

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday September 22, 2016

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, September 22, 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;
Amy Muenchrath, District Legal Counsel.

ABSENT: Mike Lehman, Commissioner.

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

MEDIA AND GUESTS PRESENT: Gordon Young, CH 14.

PLEDGE OF ALLEGIANCE: Led by Commissioner Barton.

Section I. Review of Minutes: August 18, 2016 Board Meeting:

Upon a motion by Commissioner Benetti (second - Commissioner Barton), the minutes of the August 18, 2016 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices, through September 21st, in the amount of \$333,807.95. A motion to accept the invoices in the amount of \$333,807.95 by Commissioner Barton (second – Commissioner Briggs) was approved by the Board.

Section III. Finance Report:

The Board reviewed the Financial Summary report. The month of August showed an increase in General Aviation (GA) visits, especially in the upper tier aircraft. August was the best month for Airport Use Fees, since they were implemented back in May of 2011. Revenue from Fuel Flowage fees, however, decreased due to a decline in sales of Avgas fuel. The Board discussed the increase in the number of larger GA aircraft visiting the Airport and inquired about any interest in leasing of the main hangar. The Executive Director responded that the Airport was still waiting on an Unmanned Aerial Systems (UAS) company's decision on whether they were going to lease the hangar for training on their Unmanned Aerial Vehicles (UAVs).

Section IV. Discussion Items:

The Operations Manager updated the Board on operational and maintenance issues at the Airport.

Due to the longer wingspan of the CRJ700, the fueling truck which fuels the plane off of its right side has had to park in the grass area adjacent to the ramp. The constant use of this area has caused it to deteriorate to the point that the truck has become stuck on several occasions. The fueling truck must park on the right side of the aircraft, due to safety concerns and fuel port location. To avoid further difficulties and provide the fuel truck with proper access, a 70 x 14 foot area can be asphalted, expanding the ramp. Another option would be to switch parking locations with the smaller CRJ200. The fueling issue only occurs because the CRJ200 and CRJ700 arrive at roughly the same time and are both fueled from the right side of the plane. The Airport has been in contact with SkyWest Airlines as to the possibility of switching the boarding locations of the two planes. Commissioner Benetti inquired and was informed that SkyWest should respond within a month. Commissioner Benetti asked how long the CRJ700 will continue to fly its seasonal service for this year, which goes until October 5th. The Executive Director offered that the decision could be delayed until after United agrees to bring the route back again for next year. The Board discussed the feasibility of the flight returning next year and the availability of funding.

The FAA mandated that all public-use paved runways at all Part 14 CFR 139 certificated airports be assigned gross weight and Pavement Classification Numbers (PCN) for all runways on their 5010. The FAA could withhold AIP grant funding from Airports who don't comply with the new PCN classification. A pavement consultant engineer would therefore need to be engaged to generate the

PCN for the Airport. Commissioner Barton asked and was informed that the fee would not be recoverable, as the FAA would not fund such a small project.

The 65 foot Genie man lift required repair to one of its hydraulic hubs. It was purchased in 2011 to aid District staff with repairs to the many structures located on airport property. Its original cost, used, was \$28,000. During its service life with the District, the total repair cost since purchase was \$5,441. The rental cost per day for this unit would be \$481. District maintenance staff uses this unit approximately twice weekly on various projects around the Airport. Peterson Cat could repair the unit for \$5,454.74. Commissioner Barton inquired and was informed that the lift was purchased locally from RSC Equipment Rentals. Commissioner Barton asked if RSC can do the repair. The Operations Manager responded that RSC no longer handles repair of hydraulic equipment. Commissioner Barton offered that the problem was a hydraulic issue and that there were others in town who could do the repair. The Board recommended obtaining additional quotes for repair of the lift. Chair Mineau asked if the District had already rented a lift. The Operations Manager responded that the projects requiring the use of a lift had been postponed until the lift could be repaired. The Executive Director stated that a repair price comparison would be provided to the Board at the next meeting.

