

**COOS COUNTY AIRPORT DISTRICT**  
**REGULAR BOARD MEETING**  
Thursday May 21, 2015

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, May 21, 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;  
Joe Benetti, Commissioner;  
Mike Lehman, Commissioner;  
Helen Mineau, Commissioner;  
Andy Combs, District Legal Counsel.

**ABSENT:** Jon Barton, Vice Chairman.

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

**MEDIA AND GUESTS PRESENT:** Gordon Young, CH 14; Brent Pahls, County Citizen; Mary Colton, Coos Aviation; Marcie Nunnely, Comcast Spotlight; Mike Chavez, KDCQ FM Radio; Stephanie Kilmer, KDCQ FM Radio.

**PLEDGE OF ALLEGIANCE:** Led by the Executive Director.

**Section I. Review of Minutes: April 16, 2015 Board Meeting:**

Upon a motion by Commissioner Benetti (second - Commissioner Mineau), the minutes of the April 16, 2015 regular Board meeting were approved.

**Section II. Review of Invoices:**

The Board reviewed new invoices, through May 20th, in the amount of \$174,248.68. Commissioner Mineau declared a potential conflict of interest in making the airfare arrangements for District employee training. Commissioner Mineau declined the standard service fee and the tickets were obtained at cost. A motion to accept the invoices in the amount of \$174,248.68 by Commissioner Lehman (second – Commissioner Benetti) was approved by the Board.

### **Section III. Finance Report:**

The Board reviewed the Financial Summary page. The Business Manager reported that the end of the fiscal year was approaching and that revenue from taxes was slightly behind last years. April was a good month for collecting transient Aircraft Use Fees, with May looking even better. Passenger Facility Charge (PFC) revenue declined over last year, due to seasonal flight adjustments made by SkyWest and SeaPort Airlines being behind in their payments.

Commissioner Benetti inquired as to why revenue from Airport Use Fees was up while Fuel Flowage Fees were down. General Aviation (GA) aircraft visits aren't directly related to fuel flowage, as GA pilots may or may not purchase fuel here. A contributing factor may also be the reduction in the number of SkyWest flights during the off season and the transfer of ownership from OceanAir to Reach Air Medical.

Commissioner Benetti asked and was informed that the parking system was not functioning and any repairs would wait for funding generated from additional air service.

The Business Manager reviewed the General Aviation (GA) Aircraft Visits Graph. GA visits were 121 for the month of April compared to 83 last year, up 46%, which is the best month of April since the fees were implemented.

The Fuel Flowage graph showed that over the first nine (9) months of the prior two (2) years, the average monthly revenue was \$5,700 compared to \$4,800 for the first nine (9) months of this year. Commissioner Lehman requested a breakdown, of who is purchasing fuel, be made available.

### **Section IV. Information Items:**

The Board reviewed operational and maintenance issues at the Airport. A sinkhole had developed on the south ramp, just south of the original sinkhole that had occurred last summer. The City of North Bend was informed and Johnson Rock was retained to perform the repair. The airport perimeter fence, which was removed to allow temporary access to the site, has been restored. The Board discussed the real possibility that another sinkhole will develop along the entire length of the pipe or from other similarly corroded storm drains. District Legal Counsel stated that because this could be an ongoing issue, for liability reasons the District should be proactive and send a letter to the City of North Bend requesting that they stay vigilant in monitoring for any future sinkhole problems.

The Executive Director informed the Board that discussions with PenAir, for air service to Portland, were still in negotiation. PenAir recently sent a technician from their IT department, to assess the airport's infrastructure and technology capabilities. PenAir would need a minimum 60 day lead time, in order to install their equipment and get the station up and operational.

