

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday November 16, 2017

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, November 16, 2017 at 7:30 a.m., in the District Boardroom.

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

COMMISSIONERS PRESENT:

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

ABSENT: Chair, Jon Barton; Vice-Chair, Benetti.

STAFF PRESENT: Theresa Cook, Executive Director attended via conference call; 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; John Hanson, Local Resident; Brant Hathorn, Local Resident; Steve Coleman, Pacific Properties.

PLEDGE OF ALLEGIANCE: Led by Commissioner Lehman.

Section I. Review of Minutes: October 19, 2017 Board Meeting:

Upon a motion by Commissioner Lehman (Second Commissioner Briggs), the minutes of the October 19, 2017 regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices through November 15, 2017, in the amount of \$484,197.75. A motion to accept the invoices in the amount of \$484,197.75 by Commissioner Briggs (Second Commissioner Lehman) was approved by the Board.

Section III. Finance Report:

The District Accountant approached the board to discuss the finance report, briefly stating that the Accounts Receivable (AR) balance had dropped, as collections are received on summer General Aviation activity.

The District Accountant spoke with the board about the budget, stating that it was anticipated that the Coos County Airport District (CCAD) would be roughly 33% through budgeted revenues and expenses by October. While many of the accounts are within that estimation, the General Fund Operating revenues, Capital Outlay, Passenger Facility Charge (PFC) Fund revenues, and the Business Enterprise Center (BEC) Fund Operating expenses are higher than estimated. Commissioner Briggs questioned and was answered by the Public Information Officer (PIO) that the \$7,700 receivable on the AR Aging report is not related to the Department of Human Services (DHS) loan, but was a reimbursement that was due to the district from the Bureau of Land Management (BLM) for security upgrades. The Operation's Manager has been working with BLM to ensure that the security system is operating correctly, and once they are satisfied that it is performing as intended, they will reimburse CCAD. Commissioner Lehman inquired what the Department of Human Services loan was used for. The District Accountant stated that the DHS loan was an Inter-Fund loan from the General Fund to the DHS fund, that was used for the Lease Commission payment. Additionally, the District Accountant stated that the PFC Fund revenues are currently in the 30% range as projected, but expects that this will decrease as the year progresses due to the end of the seasonal Denver route and the loss of the Portland route. BEC Fund operating expenses are currently at 45% of budget, which was caused by the late receipt of the invoice from the carpet installer.

The District Accountant quickly updated the board on the status of the audit report, mentioning that there was one auditor on site on November 2nd and 3rd, and three others were working remotely. The District Accountant will present the audit report to the board at the next regularly scheduled board meeting.

Section IV. Discussion Items:

The Operations Manager addressed the board to give the Operations Report. The Operations Manager discussed the details of the recent aircraft incident that occurred on runway 4 approaching into 22. The aircraft was thrust forward by a microburst, causing it to run off the end of the runway, into and past the 1,000-foot Safety Area to a patch of grass just beyond the Safety Area. The Operations Manager stated that the passengers on board were un-injured. The Operations Manager also praised the CCAD staff that was involved, stating that their response

time was remarkable in the situation. CCAD staff stayed on shift until around eleven o'clock that night, working to remove the aircraft and reopen the runway. Commissioner Mineau asked and was told by the Operations Manager that the area the aircraft stopped in was just outside of the Safety Area.

The Operations Manager spoke with the board about the BEC tenant improvements, stating that the maintenance staff should be done with the requested improvements within the next week or so. The lease for the new tenants, Coos County Corrections, is scheduled to start December 1, 2017 and they will begin operations the following month. Commissioner Lehman asked and was told by the District Accountant that the funds received from this new lease are not included in the current budget, which was created with the thought that these office spaces would be empty.

The Operations Manager explained to the board that there had been a break in a water main line underground at the DHS Adult and People with Disabilities (APD) building. CCAD maintenance staff coordinated with DHS and the Coos Bay North Bend Water Board to shut down the building until the line could be repaired. The repair was made within one day, and there was no water damage to the inside of the building. Commissioner Lehman asked and was answered by Commissioner Mineau that this was an existing water main that broke.

The Project Manager approached the board to update them on the status of the Department of Human Services (DHS) build to suit project. The Project Manager discussed roof installation progress, stating that a roof inspection followed by a meeting had been held between CCAD, the General Contractor, Roofing Contractor, and the Roofing Manufacturer. The Roofing Manufacturer confirmed that no moisture percentage is acceptable within the system. The General Contractor is currently in the process of submitting to CCAD, a schedule and plan of action to remediate the deficiencies in the roof.

