

Regional Airport Board

Meeting Minutes

3:00 pm

FBO Office – Kelso/Aviation

June 16, 2016

Call to order

David Futcher (Board Chair) called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:06 pm on June 16, 2016 at the Kelso Airport Fixed Base Operator (FBO) meeting room.

Pledge of Allegiance and Roll Call

The Board and attendees said the Pledge of Allegiance. The following were present: David Futcher, Dennis Weber, Joseph Phillips, Jeff Wilson, Steve Taylor, Brian Butterfield, and Karyn Anderson. Chet Makinster provided notice that he would not be in attendance at the June Board meeting.

Approval of meeting minutes

The Operating Board approved the May 2016 Board meeting minutes. *Jeff Wilson motioned to approve the minutes and Joseph Phillips seconded the motion. All were in favor of approving the meeting minutes as presented with no corrections.*

Treasurer's Report

Brian Butterfield (City of Kelso Finance) shared the treasurer's report handout of the budgeted revenue and expenditures for May 2016. Brian pointed out that as of May Revenues were \$448,000 and expenditures were approximately \$281,000. In the month of May, we received the second reimbursement from the FAA grants in the amount of \$7,283 dollars. At the end of May there was approximately \$350,000 in unrestricted cash and \$360,000 in restricted cash. Brian explained that the restricted cash is the money donated by the Port and the County in matching funds for grants. Brian asked the Board if there were any further questions. There were none at this time.

Agenda Items

a. General Claims–

Karyn Anderson explained that she had met with Steve Taylor and David Futcher to review the Airport's bills and general claims. She pointed to the table on page 2 of the Airport Board member's packets, reflecting a total of \$60,897.03. Karyn explained that there was approximately \$33,000 in project related invoices (e.g. Reid Middleton, Independent Fee Estimate (IFE)). She added that she processed the Airport's insurance premiums for the Airport's Auto Insurance renewal (\$848), General Liability Insurance renewal (\$8,600), and the Hiscox D&O Insurance renewal

(\$3,386). Additionally, there was approximately \$5,000 in maintenance labor, door and tractor repairs. These project general claims, insurance premiums, and maintenance expenses reflect approximately \$50,000 of the general claims processed.

Jeff Wilson asked about the mower repairs. Karyn explained that the original estimates were around \$2,500 when they thought the gear box needed replacing. However, after further inspection they determined only clutch work was needed, approximately \$500 in repairs for the Airport tractor mower. Karyn further explained that the maintenance expense of \$5,000 included the City of Kelso Labor work force which was approximately \$4,000; the hangar door repairs were approximately \$500; and the tractor mower was approximately \$500. Jeff then asked about the tractor mower life span, if these repairs would lengthen the life span. Karyn replied yes to the tractor mower, that she wasn't sure of the actual age of this piece of equipment, but has been told that it is running great now. However, she added that the Airport's smaller mower has met its life expectancy, it is the LT155 John Deere, and that the last estimate to repair was approximately \$2,000, and the cost to replace this equipment was approximately \$3,000. Jeff thanked Karyn for the information. *David Futcher asked if there were any other questions. Jeff Wilson moved to approve the general claims as presented. Joseph Phillips seconded the motion. All were in favor of approving the general claims.*

b. Public Comment

David Futcher asked if there was any public comment from the audience members. There was no public comment. Steve Taylor asked to take the opportunity to introduce Mark Baltimore, that he and the Airport transition/interview committee met with Mark today. That they had a great discussion and wanted to invite him to the Board meeting today. Also, had Karyn provided Mark with a quick Airport tour prior to the Board meeting. David asked Mark for his first impressions. Mark replied that he is familiar with this Airport and has been here before. David thanked Mark for attending the Board meeting.

c. Southwest Washington Regional Airport (SWRA) Interlocal Cooperation Agreement: 2-year extension. Steve Taylor explained that at the last meeting the Board discussed the next steps regarding the Interlocal agreement. He reminded the Board that their current Interlocal agreement expires in February of next year (2017), that any changes necessary need to be made if they plan to extend the agreement. One of the discussion items at the last meeting was the possible 2-year extension of the existing Interlocal agreement. Steve wants to run that through the Port of Longview's Commission to help get discussions going and that on July 6, 2016 this topic will be on the Port's agenda. Group discussion regarding a previous date in June and scheduling that Robin (Port of Longview employee) facilitated. Steve added that he plans to present

information on the Interlocal agreement, current Airport activities, and answer questions. The primary ask is if the Port Commission is interested in continuing on with the current Interlocal agreement for a 2-year extension, which will allow the Airport time to bring on a permanent Airport Manager. Steve explained that rather than take another 5-year agreement out to each of the entities, that maybe a shorter agreement period would suffice with each of the entities.

