

MINUTES of
AIRPORT BOARD MEETING
March 8, 2006
Aurora Room, 7:00 p.m.

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

II. **ROLL CALL:**

Members Present:

Pete Carlson	Fred Gaffney	Ron Swanson
Eric Forrer	Joe Heueisen	Tom Williams

Member Absent:

Gordon Evans

Staff/CBJ Present:

Allan Heese, Airport Manager	Pam Chapin, Secretary
Jerry Mahle, Airport M&O Superintendent	Merrill Sanford, CBJ Assembly Liaison
Patricia deLaBruere, Airport Business Mgr.	

Public Present:

Ella Rogers, Glacier Restaurant	John Lucas, Wings of Alaska
Ray Culbreth, TSA	Jim Wilson, Coastal Helicopters
Dick Rountree, Tenant	Mike Tagaban, Goldbelt Security
Craig Loken, Alaska Seaplanes	

III. **APPROVAL OF MINUTES:** *Pete Carlson moved, Joe Heueisen seconded, the adoption of the February 8, 2006, minutes as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** Airport Manager Allan Heese asked to add an item for executive session regarding a staffing issue at the end of the agenda. *The agenda, as amended, was approved by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **Exit Lane Staffing:** As of March 1, TSA is no longer positioning their staff at the exit lane from the sterile boarding/deplaning area. The Airport has placed movable stanchions in front of the exit and painted additional signs on the floor in an effort to reduce the number of inadvertent alarm actuations experienced. If an alarm sounds notifying of improper entry into the sterile area, certain Airport employees/contractors are authorized to respond, investigate and clear the alarm. If entry was of a significant nature, a breach has occurred and the result could be evacuating the sterile area and screening all departing passengers again. Breaches of a serious nature will be reported to the TSA headquarters.

As of this time, no significant amounts of money (only some cost in paint and staff time) have been spent to make these changes. However, it has been brought to staff's attention that there is new guidance about exit lane configurations that have come from TSA. Staff has investigated the cost for installation of doors and partition walls, and estimates this would cost roughly

AIRPORT BOARD MEETING

March 8, 2006

Page 2

\$50,000. TSA Security Director Ray Culbreth said he had recently returned from a trip in which a TSA "Red Team" from internal affairs was discussed. This team will be doing threat vulnerability assessments at airports. The current configuration of not being manned or sufficient doors to stop egress into the sterile area will not fit. The Airport will incur some sort of notification once the assessment is done, with civil sanctions to follow a short time later. He suggested that the Board review this and install doors to stop egress into the sterile area. A cooperative agreement is being discussed that may provide some financial assistance. Mr. Heese requested Board approval to spend up to \$50,000 from the revolving capital reserve account to change the configuration of the exit lane to put in doors as necessary to meet TSA requirements. These doors will negate staffing the exit lanes with a one-time expense. *Pete Carlson moved, Joe Heueisen seconded, to appropriate up to a maximum of \$50,000 from the revolving capital reserve for this security upgrade on the exit lane and take the necessary steps before the Assembly. The motion passed on a five to one vote, with Tom Williams voting against the motion.*

B. Committee Reports: Finance Committee: Committee Chair Pete Carlson said that the Finance Committee had held four meetings, at which they whittled and trimmed the budget. The Committee took no formal actions because all members were not present at the meetings. FY 07 budget is approximately \$106,000 in the red. FY 08 is approximately \$413,000 in the red. At the meeting the previous day, he proposed submitting the budgets by balancing FY 07 using retained earnings and continue to work on FY 08 budget. FY 06 shows a surplus of approximately \$130,000, which could be used to balance FY 07. A lot of work needs to be done to the budget, the model, the fuel flowage fee, etc. All revenues will have to be discussed, too.

Fred Gaffney said he is concerned that either the revenues have to increase or costs have got to go down, or some combination thereof. This is a fairly serious issue. The question is, should the Board begin working on this this year by using some of the reserves, which have accumulated for more than ten years, or should the FY 07 budget be balanced and attempt to carry the money over into FY 08, and deal with other concerns for 08. He wanted the Board to discuss how to proceed. Perhaps the Committee needs to come up with a much more specific list of cuts and/or rate increases to balance the budget and then send that downtown. The core of the debate is how does the Board want to proceed. He believed the Airport is an enterprise fund and it is required to balance the budget. Like it or not, he thought a balanced budget needs to be sent downtown.

