

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday September 17, 2015

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, September 17, 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;
Joe Benetti, Commissioner;
Mike Lehman, Commissioner;
Jon Barton, Commissioner;
Andy Combs, District Legal Counsel.

ABSENT: None

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

MEDIA AND GUESTS PRESENT: Gordon Young, CH 14.

PLEDGE OF ALLEGIANCE: Led by Chairman Briggs.

Section I. Review of Minutes: August 20, 2015 Board Meeting:

Upon a motion by Commissioner Lehman (second - Commissioner Benetti), the minutes of the August 20, 2015 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices, through September 16th, in the amount of \$747,016.95. Commissioner Barton voiced concerns over the amount spent on monthly sanitation services for the airport terminal, maintenance shop, and Business Enterprise Center. Commissioner Mineau inquired and was informed that the new Oshkosh Aircraft Rescue and Fire Fighting (ARFF) vehicle was placed on this month's invoices in order to obtain Board approval for payment, prior to reimbursement from the FAA. A motion to accept the invoices in the amount of \$747,016.95 by Commissioner Mineau (second – Commissioner Barton) was approved by the Board.

Section III. Finance Report:

The Board reviewed the Financial Summary page. The Business Manager reported that three (3) months worth of fuel flowage fees were received in August, bringing the year-to-date up to close to that of last year. Year-to-date the Passenger Facility Charge (PFC) fees were down approximately \$15,000, due in large part to SeaPort Airlines being five (5) months behind in their payments.

The cash flow recap comparison report showed that the 2015/16 fiscal year General Fund ending balance forecast had changed. The Business Manager pointed out that the year end forecast had increased from \$182,000 to \$348,227, due to recalculation of the debt owed to the Oregon Infrastructure Finance Authority (IFA). The Oregon IFA determined that some past payments were improperly attributed to interest and not to the principle. The remaining debt will be amortized over a twenty (20) year period, with the first payment in December of 2016. The District had already recognized the debt payment in this fiscal year. Not having to make the payment in December resulted in the increase to the ending fund balance. Currently the outstanding principle debt stands at \$1,172,930, with an estimated additional \$1,080,000 in non-compounding deferred interest. The Board discussed interest calculations and the details of the original Oregon IFA agreement. Commissioner Benetti asked and was informed that the District had always planned to pay off the loan from the General Fund over that agreed upon twenty (20) year period. The Business Manager noted that the principal was still accruing interest even though the deferred interest was not. The Board directed the Executive Director to investigate options to reduce the amount owed in interest payments.

The Business Manager reviewed the General Aviation (GA) Aircraft Visits Graph. GA visits were 196 for the month of August compared to 193 last year, which was up only slightly, but the revenue increased by \$2,000 due to the mixture of planes. The Business Manager unveiled a new chart comparing the average year-to-date revenue generated from the Airport Use Fees over the past four (4) years versus the current year. The graph depicted that August was ahead of the average in both invoiced and collected fees.

The Business Manager reviewed the Commercial Enplanements Graph. Enplanements for August were 8,663 compared to last August at 9,297, which is a decline of 7%. The decrease was due to SkyWest only having one flight to San Francisco (SFO) this summer compared to two (2) daily flights last summer.

The Business Manager reviewed the Commercial Carrier Tonnage Graph and unveiled a new chart comparing annual freight traffic, over the past four (4)

years. SkyWest freight tonnage was down 20% over the previous year, while SeaPort was up 3%.

Section IV. Information Items:

The Executive Director updated the Board on the status of air service at North Bend. Passenger load factors were steady for the month of September, down slightly from August. The San Francisco (SFO) route was maintaining a load factor in the 80% range, while the Denver flight was around 60%. The Board discussed the Denver flight, which ends for the summer on October 18th. At this time, United has not announced continuing the Denver route for next year and no funds have yet to be expended at this time. Commissioner Lehman asked and was informed that United's SFO winter schedule, four (4) times a week, runs from October 27th through May 7th. Commissioner Lehman inquired about when PenAir would provide air service to North Bend. The Executive Director stated that PenAir was still working with the Transportation Security Administration (TSA) on the issue. And SeaPort Airlines was attempting to partner with Delta Air Lines in order to enhance their air service.

