

MINUTES of  
AIRPORT BOARD MEETING  
July 12, 2007  
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	Eric Forrer	Joe Heueisen
Gordon Evans	Jerry Godkin	Ron Swanson

Member Absent:

Fred Gaffney

Staff/CBJ Present:

Dave Palmer, Airport Manager	John Coleman, Acting Airport Planner.
Jerry Mahle, Airport M&O Super't	Pam Chapin, Secretary
Catherine Fritz, Airport Architect	Jonathan Anderson, CBJ Assy. Liaison

Public Present:

Ella Rogers, Glacier Restaurant	Kottayam Natarajan, Jr., AvAirPros
Tom Williams, Ward Air	Larry dePute, General Aviation
Mookie Patel, Alaska Airlines	

III. **APPROVAL OF MINUTES:**

A. *Pete Carlson moved, Gordon Evans seconded, the adoption of the June 13, 2007, Regular Monthly Meeting minutes. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Gordon Evans moved, Pete Carlson seconded, to approve the agenda. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **ELECTION OF OFFICERS:** *Pete Carlson moved, Eric Forrer seconded, to nominate Ron Swanson as Chair, Gordon Evans as Vice Chair, and Fred Gaffney as Secretary. The motion passed by unanimous consent.*

VII. **UNFINISHED BUSINESS:**

A. **EIS Update:** The Record of Decision was signed on July 6, 2007. A copy will be posted to the website when it is available. The permits have been signed and submitted to the Community Development Department. The big permit will go to the Corps of Engineers. The Airport will be receiving \$14.2 million in grants. Staff is developing a schedule of the work and the cash flow needed for that work. A design contract has been offered to Dowl Engineers and Toner Nordling for approximately \$1

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million to design the entire runway safety area project. The dredging will cost approximately \$20 million. Catherine Fritz is working on the budget estimates for the snow removal equipment building. We are working with the State on transferring the wetlands for the construction areas.

**B. Finance Committee Report** (Attachment #1-DRAFT Rates and Fees Regulation effective October 1, 2007): The Finance Committee met several times over the past month to assess the rates and fees and the financial model, and consider how to address the deficit still anticipated for FY08. The Committee offered the attached draft Rates and Fees Regulation as the way to combat the deficit.

Chair Swanson noted that Jim Wilson from Coastal Helicopters had submitted a letter (Attachment #2) and a short break was taken for the Board members to read the letter. *Pete Carlson moved, Gordon Evans seconded, that Attachment 1, Regulations for the City and Borough of Juneau, which incorporates new rates and fees as approved by the Finance Committee be approved by the Board and the process begun.*

Mr. Evans thought that the letter from Mr. Wilson notes a good point on the part about the pothole and 100% compaction. If this is the case, that the Airport allowed the contractor to do an improper job in fixing the asphalt in front of Coastal Helicopters, then the Airport should fix it properly at the Airport's expense. Jerry Mahle said that there was additional asphalt left over from a job and it was simply used in this area. This wasn't designed, but it was done at a very good price. The rap is in the Airport's area for loading and unloading sand, etc. The rap with the holes in it does not repair like anything else. Gordon Evans suggested a letter should be written to Mr. Wilson saying that this is being investigated. Eric Forrer said that innovative behavior on the part of Airport staff should not turn around and bite them. Innovative behavior is encouraged in every respect. The problem should be dealt with as an issue and not some sort of blame game. Chair Swanson asked staff to find out the specifics and report back.

Mookie Patel, Alaska Airlines, thanked the Board Finance Committee and staff. A lot of time was spent going over how to address the shortfall. He requested the Board look holistically at the approach of how the budget is managed and look at a five-year rates and charges package. This will allow him to present a package to his company. This discussion should occur over the next six to nine months to get a new lease agreement with Alaska Airlines.

Mr. Carlson noted that passing this motion will begin the public process. The Airport Board must give initial approval to proceed with the 21-day (minimum) public comment period. The Regulation then returns to the Board for discussion of any public comments.

