Ms. Conneen on the final layout of the casework. The goal is to have them in there by the next Board meeting. Ms. Fritz said the RFP addressed a minimum opening of one hour before the morning flight until 10:00 a.m. daily. The idea is to be cautious and see how it goes.

3. Departure Lounge Art Display Cases (Attachment #1). Many thanks to Jim and Brenda O'Donnell for allowing the Airport to display some of their private art collection in the glass cases in the departure lounge. With Celebration starting on June 6th, the display is very relevant to the event. It's been very well received by our travelers both arriving and departing. The Airport has identified Hummingbird Gift Shop with the displays trying to send business their way. Another display of the gift shop's merchandise is in place in the baggage claim area to draw people to the shop.

4. Presentation to Assembly Finance Committee for 1% Sales Tax Funding at 5:30 p.m., June 13th. The presentation by Board Chair Jerry Godkin and Catherine Fritz was excellent. The Assembly Finance Committee has a daunting task to pick and choose who gets the money. There is \$100 million worth of requests for \$40 million of sales tax money. The presentation was approximately ten minutes. The Mayor said he had heard that the only thing the tenants wanted was new carpet and their plumbing fixed. Ms. Johnson said she hadn't heard that. Although this would not lower their rates, it would prevent the rates from escalating because there are such high maintenance and energy costs on that end. The other comment that was made by Jesse Kiehl was that he had heard that the space was not needed because there are not enough carriers to fill it up. Ms. Johnson said there was no vacant space for a new carrier if they came in. The project office could be relocated, but that is the only space that could be used. She noted that Alaska Seaplanes purchased Air X but their expectation is that they will continue to operate as separate carriers in the positions they are right now.

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5. FAA Flight Standards District Office (FSDO). Ms. Johnson spoke to Terry Gordon with FSDO and he said they are happy in their current space. A couple of their inspectors might not be too happy. Their lease expires in September 2016. They currently have 6,228 square feet. In order to relocate, it would go through FAA logistics. At this point in time, they are set where they are until September of 2016. This may be a window for the Airport.

6. Airport Engineer Report (Attachment #2): The Runway Safety Area Improvements Phase 1 is very close to being complete. Final grading is occurring in many areas. Dust palliative was applied in areas that need to control dust. Hydro seeding has occurred. It is beginning to look real nice. The project will wrap up by the end of June. This project is a \$32 million project that relocated Duck Creek, placed 14-foot culverts connecting Jordan Creek all the way across, built the entire northwest and northeast development areas, relocated the EVAR around the west end and built a new rock wall, the pond has been redone, a nice road goes all the way around. The project transformed the airport. Phase 2 will finish the project. Another change order was issued to AIC to repair the culvert under the taxiway at Jordan Creek. This will be a slip lining project starting June 25. That work will be wrapped up in August.

The FAA guys have just begun their Phase 1 on the MALSR work. They will bore under the Mendenhall and then pull conduits back for taking new power out that way. This began a week ago Monday. Hopefully that work will be done in late June. They will immediately bore under the taxiway and runway to take new power out to the mid-field JAWS on the other side of the runway. This will take approximately one week. Then AEL&P will come in, pull power under there and take it to the mid-field JAWS and then goes all the way to the east end with high voltage power for the 26 MALSR, which will have hopefully been awarded by that time. Then by that time, the Airport will be starting Phase 2A.

Mr. Carson said AIC has been very reasonable with their numbers for the additional work. This allows staff to fine tune Phase 1, which has involved some extra time. The next part starting on June 25 is the first day the contractor can be back in Jordan Creek. Mr. Carson said Phase 2A is being talked about on the streets and people are interested. He felt there will be competitive bids.

7. Mr. Swanson asked about crack sealing the runway. Ms. Johnson said the runway is not good. There was a pavement inspection on May 8 and 9, but the report has not been released. The crew has been out doing some grinding and sealing. Soon the Airport will receive a bigger machine to do the bigger cracks. This will be an experiment to see if it works for the Airport. The Airport is trying to band aid the runway and save it as long as possible. Mr. Ayers said the new machine is a mill machine and it will connect to the front of the skid steer. It will mill from 24" to 6".

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The crew will try to do the worst of it, which will include the first 1,000 feet on 08 and pretty much the same amount on 26. Once the machine arrives, the patches will be installed. This should hold the runway until the Airport can figure out what to do with the runway. Ms. Johnson noted Mr. Ayers' background is in asphalt.

8. Chair Godkin asked about the water pipes and the small building down by Wings. Ms. Johnson said they are water meter pots. Public Works decided that they were losing money at the airport, and so they are installing one here and one by Flight Service. The Airport was not asked about this project. The original location would have taken up lease space and they are a color that Ms. Fritz chose. The water was shut off in the terminal without notification. The restaurant could not open up because of the lack of water. There were toilet problems and several leaks occurred due to the old pipes. Contact with Jim Dorn is continuing on a weekly basis now.