Jeff Wilson explained that Steve will be presenting at their July 6th special meeting, and that no action will be taken during the meeting. Jeff further added that he spoke to the CEO to ensure that Steve was placed on the Agenda to provide a “pitch”, that he is looking forward to Steve’s presence, and that his intent for the record is to support a 2-year agreement and have the Port continue on at the Airport. Jeff added that he thinks the Board is doing a fabulous job, that Mayor Futcher’s meeting are efficient, improved transparency, value added, and Jeff is very supportive of the Airport. Jeff also wanted to remind the Board that he is on record regarding his support of a Strategic Plan.

Steve Taylor will be looking for some type of direction from the Port of Longview regarding what they are interested in or not interested in. Jeff replied yes, and that the Port will want to see the dollar amount (budget) in hand by no later than August. He added that the Port has two regularly scheduled meetings in July and August and encouraged that the information be provided earlier, as to allow time to rebut or represent information if needed. Jeff said that he will continue to support the Interlocal agreement 2-year extension, a strategic plan concept, and hiring of a permanent Airport manager. David Futcher asked if there would be action taken at the Port of Longview special meeting, and that action can be taken on items that are on the agenda. Jeff replied that he is correct, they will be looking for motions.

Steve will provide an update at the next Airport Board meeting, if he receives word from the Port that they are agreeable to a 2-year agreement extension, then he will prepare the extension, and get it out to all the entities for adoption. Steve added that the sooner he understands the Port’s position, then the Airport can move forward for planning purposes, and next steps. Group discussion. Dennis Weber asked if it would be useful if the remainder of the Board members attend the Port special meeting on July 6, 2016 to show support. Steve replied yes.

d. SWRA Budget (discussion).

Steve directed the Board members to the budget documents within their packets. He explained that they are still working on preparing the budget numbers, it is an iterative process, with new expense structure in 2016. Steve pointed out that the budget pro-forma provided shows what the net would look like without the Port of Longview’s

support. He wanted to show where the lack of the Port's \$76,000 would place the Airport. Steve said he is working on extrapolating from the current maintenance numbers this year, what the year looks like, and what next year looks like. June is the first month that there was a transfer from City of Kelso Public Works providing the Airport security checks and the daily wildlife hazing, to the Fixed Base Operator providing those services. Steve added that another variable is the mowing at the Airport and that they've been watching the vegetation management numbers. He's pleased, explaining that there are sometimes three employees performing the work activity, at a reduced expense. Steve added that there will be some overtime incurred, approximately during a 2week period, to help get the all of the City's mowing needs met. Steve will continue to look into this, and hopefully have the ability to share the expense.

Long term, the City Public Works might hire an employee that will perform maintenance for the Airport and the City. Steve has had Karyn tracking the maintenance expenses each month. Steve is looking at the City Public works to perform most of the major mowing needs, however some of the smaller mowing around hangars he thinks the new Airport Manager could do some of this minor maintenance and that perhaps they get the small rider replaced. Group discussion regarding the Airport's vegetation management. Steve added that he has spoken to other cities, and they have public works staff perform much of their maintenance. Additionally, the maintenance costs are coming in lower than he originally budgeted for. David Futcher commented that they are also getting positive feedback on how the Airport looks. Steve replied yes, have heard that it's the best the Airport has looked in 10 years. Group discussion.

Steve discussed the Airport's revenue, that it is around \$145,000, and commented that these numbers are close to the other spreadsheet Karyn's tracking (Hangar revenue). Karyn replied, correct. Additionally, there are expenses associated with locating Life Flight at the Airport. Steve explained that it is approximately \$1,500 for a man-gate. Karyn shared that it was a little over \$1,500 estimate from Cowlitz Fence to install a pedestrian access gate/man-gate. Steve added that the City is working to receive the site-plan which will allow the City to quantify how big of an area they will need to prepare the pad, and there is also an ADA (American Disabilities Act) component and hard surface area for parking spaces. He's looking at reducing expenses by sharing the concrete expense Life Flight will be incurring for their tie downs, hoping the City can take care of the hard surface at that time, and then reimburse Life Flight. Steve reminded the Board that the member entity contributions increased from \$65,000 to \$76,000. David Futcher added that this increase of \$11,000 per entity (times 4 entities), provided another \$44,000 in revenue. Steve reminded the Board that this additional funding was marked for major maintenance items, hangars, landing field

repairs, and other maintenance improvements. Steve wants to make sure this funding is spent on those items, however if we lose a partner (Port of Longview), then those maintenance items will be deferred.

Steve shared that he is looking for budget ideas during today's discussion in order to prepare a preliminary budget that can be turned into the entities. He would like the preliminary budget to be approved by the Board at the July meeting. It would then be sent to each of the entities, thus making the August deadline. Each entity would then provide feedback. Dennis Weber asked about the project identified within the CIP, and what was in the pipeline. Steve replied that next was the AGIS (Aeronautical Geographic Information Systems) survey, and update to the Wildlife Mitigation Plan. FAA has approved those projects, that they are ready to go, and that next steps would include an application process. Steve added that Reid Middleton's contract expired last year and that he, Karyn, Mike and Jerry have been working to put together an RFQ for engineering services that follow FAA guidelines. That will be sent out in the next couple of months so that the City can begin the engineering consultant selection process. There are projects from the current SCIP as well as other potential masterplan project updates. David asked if there was 5% matching funding considered within the budget. Steve replied not yet, because he doesn't know what that amount would be at this point. Group discussion regarding current level of contributions. Dennis Weber pointed out that there are maintenance projects (identified on the Net Operating Pro Forma handout) that total \$44,000. He reminded the Board that if they don't have all of their partners contributing next year, then this should reflect the scaling back of the maintenance potentially to \$33,000.

