

COOS COUNTY AIRPORT DISTRICT
REGULAR BOARD MEETING
Thursday, January 17, 2019.

Minutes of the regular monthly meeting of the Board of Commissioners of the Coos County Airport District held on Thursday, January 17, 2019 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;
John Briggs, Commissioner;
Helen Mineau, Commissioner;
Mike Lehman, Commissioner;
James Martin, District Legal Counsel.

ABSENT: None.

STAFF PRESENT: Theresa Cook, Executive Director; Bob Hood, Operations Manager; Robert Brittsan, Executive Assistant; Tara Pierce, Account Manager.

MEDIA AND GUESTS PRESENT: Gerry Boldt, CH 14.

PLEDGE OF ALLEGIANCE: Led by Commissioner Lehman.

Section I. Review of Minutes: December 20, 2018 Board Meeting:

Upon a motion by Commissioner Lehman (Second Commissioner Briggs), the minutes of the December 20, 2018, regular Board meeting were approved.

Section II. Review of Invoices:

The Board reviewed new invoices through January 16, 2019, in the amount of \$343,566.97. Upon a motion by Commissioner Briggs (Second Commissioner Benetti), the invoices through January 16, 2019, in the amount of \$343,566.97 were approved.

Section III. Finance Report:

The Account Manager approached the Board to discuss the finance report by summarizing the Coos County Airport District's (District) fund resources and requirements, throughout the month of November. The Account Manager mentioned that the District is 50% of the way through the 2018/19FY budget cycle and expectations were that both the revenue and expenditures would be within budget. The District's General Fund operational income was at 80% of budget while requirements were at 41%. The PFC fund revenue remained at 46% of budget, due to a delay in December's remittance. The BEC fund was in receipt of insurance proceeds from the City of North Bend's insurance carrier for water damage that had occurred at the BEC. The DHS fund, Material and Services line item has exceeded budgeted expectations, due to allocation of legal fees related to the DHS CW/SSP facility. All other fund expenses were at or below the 50% threshold, while all fund revenue were at or above the 50% threshold. The District filed an audit extension with the Secretary of State audits division, and now has until February 28, 2019. The extension was needed, due to GASB statement 75 requirements, which were unanticipated by the District.

The Account Manager requested approval from the Board to submit an application for the State Preparedness and Incident Response Equipment (SPIRE) Grant program. The program funds the purchasing and distribution of equipment, including vehicles and other property, to be used during an emergency, to decrease the risk for loss of life and property damage. The \$5M in available funding is for the purchase of incident response equipment, selected from a list of eligible equipment. The Oregon Office of Emergency Management (OEM) is responsible for the purchase and distribution of the equipment. The CCAD would like to select the ToughSat T-100, a satellite communication emergency hotspot. Commissioner Barton asked and was informed that the cost of the equipment was approximately \$32,000. Commissioner Benetti inquired about who would maintain the equipment. The Accounts Manager offered that the District would be responsible for annual maintenance and would bring a breakdown of the costs associated with owning the equipment, once the District was awarded the grant. The Executive Director added that a local entity would be contacted to provide the annual satellite communication service. Commissioner Lehman commented that the District should reach out to other local entities to see if a similar system already exists in the community, making it an unnecessary expense for the District. The Board directed that District staff proceed with applying for the Grant, and to provide more information upon acceptance, such as the annual cost to maintain.

The Account Manager added that the second quarter expense report on District facilities had been provided to the Board for their review.

Section IV. Discussion Items:

The Operations Manager approached the Board to give the Operations Report.

The Operations Manager updated the Board on the two (2) FAA Airport Improvement Projects (AIP), occurring at the airport. The collection of samples from the core drilling at the end of Runway 4/22 for the Runway Safety Area (RSA) AIP has been completed. Additionally, geologists and tribal representatives have been performing a cultural survey of the airfield, which involved sifting through soil at several different test pit locations. The Districts AIP project engineers have finished up with the 60% design documents and have scheduled a conference call phasing meeting for tomorrow. The lighting and signage rehabilitation AIP is scheduled to start in June and take roughly 4 months to complete.