Tom Williams agreed with Fred's analysis. He believed that the charge from the Assembly is to submit a two-year balanced budget. Although he voted two years ago to send down a second-year unbalanced budget downtown, it was not out \$400,000-plus. At that time, there were items that were pending. Ultimately it was solved. Staff is not aware of something that will fill the gap. A budget can always be balanced; people just have to be committed to it. He thought to send an unbalanced budget at this point would be neglecting their duties and basically delegating up the problem. He is willing to commit further hours to finish the budget in the Finance Committee.

AIRPORT BOARD MEETING

March 8, 2006

Page 3

Eric Forrer said he agreed the Committee needs to present a finished project. If it is steam-rolled either because of time constraints or whatever, it is extremely frustrating. Budget shortfalls seem to be escalating. He was in favor of giving the Finance Committee time to bring this to resolution.

Chair Swanson said he is reluctant to send a budget that is \$413,000 short and at the same time ask for funding for a new terminal. The question will be asked if you cannot pay for what you have, how will you pay for a new terminal? He supported coming out with some sort of a balanced budget. Fred Gaffney asked the Board's opinion on whether to balance the budget on the backs of the rate payers, cut staff, or what? Joe Heuelsen said if rates have to be raised to keep the doors open, then rates will have to be raised. The Airport is not overstaffed; if anything, it is understaffed until the Planner is hired. Chair Swanson referred this back to the Committee. The next Finance Committee meeting was scheduled for Monday, March 13, at 10:00 a.m. in the Aurora Room or Fire Department.

C. **EIS Update:** Staff continues to work with consultants, FAA, and resource agencies to reach a conclusion on the Mitigation Plan. All participants received a draft of the plan earlier in the week, with the hope that all agencies will give approval of this as the desired mitigation plan. The cost is currently at \$5.6 million to \$5.8 million mitigation bill. Simultaneously, FAA and SWCA are working on completing the FEIS, with the goal still to be complete by August 2006.

A related action is the request for the transfer of State-owned Mendenhall Refuge land to the City for Airport projects. The request was approved last year and our application for the transfer was submitted to State agencies last summer as part of our overall permits application package. Part of the requirement for completion of the transfer is mitigation for transferred lands. This required mitigation is included in the overall mitigation plan currently being negotiated. It is hoped to have the land transfer completed by May.

The last aspect of this effort is a determination by the State of Alaska whether the lands we require for our RSA alternative fit within de minimis criteria established in a recent law and guidance provided by the Federal Highway Administration. Staff is working with the Commissioner of Fish and Game to do an analysis to see whether the de minimis criteria can be applied to the lands that the Airport wants from the refuge. Staff is confident that this project will fit de minimis.

Chair Swanson said that the FAA has made a proposal regarding the runway safety areas. He directed staff to get with the FAA staff in Anchorage or work out the technical details. He also referred this to the Operations Committee after the details are worked out.

