

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday June 22, 2017

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, June 22, 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;
Jon Barton, Commissioner;
Mike Lehman, Commissioner;
Joe Benetti, Commissioner;
Amy Muenchrath, District Legal Counsel.

ABSENT: John Briggs, Vice-Chair;

STAFF PRESENT: Theresa Cook, Executive Director; Jennifer Groth, Public Information Officer; Robert Brittsan, Executive Assistant; Rick Skinner, Project Manager; Cynthia Henson, District Accountant.

MEDIA AND GUESTS PRESENT: Jim Innes, CH 14.

PLEDGE OF ALLEGIANCE: Led by Commissioner Lehman.

Section I. Review of Minutes: May 25, 2017 Board Meeting:

Upon a motion by Commissioner Lehman (second - Commissioner Barton), the minutes of the May 25, 2017 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices, through June 21st, 2017, in the amount of \$1,043,040.80. Chair Mineau asked for clarification with regards to a vendor invoice for an online QuickBooks training course, and the Executive Director explained that one of the office staff members was currently taking this course. Chair Mineau also asked who the vendor, Local Government Policy Institute (LGPI), was that was listed on the vendor invoices to be paid list. The Executive Director explained that this was the Coos County Airport District's (CCAD) Legal

Human Resources Attorney. A motion to accept the invoices in the amount of \$1,043,040.80 by Commissioner Lehman (second – Commissioner Benetti) was approved by the Board.

Section III. Finance Report:

Commissioner Lehman commented that on the accounts receivables aging report, there were still open invoices from SeaPort and PenAir Airlines that have been consistently on this report. The Executive Director explained that the SeaPort receivables were most likely due to Passenger Facility Charges (PFC) that were uncollectable for the CCAD after SeaPort claimed bankruptcy. Commissioner Barton questioned if there was anyway the CCAD could eventually collect on the funds due from SeaPort Airlines, and was told by the Executive Director that the larger banks had put claim to all the remaining assets that SeaPort Airlines had.

The Executive Director stated that PenAir is similar to SeaPort Airlines, in that they are a smaller operation and tend to pay their monthly PFC's in bulk payments, including multiple months. Commissioner Lehman commented that the CCAD should look into a way to get PenAir caught up with their PFC payments, so as to avoid possibility of uncollectable debt in the future. The Executive Director discussed with the board some of the challenges that smaller airlines like PenAir are currently facing due to pilot and maintenance staff shortages, causing their cancellation rates to climb and cash flows to become increasingly restricted, affecting their ability to pay monthly. Chair Mineau mentioned that there may be a shortage of front desk airline employees as well. The Executive Director agreed, stating that it is difficult to find part time staff members that can pass the rigorous background checks required for this industry. Stating that the Transportation Security Administration (TSA) is currently short staffed as well.

The Executive Director briefly mentioned that the CCAD is looking into applying for the Small Community Air Service grant, to possibly subsidize air service.

Section IV. Discussion Items:

The Executive Director addressed the board to give the Operations Report. The Executive Director quickly mentioned to the board that the final WWII concrete bunkers have been removed, effectively beautifying the landscape.

The Project Manager approached the board to update them on the status of the Department of Human Services (DHS) build to suit project. The site has been extremely busy in the last month, and a substantial amount of work has been completed. The Project Manager discussed some of the recent progress at the site, including finishing the slab on grade (SOG) concrete pour of the first floor,

starting steel erection, erecting the stairs to the second floor, along with prepping and pouring the concrete for the slab on metal deck (SOMD) on the second floor. The Project Manager explained that there had been some cracking in the concrete on the East side of the SOG, just passed the elevator shaft. The Engineer inspected the cracking at the CCAD's request, but didn't find any foundation issues. The Project Manager suspected it was due to high winds drying the concrete too quickly during a 22-hour concrete pour. There were some issues with the SOMD as well, where the rebar underneath was showing through thin spots in the concrete due to the crew pouring an inch under the required 5 ½ inch grade. The crew has patched up the low spots to hopefully resolve the problem. Commissioner Lehman inquired if the build to suit facility would have a metal roof. The Executive Director explained that there would be a vinyl roof installed, similar to the one the CCAD's new terminal has, as a metal roof was nearly \$1 million more. The project's completion date is still set for December 26, 2017.

