

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday December 10, 2015

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, December 10, 2015, at 7:30 a.m., in the District Boardroom.

CALL TO ORDER: Chairman Briggs, called the meeting to order.

COMMISSIONERS PRESENT:

John Briggs, Chairman;
Helen Mineau, Vice-Chairman;
Jon Barton, Commissioner;
Joe Benetti, Commissioner;
Mike Lehman, Commissioner;
Andy Combs, District Legal Counsel.

ABSENT: None

STAFF PRESENT: Theresa Cook, Executive Director; Bob Hood, Operations Manager; Gordon Gates, Business Manager; Robert Brittsan, Executive Assistant.

MEDIA AND GUESTS PRESENT: Gordon Young, CH 14; Ed Ellingsen, Nasburg Huggins Insurance.

PLEDGE OF ALLEGIANCE: Led by Chairman Briggs.

Section I. Review of Minutes: November 12, 2015 Board Meeting:

Upon a motion by Commissioner Mineau (second - Commissioner Lehman), the minutes of the November 12, 2015 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices, through December 9th, in the amount of \$143,508.72. A motion to accept the invoices in the amount of \$143,508.72 by Commissioner Lehman (second – Commissioner Barton) was approved by the Board.

Section III. Finance Report:

The Board reviewed the Financial Summary page. The Business Manager reported that taxes collected, so far, were ahead of last years. Commissioner

Benetti inquired and was informed that the projected tax revenue collected for this fiscal year should increase approximately \$30,000 over last year. November was a good month for Airport Use Fees, however, the year to date was still down slightly over last year. Commissioner Benetti inquired as to the overall amount that was outstanding from Airport Use Fees. Commissioner Barton responded that if Frontier and SeaPort Airlines debt were removed from the Accounts Receivable balance, it became a reasonable number. The Board revisited the issue of having Coos Aviation handle collection of Airport Use Fees directly from the General Aviation (GA) aircraft upon their arrival. The Executive Director stated that, resolution of the issue was still pending, but either way the Airport would still track GA aircraft independently. The Board directed the Business Manager to make an adjustment to write off the Frontier debt and have it removed from Aged Receivables.

The Grants Received line item showed no revenue received for the month. The Airport was still waiting for approximately \$85,000 in grant closeout money, which consisted of the grant for the Aircraft Rescue and Fire Fighting (ARFF) vehicle and the FAA's annual entitlement.

Passenger Facility Charge (PFC) fees were down, due in large part to SeaPort Airlines being seven (7) months behind in their payments. The Board discussed PFCs and options for obtaining payment from SeaPort.

The Business Manager reviewed the General Aviation (GA) Aircraft Visits Graph. GA visits were 73 for the month of November compared to 74 last year. Both the amounts invoiced and collected for this November increased slightly when compared to the average November of the past four (4) years. Year to date through November, Airport Use Fees invoiced were \$171,000 compared to the four (4) year average of \$157,000, which is an increase of 9%. Commissioner Lehman requested that the graph be adjusted slightly to add other past fiscal years.

The Business Manager reviewed the Commercial Enplanements Graph. Year to date, total enplanements through November, which included SeaPort to Portland, SkyWest to San Francisco and SkyWest to Denver, were up from 17,660 to 18,120, which is a 3% increase.

The Business Manager displayed a new Fuel Flowage revenue graph. The graph depicted the increase in revenue from the fuel flowage rate change that occurred in 2012.

Transfer of ownership for the BLM facility is moving forward. The District has established a separate bank account and has received rent from Ash Creek, the

previous owner, for the past several months. BLM has not yet finished with the proper paperwork to pay the District directly and still funnels payment through Ash Creek.

The Business Manager informed the Board that the 2014/15 fiscal year audit was completed and the subsequent report was distributed to the Board for their review. Commissioner Lehman inquired about the auditor's comment that the District should consider switching from Quickbooks. The Board discussed the issues with Quickbooks and its problem with audit tracking. After assessing the risks, the Board agreed to continue using Quickbooks, until at such time it no longer meets accounting standards.

Section IV. Information Items:

The Operations Manager updated the Board on operational and maintenance issues at the Airport.

Annually Peterson Caterpillar services and load tests the District's emergency generators, in preparation for the upcoming winter season. During the load test cycle, the generator that controls all airfield lighting in the event of a power outage, suffered a failure. Technicians were brought in to diagnose the problem, where it was discovered that the number 6 cylinder and piston failed and needed to be replaced.

