

MINUTES of
AIRPORT BOARD MEETING
May 9, 2024
6:00 p.m. Alaska Room/ZOOM

A. **CALL TO ORDER:** Chair Al Clough called the meeting to order at 6:01 p.m.

B. **ROLL CALL:**

Members Present:

Al Clough	Jason Custer	Eve Soutiere
Dennis Bedford	Jodi Garza	Dan Spencer

Member Absent:

Chris Peloso

Staff/CBJ Present:

Patty Wahto, Airport Manager	Ke Mell, Airport Architect
Andres Delgado, Airport Sup't	Sherri Layne, CBJ Law
Angelica Lopez-Campos, Bus. Mgr.	Mark Fuelle, CBJ Fire Department

Public:

Sarah Lowell, Coastal Helicopters

C. **APPROVAL OF MINUTES:**

1. *Dan Spencer moved approval of the April 11, 2024, Airport Board minutes. The motion passed by unanimous consent.*

D. **APPROVAL OF AGENDA:** *Dennis Bedford moved approval of the agenda. The motion passed by unanimous consent.*

E. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

F. **PRESENTATION BY LAW DEPARTMENT**

2. **Open Meetings Act/Public Records Act/Conflict of Interest:** Assistant Attorney Sherri Layne said this training is normally given to Board Members and Assembly Members a few times a year. As it has been a few years, the Law Department is trying to make sure all boards are aware of the requirements. The Open Meetings Act requires meetings held must be noticed up. A bunch of Board Members cannot get together outside and talk about items to be acted on in an open meeting. They can pass each other and talk at Fred Meyer but four of the Board Members cannot huddle in the back and discuss what is to come before the Board. In discussing the maximum Board Member number, Ms. Layne said that it has to be under a quorum, which means no more than three Board Members. If there are four members on a committee, two cannot get together and talk. Serial meetings are when Board Members reply all to emails, which is considered a serial meeting. She suggests no one ever hit reply all. Another item is when Board Members

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talk to one person who then talks to another Board Member, and it continues. It is the total number of Board Members when talking about one specific topic. The Open Meetings Act is about transparency so that everyone knows what the government is doing. The public has to have an opportunity to comment, which the Board does great at. Executive session is very limited: it is the law. There is CBJ (City & Borough of Juneau) code and Alaska Statute that covers what can be discussed in executive session. It is about character, things that are confidential, pending litigation, litigation strategy, financial items that would prejudice the Airport. She said most of everything is done in public at the Airport. A meeting can be held anywhere the Board wants as long as it is publicly noticed. If a meeting occurred with four members, it needs to be brought into an open meeting. There is a six-month cure time. No big decisions can be made outside of an open meeting.

Everything is subject to the Public Records Act. There are very few exceptions. For the most part, the Clerk's office deals with these requests day in and day out. It applies to emails, texts, documents and it applies to personal devices as well if Airport Board business is discussed. She said don't have a group text with everybody or have a discussion that will be talked about at a Board meeting. Personal information can be redacted.

The Conflict-of-Interest code is 17 pages long and is the CBJ Municode. A lot of it applies to CBJ employees more. All boards and committees get into issues where there are conflicts, which is normal. The City wants individuals on committees that they are interested in the topic and have some sort of knowledge about the topic. Most people don't want to get on a board that there is no interest. A conflict will be run into every now and again. A person has to be careful and think about personal conflicts of interest and financial conflicts of interest. The code gets in deep about not just you, but also your family. It gets into individuals have complaints lodged against them because they thought this person has a conflict, then the City Attorney's office is obligated to check into that, and it is determined whether or not there is a conflict. For the most part, there is not going to be, or it is going to be a situation where the person is told to disclose the conflict. This was seen in the Airport Board when a Member recused themselves because of financial reasons. If it is a close call, the Member would talk about it and then the Chair will make the decision on whether or not there is a conflict. Everyone on the Board can say there is a conflict or there is no conflict. Ms. Layne said if there is a doubt, she suggested sending an email or making a phone call to CBJ Law Department. or it can just be declared. Most of the time there is no conflict. If the Board votes and says there is no conflict, which is done for things that are not super clear. Personal interest has a definition in the Code. She noted that personal financial interest includes having a material advantage in the form of a promise, service, privilege, exception, patronage or advancement. The municipal officer (Airport Board Members) shall be deemed to have a personal interest in the affairs of any person other than any not-for-profit organization if the officer owes a fiduciary duty to that person or organization. Last night, an Assembly Member was concerned and thought they had a personal conflict of interest with a potential playground that will be built at a school

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and has a child that will be a student going to that school. He had a personal interest in building that playground because that is where his child would be going. He stepped down during this portion of the vote and got back up afterwards. The other thing is if Board Members call the Attorneys and they are told they do not have a conflict, then they cannot be held personally liable for the decisions that the Board makes.