The Airport recently signed a contract with United for service to Denver, Sundays and Wednesdays through the summer, from July to October. The Board discussed advertising options in order to assist in filling the CRJ-700, which is a 70 passenger jet. If the North Bend to Denver route is successful this season then additional service could be added for next year. The Airport District is advertising the route locally while Bandon Dunes Golf Resort is handling the other markets. Commissioner Lehman asked how much had already been spent and as to whether it was eligible for reimbursement from the Small Community Air Service Development (SCASD) grant. The SCASD grant recognizes \$35,000 to be used for local advertisements. The Board discussed marketing plans and strategies, both locally and in the Denver area. Due to such short notice, options were limited. Commissioner Lehman requested that traditional marketing be abandoned for a more sophisticated targeted campaign. The Executive Director has reached out to Comcast to give a presentation on social marketing at this Board meeting. Commissioner Mineau clarified that traditional advertising, such as the mobile billboard, is working and has already resulted in increased bookings for the Denver flight.

The old Coos Aviation buildings, that were damaged by the hangar fire back in December 2012, were slated to be removed. Initial estimates for demolition of both buildings were around \$29,000, and is on this Board agenda for approval.

Because of Oregon's new marijuana law becoming effective in July, the Coos County planning department sent out notification of their intent to amend facility and zoning policies. The Airport should also consider modifications to District policies in order to deal with the new law. District Legal Counsel stated that Airport zoning was very broad and encompasses retail businesses and thus would be affected by the new marijuana law.

A draft of the Airport's airside leasing policy was presented to the Board for their review. The Board discussed aeronautical development verses non-aeronautical development and recommended also creating a landside leasing policy to handle procedures for future tenants.

The Airport's Master Plan had recognized the American Legion building for demolition within the next five (5) years. The Airport District retained McSwain & Woods Architects to ascertain the life expectancy of the building, which was determined to be between 3 to 5 years. The Board agreed to have Chairman Briggs enter into discussions with the American Legion in order to define their needs over the next five (5) years and to explore future alternatives.

#### **Section V. Committee Reports/Presentations:**

Marcie Nunnally addressed the Board and presented them with a social marketing plan which would be used to target travelers within the Denver area. The first piece of which would be to redesign the FlyOTH website to be social media friendly and be able to handle tablets and smartphones. Marcie Nunnally introduced Stephanie Kilmer and Mike Chavez who explained KDock's vision and expertise in creating websites. Mike Chavez talked to social media, expanding the Airport's internet presence and doing targeted campaigns. The Board discussed the need for and cost of a new website, which was around \$2,000 and included a one year maintenance contract. Commissioner Lehman stated that it would require a substantial investment in order to get good year round air service and that the District should be willing to encourage the use of the Airport. Social media marketing would not be included in the redesign of the website but be an added expense. Commissioner Benetti moved to hire K-Dock to develop a new Airport website to handle social media content (second – Commissioner Lehman). Motion passed. Marcie Nunnally readdressed the Board and discussed the next phase of the social marketing plan. The Board agreed to the need to advertise locally and online in the Denver area and requested a proposal be developed and brought back at the next meeting.

#### **Section VI. Action Item:**

Commissioner Lehman moved to approve Resolution 2015-05-01, an Interfund loan from the General Fund to the Special Fire Insurance Settlement Fund, in the amount of \$207,669.27 (second – Commissioner Benetti). Motion passed.

Commissioner Lehman moved to approve the demolition of the old Coos Aviation buildings, in the amount not to exceed \$28,400 (second – Commissioner Benetti). Motion passed.

The current health insurance caps were based on the District covering an equal percentage of each of the four (4) classifications (Employee-EE, Spouse-ES, Family-EF, and Child-EC). At the time that the current caps were locked into place, the District's health insurance provider was Pacific Source. Due to a spike

in premium costs, the District switched to Moda Health Insurance which resulted in a disproportionate amount of burden being placed on families. The original intent of the Board was to apply the same percentage of coverage to each category. Applying equal percentages to the Moda plans increased the District's obligation by \$462 a month. Commissioner Mineau moved to approve the readjustment of the District's health insurance caps (second – Commissioner Benetti). Motion passed.

**Section VII. Commissioner Comments:**

The third budget meeting will be held on Monday June 1st, and the next Board meeting was June 18th, 2015.

**Public Comments:**

None

**Adjourn at 9:15 a.m.**