The FAA's annual Part 139 certification inspection was early this year and would be held January 28-30. This is a very comprehensive inspection with the certification inspector examining all facets of airfield operations. The District's AIP project engineers will also be on site to discuss the upcoming projects in relation to FAA regulations. Chair Barton asked if there were any anticipated problems. The Operations Manager offered that painting was always an issue, with Taxiway C and Runway 13/31 scheduled for this year. Additionally, there is a magnetic variation (MagVar) change scheduled to occur on August 15, 2019. This will result in the change of the runway designation from 4/22 to runway 5/23. Chair Barton asked and was informed that the magnetic North Pole has been moving and has now exceeded the threshold variance that requires the FAA to have to make the change.

District staff, in conjunction with an inmate work crew, have been clearing the dense underbrush around the perimeter of the property, for added safety and beautification. Affected areas include behind the DHS and BLM facilities, where the debris was ground up on site and disposed of.

The dog park is up and running, with the water meters being installed by the Coos Bay-North Bend Water Board. The District was responsible for the purchase of the backflow preventers and piping. Chair Barton added that the community feedback has been positive. Commissioner Lehman confessed that it looks good and well used.

The Executive Director addressed the Board to give the Executive Directors report.

The Executive Director updated the Board on discussions held with the Portland Airport (PDX). The District provided PDX with information to be used during their

meeting with Alaska Airlines. PDX said Alaska Airlines was open to more discussions but would not consider a twice daily flight to North Bend. The District reached out to Alaska Airlines, giving them an outline, in writing, of what the District's intentions would be and to request a meeting, at which Bandon Dunes was also to be included. The District also asked for a letter of support from Alaska for our application for the Small Community Air Service Development (SCASD) grant.

The projected costs of obtaining air service to and from PDX were initially calculated for twice a day service, at \$1.4M. Alaska Airlines would only consider supporting a once daily route. The District's air service consultant was contacted to inquire as to if the revenue guarantee could be cut in half as there where half the number of flights. Alaska Airlines would expect the cost of a once a day flight would be roughly \$1M, with a revenue guarantee of around \$750k. The relatively low revenue guarantee amount makes the SCASD grant even more important. The District is reaching out to the local community to obtain letters of support, financial commitments and projected utilization figures from area businesses. Commissioner Mineau suggested that the District contact locals who were still affiliated with Alaska Airlines, using their air miles, credit card, etc.. The District was in the process of obtaining support from local business and reaching out to organizations in the community, and so far have obtained approximately \$700k in verbal commitments. Due to the tight timeline, the District is looking to finalize backing by the beginning of February, to be presented to Alaska Airlines. The Board discussed once a day service and being able to use that to leverage a second flight, at some point in the future. Commissioner Benetti reminded the Board that this was a local airport with local citizens who pay taxes and suggested that the District walk away from Alaska Airlines, if negotiations aren't favorable. The Oregon Airport Management Association (OAMA), the Oregon Department of Aviation (ODA) and the District, have been working jointly on an air service plan, but ultimately the District should do their own, independently.

The Executive Director presented at the Wednesday Business Connection (WBC) meeting. An attendee from the South Coast Business Journal approached and requested to be provided with information on our air service efforts, in order to help the District receive more attention to the difficulties that rural communities face.

Section V. Action Item:

Commissioner Mineau (Second Commissioner Briggs) Moved to approve the 2019 Coos County Airport District rates and charges. The Board discussed the Airport Use Fees and offered no suggestions or changes. Motion Passed.

Section VI. Commissioner Comments:

Chair Barton commented that the CCAD Board elections are in May, 2019 and the last day to file for the primary election is March 9th. There are three (3) Board members up for re-election, Commissioner Mineau, Commissioner Briggs and Commissioner Lehman.

Commissioner Lehman inquired about the effects of the Federal shutdown on Airport tenants such as TSA and BLM. The Executive Director offered that Oregon Pacific Bank has an interest free loan option for eligible federal employees. The District currently only has two full time TSA employees affected by the closure.

The next regular board meeting is scheduled for February 21, 2019.

Public Comments:

None.

Adjourned at 8:15 a.m.