In the Operations Manager's absence, the Executive Director reviewed the operational and maintenance issues at the Airport.

A FAA required live mass casualty exercise was held on September 16th. The exercise involved numerous local agencies, including the North Bend Fire Department, North Bend Police, Bay Cities Ambulance, Reach Air Medical, Bay Area Hospital, TSA, SeaPort Airlines, SkyWest Airlines, and the U.S. Coast Guard. Local media was also present.

The computer control, for the baggage belt system, has been fixed and is now fully functional. The computer required hardware replacement, software reconfiguration and integration back into the Airport's baggage belt system.

The National Oceanic and Atmospheric Administration requested that wind monitoring equipment be installed at the Airport.

The Oshkosh Striker ARFF vehicle has been delivered and will be placed into service on October 1, 2015, following District staff training and certification of the vehicle, which is scheduled for the end of September.

District staff is painting and marking airport roadways to enhance visibility and promote safety.

Last week, the District received an unannounced Occupational Safety and Health Administration (OSHA) site visit. The inspection involved the terminal, fire station, maintenance shop and review of airport safety procedures and policies. Two (2) minor items, that were fixed immediately, were noted with no deficiencies or citations issued.

The Executive Director informed the Board of plans to attend the Oregon Airport Management Association conference in Corvallis.

The Executive Director reaffirmed that the BEC was now full and that the District was proceeding with looking at cost saving options to make it profitable.

Section V. Committee Reports/Presentations:

None

Section VI. Action Item:

Commissioner Benetti moved to approve the National Oceanic and Atmospheric Administration License Agreement (second – Commissioner Barton).

Commissioner Barton inquired and was informed that there was no financial obligation to the District. District Counsel had reviewed the agreement and the District can terminate it at any time with a 30 day written notice. Motion passed.

Commissioner Lehman 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 \$33,848 (second – Commissioner Barton). Commissioner Barton asked and was informed that the District had confirmed that both of the received bids were based on the same fencing material and gate style. Commissioner Lehman confirmed that this is a long term solution to the security perimeter fencing issue. Motion passed.

Commissioner Lehman moved to approve Resolution 2015-09-01 creating a Bureau of Land Management (BLM) Facility Fund (second – Commissioner Mineau). Motion passed.

Commissioner Barton moved to approve Resolution 2015-09-02 creating a Bureau of Land Management (BLM) bank account with Umpqua Bank (second – Commissioner Mineau). Motion passed.

Commissioner Barton moved to approve Resolution 2015-09-03 approving an inter-fund loan from the General Fund to the BLM Facility Fund, in the amount of \$135,000 (second – Commissioner Lehman). Motion passed.

Commissioner Barton moved to adopt resolution 2015-09-04, approving the supplemental budget to the 2015/16FY budget, (second – Commissioner Lehman). Commissioner Benetti inquired and was informed that the Budget Committee was not required to convene in order to pass a supplemental budget. District Legal Counsel confirmed that the publishing of a public statement that a supplemental budget was being considered, was sufficient. Motion passed.

Commissioner Mineau moved to adopt resolution 2015-09-05, approving the settlement of Coos County Case No. 15CV0260 and authorizing the Executive Director to execute the required settlement and loan documents, (second – Commissioner Lehman). Motion passed.

Section VII. Commissioner Comments:

Commissioner Lehman requested that two (2) cash flows be created for the BLM Facility Fund, to show the impact on this budget year and over the life of the loan.

The next regular Board meeting was scheduled for October 15th, 2015.

Public Comments:

None

Adjourn at 8:30 a.m. to Executive Session.