G. **UNFINISHED BUSINESS:** None.

H. **NEW BUSINESS:**

3. **Airport Manager's Report:**

a. FAA Alaskan Region Airport Division Director Departing Alaska. The Director for the FAA (Federal Aviation Administration) Airports Region has accepted a new position in Houston, Texas. Kristi Warden has been top notch, and she will be sorely missed. She begins in her new position on June 16. She fights hard for airports. With her departure, the Deputy Director Rodney Clark will be stepping into the position until it is filled.

b. Increase in Encampments on Airport Property. Ms. Wahto said she has never seen the numbers of encampments than what has been seen in the last few weeks. This has always been an issue, but it has become a true epidemic. About the time camps are cleared out, they are right back to setting them up. Airport Superintendent Andres Delgado said they had a community meeting with the Glory Hall and nearby residents and businesses and discussed mitigation and what can be done to help with the mess. The Airport has a good relationship with the Glory Hall. They handle trash in the area through a call to the Glory Hall.

Assistant Attorney Sherri Layne said that it probably has gotten worse as there is no designated campground for unhoused individuals. The cold weather shelter is closed. There were options for locations and there were individuals and companies that came out in force and didn't like those locations. This is why the campgrounds are spreading throughout the city. It is a city-wide issue. There are more challenges for the airport. Private property can kick people off and trespass them. With City public property on the Airport, the direction is to have Juneau Police Department ask them to move. The Rangers with the Parks Department are also doing the same thing around town. A meeting is scheduled for tomorrow with the Chief, Deputy Chief, and Robert Barr to talk about trespass, some of the issues of what can be done while the City waits for the Supreme Court to chime in on things right now. The case law right now is that there isn't a lot that can be done. If an individual has no place to go, as a necessity they have to go somewhere. Hopefully by the end of June, there will be a decision. They predict it will be overruled, very narrow and won't give the City a lot of tools.

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Board Member Eve Soutiere asked if the encampments were spreading. Ms. Wahto said it has spread. It is in the old area, by Flight Service and on the EVAR (emergency vehicle access road). She said another concern is campfires that happened in the past. The Fire Department came out and extinguished those campfires. Ms. Layne said this is a very tough thing. Ms. Wahto said another thing that came up is giving the area to the City. This cannot be done because it was tied to mitigation during the Taxiway Extension and Crest Street Development Project.

c. Aircraft Rescue Fire Fighting (ARFF) Truck Update. This has been delayed due to the E-1 Company and CBJ contract. The contract has not been signed yet due to contract language concerns by E-1. Mark Fuelle, Fire Department, said no one is in town and has been delayed with all of the paperwork. They are trying their best to work with what they have. Both rigs are up and running and doing well.

d. ARFF Program Manager Position. This is a new position that was recommended by the FAA Certification Inspector. Brandon Bagwell has accepted the position. He brings over 21 years of ARFF experience and a background in large and small airports. He worked at FedEx, Reno/Tahoe Airport and was part of the FEMA (Federal Emergency Management Agency) team in New York during the COVID 19 pandemic. He will be a great addition to overseeing some of the project management with the ARFF Department. Mr. Fuelle said he is expected June 2. This position was budgeted. It used a one-half time position and added to one-half to it, as well as union negotiated rates, etc. Ms. Garza asked to get the FY24 savings on the open position back to the Board.

e. Litigation Case. This was brought before the Board in 2022. Ms. Wahto reported that this case went to mediation and was settled. The City was taken out of it as it was covered by the tenant on field through their insurance. The tenant called to let Ms. Wahto know that it had been settled.

f. Aviation Worker Screening Litigation. There has been a lot of paperwork flying back and forth between the TSA (Transportation Security Administration) and the attorney. The Motion to Stay was the last item that the Airport Board was told about at the last Board meeting. TSA answered that. The attorney answered back. The TSA answered again. Oral arguments have not been scheduled yet. This was part of a topic at a Zoom meeting by ACI-NA (Airports Council International - North America), a lobbying group. Ms. Wahto provided more information than any of them had. They were pleased to know it was moving forward and are all anxiously waiting to see what happens with this.

g. Airport Fund Balance and Capital Revolving Account Balance (Attachment #2). The fund balance is based on the FY25 budget with the Airport Rates & Fees