VII. **NEW BUSINESS:**

A. **Airport Manager's Report:** Airport Manager Heese reviewed the Airport Manager's Report (Attachment #1).

VIII. **ASSEMBLY LIAISON COMMENTS:** None.

AIRPORT BOARD MEETING

March 8, 2006

Page 4

- IX. **PUBLIC COMMENTS:** Jim Wilson, Coastal Helicopters, asked to have a discussion from Risk Management regarding insurance cost increases at the next Finance Committee meeting.
- X. **BOARD MEMBER COMMENTS:** Joe Heueisen said that the Chair and a couple of other Board members went to the Chamber of Commerce Transportation Committee meeting today and explained what is going on at the airport and the Board's position on the terminal. They were enthused about going forth and talking to the appropriate legislators for money.
- XI. **ANNOUNCEMENTS:**
- A. Tom Williams said he would endeavor to schedule a Goals and Objectives Committee meeting within the next couple of weeks.
- B. Chair Swanson said the Airport Manager's evaluation is coming up and he will get Gordon Evans working on this.
- XII. **TIME AND PLACE OF NEXT MEETING:**
- A. A Finance Committee meeting will be held on March 13, 2006, at 10:00 a.m. in the Aurora Room.
- B. A Planning and Zoning meeting will be held on March 14, 2006, regarding the Petro Marine tank farm.
- C. A joint meeting with the Assembly is scheduled for March 29, 2006, at a place and time to be determined.
- D. The next regular Airport Board meeting will be held on April 12, 2006, at 7:00 p.m. in the Aurora Room.
- XIII. **PERSONNEL MATTERS:** *Joe Heueisen moved, duly seconded, to go into executive session to discuss matters of personnel issues of a nature compliant to the appropriate Alaska Statute, a subject that tends to prejudice the reputation and character of any person, provided the person may request a public discussion.* The Board went into executive session at 8:04 p.m.
- A break was held from 8:05 p.m. to 8:20 p.m.
- The Board came out of executive session at 8:55 p.m.
- XIV. **ADJOURN:** *The meeting adjourned by unanimous consent at 8:56 p.m.*

ATTACHMENT #1

JUNEAU INTERNATIONAL AIRPORT MANAGER'S REPORT

March 8, 2006

1. Planes, Floats, and Automobiles. The recent airborne car that flew over our perimeter fence before damaging some floats and coming to a rest after destroying an airplane did a significant amount of damage (\$3,800) to our property. We have been notified that the insurance company of the vehicle driver is planning to award the Airport this amount. Although the aircraft owner is not asking the Airport to forgo the settlement, he has asked to have a guardrail placed in this area. A letter will be sent to DOT as an upgrade to the road.
2. Terminal Planning: The direction from the Terminal Planning Committee and the Board was to try to look for support for the terminal project, possibly through the Legislature. The Assembly has requested that Board members not go to the Legislature, but has requested a joint meeting between the Assembly and the Airport Board on where the group collectively thinks the project will go. This has been scheduled for March 29, 2006. The Board will make a presentation, with discussion to follow. Assembly Member Merrill Sanford said the Assembly is asking questions like where is the money going to come from. Is the Airport going to do phasing? The ducks need to be in a row for this meeting.
3. Enplanement Statistics: This February's enplanements for Alaska Airlines are up 3.1% over last year. The year-to-date increase is 4.1%.
4. Comprehensive Plan: The City will be holding community meetings to update the City Comprehensive Plan. The plan has mostly ignored the airport in the past. They do not understand the airport nor its needs and, therefore, it gets neglected when the Comprehensive Plan is written. This is an opportunity for Board Members, either as the Board or as individuals, to give some input on the airport or other issues. If the Comprehensive Plans had recognized the Airport would have needs for Refuge land and made comments to that effect, it may have made the EIS a little easier. Residential units are being placed in an industrial zone near the airport. A request will be made to Community Development to discuss these issues at a future Board meeting. Assembly Member Sanford said this is the time to get things in the plan as it has been ten years since the last update. Mr. Heese said this is a great time to get the Airport's Master Plan incorporated by reference and make sure that the two plans match.
5. Deicing Effluent Regulation. The U.S. Environmental Protection Agency (EPA) has decided to begin regulation of airport deicing effluents. This would include both aircraft and airfield deicing activities and substances. To achieve this goal, EPA has prepared a questionnaire to be completed by some airports and airlines, describing the levels of deicing activities, substance containment, and treatment. We are uncertain if we will be tagged to complete a questionnaire; what is much more certain is that we will need to spend more time in the future thinking about and dealing with the runoff of deicing fluids.
6. Transient Air Carrier Visits. We have occasionally been visited by different air carriers not based in or providing scheduled service to Juneau as a based or signatory carrier. Among these are Air

North, Wilson Air, and Harris Air. We recently instituted a change to our rates and fees regulation which provides for infrequent use of the terminal, and have had in place fees for short time use parking facilities here. Staff is working on procedures to notify and collect from these users in an attempt to level the playing field for local operators.

