

**COOS COUNTY AIRPORT DISTRICT**  
**REGULAR BOARD MEETING**  
Thursday, January 18, 2018

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, January 18, 2018 at 7:30 a.m., in the District Boardroom.

**CALL TO ORDER:** Vice-Chair Benetti called the meeting to order.

**COMMISSIONERS PRESENT:**

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

**ABSENT:** Chair, Jon Barton.

**STAFF PRESENT:** Theresa Cook, Executive Director; 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; Kathy Erickson, District Aide for Congressman DeFazio; Kevin Mulcaster, Mead & Hunt; Byron Hennicle, Mead & Hunt.

**PLEDGE OF ALLEGIANCE:** Led by Commissioner Briggs.

**Section I. Review of Minutes: November 16, 2017 Board Meeting:**

Upon a motion by Commissioner Lehman (Second Commissioner Briggs), the minutes of the November 16, 2017 regular Board meeting were approved.

**Section II. Review of Invoices:**

The Board reviewed new invoices through December 20, 2017, in the amount of \$2,485,414.19 and new invoices through January 17, 2018, in the amount of \$142,073.23. A motion to accept the invoices through the month of December in the amount of \$2,485,414.19 by Commissioner Mineau (Second Commissioner Lehman) was approved by the Board. A motion to accept the invoices through

January 17, 2018, in the amount of \$142,073.23 by Commissioner Briggs (Second Commissioner Mineau) was approved by the Board.

### **Section III. Finance Report:**

The District Accountant approached the Board to discuss the finance report, quickly mentioning that there had been a decrease in the aging accounts receivables in comparison to last month.

The District Accountant stated that the Department of Human Services (DHS) Fund has been steadily making payments to the General Fund for the Inter-Fund loan that was needed last year. These payments will continue to be made as lease revenue is collected in the DHS fund.

The District Accountant gave the Board an update on the Coos County Airport District's (CCAD) 2017/18 fiscal year budget, stating that a reclassification from Capital Outlay to Materials and Services had been made for the expenditures related to the Oregon State Police roof repair. The District Accountant also discussed where the different funds resources and requirements were year to date versus the estimation of where they would be at this point in the year. Commissioner Lehman requested that staff create a summary of the different loans CCAD currently has, including information such as how and why it was acquired, who the loan is through, and the status.

### **Section IV. Discussion Items:**

Byron Hennicle, Project Manager for Mead & Hunt, approached the Board to discuss CCAD's Federal Aviation Administration's (FAA) Capital Improvement Program projects that are scheduled to be in design phase sometime in 2018. Mr. Hennicle provided the Board with a quick recap, explaining the necessity of the two projects that are under way, including the Airfield Electrical Improvements and the Runway Safety Area Expansion. The start of construction on these projects has been delayed by roughly one year, as a decision was made to break the grant requests between the design phase and the construction phase to help mitigate the burden on the District's cash flow of trying to come up with the required 6.5% match for the entire Capital Improvement Program Project. The PIO was able to acquire a grant earlier in the year from the Oregon Department of Aviation to pay for a portion of the required match. Mr. Mulcaster spoke with the Board about Mead & Hunt's draft Scope of Work, stating that they are currently incorporating comments from the FAA and CCAD to finalize that scope. Mr. Mulcaster stated that they will be watching for the FAA to start issuing entitlement dollars and that

they are optimistic that they will start seeing these grants being disbursed in June of 2018.

The Operations Manager addressed the Board to give the Operations Report. The Operations Manager updated the Board on the status of the tenant improvements for Coos County Corrections, in the Business Enterprise Center (BEC). Including additional security, the creation of a waiting room, and the relocation of several doors. All of the work was completed in house by the CCAD maintenance staff.

The Operations Manager quickly mentioned that the natural gas boiler in the terminal was recently found leaking during staff's monthly facilities inspection. The Operations Manager will have the required scope of work and the costs for repair or replacement available for the Board to review at the next regular board meeting. Commissioner Lehman inquired and was answered by the Operations Manager that the boilers life span was not abnormal, having run without issue for approximately 10 years.

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 explained to the Board that the project is nearing the point of substantial completion with the conclusion of the recent punch list walkthrough that was attended by all parties; Meaning that the General Contractor would have 30 days to finish the project. DHS has already started installing furniture in the building and is scheduled to be completely moved in by February 6, 2018. Commissioner Benetti asked and was told by the Executive Director that there is a 5% retainage of the total contracted amount that will be withheld until the entire project is complete, including punch items. The Project Manager discussed the details of some of the deficient areas in the project, the plans for remediation and the warrantability requirements of those areas. Commissioner Lehman inquired and was answered by the Project Manager that the warranties generally only cover the labor and materials required to remediate faulty product or installation. The Project Manager mentioned that the roofing installer had offered CCAD two years of free inspections of the system, as is required biannually per the warranty specifications.

The PIO approached the Board to give the Public Relations Report. For community activities, the PIO mentioned that CCAD recently hosted the annual Knights of Columbus food basket preparation in the commercial hangar. Vice-Chair Benetti and the PIO have been involved with a committee that has assisted with the development of the new visitors guide for the North Bend-Coos Bay Visitors and Convention Bureau (VCB). The PIO has participated in a number of other community activities including speaking about the status of the commercial

Portland route during the Wednesday Business Connection, assisted in writing the airport section for both the Bay Area Chamber of Commerce directory and the South Coast Development Council business information materials, and planning the ribbon cutting ceremony for the new DHS Child Welfare and Self Sufficiency building located on airport property.

