

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday March 16, 2017

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday March 16, 2017, at 7:30 a.m. in the District Boardroom.

CALL TO ORDER: Chair Mineau called the meeting to order.

COMMISSIONERS PRESENT:

Helen Mineau, Chair;
Joe Benetti, Commissioner;
Mike Lehman, Commissioner;
Amy Muenchrath, District Legal Counsel.

ABSENT: Jon Barton, Commissioner; John Briggs, Vice-Chair.

STAFF PRESENT: Theresa Cook, Executive Director, Attended via conference call; Bob Hood, Operations Manager; Rick Skinner, Project Manager; Jennifer Groth, Public Information Officer; Robert Brittsan, Executive Assistant; Cynthia Henson, District Accountant.

MEDIA AND GUESTS PRESENT: Jim Innes, CH 14.

PLEDGE OF ALLEGIANCE: Led by Commissioner Benetti.

Section I. Review of Minutes: February 23, 2017 Board Meeting:

Upon a motion by Commissioner Benetti (second - Commissioner Lehman), the minutes of the February 23, 2017 regular Board meeting were approved.

Section II. Review of Invoices:

Upon a motion by Commissioner Lehman (Second Commissioner Benetti) the invoices through March 15, 2017 in the amount of \$357,664.98 were approved.

Section III. Finance Report:

The Board reviewed the finance report and made no comment.

Section IV. Discussion Items:

The Operations Manager addressed the Board to update them on general operations of the airport and airport property. The Operations Manager brought up the matter of the recent sewage back up at the Business Enterprise Center (BEC). This was due to a blockage of a North Bend city main line that caused sewage to back up into the BEC. Airport Operations had a professional cleanup crew on the scene within two hours of the incident. Cleanup and restoration is substantially complete with the exception of Bay 1. The Coos County Airport District (CCAD) is currently working with their insurance company regarding the handling procedure from here on out.

The Operations Manager provided photos for the Board of the old electrical furnaces that the Fixed Base Operator (FBO), Coos Aviation, has asked the CCAD to replace. The current furnaces are over thirty years old and have been rebuilt many times. Commissioner Benetti asked and was informed by the Operations Manager that the quote for new natural gas furnaces is \$9,435 and that is including running the gas lines.

The Project Manager updated the Board on the status of the Department of Human Services (DHS) Adult and People with Disabilities (APD) remodel project, and provided them with many before and after reference photos from when he first became involved with the project. The Project Manager was pleased to inform the Board that the DHS district manager had taken many groups of employees on tours of their new facility prior to opening day, and that they were overwhelmingly happy with their new building.

The Project Manager updated the Board on the status of the DHS build to suit project. Gas lines have been run across the parking lot to start the staging process, and the north entrance to the site is now rock and gravel. The contractors started digging utility lines and came across old asbestos siding trapped inside a pocket in the ground from the building that was previously on the site. The CCAD's Project Manager had the contractors on site dig more pocket holes to determine the scope of the problem, and found that as quickly as they had come into the asbestos siding they were out of it again, finding only roughly a five-gallon buckets worth of the material. The CCAD contacted the company Arcadia, who specializes in the disposal of asbestos material, and discarded the material using the proper procedures. On site, the contractors also ran into an old steam line that contained asbestos, and a wooden water/sewer line-both have been removed from the site and the lines are currently being backfilled.

The Public Information Officer (PIO) gave a report to the Board, regarding what the CCAD has been involved in with public relations. For community activities, the CCAD has sponsored two Wednesday Business Connection (WBC) lunches for the Bay Area Chamber of Commerce (BACC), on February 15th and March 8th. The CCAD was the featured speaker at the WBC lunch on March 1st, and the Public Information Officer spoke about what projects the CCAD is currently involved in, a bit of history about the airport, and what projects the CCAD has planned for the future.

The PIO explained that she now has a position with the County Tourism Work Group, which is a group that was created to disburse the proposed funds, provided by Bandon Dunes, for the County jail and tourism for the area.

The PIO briefly mentioned that there would be a Business Expo at The Mill Casino, on March 18th, and that the CCAD would have a booth, giving away custom Southwestern Oregon Regional Airport luggage tags and pens.

The PIO spoke with the Board regarding promotional activities that she has recently been working on, giving special thanks to James Turner of Bandon Dunes, and all the help he has provided to the CCAD in terms of crafting a marketing approach. The plan is to focus heavily for the next month and a half on the fact that the Portland flight is going to a daily flight, then the CCAD will refocus its attention on promoting the Denver flight. Bandon Dunes has suggested that the CCAD should focus its efforts, and marketing budget, more towards trying to get commuters to travel out using our airport, versus marketing to bring people into the community

The PIO mentioned the removal of the billboard advertisement near the FBO, as the sign was extremely faded and Seaport Airlines was still listed. There was a sign underneath for the Small Business Development Center that is in good shape, and will make an adequate replacement in the meantime.

