

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday, July 19, 2018.

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, July 19, 2018 at 7:30 a.m., in the District Boardroom.

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

COMMISSIONERS PRESENT:

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

ABSENT: None.

STAFF PRESENT: Theresa Cook, Executive Director; Robert Brittsan, Executive Assistant; Bob Hood, Operations Manager; Jennifer Groth, Public Information Officer (PIO); Rick Skinner, Project Manager; Tara Pierce, Finance Assistant.

MEDIA AND GUESTS PRESENT: Jim Innes, CH 14.

PLEDGE OF ALLEGIANCE: Led by Commissioner Lehman.

ELECTION OF OFFICERS: Commissioner Lehman moved to elect Commissioner Barton as Board Chairman (second Commissioner Benetti), motion passed. Chair Barton selected Commissioner Benetti to be the Coos County Airport District's Vice-Chair.

Section I. Review of Minutes: June 21, 2018 Board Meeting:

The June 21, 2018 board meeting minutes were reviewed by the board. Commissioner Mineau commented that she had declined to vote with regards to the dog park and requested that the June 21, 2018 minutes be revised to accurately reflect this. The board discussed whether Public Meeting Law dictated if a non-vote would be considered an affirmative or negative vote with Legal

Counsel, who explained that per the Department of Justice, an abstention is not counted as either a yes or no vote. Upon a motion by Commissioner Briggs (Second Vice-Chair Benetti), the minutes of the June 21, 2018, regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices through July 18, 2018, in the amount of \$217,684.27. Commissioner Mineau mentioned that she had spoken with the Finance Assistant for clarification regarding some of the Coos County Airport District (CCAD) vendor payables. This included repairs to the shout line at the Air Traffic Control Tower, irrigation system repairs, and the purchase and installation of a drinking fountain at the Bureau of Land Management (BLM) building. The Executive Director informed the board that the expense for the drinking fountain at the BLM facility was reimbursable and that the turnaround on reimbursement requests has been relatively short. Upon a motion by Commissioner Mineau (Second Commissioner Briggs), the invoices through July 18, 2018, 2018, in the amount of \$217,684.27 were approved.

Section III. Finance Report:

The Finance Assistant approached the board to discuss the finance report. The Finance Assistant reviewed the fund's resources and requirements for the end of the 2017/2018 fiscal year and elaborated on various outliers within each fund. Chair Barton questioned and was answered by the Finance Assistant that despite the temporary employment line item exceeding budgeted expectations, the overall trend for personnel services was favorable with a 2.9% decrease versus the 2016/2017 fiscal year. Vice-Chair Benetti asked and was explained to by the Finance Assistant that the CCAD's net income in the general fund was roughly \$270,000 more than budgeted, largely due to a 21% decrease in the materials and services expenditures.

The Finance Assistant spoke with the board about the revisions that had been made to the five-year forecast to include the costs related to the relocation of the North Bend pump station located next to the large commercial hangar. The CCAD is proposing to pay half of the costs for the relocation, equaling a total amount not to exceed \$136,991, broken down into five payments of \$27,398 annually. Commissioner Lehman asked and was told by the Executive Director that the CCAD hasn't entered into an agreement with the City of North Bend at this point so the repayment schedule could be altered at the boards' discretion.

The Finance Assistant spoke with the board about the quarterly expense reports for the CCAD's properties which includes expense totals for debt service,

maintenance, utilities, labor, and capital expenditures for each of the larger facilities. The Executive Director asked and was responded to by the Finance Assistant that the Department of Human Services (DHS) Child Welfare and Self-Sufficiency (CW&SS) utility expenses were incurred before the building was turned over to the tenants and that there would not be any applied to this facility going forward. Vice-Chair Benetti asked if the commission expense for the DHS CW&SS building was paid annually. The Finance Assistant confirmed, stating that the commission would be paid annually over the next four years.

Section IV. Discussion Items:

The Executive Director conversed with the board about the need to implement a board approved Airport Use Fee policy that general aviation pilots could be referred to. The Executive Director explained that fees need to be assessed in a non-discriminatory manner per Federal Aviation Administration (FAA) Grant Assurance guidelines, and permitting discounted or waived fees to the pilots that request it violates these terms; an official policy will help to mitigate these issues in the future.

