

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday September 21, 2017.

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, September 21, 2017 at 7:30 a.m., in the District Boardroom.

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

COMMISSIONERS PRESENT:

Jon Barton, Chair;
John Briggs, Commissioner;
Helen Mineau, Commissioner;
Mike Lehman, Commissioner;
Amy Muenchrath, District Legal Counsel.

ABSENT: Joe Benetti, Vice-Chair.

STAFF PRESENT: Robert Brittsan, Executive Assistant; Bob Hood, Operations Manager; Jennifer Groth, Public Information Officer; Rick Skinner, Project Manager; Cynthia Henson, District Accountant.

MEDIA AND GUESTS PRESENT: Jim Innes, CH 14; Mike Vaughan, Local Landscape Designer and Sculptor; Byron Henicle, Mead & Hunt; Kevin Mulcaster, Mead & Hunt.

PLEDGE OF ALLEGIANCE: Led by Commissioner Mineau.

Section I. Review of Minutes: August 17, 2017 Board Meeting:

Upon a motion by Commissioner Mineau (Second Commissioner Briggs), the minutes of the August 17, 2017 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices through September 20, 2017, in the amount of \$1,574,348.07. A motion to accept the invoices in the amount of \$1,574,348.07 by Commissioner Mineau (Second Commissioner Briggs) was approved by the Board.

Section III. Finance Report:

The Board reviewed the finance report with Commissioner Lehman making a comment that the Accounts Receivable aging report has seen steady increases in uncollected dollar amounts. Chair Barton agreed, stating that staff should increase efforts and remain diligent in collecting on passed due invoices.

Section IV. Discussion Items:

Byron Henicle, the Project Manager for Mead & Hunt's Portland office, approached the Board to discuss the Coos County Airport District's (CCAD) 5-year Capital Improvement Program (CIP) projects schedule. Mr. Henicle gave the Board a brief summary of the Federal Aviation Administrations (FAA) Airport Improvement Program (AIP), including an overview of the national AIP fund amounts that have been distributed annually over the last 6 years, and provided a more focused look at the funding that has been available to the Northwest Mountain Region over the same time period; which consists of Oregon, Washington, Idaho, Montana, Wyoming, Utah, and Colorado. The Northwest Region typically sees roughly \$340 to \$400 million in AIP funding annually, with the State of Oregon receiving \$38 to \$65 million of those dollars annually. In the state of Oregon, AIP projects are funded by the FAA up to 93.75% of the total project costs, leaving the sponsor accountable for the remaining 6.25%. Mr. Henicle described the difference between the two types of funding, called Primary Entitlements, which are automatically given based on your enplanement data, and Discretionary funds, which are competed for nationally and are used for projects that exceed the Primary Entitlement amounts. Discretionary fund amounts given are largely based on FAA priorities, with AIP projects involving safety being ranked very high.

Mr. Henicle discussed with the Board the details of the AIP projects that the FAA has programmed for the CCAD over the next five (5) years. The projects discussed were the improvements to the Runway 22 Safety Area, the Airfield Lighting and Signage project, and the Main Apron Rehabilitation. Chair Barton inquired why the cost for the lighting and signage project was so high. Mr. Henicle explained that the cost was for the entire project and that it involved not only replacing the dated lighting, but also rewiring nearly the entire runway; and replacing the Airfield, Taxiway, and Connector signs to conform to FAA Part 139 regulations, which dictates consistent naming. The airfield guidance signs would also be upgraded to LEDs and the runways would be remarked, due to changes in the magnetic declination of the airfield, resulting in runway 4-22 becoming runway 5-23. Mr. Henicle discussed the efforts that they would take during construction to mitigate the need to close the runway as much as possible, by working closely with CCAD staff with regards to scheduling.

Mr. Henicle provided the Board with a brief explanation of what was involved in the Runway 22 Safety Area expansion project. For the C-III aircraft operations that occur on Runway 22, the Safety Area needs to be 1,000 feet long by 500 feet wide in order to meet FAA regulations. Currently there is a corner on the end of Runway 22 that does not meet the full width requirement. The preferred method of achieving the proper width would be to fill in ½ an acre of the bay in the deficient area. Commissioner Lehman asked and was informed by Mr. Mulcaster that the CCAD would have an obligation to mitigate the filled in ½ acre at either a one to one ratio or a possible three to one ratio, which will be determined later in the project. Commissioner Mineau mentioned that there may be some mitigation credits available, and asked that Mead & Hunt look into the prospect of purchasing some of those for the project.