At the September meeting, the Board approved the Executive Director to install airfield fencing and security gates. After further investigation, it was confirmed that the bids received were not based on the same fencing material and gate style. The project was rebid and is on this month's Board agenda for approval.

The Knights of Columbus will be using the new commercial hangar through December 12th for their annual Christmas food give-a-way basket program.

The Executive Director updated the Board on the status of air service at North Bend. The District received the final cost for the Denver route, which was approximately \$297,000. The District has a \$550,000 Small Community Air Service Development Grant which would be used to offset the cost of the flight. There will be funds remaining which would be used to negotiate with United in hopes of continuing the flight to Denver this coming summer.

The Bureau of Land Management (BLM) has a grant to expand security measures at their facility. Because the District owns the land and building, the security upgrades would be completed by the Airport and then reimbursed by BLM. The District's Legal Counsel voiced concerns that there was nothing that

binds BLM to reimburse the Airport once the upgrades were in place. The District would obtain bids before requesting a contract modification from BLM, so the District wouldn't be obligated to fund the project without an agreement with BLM. Commissioner Benetti asked and was informed that the security upgrades were necessary now, due to an across the board enhancement to security for all federal government facilities.

The BLM janitorial staffing contract was moved to the Executive Session for discussion.

The current BLM pest control contract was discussed and the Board decided to leave the existing annual agreement in place.

The Executive Director reminded the Board that the Bay Area Chamber of Commerce's economic outlook forum was being held tomorrow morning at The Mill Casino.

The Executive Director asked the Board to consider increasing the current land lease rate. The current land lease rates were set to \$0.35 a square foot and have been that way for years. Some lease agreements are based on Fair Market Value (FMV) minus 5%, which could result in a land lease rate below the \$0.35 a square foot. Commissioner Barton suggested basing the land lease rate on an inflation index or CPI. Commissioner Lehman stated that an annual process should be implemented to allow for adjustments to lease rates and Airport fees. The Executive Director offered that the Rates and Charges Appendix of the Airport's Minimum Standards document could be reviewed and adjusted annually.

Section V. Committee Reports/Presentations:

None

Section VI. Action Item:

Commissioner Benetti moved to approve the Executive Director to retain Oregon Fence Co. to provide labor and materials to install airfield fencing and security gates, in the amount of \$45,128 (second – Commissioner Barton). Commissioner Lehman inquired and was informed that the District has recognized the funding for the project. Motion passed.

Commissioner Lehman moved to approve the Pest Control Agreement for the BLM Offices and Warehouse (second – Commissioner Benetti). Motion passed.

Commissioner Lehman moved to take whatever steps necessary to secure money for the BLM facility security, short of financially obligating the District (second – Commissioner Barton). Motion passed.

Commissioner Lehman moved to authorize the Executive Director to take whatever action to get a security alarm monitoring contract in place to satisfy BLM (second – Commissioner Benetti). Motion passed

The motion to approve Bay Area Enterprise to provide janitorial services to the BLM Facility was tabled.

The motion to approve the geotechnical work order contract for the DHS/DAS Build-to-Suit site was moved to the Executive Session for discussion.

Section VII. Commissioner Comments:

The next Board meeting is scheduled for January 21st, 2016.

Commissioner Benetti thanked everyone who participated in their Thanksgiving dinner event for the community. Commissioner Lehman thanked Commissioner Benetti for all his efforts.

The Board wished everyone happy holidays.

Public Comments:

None

Adjourn at 8:25 a.m. to Executive Session.

The Board reconvened after the Executive Session and made a public announcement.

Commissioner Benetti moved to approve the Special Districts Insurance Services (SDIS) Airport Liability Insurance Renewal (second – Commissioner Barton). Motion passed.

Chairman Briggs stated that the Board reviewed the Executive Director's annual performance and contract amendment.

Commissioner Barton moved to award the Executive Director a one year merit pay increase of 2.2% (\$2,600), with no CPI increase (second – Commissioner Mineau). Commissioner Mineau, Commissioner Benetti, Commissioner Barton,

and Chairman Briggs voted yea. Commissioner Lehman voted nay. Motion passed.

The Board discussed the District's vacation and sick day accrual policy.

Commissioner Benetti moved to approve the amendment to the Executive Director's employment agreement (second – Commissioner Barton). The amendment to the contract removed the CPI language and added a Board determined COLA (Cost of Living Adjustment), while leaving available vacation days at 20. Motion Passed.

Adjourn