The PIO has been working diligently to promote the services offered at the Southwestern Oregon Regional Airport to the community by distributing a press releases regarding the return of the seasonal Denver flight, publishing a monthly newsletter, and maintaining a presence at the Economic Outlook Forum by sponsoring a table and answering questions about the airport and our air service from people of the community. Additionally, the PIO will be attending the Travel and Adventure Air Show in San Francisco along with a representative from the VCB, to talk with people there and keep them informed about our direct flight from North Bend to San Francisco and vice versa.

For legislative activities, the PIO briefly mentioned to the Board that CCAD's Capital Improvement Projects were the number one and two projects coming out of the Southwest Area Committee on Transportation. Given this, the PIO stated that she was optimistic that CCAD would receive both of the requested grants, and staff anticipates that the board for the Oregon Department of Aviation (ODA) will approve those grants at their next meeting. The PIO recently did an interview with an economist that was commissioned to perform a commercial air service study of Oregon by the ODA, which included a study of the demand for commercial service in Oregon and ways to increase air service statewide.

The PIO discussed the social media statistics with the Board explaining the importance of maintaining the District's Facebook page as a good form of communication with the public. Commissioner Benetti stated that it would be prudent of staff to ensure that the District's webpage is updated regularly to help boost it up on the results page for internet search engines.

The Executive Director addressed the Board to give the Executive Directors report, providing a recap to the Board of the air service workshop meeting that recently took place concerning the challenges that small communities face with regards to commercial air service. The Executive Director summarized the next steps for CCAD to compile the funds needed as the match for a commercial flight subsidy and the process that will take place to reach out to stakeholders in the community that may respond positively to helping provide some of the required funding. Vice-Chair Benetti inquired and was answered by the Executive Director that some of

the meetings with the interested parties in the community will be done individually and some will be done in a group setting.

The Executive Director discussed other items with the Board including; Further expanding on the details of the scheduled Airport Improvement Program (AIP) projects, cost saving ideas that the District staff has been looking into implementing to help stay within budget, the reimbursement request that staff will soon submit to DHS for costs incurred during the construction of the build to suit, and the general liability insurance bill for the CCAD facilities that is due at the end of the month. The Executive Director stated that in past years, the general liability invoice has not been paid in a lump sum but rather in quarterly installments. Vice-Chair Benetti stated that if there is no cost savings to paying in a lump sum, then staff should continue to pay in installments.

The Executive Director spoke with the Board about the sample FAA Tower Agreement that was drafted for Air Traffic Control Tower's throughout the nation, stating that the FAA has received a lot of feedback regarding the language in the agreement. District Legal Counsel explained that an example of the language that would be changed in the draft agreement is related to the Occupational Safety and Health Administration (OSHA) standards; which would be changed in CCAD's case, to require only that we comply with the safety standards set forth by the Oregon Safe Employment Act versus Federal OSHA standards. Commissioner Lehman stated that it would be a good idea to not bind the CCAD to Oregon safety standards compliance, as the requirements are more stringent than Federal OSHA standards. The Executive Director also commented that with changes in the Air Traffic Control Tower staff, the CCAD staff would be looking into alternative methods for tracking the ship traffic that would include remote tracking.

The Executive Director conversed with the Board about additional topics, including the status of the Bureau of Land Management (BLM) Lease Agreement, the possibility of disposing of some unused airport property and the desire to install a new Southwestern Oregon Regional Airport monument sign in close proximity to the Fixed Base Operator (FBO) sign located on Maple Leaf.

#### **Section V. Action Item:**

Commissioner Lehman (Second Commissioner Mineau) Moved to accept the 2016-17 fiscal year annual audit report. The District Accountant approached the Board to further discuss the details of the audit report, stating that overall it was a good report that required no modifications. The District Accountant conferred with

the Board about the three issues that were found in the report, none of which were reported as significant deficiencies or material weaknesses. Motion Passed.

Commissioner Mineau (Second Commissioner Briggs) Moved to approve the 2018 Coos County Airport District rates and charges. Commissioner Mineau discussed the Airport Use Fees with the Board and provided suggestions for possible changes. Motion Passed.

Commissioner Lehman (Second Commissioner Mineau) Moved to approve the 2018 Personnel Policy changes. Motion Passed.

Commissioner Lehman (Second Commissioner Briggs) Moved to ratify the Lease Amendment #18 for the Bureau of Land Management. Vice-Chair Benetti asked and was answered by the Executive Assistant that the Lease Amendment was related to the final billing for Phase two of the security upgrades in the BLM facility. Motion Passed.

#### **Section VI. Commissioner Comments:**

Commissioner Lehman mentioned a conversation he recently had with a local resident regarding the use of property taxes to subsidize commercial air service. Vice-Chair Benetti replied, stating that the services provided by the CCAD have a positive economic impact on the area, and the need for subsidizing commercial air service is a part of that. Vice-Chair Benetti quickly mentioned that he was pleased the District was able to provide a venue for the Knights of Columbus, stating that it's important the CCAD helps out the community. The next Board meeting is scheduled for February 15, 2018.

#### **Public Comments:**

No comments.

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