The PIO made comment about a meeting she attended in Salem for the Southwest Area Committee of Transportation (SWACT) regarding the grants they were providing to smaller airports. She explained that this was a good opportunity for the CCAD as it was very educational and she was able to meet a large variety of people involved with airports around the state.

The Oregon Infrastructure Finance Authority (IFA) meeting was mentioned. The IFA meeting was attended by the PIO along with the Executive Director, Chair Mineau, and Commissioner Briggs to obtain the IFA loan to fund the DHS build to suit project. Commissioner Lehman asked and was informed by the PIO that the

new contact, as the previous contact Becky Bryant has relocated, with the IFA has been determined.

The PIO mentioned that Caddy McKeown, the State Representative, was planning on holding an event called "Coffee with Caddy" at the DHS APD remodel building. The event is open to the public, and will be held Friday at 3:30p.m. The PIO planned on stopping by and thanking Caddy for utilizing airport property to hold the event.

The PIO mentioned that from this point forward, she would like to provide the Board with social media statistics for the CCAD's website and Facebook page, as a frame of reference of how beneficial it is for the airport.

Commissioner Benetti asked and was informed by the PIO that Bandon Dunes had asked the CCAD to contribute, what could be considered minimal funds when compared to what they themselves have provided, to promoting the Denver flight when they noticed sales start to dip. Bandon Dunes had a promotional firm out of Bend draft a press release as an extra push for the Denver flight, and the CCAD was able to include a paragraph about the airport in consideration of our contribution.

Commissioner Benetti inquired what was left of the Small Community Air Service Development Program Grant (SCASDG) that the CCAD received in 2011 to help subsidize the flight to Denver. The PIO informed the Commissioner that there was roughly only \$27,000 left. Commissioner Lehman asked the Executive Director if there was any more dollars available at the legislative federal level for transportation infrastructure that the CCAD could look into. The Executive Director stated that there was a possibility that the Federal Aviation Administration (FAA) was going to raise the cap on the Passenger Facility Charge (PFC), which is currently set right around \$3.50 per passenger. This would increase revenue on a huge level, and would decrease competition for dollars with the larger airports in the state. Commissioner Benetti addressed Commissioner Lehman, inquiring and confirming that what he was actually referring to was the infrastructure funds that may be coming to repair bridges and roads - i.e. transportation. Commissioner Benetti commented on this, stating that at the City level, the disbursement of these funds is going to happen so rapidly, that if the CCAD doesn't have a project planned at the time the funds are available, we will not receive anything.

The Executive Directors report: The Executive Director informed the Board that the cost to have the Coos Bay North Bend Water Board realign the water main around the DHS build to suit site was estimated to be around \$35,000 after all negotiations were completed.

The Executive Director stated that she believed the CCAD needed to decide on a different pay out scenario for the Cushman and Wakefield Commission Agreement for the DHS remodel project. The original proposal that Cushman and Wakefield drafted, stated that the CCAD would make its first payment of \$44,925.91 as soon as DHS moved into their new facility, and the second payment of \$44,925.91 at the end of the year, for a total of \$89,851.82. However, given that the CCAD has not received the first month's rent nor the reimbursement of the approximately \$230,000 in change orders that DHS asked for, the Executive Director suggested that the CCAD should push the first payment out for another couple of months. Commissioner Benetti asked the District Legal Counsel if the CCAD had any obligation to pay this in the time frame stated on the agreement. Legal Counsel stated that her recollection, based on the previous discussions during past board meetings, was that the negotiations for this agreement were still under way, but that to her understanding payment was to be made in full as soon as DHS occupied the building. The Executive Director informed the Board that this agreement is simply a draft that Cushman and Wakefield sent over to the CCAD, and that we have yet to enter into an official signed agreement. Commissioner Benetti asked and was informed by the Executive Director that the CCAD agreed to pay the full \$89,851.82, but that the terms of the payment had yet to be agreed upon.