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Finally, the proposed regulation must be approved once again (post public comment period) by the Airport Board and forwarded to the Assembly for final approval. *The motion passed by unanimous consent.* Chair Swanson thanked the Finance Committee for all of their time spent on this issue.

**C. Fairbanks Certification Inspection:** The inspection is for the last week in August. This will allow Mr. Palmer to learn about Fairbanks Airport and perhaps apply some ideas at Juneau. The new Airport Planner, Ted Anderson, will be onboard and John Coleman will be trained on TSA response, so it appears the Airport will have sufficient staffing to accommodate the trip. The Board had no problem with this trip.

**D. Possible Staffing Changes at the Airport:** The staff appreciates the Board's recognition that incremental increases in the workload have left us understaffed. We have work to do with the Human Resources (HR) Department on details of job classifications and descriptions, but the concept we are working toward is as follows:

1. Creation of a new position titled Deputy Airport Manager; this position would be filled by an internal promotion for Business Manager Patty deLaBruere.
2. Ask Human Resources Department to review Pam Chapin's Secretary II position (Range 11) and consider reclassification to Executive Secretary (Range 12).
3. Fill the Business Manager position with an internal promotion for John Coleman.
4. Eliminate the Administrative Assistant II (Range 14) position now held by John Coleman.
5. Create a new position for a Clerk II (Range 8).

Once the HR Department has reviewed and approved these changes, we'll have a better idea of the pay ranges and will present the fiscal plan for these changes.

Gordon Evans said that when Jerry Mahle's position was reclassified to M&O Superintendent, and in speaking to Allan, Allan thought he had made it Deputy Manager. He could not find anything in the records to that effect. Mr. Palmer said that Jerry would sometimes be named Acting Airport Manager in the absence of the Airport Manager. Mr. Evans said he was all for promoting Patty, but he had heard this would put her into an exempt position which might create problems. Mr. Palmer said the job descriptions have to be written and taken downtown, but he did not expect any

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problems. Gordon Evans asked if this could be made retroactive. Mr. Palmer thought that it could be made retroactive. The Board was behind the changes. Mr. Patel said it is a step in the right direction.

E. **Purchase of TW Hall Property:** The appraisal is \$850,000 and the City cannot pay more than the appraisal. Discussions have been held with Dwan Hall and the price was noted at that time. Mr. Hall said he does not want to sell if he would have to vacate the property. He would like to have the Airport buy the property and then lease the property back because the rates are very attractive. He would also like to lease additional property at the unimproved rate with a 20- to 40-year lease. The Board agreed that a lease of no more than five years would be acceptable as this property would then be for airport use.

### VIII. NEW BUSINESS:

A. **PFC Application Project List (Attachment #3):** Staff has drafted a list of projects for the next PFC application. The projects and funding levels are drawn directly from the approved CIP. The application will be for approximately \$8 million in collections, and last about eight years at the current collection rate of \$4.50. The collection rate may increase to \$6 or \$7 in the near future, which would decrease the collection period. Tom Williams was concerned that the oil/water separators were not in the list. John Coleman, Acting Airport Planner, said that a cost estimate was not available when the list was printed, but it can be a part of the PFC list depending on the costs. Mr. Williams encouraged the oil/water separators. Mookie Patel, Alaska Airlines, noted that the Heliport Master Plan project is from PFC dollars from Air Carrier passengers only.

B. **Development Permit:** Chair Swanson said that a construction project was approved on the Airport by the Planning and Zoning Commission that the Airport had no input into it. Mr. Palmer noted that he has reviewed the NorthStar Visitor Center file and there was a note that they had spoken to Ben Mello. In discussions with Dale Pernula, he noted that there wasn't any indication of any issue from the Airport. The Airport wants to review any application to insure that it is consistent with the Airport Layout Plan, Airport Master Plan, the goals and the safety plan. The Law Department is working on a clean-up of the Airport regulations and this provision will be included in those regulations. There are contradictory items in the current regulations. Chair Swanson said the NorthStar project never came before the Board. He thought projects of NorthStar's magnitude should come before the Board. He wanted to see some sort of ordinance that construction projects of a certain magnitude have to get threaded through the Airport Board prior to them going downtown for anything. Jonathan Anderson suggested this should be in leases from the Airport. *Gordon Evans moved, Jerry Godkin seconded, to have the Chair write a letter to request the Planning Commission rescind*