The Executive Director addressed the board to give the Executive Directors report. The Executive Director mentioned that the Federal Aviation Administration (FAA) has notified the CCAD that they need to create a plan to address Runway 22's safety area, for aircraft overruns. The safety area must extend the full 1,000 feet passed the runway and cannot have rounded edges. The Executive Director explained that the CCAD would have to start with an Environmental Impact Study (EIS) which could take anywhere from 2 to 4 years, as fixing this problem would involve putting fill material into the bay. However, the CCAD may be able to use some of the information that is collected in the Port of Coos Bay's EIS for their dredging project, and the Liquefied Natural Gas (LNG) EIS. The FAA will help finance the project with Airport Improvement Plan (AIP) funds. The Executive Director spoke with the board about another option that the FAA Engineering Design Consultants mentioned, called Engineered Materials Arresting Systems (EMAS), which would let the CCAD avoid the need for an EIS as it doesn't involve actually extending the runway, but the costs to install this material is around 5 to 7 million dollars. Commissioner Barton suggested the possibility of using the Port of Coos Bay's EIS to fit the CCAD's needs, as this area falls into their dredging zone. The board discussed approaching the Port of Coos Bay and LNG regarding this matter soon, as all of these future enterprises will inadvertently affect one another.

Commissioner Barton inquired and was told by the Executive Director that there have not been any updates in regards to what will be built on the empty lot across from the Pony Village mall. Only that the owner of the property recently submitted a Form 7460 to the FAA, stating that he would like to erect a structure there. The CCAD owns a small piece of the lot and currently leases it to the gentleman that owns the rest of the property. The CCAD has chosen not to get involved with this

process, as the property is in the airports approach area and would be a conflict of interest to the FAA.

The Executive Director discussed with the board some funding options to expand the commercial aviation apron, including turning the expansion into an FAA funded AIP project, or contracting local engineering and pavement companies and paying for it out of pocket. The Executive Director commented that when the new terminal was designed, it was intended for the smaller aircraft that served the CCAD at the time, that would ideally be moved and turned around on the apron using a tug. Expanding the apron's asphalt will require an EIS for both funding options. Commissioner Barton asked and was informed by the Executive Director that there most likely wouldn't be a categorical exclusion for the area that needed to be expanded, as there has previously never been anything built there, meaning an EIS would be required.

The Executive Director noted that the Energy Trust of Oregon had awarded the CCAD a \$5,579 check for the energy saving incentives used on the DHS Aging and People with Disabilities building.

The Executive Director commented that the CCAD's renewal costs for the Special Districts Association of Oregon (SDIS) workers compensation benefits, for the fiscal year 2017/18, were lowered. This was due to the operations agents and the Executive Director being reclassified with the SDIS.

Section V. Action Item:

Commissioner Lehman (Second Commissioner Benetti) Moved to adopt Resolution 2017-06-01, approving the fiscal year 2017/18 budget, in the amount of \$15,387,073 and certification of the tax rate at \$0.24 per \$1,000. The Budget Officer stated, "The Coos County Airport District's governing body receives the budget in the amount of \$15,387,073, as approved by the Budget Committee." Commissioner Benetti asked and was informed that the tax rate had no variance compared to last fiscal year. Motion passed.

Commissioner Lehman (Second Commissioner Barton) Moved to approve PEG Broadcast Services Inc., to provide videotaping and broadcasting of the District's monthly board meeting, in the amount of \$3,492. Motion passed.

Commissioner Lehman (Second Commissioner Barton) Moved to approve the South Coast Development Council (SCDC) membership. Commissioner Lehman

asked and was told by the Executive Director that the CCAD spent \$10,000 last year on its Platinum membership. Commissioner Benetti inquired if the CCAD should start thinking about increasing their membership contributions, to better secure its position on the board. Commissioner Barton and Commissioner Lehman stated that at this time, the CCAD should remain at \$10,000, and would reevaluate the amount next year. Motion passed.

Section VI. Commissioner Comments:

The next Board meeting is scheduled for July 20, 2017.

Public Comments:

None

Adjourned at 8:00am