The main apron rehabilitation project would consist of a geotechnical investigation to determine repair and replacement options. More importantly, due to new FAA guidelines, the taxiway connectors from the apron to the runway would have to be relocated to ensure that there isn't a direct path onto the runway from the apron.

Additionally, Mr. Henicle quickly discussed the details and possible schedule for the construction of a new Aircraft Rescue and Fire Fighting (ARFF) building to replace the 70-year-old current ARFF building. Commissioner Lehman asked and was informed by Mr. Henicle that AIP dollars generally do not fluctuate depending on the Federal budget, as they are derived from aviation taxes and user fees.

The Operations Manager addressed the Board to give the Operations Report. The CCAD maintenance staff has been working to paint the airfield markings as is required periodically per the FAA. So far, staff has put down roughly 500 gallons of paint and will continue painting, weather permitting.

Recently, the airport hosted an Oregon Police K-9 Association training event in the Main Hangar. The event lasted a span of two days and had a turnout of approximately 147 officers.

The Project Manager approached the Board to update them on the status of the Department of Human Services (DHS) build to suit project. The roofing crew will start working on replacing the material, in small sections. Recent rain showed the areas that still needed attention. Due to changes to the HVAC system, the roof required a larger concrete pad which in turn caused a reengineering of the steel structure to accommodate the added load. The interior of the project is progressing

quickly with nearly half of the sheet rock and all of the insulation installed on the first floor. Currently the project completion date is on schedule, and the roofing and second floor slab on metal deck (SOMD) remediation are well underway. Commissioner Lehman asked and was informed by the Project Manager that Carlson Testing Inc. was asked by the CCAD to do some testing of the second floor SOMD, to provide more information regarding the extent of the leveling remediation work that was required. The Project Manager mentioned that there was a new superintendent for the contractor on site that was very knowledgeable and receptive to feedback and concerns from the CCAD.

The Public Information Officer (PIO) approached the Board to give a Public Relations Update. The PIO discussed some of the community activities that the CCAD has recently been involved with, like the presentation regarding tourism in the region as part of the volunteer training at the Coos Bay Visitor's Center. Other activities include attending a session for the state agency for tourism, Travel Oregon, to gain more knowledge about the structure and programs, and the CCAD operations and maintenance staff's involvement in the annual Veteran's Stand Down event that was hosted at the airport on August 18th.

For promotional activities, the PIO mentioned the ongoing efforts to effectively communicate with the public regarding the loss of the Penair Portland route; answering questions and providing information. The PIO has continued to send out the quarterly newsletter, On the Horizon, to keep the community informed about activities and changes at the airport. The CCAD had a bowling team that came in second out of 36 other teams in the annual Chamber Bowling Tournament, consisting of airport staff and tenants. CCAD will also be a sponsor at the annual Chamber Golf Tournament and will be passing out souvenirs and answering questions.

The PIO recently attended an Oregon Department of Aviation board meeting to apply for funding for air service marketing. CCAD was awarded a little over \$66,000 as a result, for marketing of service over the next 3 years. The PIO mentioned that Chair Barton was able to have a meeting with Representative Peter DeFazio to discuss the CCAD's recent loss of the Portland route, and some of the issues regional airports are facing with regards to keeping commercial air service. Commissioner Lehman mentioned the possibility of pooling funds with some other local airports to subsidize air service. Chair Barton stated that there were some early concepts on trying to get local entities to band together to subsidize air service for the community, but was amenable to reaching out to other regional airports. The PIO discussed the new ConnectOregon transportation package with

the Board, stating that for the 2017-19 biennium there would be no competitive grant process to apply for funding. Commissioner Lehman inquired if there were any unique ideas that have been employed to attract and keep air service to small rural communities. Mr. Henicle answered, stating that unfortunately there is a national pilot shortage and that many of the smaller aircraft used at regional airports are being phased out in favor of larger 70+ seat aircraft.

Chair Barton addressed the Board to give the Executive Directors report in the Director's absence. The airport will be hosting some activities in the main hangar including the crafts fair, Barktoberfest, that benefits the local animal shelter, and some pew restoration work being performed for the St. Monica's Church of Coos Bay. Commissioner Briggs commented that the company performing the pew restoration would provide CCAD staff with a certificate of insurance and references. Commissioner Lehman asked and was told that the company performing the work is for profit. Commissioner Lehman stated that the CCAD needed to make a distinction between a donation to a local church for the use of the hangar, and a donation to a for profit company, stating that they should be charged for use of the space. Commissioner Lehman also mentioned that for any activities that occur in the hangar, the costs that the CCAD incurs for staff escorts would need to be reimbursed, as those costs come directly from the CCAD's budget. Commissioner Lehman stated that there should be a form created internally by CCAD staff, for people of the community to fill out, to request use of the hangar for events. The Board agreed to have District Legal Counsel draft a form for the purpose of collecting general information about the event being requested along with stating liability requirements.