The Executive Director mentioned that the PIO, Project Manager, and herself recently had a meeting with the Energy Trust of Oregon regarding any possible funding incentives for the DHS build to suit facility. The PIO spoke with the Board further on this matter, stating that the Project Manager had organized a meeting, with the help of Pacific Power, with the Energy Trust of Oregon so that the CCAD would have a better understanding of how to receive rebates from the Energy Trust. The architect for the build to suit project is now up to speed and is looking at opportunities for the CCAD to receive financial benefits from the Energy Trust, which can include energy efficient electrical systems and an energy efficient Heating Ventilation and Air Conditioning (HVAC) unit. The PIO stated that the meeting proved to be a valuable conversation airport wide, as they spoke with the Energy Trust representative about the other airport tenants and the possibilities of getting rebates from improvements to other facilities. The new Coos Aviation furnace was discussed and they stated that as long as the contractor installing the unit is registered with the Trust, the CCAD will have the opportunity to receive a rebate check. The PIO said that this was a good opportunity for the CCAD to not only make the airport more energy efficient, but to help financially as well. Commissioner Lehman asked and was informed by the PIO that there were solar program incentives still available, but that it would be necessary to do a cost analysis to see if purchasing the equipment would be worth it in terms of what you could save in energy efficiency.

The Executive Director notified the Board that the CCD Business Development Center, has given their thirty-day notice that they will be leaving the BEC to move to a new location in Coos Bay. Commissioner Lehman asked and was informed by the Executive Director that Southwestern Oregon Community College, CNB Security, Maintsmart and the Organization for Economic Initiatives are the tenants that still occupy the office spaces in the BEC. The rest of the building is completely filled, with the exception of the three suites that the CCD is leaving.

Section V. Action Item:

Commissioner Lehman (Second Commissioner Benetti) moved to approve the appointment of Eugene Peltier, MJ Koreiva, and Steve Scheer to the Coos County Airport District's budget committee, for a three-year term. Motion passed.

Commissioner Lehman (Second Commissioner Benetti) moved to approve the Coos County Airport District's Personnel Policy Manual. Motion passed.

Commissioner Benetti (Second Commissioner Lehman) moved to approve the Cushman and Wakefield Commission Agreement to be paid in two installments of \$44,925.91 for a total of \$89,851.82. First installment to be paid in two months, second to be paid at the end of 2017. Motion passed.

Commissioner Lehman (Second Commissioner Benetti) moved to approve the Owners Representative Service Contract with Superior Construction Consulting Services (SCCS) for the DHS build to suit office facility. Commissioner Lehman asked and was informed by Legal Counsel that the CCAD has all the necessary contract requirements in place. Motion passed.

Commissioner Lehman (Second Commissioner Benetti) moved to approve Resolution 2017-03-01, authorizing a supplemental budget to the Bureau of Land Management (BLM) facility fund for the 2016/2017 fiscal year budget, in the amount of \$228,900. Commissioner Benetti asked and was informed by the PIO, that this was in regards to the security upgrade projects at the BLM facility. The CCAD was aware of this project, but Previously did not know the scope or the cost of the upgrades, and now they need to be added into the budget. The CCAD will be reimbursed for these expenses, and once we receive the funds they will be transferred back into the BLM fund. Motion Passed.

Commissioner Benetti (Second Commissioner Lehman) moved to approve Resolution 2017-03-02, authorizing an Intra-Fund transfer within the General Fund. Motion Passed.

Commissioner Benetti (Second Commissioner Lehman) moved to approve having Comfort Flow Heating replace the two existing electrical furnace units with gas furnace units at Coos Aviation, at a cost of \$9,435. Commissioner Benetti questioned if it was the responsibility of the CCAD or Coos Aviation to get the Energy Trust involved to receive rebate checks. The PIO informed him that the contractor would assist the CCAD with anything related to the Energy Trust, and that as the owners, the CCAD would be entitled to any rebates. The PIO and the Operations Manager will collaborate on this matter to ensure it is handled. Motion passed.

Section VI. Commissioner Comments:

The first CCAD budget meeting is scheduled for April 10, 2017 at 5:30 p.m. in the District Boardroom.

The next regular board meeting is scheduled for April 20, 2017 at 7:30 a.m. in the District Boardroom.

Commissioner Benetti inquired about the possibility of shipping product using PenAir. The Commissioner mentioned that he had spoken with a local business that used to ship product out of our airport, but now has to haul their products up to the Portland Airport to ship. The Executive Director stated that the CCAD had previously done that with Seaport Airlines, and agreed to give the Commissioner contact information and to schedule a meeting with PenAir to see if that would be something they were willing to be involved in.

Commissioner Lehman asked and was informed by the Board Chair, that Commissioner Barton and Commissioner Benetti had both reapplied for CCAD Board positions. Today is the last day to apply.

Public Comments:

None

Adjourned at 8:10 a.m.