

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday August 18, 2016

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, August 18, 2016, at 7:30 a.m., in the District Boardroom.

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

COMMISSIONERS PRESENT:

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

ABSENT: None.

STAFF PRESENT: Theresa Cook, Executive Director; Gordon Gates, Business Manager; Jennifer Groth, Public Information Officer; Robert Brittsan, Executive Assistant.

MEDIA AND GUESTS PRESENT: Gordon Young, CH 14; Brent Pahls, County Citizen.

PLEDGE OF ALLEGIANCE: Led by District Legal Counsel.

ELECTION OF OFFICERS: Chair Mineau selected Commissioner Briggs to be the Coos County Airport District's Vice-Chair.

Section I. Review of Minutes: July 21, 2016 Board Meeting:

Upon a motion by Commissioner Lehman (second - Commissioner Benetti), the minutes of the July 21, 2016 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices, through August 17th, in the amount of \$255,191.05. Commissioner Benetti asked and was informed that line item 8116 was a combination of all capital outlay projects and not just for debris removal at the DHS building site. Commissioner Barton asked about the natural gas bill, which had increased substantially. The increase was due to the repair of the terminal HVAC system, which is reliant on natural gas. The system hadn't been operating correctly, with the HVAC unable to regulate the temperature in the terminal. Commissioner Benetti asked about the state of the social media advertising campaign for Denver and whether other markets were also being targeted. Currently the Airport District was advertising in Denver, Portland, and San Francisco. A motion to accept the invoices in the amount of \$255,191.05 by Commissioner Lehman (second – Commissioner Barton) was approved by the Board.

Section III. Finance Report:

The Board reviewed the Financial Summary report. Commissioner Benetti inquired and was informed that the final payment to Smith & Smith had been made. Commissioner Benetti questioned District Legal Counsel on any remaining legal actions that were still pending due to the hangar fire. District Legal Counsel offered that one item remained, the appeal of the insurance settlement suit.

The Executive Director stated that July was a good month for enplanements, fuel sales, and rental car revenue. Commissioner Benetti commented on the revenue generated by the rental cars, of which the District receives a 10% commission.

Section IV. Information Items:

The Executive Director updated the Board on the status of air service at North Bend. PenAir's load factor is running between 46% and 48%, while United/SkyWest to San Francisco is holding steady at 80% and United/SkyWest to Denver is at 56%. When enplanements were compared to prior years, the data confirmed that the Denver route was not taking away passengers from the San Francisco route. With Denver at 56%, the route would need to be subsidized again to return next year. The Board discussed options for improving air service next year. Commissioner Lehman asked and was informed that there would still be funds available in the Small Community Air Service Development Grant to apply to next year. Commissioner Briggs wondered if the advertising was working, as it didn't seem to have increased passenger counts. Commissioner Lehman stated that even if there was subsidy money left, it may not be in the District's best interest to fund the Denver route for another year. Commissioner

Barton mentioned that if the LNG project moved forward, they could subsidize the flight to Denver. The Executive Director stated that the Airport seems to be attracting a different mix of passengers, its' not all golfers to Bandon Dunes. Mr. Pahls offered that United's website is confusing because they don't recognize the Sunday and Wednesday schedule, which adds to the problem. Commissioner Benetti inquired and was informed that the passenger counts on PenAir are a lot lower then on SeaPort, mainly due to the time of their flight.

A video showing the wind separating the roof membrane from the terminal roof, was viewed by the Board. The adhesive that attached the membrane to the roof had failed and emergency repairs were conducted before the wind could rip the membrane entirely off the roof. At the latest meeting in Salem, it was noted that the LRS architects design plans for the DHS build to suit building called for the use of a roof membrane, which may not be the best option for our environment. The Board discussed roofing alternatives.

The DHS design meeting that was held in Salem discussed landscaping options at the DHS build to suit site. Until the District receives the Guaranteed Maximum Price (GMP) number, the interior of the building would remain unchanged. Choices still remain for the landscaping, parking lot drainage and roofing. The Executive Director displayed an image of the landscaping in front of the terminal soon after its completion and compared that to a current picture. The contrast was stark, with almost all of the original plants dead and gone. Commissioner Benetti asked and was informed that a sprinkler system was going to be installed at the terminal. Commissioner Lehman offered that the DHS landscaping should consist of something that doesn't require much care and be appropriate to our climate. The Board discussed landscaping options.