The Operations Manager addressed the board to give the Operations Report. The Operations Manager spoke with the board about the need to repair one of the hydraulic engines on the 65' Boom Lift, and discussed rental and purchasing options if the board did not elect to repair the current Boom Lift. Chair Barton asked and was told by the Operations Manager that the maintenance staff estimates that they use this piece of equipment around 5 to 7 times per month, on average. Commissioner Lehman stated that it may be time to look at purchasing instead of repairing, considering the vast increase in the CCAD's maintenance responsibilities. Chair Barton mentioned that it would be useful going forward to track usage hours and to maintain a preventative maintenance schedule to prolong the equipment's useful life. The Operations Manager suggested that the board opt to repair the Boom Lift at this time, given that it is the middle of the season when it is used most frequently.

The Operations Manager recently requested that the City of North Bend flush the main sewer line leading up to Airport Lane as a means of addressing a sewage smell issue inside the Oregon State Police building. It was determined that the minimal usage of this sewer line is the cause of the smell, but this issue will hopefully be alleviated by the installation of a vent and a one-way check valve. The North Bend Fire Department was also on site as a precaution to ensure that the environment was safe for staff to be working in; no readings were found to be outside of acceptable tolerances.

The Operations Manager spoke with the board about other projects that are currently taking place. Recently, maintenance staff started painting and replacing rusted siding on the Business Enterprise Center and also resided the generator outbuilding at the DHS Aging and People with Disabilities (ADP) facility.

The Public Information Officer approached the board to give the Public Information Report. In community activities, the CCAD has been involved with the Coos County Transportation System Plan 20-year update to ensure that the Airport Master Plan and the District's projects are encompassed and accurately represented. Additionally, the PIO met with the Executive Director of the Oregon Coast Visitors Association who conveyed their interest in helping to promote the Portland route once it resumes.

The PIO informed the board that Representative McKeown was able to set up a meeting with a staff member from the State Transportation Committee, who indicated that she would like the CCAD to do an informational hearing on the challenges facing rural air service and its business opportunities. Representative McLane has also expressed interest in seeing a rural air service presentation during the September Legislative Days.

The PIO recently spoke with John Barsalou, the Executive Director of Crater Lake-Klamath Regional Airport, regarding a piece of legislation they have been pushing to expand the Essential Air Service (EAS) program to include airports that have a military component. Being classified as an EAS airport would provide them with additional Federal funding to subsidize new commercial air service. The Executive Director clarified that despite the U.S. Coast Guard activity that takes place on our airfield, the CCAD still won't qualify for the EAS program because we currently have commercial air service; you cannot have any commercial flights in order to qualify. The Executive Director explained that pairing with the Crater Lake-Klamath Regional Airport would be in the District's best interest because they have skilled legislative representation, which has been shown by how successful they have been in getting their issues on the agenda quickly.

The PIO spoke with the board about the possibility of becoming a state lobbyist to advance the CCAD's agenda with the State Legislature, though additional research is needed to assess the viability of this option. The Oregon Airport Managers Association (OAMA) is also in the process of hiring their own lobbyist to represent airports. The Executive Director explained that OAMA is looking to use the individual they hire to pull current legislation and to keep them abreast of recent developments. Commissioner Lehman commented that without an agenda that is

specifically identifiable to our region, the need for our own lobbyist is minimal as the CCAD already has multiple sources for this type of information. The PIO commented that staff is currently in the early stages of the planning process and will continue to keep the board informed about all of the options available. The biggest concern at this point is making sure that Airports are represented and that the Legislation is aware of us.