9. Mr. Swanson asked about the stop signs located on the road that goes to the float pond going both ways. The sign says "Stop, Give Way to Aircraft". If an aircraft goes through there, they are below the fence and that is already big trouble. Ms. Johnson said that an otter was being towed in the area earlier in the day, and she said there is no room for the otter and a vehicle. Ms. Johnson said they are there for the towing of aircraft.

10. Mr. Laughlin asked about the pond status. He said he noted there was a dock in the west finger. Ms. Johnson said this is an extra dock that is being stored in the west finger.

11. Airport Architect Report (Attachment #3): Airport Architect Catherine Fritz reported that the contractor is not done, but the changes to the terminal that have been necessary for unforeseen reasons and opportunities the Airport has taken to use SRC McGraw to complete work have been very positive and they are treating the Airport very fair. The original finish date was the end of May. The contractor is plugging away and staff is feeling optimistic that things are starting to wrap up. The contractor assured the Airport that they would have a date specific at the next progress meeting on when the plywood wall in the gift shop would come down, as well as the plywood wall in the restaurant. Some things were unforeseen on the existing building and sometimes when something was ordered and shipped, it was not correct when it arrived or things are ordered and they did not show up. The finished result will be something everyone will like.

The project was planned early on with the O'Donnells. A timeline was set up of the components. A combination of in-house crew (Greg Jerue) and the contractor for some components was used. Some components did not make sense for the contractor to provide, such as the finishing of the gypsum and the painting because they don't have a gyp installer and a taper/painter who would be readily available to jump in and

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do things. A substantial amount of money has been spent modernizing the gift shop. Staff has tried very hard to keep expenses down knowing that hopefully this will be a part of the building that will eventually be torn down. Everyone knows that the merchandise selection in the gift shop is very good and staff wants to embrace that and modernize it in a way that people will come in, shop and buy. In the initial planning, the ceiling and lighting move were discussed on whether to do it now, in pieces in the summer or delay it until the fall. This is in part why the ceiling work is not being done now. Staff will regroup in November to see what makes sense to make the least impact to the gift shop. The decision of keeping the gift shop open and not closing was made early on. If anything, they may revisit it now and say, go ahead and just tear it apart. Staff appreciates the efforts the gift shop has made to stay open for people even though it has been very difficult.

The Snow Removal Equipment Facility site infrastructure is out to bid. Bids will open on July 10. The Assembly award process may be awarded under an expedited process as it is under \$1 million. Hopefully the bids will open on the 10th, they'll be awarded soon after and get the work going this summer.

Cup 'O Joes was temporarily relocated because of the construction. Some work is in the contractor's scope of work. Once they finish their work, staff will start on their part. Fortunately there is an operating stand. The delay is unfortunate but it is not impacting the people's ability to get food from that concession. Relocation back will follow on the heels of opening the main entrance.

Mr. Swanson said Ms. Fritz said things are going smoothly, but Mr. O'Donnell said they are not. Mr. O'Donnell mentioned that he moves his merchandise before the work is ready to be done, thereby cutting the display time of his merchandise. The window sills should have been ordered ahead of time. The sheetrock guys should have been real sheetrock guys, not Mr. Jerue. He noted the carpeting is not good. Although he is sympathetic with the Purchasing process, Mr. O'Donnell is trying to make a living down there. Ms. Fritz said the piecemeal nature of what has been done is a reflection of keeping the gift shop open. The decision could have been made together early on to close the gift shop, move out the stock, and attack the project to get it done in a short amount of time. The decision was made together with the O'Donnell's that the highest priority was not to close the shop. It then became a piecemeal operation. Having someone like Mr. Jerue who can do all aspects of the job has been invaluable because a local sheetrock guy would not come in for a few hours to do a little here and then in a couple days do a little more. This would not happen. McGraw wanted nothing to do with the work that is being done by Mr. Jerue. In terms of leaving something open so something else can occur, it was a matter of having the people available to do the work. Staff has tried very hard to be empathetic and supportive of the O'Donnells. Progress meetings have occurred. Staff is in there many times a day. Staff is accommodating them with changes that they want after an agreed plan was

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made. It seems the windows, counters and everything are all together, but, in fact, the countertops could not be measured until the windows were installed because there is an exact dimensioning that had to take place for the case work to fit.

Ms. Johnson suggested this be referred which would give staff time to come back and give the Board a report. There are two sides to every story. She knows that the O'Donnells have been inconvenienced, but she did not believe it was fair to staff tonight to defend herself in this forum. Chair Godkin said these issues were brought before the Board by Mr. O'Donnell. The gift shop is part of the report and if members have questions that are directly related to the report, they could address them to staff. In all fairness, staff could come back with the report, but time is of the essence. Ms. Johnson understood that, and staff recognizes the O'Donnells have been inconvenienced and it has been very difficult for them. It is very hard to prepare a statement and answer accusations when you don't know it is coming and you are sitting in a Board meeting.