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included. One item was noted: There will be some upcoming transfers and appropriating ordinances to clean up some of the accounting in the CIP and the Revolving Account. A meeting was held earlier in the day with the Finance Director and staff regarding this. Ms. Garza asked if the ending available fund balance numbers include the CIP account. Ms. Wahto said it did not. Ms. Garza said in looking at the available fund balance and the operating reserve amount, it seems to be getting smaller, but also in comparison of what the Airport has to have on hand for the three-month operating reserve, the unrestricted fund balance is a little more than half of the total three-month reserve need projected for FY24. She wondered if the Airport was doing some overcollection. Ms. Wahto said she was not sure what Ms. Garza was talking about. Ms. Garza said for FY24 projected, the three-month operating reserve is \$2.5M and the ending available fund balance after that three-month reserve is taken out of it is \$1.5M, which is \$1M less than what the total operating reserve is. She said it seemed a little high to be carried in addition to the CIP funds. The Airport is required to have a three-month operating reserve on hand. Ms. Wahto said this is a good discussion for a Finance Committee meeting. This will continue to dwindle down as the reserves or anything else that the Airport could use. It might be a really good discussion for the Finance Director and staff to come in to speak on this. Because of how projects will have to be set up, instead of waiting for a grant and kind of floating money out there, they will expect the Airport to appropriate money from the Fund Balance and the Capital Revolving Account. Part of it was the Airport was going to have an emergency reserve, but the other part that the Airport is now facing is to be able to appropriate starting funds. When a project is started, but the Airport does not have the grant yet, the City will make sure the Airport appropriates some money into that account balance to carry that until the grant comes in. Then it goes into a full CIP.

Ms. Garza said it would make sense to calculate the amount that is needed to be on hand and manage to that. Ms. Wahto agreed. She said it can vary any one year from \$50K to several hundred thousand or more just to start the projects. As this is projected out, it will dwindle in the next ten years. She thought the Airport needs to take into consideration some emergency fund or to take that buffer of the three-month operating reserve, this needs to be taken into consideration when the budget is balanced. Ms. Garza said a couple hundred thousand dollars to temporarily set aside a construction project that would be reimbursed later and \$1.5M are very different. Ms. Wahto said the other thing is how it is figured. The Airport is very simplistic. There are different ways to calculate the fund balance. Airport Business Manager Angelica Lopez-Campos said it could be the lower of three things: the cash on hand, the net of receivables and liabilities or fund balance. It is not an exact number.

h. CARES/CRRSAA/ARPA Fund Balance. The final drawdowns will be done soon and will be part of straightening out the CIP appropriations.

4. Airport Projects Report – Mike Greene. Ms. Wahto reported the *Terminal Reconstruction Project* thorn is the glass guardrail. About the time this is moving forward, five panels were broken in shipping. All panels are needed to move forward. The new panels are expected on May 27, with approximately one week for installation.

Rehabilitate Part 121/135 Apron & Remain Overnight (RON) Parking Apron has taken the most time. Some of Ke Mell's time is also in this due to the Passenger Boarding Bridge (PBB). The Airfield crew is working as Safety Officers. This project is going very well, despite the weather hampering the project. They are moving along with this project. Paving work is expected next week. Coordination efforts with tenants are going well. Secon is already reaching out to the Part 135 operators. Hard stands for Gates 3, 4 and 5 are all being constructed. The batch plant is ready to go in the Northeast Development Area. It will be three days off from when they wanted to begin paving. There have been a lot of deductions for this project, with one addition to getting the culvert changed out at C-1 and putting in the rebar in for the hardstand concrete pour, which is eligible for FAA funding.

The Airport received one proposal from HDR for the *Safety Area Grading Design Project*. It is a good proposal, and negotiations will begin as soon as the grant comes into the funding side. The money is there but it can't be released yet.

5. Airport Projects Report – Ke Mell. Ke Mell, Airport Architect, reported the *Snow Removal Equipment Building* commissioning was completed last week. The commissioning was largely successful in improving the performance of the heating system, but a few issues remain to be resolved. Staff expect the final report in the next couple of weeks.

Gate 5 Passenger Boarding Bridge – The bridge is being manufactured. When it ships, it will take two to three weeks to arrive. It should arrive in the middle of June, and it will be very busy for a couple of weeks. Alaska Airlines and Delta are working with the Airport on this project. It affects Delta more since they are the primary users of Gate 5. They will be using the Remain Over Night Gate 6 area. Alaska Airlines is juggling between their Gates 3 and 4 and Gate 2.