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*the permit until Board concurrence is obtained. The motion passed by unanimous consent.*

Catherine Fritz, Airport Architect, suggested before this was done that a meeting be held with NorthStar to discuss the project. Chair Swanson noted that NorthStar has a short-term lease for their helipads. He said that he would write a letter to meet with the head of Community Development and asked the Airport Manager to pursue something more long-lasting than a letter for future Airport Boards. Mr. Palmer said he had written a letter to NorthStar about their short-term lease and the plans of not renewing same. He said he looked at their plans for the project and had hoped that they would not move ahead with the project because there would be a great place for them in the northeast quadrant. NorthStar had their plans and are committed to going forward with them.

### **C. Airport Manager's Report:**

1. The proposal for surveying hangar lease lots should arrive by mid-July. The Block "O" (East Executive Hangar) plat is being reviewed by the Building Department, and letters will be going out soon to initiate leases. There is a maximum of seven lots available. These lots will be leased as is, where is with no Airport responsibility for compaction, frost heave, drainage, etc. At \$.38 per square foot, no money is available to put anything further into the lots. Once seven potential lessees are found, a meeting will be held with those people to discuss the details. The area has been platted and the variance has already been granted for the 50' setback to the creek. The Airport's expense is not very high. It is expected that each lessee will need to pay approximately \$400 to cover the Airport's out-of-pocket costs. Mr. Palmer noted that these lots are 3,000 square feet, but that the first eight hangars that were erected were leased at only 2,700 square feet, with a five-foot setback that the Airport ate. The existing lease language will be used but not exactly. When the original leases expire, the lot sizes will increase to 3,000 square feet.

Mr. Patel suggested holding a bid auction of the available lands which would generate higher revenues. Mr. Palmer replied that the regulations are set up, which is consistent for everyone.

2. Surveyors from Toner Nordling will be doing the topography work on the area between Aero Services and the Civil Air Patrol for hangar development. The survey will cost \$12,000 to \$13,000. The complicated part will be the topography work and the drainage. No more drainage can go into Duck Creek as part of the EIS and permitting work. A couple of commercial float plane

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operators are interested in space in this area, which might make sense to have them close to the pond.

3. The hardstand ramp improvement project is in the final punch list phase. One catch basin and one large puddle are currently being repaired, but all gates have been approved for Alaska Airline's use. Mr. Patel asked if the consistency and the bonding of the asphalt are being addressed? Mr. Palmer said samples have been sent to two different labs, which do not agree with each other. There are plenty of asphalt samples to be tested. The concern is that this is a course mix and, especially after it is first applied, it looks like rocks can be ripped out. It has been said that it will bind up and will be okay.

4. Significant progress has been made in the terminal renovation project scoping following a long work session with our designers, Alaska Airlines, TSA, and others. Catherine Fritz said that the project is at a stage where things are changing fast and furious. A longer time period will be taken for the schematic design. Another meeting will be held with the consultants and interested parties in early September (during the week of the Board meeting). The Assembly Finance Committee recommended the Airport project be part of the 1 percent sales tax, which will work well with the planning time frame. Mr. Palmer said the Assembly agreed to the Sales Tax renewal package that will be roughly \$2 million a year for the Airport over the five-year term, if it passes. With this commitment, the Airport can borrow against the tax, if necessary.

Jonathan Anderson said the 1 percent sales tax is going out for voter approval in the October election. It will be up for a five-year time frame. It asks the voters to approve the tax for harbor improvements, airport improvements, sewer improvements, building maintenance improvements and school debt, without talking about dollar amounts. The sense of the Assembly was developed at the previous evening's meeting. This is an expression of the intent of the Assembly. It would still need to be appropriated if the tax passes.