7. Tank Farm Addition: Petro Marine has applied for a lease from the Airport for a lot within the Airport Fuel Farm. They have also applied for a conditional use permit from CBJ Planning Department. This item is scheduled to be considered by the CBJ Planning Commission at their next meeting on March 14.

On a related note, the Army Corps of Engineers expressed concern that this tank installation might interfere with the alternatives analysis for our EIS. Tom Carson, Carson Dorn, Inc., and I paid a visit to the Corps and explained the relative positions of this installation with our proposed actions for connections to the fuel farm. After discussion, a field trip to the site, and presentation of additional drawings, the Corps agreed that the permitting for this installation could proceed. The Corps suggested another alternative location for a road connection between the fuel farm and the main airfield which we will address and they have recommended this installation be discussed in the FEIS under cumulative impacts. We are attempting to determine the level of effort the FAA will require to incorporate this item into the FEIS.

8. Sterile Area Windows. The recent stretch of bright sunny days has pointed out a major problem for Alaska Airlines agents working at the departure gates. The glare coming through the windows causes severe headaches and eye strains for some of the agents and makes viewing and operating the computer terminals at the gates difficult. Alaska Airlines has requested that we install shades that will block the glare and prevent the problems noted. We have investigated the cost for the required number of shades and estimate it would cost approximately \$4,000 to purchase eight shades, the number required to cover the problem windows. There are some shades on a few windows that were purchased by Alaska Airlines in the past. These shades are insufficient to adequately block the sun, hence the upgraded (and more costly) shades are required.

Included in our past and current year budgets has been an amount for window replacements. We have typically budgeted \$2,000 per year for replacement of four windows. This periodic replacement is required due to aging of the windows, panes, seals, and frames. It is possible we could order windows at the same cost as these previous windows that prevent the glare. (We are checking into this possibility.) We have already ordered the windows with clear panes for replacement under this year's budget. As of now, I have told Alaska Airlines that we have two choices, either we can continue as we are with the glare negatively affecting their personnel and operations or we can place ineffective shades (or garbage bags, which seem to be slightly darker than the shades) in the problem areas until either their or our budget will allow a more effective solution.

9. Construction Update:
 - A. Delta-1 Ramp Construction. No activity has occurred in this area since the last report as this project has been put on hold for the winter months. We will be starting this project up again in the spring as early as possible. The main limitation will be ground temperature to allow paving. As an aside, this project was named because of the ramp's proximity to

what was then the “Delta 1” Taxiway. This is now connected to the remainder of the field by the “Echo 1” Taxiway.

- B. Taxiway Extension. The project to extend the two taxiways is nearing closeout status. This project began during the summer of 2004, got shut down for that winter, and is finally complete. We are now preparing the closeout package for submitting to the FAA. We may still require some Board and Assembly action in the next couple of months to appropriate the grant and PFC application amendments, although we are within the previously reported amounts for the overruns on this project.
- C. Terminal Upgrades. At last month’s meeting, the Board directed staff to proceed with a project that will rehabilitate the roof on the 1984 wing of the terminal as well as the canopy in front of this wing. We are investigating the best method to design and contract out for this work to hopefully complete the work this construction season. We will be coming back to the Board in the near future for authority to take necessary action through the Assembly for appropriating the budget for this project.
- D. Main Ramp Improvements. On February 28 and March 1, staff met with the consulting firm of Dowl Engineering and their subcontractors to discuss the scope of work and design for the Main Ramp Improvement Project. Right now we are considering three main thrusts for the project: expansion of the Gate 2 hardstand to accommodate the new cargo loader equipment, removal of the drainage swale between the Alaska cargo building and the main ramp, and repair of numerous failing rainwater catch basins on the ramp. A meeting will be held soon to brief all ramp users and seek their input on the project.
- E. Fuel Farm Brush Clearing. Brushing of the security clear zone along the fuel farm fence is complete. JPD is planning for a contractor to place the razor wire along our fence within the next couple of weeks.