Cox Environmental and their drilling rig have been drilling test wells around the Loken property to determine the extent of contamination. Ms. Mell reported that drilling on both properties – Loken and Airport – has been completed. Cox Environmental reported "That based on field screening, contamination is likely present in soil borings located in the vicinity of the decommissioned waste oil burner (which was between the Loken property and the Airport property). The contamination was present to the water table which was encountered at a depth of nine to ten feet below ground surface. The borings

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on the eastern portion of the Loken and Airport properties did not indicate contamination is likely present. Cox Environmental will issue a full report after we complete sampling of the newly installed groundwater wells next week and have the results of the soil and groundwater samples from the lab.” On a related aspect of the Loken property, staff are working with CBJ Contracts on a two-stage process to obtain a contract for the services of an FAA land acquisition specialist to assist with JNU purchase of the property. The first stage will be an initial request for interest and/or qualifications, followed by an RFP (Request for Proposals).

Dawson has agreed to repair the landscaping damage that resulted from their *Alaska Seaplanes hangar* work last year. Topsoil and hydroseed will be done after mid-May on Airport property along Shell Simmons in front of the Alaska Seaplanes building. There is only five feet of Alaska Seaplanes lease lot between the building face and the Airport property. Most of the distance between the Shell Simmons curb and the face of the new cargo facility is Airport property.

I. **CORRESPONDENCE:** None.

J. **COMMITTEE REPORTS:**

6. **Finance Committee:** None.

7. **Operations Committee:** None.

K. **ASSEMBLY LIAISON COMMENTS:** None.

L. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

M. **BOARD MEMBER COMMENTS:** None.

N. **ANNOUNCEMENTS:** Eve Soutiere announced Chris O’Brien and his partner had their baby.

O. **NEXT MEETING DATE:** The next regular Airport Board meeting will be held on June 13, at 6:00 p.m. in the Alaska Room and via Zoom.

P. **EXECUTIVE SESSION:** None.

Q. **ADJOURN:** *Dan Spencer moved to adjourn. The motion passed by unanimous consent and the meeting adjourned at 7:25 p.m.*

ATTACHMENT #2

Available Fund Balance Summary

Airport Fund

Last Update: 4/5/2024

	<u>FY23 Actuals</u>	<u>FY24 Amended</u>	<u>FY24 Proj</u>	<u>FY25 Budget</u>	<u>FY26 Budget</u>
Beginning Available FB	2,770,968	4,057,215	4,057,215	4,057,215	4,057,215
Operational Expenses:	(9,888,277)	(9,711,100)	(10,003,300)	(10,606,700)	(10,755,800)
Debt Service (OUT):	(2,994,200)	(3,091,200)	(3,091,200)	(2,505,100)	(2,583,400)
Transfers to Capital Projects:		(600,000)	(600,000)		
Other Non-Oper Expenses:	(271,923)	(541,400)	(1,266,300)	51,400	51,400
JNU Total Expenses:	(13,154,400)	(13,943,700)	(14,960,800)	(13,060,400)	(13,287,800)
Minus Non-operational Exp & Debt Serv:	3,266,123	4,232,600	4,957,500	2,453,700	2,532,000
Operational Expenses:	(9,888,277)	(9,711,100)	(10,003,300)	(10,606,700)	(10,755,800)
Operational Revenues:	6,629,028	7,510,200	7,872,900	10,606,700	10,610,000
CARES Reimb (operations):	4,369,641	2,200,900	2,130,400	-	-
***Other Financing Sources (Uses):	175,855				
JNU Total Revenues:	11,174,524	9,711,100	10,003,300	10,606,700	10,610,000
Increase (decrease) in Fund Bal (FB):	1,286,247	-	-	-	(145,800)
Ending Avail FB, including Reserve:	4,057,215	4,057,215	4,057,215	4,057,215	3,911,415
Less 3 Mo. Operating Reserve	(2,472,100)	(2,427,800)	(2,500,800)	(2,651,700)	(2,689,000)
Ending Available Fund Balance	1,585,115	1,629,415	1,556,415	1,405,515	1,222,415

*** Other Financing sources (uses) include: capital outlay, adjustments pertinent to modified accrual accounting, such as A/P, A/R, and leave accruals/deferrals; as well as changes in restrictions of fund balance.

ATTACHMENT #2
AIRPORT CAPITAL REVOLVING ACCOUNTS (combined)

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	\$819,246	-	-	-	BUDGET
Apr-19			(\$477,000)	**	NO LONGER REQ. Termnl Recon
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jan-21			(\$40,000)		Float Pond Fwr Fund Design
May-21			(\$108,000)		Float Pond Fwr Fund Design
Jan-05		\$542			\$541.95 adjustment
	\$144,788				AVAILABLE BUDGET on A50-001 to forward fund Projects

*Represents all 3 Capital Accounts: Airport Revolving Captial Reserve Acct (ARCRA), Airport Construction Contingency Reserve, Project Design

**Temp forward funded \$477K to be credited once Controller's complete transfer back to acct