5. Weed control on the pond is underway. The first application was made on June 29. The second application was made on July 11, with the next scheduled for the week of July 16. The herbicide can take up to three weeks for any kind of reaction. The representative said that it may take a second application in some areas to kill all of the weeds.

6. Mr. Palmer said that Catherine Fritz met with TSA to discuss incoming bag screening. He and Patty deLaBruere met with others at TSA this week regarding three letters which each proposed a \$20,000 fine for security breaches.

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One allegedly happened about 14 months ago. The other two involved a TSA person who walked the wrong way through the gate. The Alaska Airlines employees knew the person was working for TSA and did not challenge him. Informal discussions will be held with their lawyers, which may lead to hearings, at which time TSA bears the burden of proof. Chair Swanson noted that these infractions happened before the double doors were installed, which should be mitigation.

7. Related to TSA, all badges have to be reissued as more than 5 percent of SIDA badges have been lost. The Airport's Security plan says that the number is 10 percent, which was approved by the TSA, but they have now changed it to 5 percent. This will require everyone with a badge to take another test and get a new badge. Once the badge is expired, it will not count against the lost badge numbers.

IX. **ASSEMBLY LIAISON COMMENTS:** Jonathan Anderson asked where the Security Contract and RFP are at. He said it needs to go out. Mr. Palmer replied it is currently on a month-to-month basis. The RFP is in progress.

X. **PUBLIC COMMENTS:**

A. Kottayam (Nata) Natarajan, Jr., AvAirPros, noted that he has been contracted with Alaska Airlines to work with the Airport on the financial side. This contract is coming to a close. It sounds like Airport staff are very busy and there might be some benefit to everyone if he continues to work with the Airport staff under contract with the City. It was suggested that he write up a proposal and submit it to the Airport with the specifics. At which time, it can be brought before the Board if the Airport Manager desires to do so.

B. Tom Williams suggested the Board write a letter to the Assembly regarding the conflict of interest issue and the maximum of two Board members with tenant ties. Joe Heueisen felt it was the public's responsibility. Ron Swanson said if it was the Board's feeling that an additional tenant would be beneficial to the Board, the Board could recommend that to the Assembly. He noted that Mr. Carlson has pointed out that this Board is 180 degrees out from airport boards nationwide. Most have two public members and the rest are interested tenants and airline people. He didn't think the conflict of interest had ever been a problem.

Gordon Evans suggested a letter from the Chair that the Board had previously recommended three tenants and four members of the public and the Board still holds by that. He was personally against a majority of tenants on the Board. The Board agreed that

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a letter should be written to increase the number of tenants. Chair Swanson asked Mr. Williams to get together with other tenants and write a letter to the Assembly, too.

Chair Swanson said that it is difficult to educate a person not familiar with an airport. Pete Carlson said that AOPA had surveyed 1,060 airports and everyone of them had a majority of tenants, concessionaires, etc. Most of them are seven to nine people with two at-large, with the rest from the airport. A lot of them require 100% airport participation. Gordon Evans noted that even on the State Medical Board, the State has only two members of the public and the rest are doctors. The Bar Association has two public members and seven lawyers. The Alaska Judicial Council has three public, three lawyers and the Chief Justice. Chair Swanson said he would not put any numbers as there is some disagreement about the numbers, but that he would write a letter to increase the permitted number of tenants on the Airport Board.

### XI. **BOARD MEMBER COMMENTS:**

A. Ron Swanson said that as the retreat was going to be held in August or September and now with the new Board members appointments will occur in early September, he suggested holding a retreat in late September. The Board concurred.

B. Joe Heueisen said that an Operations Committee meeting would be held to deal with some issues. Because two-thirds of the members were going to go away, it was decided to put it off. Now the members are going to be around for a while longer with those issues still out there, so a meeting will be scheduled.

### XII. **ANNOUNCEMENTS:** None.

XIII. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on August 8, 2007, at 7:00 p.m. in the Aurora Room.

XIV. **ADJOURN:** *Gordon Evans moved, duly seconded, to adjourn the meeting. The meeting adjourned by unanimous consent at 8:52 p.m.*