An update to the DHS APD remodel project was provided to the Board. The old HVAC system had rusted away and needed to be replaced. The generator had been refurbished and is now functioning. The water and sewer lines have been installed. All lights have been removed and stacked for recycling. The duct system did not conform to the design plans and have been removed and stacked behind the building. Attempts to salvage the metal were unsuccessful, as the price per pound was insufficient to attract buyers. The interior has been trenched for the new water lines. The vestibule front office area has been removed. The substantial completion date is set for November 21. D.L.B. Construction Inc. was selected as the contractors and are working towards obtaining their performance bond.

The District's PIO, Mrs. Groth addressed the Board and provided background information on the parking lot system. The original system was installed in 2009 by SysParc for approximately \$260,000. To date, the revenue generated was \$143,000, with a monthly average of \$3,500, prior to the decline of the system. Maintenance repair costs to date were roughly \$14,000. In March 2015, due to maintenance issues, the District decided to shut down the system.

Additional information was provided in regards to parking options at other airports. Larger airports predominantly use parking management services, while smaller airports tend to have free parking.

Several options were presented and discussed, including repair of the current system, staffing a booth at high use hours, implementation of a pay by stall scheme, or removing the existing equipment.

Other things to take into consideration, the poor design of the parking lot, small easily congested traffic circle, narrow shallow spaces, limited sidewalk access, and the Jordon Cove LNG project, if it were to proceed, would affect the parking environment at the Airport. At this time, it may be more of a benefit to have free parking.

The Board discussed parking options. Commissioner Benetti stated that even if the Airport was extremely busy it still wouldn't pay to replace the system. Commissioner Lehman offered that he would not support staffing the parking lot and that the District should have looked into repairing the system before it was abandoned. Commissioner Barton suggested that an influx of LNG passengers would need more parking and that the Airport District should table the discussion for six (6) months, until FERC rules on the LNG project. The Board directed the PIO to obtain a repair cost estimate from SysParc and to contact local specialists for alternatives.

Section V. Committee Reports/Presentations:

None

Section VI. Action Item:

Commissioner Barton moved to approve the selection of Amy Muenchrath, Muenchrath, LLC, as the Coos County Airport District's Legal Counsel (second – Commissioner Benetti). Commissioner Lehman stated, for full disclosure, that he has known and worked with Amy and her husband for quite some time. Motion passed.

Commissioner Briggs moved to ratify the LRS Architects contract (second – Commissioner Barton). Motion passed.

Commissioner Briggs moved to ratify the HGE, Inc. Architects contract (second – Commissioner Barton). Motion passed.

Commissioner Benetti inquired about ratifying the D.L.B. contract before the performance bond was in place. The Executive Director stated that the contract itself addresses the bond issue. Commissioner Barton asked what would happen if D.L.B. doesn't receive their performance bond. District Legal Counsel, Amy Muenchrath, responded that the bid bond remains in place until the performance bond is issued. If a performance bond is not issued then the bid bond would cover the cost of selecting another contractor and starting over. Commissioner Benetti moved to ratify the D.L.B. Construction agreement (second – Commissioner Briggs). Motion passed.

The Executive Director updated the Board with background information on the fill relocation at the DHS build to suit site. Commissioner Briggs inquired about fill compaction. The Executive Director responded that the fill compaction was not part of the bid requirements since the District doesn't know the final use for the material or land. Commissioner Barton asked and was informed that the site would be seeded after work had been completed. Commissioner Lehman moved to award the fill relocation contract to Benny Hempstead Excavating, Inc., in the amount of \$59,400, contingent upon the project being completed by the end of September, 2016. (second – Commissioner Benetti). Motion passed.

Section VII. Commissioner Comments:

Chair Mineau encouraged the public to attend the annual Blackberry Festival.

The next Board meeting is scheduled for September 22nd, 2016.

Public Comments:

None

Adjourned to Executive Session at 8:40 a.m.