The Executive Director approached the board to give the Executive Director's Report. The Executive Director briefly mentioned that the CCAD was not selected as a recipient for the Small Community Air Service Development (SCASD) grant. The Executive Director will be scheduling a meeting with Alaska Airlines to discuss the possibility of a Portland or Seattle route and to determine what the required revenue guarantee would be. The proposed next steps include regaining the Portland route, working with Legislation to try and get long-term sustainable air service funding, and trying to create a template to provide air service throughout the State of Oregon. Chair Barton asked and was answered by the Executive Director that Horizon Air would most likely need to gain approval from its parent company, Alaska Air Group, prior to taking on a new route. Commissioner Lehman commented that he would not be willing to support efforts to obtain a grant that would only provide short-term service to Portland, falsely building expectations in the community. Vice-Chair Benetti stated that it was his understanding that the SCASD grant is more likely to be awarded to airports that already have an agreement with an airline to start a new route. The Executive Director corroborated, explaining that it may become mandatory in the future to have an agreement with a substantial air carrier for long-term service prior to applying.

The Executive Director spoke with the board about the results of the Building Envelope Technology and Research roof system inspection at the DHS CW&SS building. There is a conference call scheduled to present the preliminary findings to the contractor and to possibly discuss a remediation timeline. Vice-Chair Benetti asked and was informed by the Executive Director that the negotiation process may cause delays, but she was confident that the repairs would happen and is aiming to have it completed before the rainy season starts.

The Executive Director spoke with the board to update them on other matters that are taking place. The CCAD is currently down one operations employee and one maintenance employee, staff put out a Request for Proposal (RFP) for Legal Counsel applicants as the current contract is set to expire in August of 2018, and an Airport Use Fee policy has been written and can be used to answer general aviation pilot's questions, pending board approval.

Section V. Action Item:

Commissioner Mineau (Second Vice-Chair Benetti) Moved to approve Resolution 2018-07-01 to participate in the Local Government Investment Pool (LGIP) and establish a General Account and a Reserve Account. The PIO addressed the board to explain the function of the two proposed LGIP accounts, their estimated interest rate, the consolidation of existing bank accounts, and the allocation of interest income. Vice-Chair Benetti asked and was told by the PIO that the LGIP's interest rate was significantly higher than rates for the CCAD's current accounts. Additionally, the PIO mentioned that the general fund and payroll checking Umpqua Bank accounts would be changed to interest-bearing accounts as well. Chair Barton questioned and was answered by the PIO that there would be two LGIP accounts, one would be used to receive property taxes electronically and the other would be a reserve account that would be utilized to hold building reserve funds and lease revenue for annual debt service payments. Commissioner Briggs inquired why the interest would be allocated to the general fund instead of compounding within the LGIP account. The Executive Director explained that the interest income would only be transferred to the general fund when it is needed for general operations. Motion passed.

Commissioner Mineau (Second Commissioner Lehman) Moved to approve Resolution 2018-07-02 to allocate dividends, interest and fees from the two Local Government Investment Pool accounts and all Umpqua Bank accounts, with the exception of the PFC Fund, to the Umpqua General Fund bank account. Motion passed.

Commissioner Mineau (Second Commissioner Lehman) Moved to approve Resolution 2018-07-03 to close the Construction account, BLM account, and BEC account and merge the balances into the General Fund bank account. Motion passed.

Commissioner Lehman (Second Commissioner Mineau) Moved to approve the funding of the relocation of pump lift station 4, in five (5) year installments of \$27,398, for a total amount not to exceed \$136,991. The Executive Director explained that paying the full balance instead of annual installments was still an option if the board desired to do so at a later time. Motion passed.

Vice-Chair Benetti (Second Commissioner Lehman) Moved to approve the repair of the Genie 65' Boom Lift at a cost of \$7,649.91 by Peterson Machinery Company. The Operations Manager conferred with the board about inspecting the unit during the repair to determine the estimated life expectancy and would provide the board with a recommendation regarding replacement, pending that evaluation. The Executive Director stated that the lift is currently needed so that maintenance staff can use it to complete some unfinished projects. Motion passed.

Commissioner Mineau (Second Vice-Chair Benetti) Moved to approve the Transient Aircraft Airport Use Fee Policy. The Executive Director requested that the term 'Transient' be removed from the policy title. Motion passed.

Section VI. Commissioner Comments:

The next regular board meeting is scheduled for August 16, 2018.

Public Comments:

None.

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