The PIO updated the Board on the status of the Small Community Air Service (SCASD) grant process, commenting that Jack Penning of Volaire Aviation has already started filling out an application for the CCAD based on previous years. The CCAD is looking for possible funding for the Portland route, and is hoping to leverage Bandon Dunes to make the application more competitive. Bandon Dunes has already expressed interest in partnering with the CCAD in this endeavor.

The General Services Administration (GSA) has requested that the CCAD have a seismic evaluation performed of the Bureau of Land Management (BLM) facility. The evaluation has been completed and the CCAD expects to see a full report by October 15th, 2017. Additionally, GSA has asked that the original project plans and specifications for the building be converted into AutoCAD format. The District has complied with this request and has subsequently hired McSwain & Woods Architects to convert the specifications within GSA's parameters, at a cost of

roughly \$3,500 to the CCAD. The PIO stated that one of the last requirements that GSA had regarding the lease proposal, was that the CCAD included a Conditional Commitment of Tenant Improvements allowance; this translates to \$16 per square foot for office space and \$2 per square foot for warehouse space, which amounts to roughly \$439,000. GSA has asked for evidence of at least a conditional commitment of funds that is signed by an authorized bank officer, showing the amount of the loan, term in years, and the interest rate. The Oregon Pacific Bank has assisted the CCAD in complying with this stipulation by providing the letter showing a conditional commitment to fund the tenant improvements.

Section V. Action Item:

Commissioner Briggs (Second Commissioner Lehman) moved to approve Resolution 2017-09-02 an Inter-fund Loan from the BLM Fund to the General Fund, in the amount of \$150,000. Commissioner Briggs stated that in all cases of the following Inter-fund Loans, there would be no interest charged. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) moved to approve Resolution 2017-09-03 an Inter-fund Loan from the Building Reserve Fund to the General Fund, in the amount of \$60,000. Motion Passed.

Commissioner Briggs (Second Commissioner Lehman) moved to approved Resolution 2017-09-04 an Inter-fund Loan from the Unemployment Fund to the General Fund, in the amount of \$35,000. Commissioner Briggs stated that the CCAD should borrow from the Unemployment Fund last if possible, to avoid any unemployment issues that may come up in the future. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) moved to approve Resolution 2017-09-05 an Inter-fund Loan from the Business Enterprise Center Fund to the General Fund, in the amount of \$20,000. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) moved to approve the National Oceanic and Atmospheric Administration (NOAA) wind profiler five (5) year agreement. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) moved to Ratify Carlson Testing Inc. project estimate for Impact Echo Testing at the DHS Build to Suit site, in the amount of \$3,846.50 + mileage. Commissioner Lehman asked and was informed by Chair Barton that the testing performed by Carlson Testing Inc. is nearly completed. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) moved to replace the Heating, Ventilation, and Air Conditioning (HVAC) unit in the first floor file room at the BLM facility by Comfort Flow Heating at a cost not to exceed \$6,850. Commissioner Lehman asked if there would be any cost benefit to having all 27 HVAC units replaced in the BLM facility at one time, versus spacing it out over a course of years. The Operations Manager stated that there may be a price break for ordering in bulk, and that he would request a quote from Comfort Flow Heating for the Board to review. Motion Passed

Section VI. Commissioner Comments:

The next Board meeting is scheduled for October 19, 2017.

Public Comments:

Mike Vaughan, a Local Landscape Designer and Sculptor, discussed with the Board the possibility of using airport property as a location for his roughly 12,000 pound sculpture; as the City of Coos Bay has asked that it be removed from its current location given the expiration of his Right of Way Permit previously granted by the City. The Board suggested that Mr. Vaughan submit an official request with CCAD staff before they can make a decision.

Adjourned to Executive Session at 9:00 a.m.

The Board reconvened after the Executive Session and made a public announcement.

Commissioner Lehman (Second Commissioner Briggs) moved to approve Resolution 2017-09-01 authorizing the conditional commitment of funds for the BLM facility tenant improvement allowance, in the amount of \$439,220. Motion Passed.

Adjourned at 9:25 a.m.