The interior of the building is progressing smoothly on level one with flooring laid in most rooms, first and second coats of paint on all walls, and framing for the acoustic ceiling tiles has been completely installed. Painting started on level two yesterday. There was a slight delay in painting work, due to some damaged sheet rock that needed to be replaced. The Executive Director asked the Project Manager if he was concerned that the interior finishing work has continued, despite the difficulties with the roofing system. The Project Manager explained that currently this is not an issue, as most of the work that has taken place has been confined to level one. As work advances onto level two, this will become a bigger

concern. The Project Manager discussed the details of some additional work, associated costs, and other concerns that needed to be addressed on site. Including running the parking lot overflow bio-swale into the city's storm line system, as required by the city. The Project Manager explained that there were two separate bids from local contractors to complete this work, including Johnson Rock in the amount of \$16,817, and another from Knife River in the amount of \$13,359.

The PIO approached the board to give the Public Relations Report. Recently, the PIO and Vice-Chair Benetti have been involved with a group that is funded by Travel Oregon, the state organization aimed at creating a more regional approach to tourism from Reedsport to Brookings. Locally, the PIO was present at the Chamber of Commerce planning session, and Chair Barton attended the South Coast Development Council retreat.

For promotional activity, the PIO discussed the details of the holiday flight promotion this year, and mentioned that the Operations Manager had organized an excellent guided tour of the airport for Leadership Coos. The PIO quickly mentioned two upcoming events to the board; The Economic Outlook Forum being held on December 9th, and a travel show being held in San Francisco that the PIO will be attending with the new Executive Director for the North Bend Visitor and Convention Bureau.

The PIO joined the Oregon Coast Visitors Association's annual summit in Gold Beach to learn more about regional tourism, stating that it is important to attend events like this to make sure people are aware that there is an airport in North Bend. The PIO also spoke with the board about the conversations that have been taking place between our State Representative Caddy McKeown, and some of the CCAD Commissioners regarding rural air service and the difficulties we face in acquiring sustainable commercial flights. CCAD recently submitted two grant applications to the Oregon Department of Aviation to help defray some of the costs for the upcoming Federal Aviation Administration (FAA) Capital Improvement Projects; which includes the Safety Area expansion project and the runway lighting project. The PIO briefly mentioned that CCAD had taken a step back in their promotional efforts via social media for the time being, and has opted to use the funds later in the year when more flights are available. Commissioner Lehman inquired and was answered by the PIO that staff had not looked into using a different social media firm, but would be willing to explore other options if the board requested it. The PIO spoke with the board about the specifics and possible dates for the requested work session regarding commercial air service. The PIO also

reminded the board that the district's Aviation Consultant, Jack Penning, had suggested that it might be in CCAD's best interest to take a trip to Chicago to have a meeting with United Airlines sometime in the near future. Staff approached Bandon Dunes regarding this matter, and the consensus has been that the decision should be made during the work session. Commissioner Lehman asked if staff was confident that the Aviation Consultant chosen was the best option for our rural airport. The Executive Director answered, stating that she is confident in Mr. Penning's work, as he is very knowledgeable about air service and has a sizable amount of contacts in the industry; which only benefits the district.

The Executive Director addressed the board to give the Executive Directors report. The Executive Director explained to the board the steps that have been taken to ensure CCAD is proactive with regards to the deficiencies in the DHS Build to Suit project. Stating that while the repairs are crucial, it is also very important to stay within the scheduled move in date of February 1, 2018. Commissioner Lehman asked and was told by the Executive Director that if construction is still ongoing after that date, there will be penalties as this date already has a built-in buffer. The current scheduled completion date is actually January 9, 2018, and after that date the General Contractor will start paying the district liquidated damages.

Section V. Action Item:

Commissioner Briggs (Second Commissioner Lehman) Moved to approve Knife River Materials to extend the storm drain and install storm grate at the DHS Build to Suit site, at a cost of up to \$13,659. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) Moved to approve the Lease Agreement with Coos County for suites A-H, the conference room, and the reception area at the Business Enterprise Center. Motion Passed.

Section VI. Commissioner Comments:

The next Board meeting is scheduled for December 21, 2017.

Public Comments:

Local North Bend residents, Mr. Hathorn and Mr. Hanson approached the board to discuss the possibility of acquiring the other half of the vacated street, Florida Avenue, as it is soon going to be awarded to the district as part of an adjacent tax lot. Mr. Hanson explained that they had already been awarded the half of the

easement that was attached to their property, and inquired if there was any way that the district would be willing to disclaim the land before it officially becomes CCAD's property. Commissioner Lehman stated that the FAA has strict guidelines against selling or gifting airport property. Mr. Hanson stated that the vacated land is not currently district property, but is in process with the city of North Bend. Also mentioning that a piece of the vacated easement had already been acquired by Johnson Rock, which may provide a good example on how to resolve this matter. The board agreed that staff would gather more information regarding this matter, and would look into how this was handled on previous occasions. The Executive Director quickly mentioned that while this may have happened in the past, it would be in CCAD's best interest to keep in mind that setting a precedence of giving away vacated land could become a larger issue later.

Steve Coleman with Pacific Properties quickly introduced himself to the board, and mentioned that he had clients that may be interested in developing some of the unused airport property.

Adjourned to Executive Session at 8:00 a.m.