The District's PIO updated the Board on the status of the repair to the parking lot system. Several options were presented and discussed at the last Board meeting, 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. At the August Board meeting the Board directed the Executive Director to obtain a quote from SysParc for repair of their system, along with the price of an annual maintenance agreement. After review by a SysParc technician, the estimate for making the parking system operational was \$12,330, with an annual maintenance contract of an additional \$14,400. With a functional system, the estimated annual revenue would be \$16,800. Questions had arisen in the past about having to upgrade the software, which could add another \$2,000 to the repair costs. The PIO had contacted several SysParc customers, including the Eugene Hilton, and found that they no longer use SysParc and have removed the system completely. The Board had also directed the Executive Director to have O'Neill's Garage Doors look into the cost of a replacement system. Replacement of the SysParc equipment could be done for \$125,000, plus time and materials to cover installation.

The Board discussed the four (4) parking alternatives: retain and repair the system and revisit in six months; retain and do not repair the system and revisit in six months; replace the existing equipment; remove the existing equipment. At first

the Executive Director was leaning towards repairing the system and revisit in six months, until it was discovered that several of the computers would need to be replaced. Not repairing the system and waiting six (6) months may add to the repair costs when the equipment is finally fixed. After eight (8) years dealing with SysParc, there is no indication that the Airport would receive any better service. Commissioner Benetti stated that he had never supported paid parking at the Airport and recommended abandoning the system. Commissioner Barton stated that he was not comfortable with the annual maintenance contract. 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. Commissioner Briggs offered that even if the Airport was extremely busy, due to LNG, it still wouldn't pay to replace the system. Commissioner Briggs inquired and was informed that if LNG was to proceed, the Airport could potentially generate \$30,000 a year in revenue. Commissioner Barton added that a cheap seven dollar cab ride doesn't help in encouraging parking lot use. Having free parking could be used as a promotional tool and portrayed as a amenity. Commissioner Benetti asked what it would take to remove the system. The PIO responded, approximately 24 hours of staff time.

The PIO provided background information on the status of the apartments. The District owns an apartment building consisting of fourteen (14) units, eight (8) of which are currently occupied. Many are in need of rehabilitation. The District currently pays for building maintenance and E.L. Edwards receives 8% of the rental revenue, as a management fee. Oregon Coast Community Action (ORCCA) has been looking for low income housing and have toured the building as a potential prospect. ORCCA has submitted a proposal to lease the building for a ten (10) year term, with five (5) year renewals, at a rate of \$1,000 a month. ORCCA would take care of the maintenance, utilities and insurance on the apartments. With E.L. Edwards managing the facility, the District's current annual income was \$13,300 versus the ORCCA proposed \$12,000 a year. The District could take on the remodel project and place all fourteen (14) units back into service and potentially generate \$25,000 a year. The Executive Director added that ORCCA originally requested a thirty (30) year lease which would not have been acceptable to the FAA. Since the residential housing already exists, the FAA would be more favorable, with a ten (10) year lease. Commissioner Benetti asked and was informed that the District would need FAA approval. Commissioner Barton requested that clarification on the maintenance coverage be obtained. Commissioner Briggs wondered what would happen to the existing tenants. The Executive Director would investigate, for the next Board Meeting.

The Executive Director updated the Board on the status of air service at North Bend. Starting in October, PenAir will fly on Sunday, Monday, Wednesday and Friday. In November, SkyWest will fly on Sunday, Monday, Thursday and Friday. Because there would be no flights on Tuesday or Saturday, the Executive Director has reached out to PenAir, to petition for flights to resume on those days.

An update to the DHS APD remodel project was provided to the Board. The Oregon Pacific Bank loan resolution was on the agenda for Board approval. The resolution states that the Board approves of the loan and recognizes Board authority and specifies the signatory for the loan documents. A slideshow depicting the progress of the remodel was viewed, showing the metal framework of the interior walls and the installation of the exterior windows. The HVAC and fire suppression system were on track for completion.

The District has received the Guaranteed Maximum Price (GMP) number for the DHS build to suit facility. The Board discussed the GMP meeting with Swinerton Builders, the project's Construction Manager/General Contractor (CM/GC). District staff met with Swinerton Builders in an effort to negotiate the GMP amount down from the original \$12,900,000. The District recognized \$2M in savings which should lower the GMP to under \$11,000,000. Swinerton Builders has scheduled a meeting with LRS Architects to firm up the GMP costs.