Chair Godkin asked what the bid from McGraw was and why Mr. Jerue is being paid by the project. Ms. Fritz said Mr. Jerue is a part-time employee for the duration of the project for specific project-related miscellaneous repair or troubleshooting. It is not his job to fix a leak when the pressurized plumbing system bursts. His job is to troubleshoot and make things as smooth and expedient as possible throughout the construction. Ms. Fritz said the plywood wall is the end of the scope of work for McGraw. Everything done on the inside has been contract change order work. There was stuff that would not have been done had McGraw not stepped in and done the heavy lifting. This has been limited work based on what McGraw is available to do without impacting the rest of the work and that he can supply the labor to do. They did not feel they could do the gyp as they could not get anyone. Chair Godkin said using one person to do all that Mr. Jerue has done might have been done better by experts to get it done.

Mr. Laughlin said that Mr. Jerue had originally been hired to coordinate between McGraw and the terminal renovation project. He was the onsite guy to make sure things go smoothly. Ms. Fritz said Mr. Jerue was not hired to make the contractor's job easier. He was hired to troubleshoot the things that were not covered in the contract for the general contractor or was in the owner's interest to make sure it was clear and easy to get done. He was expediting. The work Mr. Jerue is doing is totally within the scope of his job. This got the project done efficiently and less expensively. The difference now is that he is on the public face of the wall, but it is the exact same tasks that he was doing during the major renovation. Chair Godkin asked for a report to the Board in a week.

IX. **CORRESPONDENCE**: None.

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X. **COMMITTEE REPORTS:**

A. **Wildlife Hazards Working Group:** Group Chair Steve Zimmerman said that a meeting would be held tomorrow night. It is the first meeting since September. He hoped that Nick would give a report on how 2011 and the first half of 2012 went on hazing and other wildlife activities. A report will be received on the eagle nest study to find out what happens when you remove a resident pair of eagles. It would be nice to know how the increased hazing has gone. It was known that there would be wildlife at the mouth of Duck Creek, and with the move, it would be nice to know how that has turned out and what might be done. The meeting will happen at 6:00 p.m. in the Alaska Room.

B. **Finance Committee:** None.

C. **Operations Committee:** None.

XI. **ASSEMBLY LIAISON COMMENTS:** None.

XII. **PUBLIC COMMENTS:** Ella Rogers, Glacier Restaurant, said if the Airport is going to bill for what the City did, she would like to see something happen. The espresso bar had to be closed until 7:00 a.m. and so did the restaurant. After they turned the water back on, the toilet blew up in their chef's face. It would have been nice to know about this ahead of time. The City dropped the ball on this. Chair Godkin suggested a letter to Rorie Watt might be in order.

XIII. **BOARD MEMBER COMMENTS:**

A. Mr. Epstein asked if there was any word on the urea exemption. Ms. deLaBruere said she and Mr. Carson had a teleconference on this a few weeks earlier. Even though the regulation has gone through, the Airport still follows their permit, which does not expire until September 2013 at which time ADEC will follow their new state plan. It may even be later than that, but the Airport is running status quo. If nothing is heard next year, it may even extend into the next winter season. The Airport is meeting the benchmarks and is very close on the ammonia level, which is what the new regulation is concerned about.

B. Mr. Swanson said he thought it was important to recognize Alaska Airlines when they do well. They have a program in SEA/TAC and they are expanding to every place they serve. When a soldier/service man is killed overseas, the military sends the body home with an escort and the protocol is that the escort has to stay as close to the body as possible until it gets to its final destination. A few years ago, no one cared. Alaska Airlines dedicated a special baggage cart which they decorated with the American flag and emblems of the Army/Navy/Air Force/Marines. They built a thing in their maintenance facility where the body and the escort can go. The escort can spend the night there and is served meals and can stay with the deceased service man until the airplane leaves the next morning or whatever happens. He thought this was above and beyond the call of duty for Alaska Airlines. He commended them for doing that.

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XIV. **ANNOUNCEMENTS:** None.

XV. **TIME AND PLACE OF NEXT MEETING:**

A. The Wildlife Hazard Working Group will meet on June 14, 2012, at 6:00 p.m. in the Alaska Room.

B. The next regular Airport Board meeting will be held on July 11, 2012, at 7:00 p.m. in the Alaska Room.

XVI. **ADJOURN:** *Steve Zimmerman moved, Butch Laughlin seconded, to adjourn. The meeting adjourned by unanimous consent at 8:20 p.m.*