Benny Hempstead Excavating was retained to relocate the fill material residing on the build to suit site. During the grading and leveling process, it was determined that a waterline would be buried under an additional tonnage of sand and the Coos Bay-North Bend Water Board was contacted for their approval to do so. The Water Board agreed that the line could be buried, but redirecting the water would be the optimal solution. Although the waterline doesn't enter the build to suit site, it does run through the middle of a future development area. The Water Board confirmed that it was an active line and that it could be rerouted. At this meeting the Board was asked to approve resolution 2016-09-02 authorizing redirection of the water main and right of way easement for the Coos Bay-North Bend Water Board, at the District's expense. Commissioner Benetti asked and was informed that the Water Board would do all the work, while the District would be responsible for the engineered design. Commissioner Briggs asked if the fill material at the site was to be compacted. The Executive Director responded that the DHS site has two concrete slabs buried under the material that would need to be removed before the site location could be compacted. The area that exists outside of the DHS build to suit would not be compacted. District Legal Counsel was looking into the possibility of expanding the existing fill relocation contract to encompass the slab removal. According to the geotechnical report, the slabs would have to be removed

before work could be started. The Board directed that the soils engineer be contacted to confirm that the structures would have to be excavated.

Cushman & Wakefield was the State's broker and as part of the DHS build to suit contract negotiations, a commission was agreed upon contingent on the final project costs. The Executive Director negotiated to pay the commission over a five (5) year period. Currently, the DHS APD building does not have an executed commission agreement. Payments were to start on the building's commencement date. The Board discussed government commission brokers and in enlisting congressional intervention for future leases involving government agencies.

The Executive Director was asking the Board for approval to negotiate a five (5) year service contract with Mead & Hunt, for aviation projects eligible for FAA funding. The Executive Director was meeting with Mead & Hunt next week to determine a fee schedule and funding agreement.

Section V. Action Item:

Commissioner Briggs moved to approve the terminal apron addition for the aircraft fueling truck, if needed, in the amount of 12,990 (second – Commissioner Benetti). Motion passed.

Commissioner Barton moved to approve a pavement consultant to provide runway pavement classification numbers, in the amount of \$8,000 (second – Commissioner Briggs). Motion passed.

The motion to approve the repair of the 65 foot Genie lift was tabled until a cost comparison was provided to the Board.

Commissioner Barton moved to approve the removal of the existing parking lot system equipment (second – Commissioner Benetti). Motion passed.

Commissioner Benetti moved to authorize staff to negotiate a lease agreement for the apartments based on the ORCCA proposal, contingent on an acceptable maintenance agreement (second – Commissioner Barton). Motion passed.

Commissioner Briggs moved to approve Resolution 2016-09-01 proceeding with a loan from Oregon Pacific Bank, in the amount of \$2,200,000 (second – Commissioner Barton). Commissioner Benetti declared a conflict of interest and abstained from voting. Motion passed.

Commissioner Benetti moved to approve Resolution 2016-09-02 authorizing redirection of the water main and right of way easement for the Coos Bay-North

Bend Water Board, pending determination of project costs (second – Commissioner Barton). Motion passed.

Commissioner Benetti moved to approve the Cushman & Wakefield commission agreement (second – Commissioner Briggs). Commissioner Barton, Commissioner Benetti and Commissioner Briggs voted Yea, Chair Mineau voted Nay, Motion passed.

Commissioner Briggs moved to approve the Swinerton Builders agreement (second – Commissioner Benetti). The Board discussed alternatives to the Swinerton agreement, the CM/GC process and GMP cost estimates. Motion passed.

Commissioner Benetti moved to direct the Executive Director to negotiate a five (5) year service contract with Mead & Hunt (second – Commissioner Briggs). Motion passed.

Section VI. Commissioner Comments:

The Board selected October 24, 2016 for the DHS build to suit groundbreaking ceremony.

The next Board meeting is scheduled for October 20, 2016.

Public Comments:

None

Adjourned at 8:50 a.m.