Steve directed the Board to the list of maintenance projects provided within their packet. He shared that he has been able to modify some of the responsibility based on response to new lease agreements with tenants. For example, some of the additional roof repair costs can be removed from the list for the hangars that AMA leases. Jeff asked if historically, they budget for advertisements, websites, and promoting the Airport. David Fatcher replied yes, there was in the past, but all that is budgeted for now, is a \$650-dollar promotion line item. A few years ago, there was more going to that line item. Karyn replied that there is the miscellaneous line item as well, and no expense for the website now. As far as early on, when the website was being developed, like Mr. Fatcher said, there was additional funding going towards the website development, promotional and advertising expenses. Now, if the Airport was to have an expense in that area, she explained that it would most likely be captured under miscellaneous, which has approximately \$6,350 in that miscellaneous line item.

Jeff suggested putting money during this budget exercise towards the advertising and promoting of the Airport. He added that perhaps this includes Airshows in the future.

Group discussion regarding what that amount should reflect. David Futcher asked if it could be included in the budget. Steve replied yes, under advertising and promotion. Group discussion. Steve added that part of the promotional work will be performed by the Airport Manager, and then there is a separate component if they would like to specifically advertise in articles, newspapers, sites, and the administrative time. Perhaps they also look at each other's entities advertising and promotional staff. Jeff shared that the Port can spend money on items such as hosting, tourism, and promoting, that this is allowed at the Port, but in some cases not allowed with other agencies such as a City. Group discussion regarding coordination with the Port of Longview to market the Airport asset. *David recapped the Budget discussion. That there will be some operational adjustments to the budget to gain a better understanding regarding operating costs, a marketing promotion line item, and a draft budget developed for consideration.*

e. Airport Management Updates

Reid Middleton Construction and Engineering

Don Barclay provided an update on the Fence/Beacon project, that the contract will go before the council next week. Additionally, the Sullivan Hangar demolition project is out for advertisement and that there has been a lot of interest in the project. Don shared that the pre-bid meeting for the Sullivan Hangar Demolition project is on Monday, June 20th at 10:30 a.m. and that the project bid opening is on June 29th at 2:00 p.m.

Don also provided that Reid Middleton has provided conceptual design as it relates to the Stopway project, was able to work through the permitting process, but then was directed that they would need an Environmental Assessment (EA) on the project. Reid has scoped the EA as a result, and are looking for direction to move forward. Steve shared that this goes back to the budget workshop item, what funding we have locally to do this type of work, including the county rural funding. Group discussion regarding the plan moving forward, the big picture, and how it is funded. Steve added that much of the conceptual design, EA, could be transferred over into the design work moving forward, but would need approval regarding funding, how we build the landing strip portion, and having a plan over a 30-year period. Group discussion regarding moving forward on the stopway project and working with FAA. Steve added that the AGIS study will help make a better case, with the new data we can better support reducing the minimums, make us a more viable strip, and bring in the FAA dollars. Don replied that the AGIS study is the key in providing FAA with necessary survey and data that they would need and will help provide a foundation of what is physically out there. Steve has discussed this with FAA, and this is the viable approach, and he is under the impression that FAA wants to provide the Airport with finality. Don added that FAA likes when an Airport shows this type of energy and he believes the Airport over the last few years has gained a lot of ground with FAA. Group discussion regarding the

AGIS, information that may help the Airport bring the minimums down, masterplan activity, different approaches, and requirements. Steve added that the FAA grants will not pay for the abatement removal, contaminated soils, and these discussions have contributed to the delay of approximately 60 days in getting the Sullivan Hangar bid out. Steve explained that the abatement is being taken care of, an agreement has been signed by the contractor, and will be a cost of approximately \$1,500. Additionally, City staff has taken down the old fluorescent lights and ballast. If there is any contaminated soil found during the project demolition, they will let the engineer on site know, City crews will remove and dispose via appropriate hazardous materials policies. The Airport is not expecting anything substantial.

Airport Management Recruitment.

Steve explained that the Interview/selection committee interviewed a potential candidate from Reno today, Mark Baltimore. Additionally, followed up on advertising with AAAE (American Association of Airport Executives).

Life Flight Services update.

Steve explained that they are working with Life Flight Services, they need to submit a site plan so that the City has the specifications they need to create the pad for the modular and parking. Steve mentioned earlier in the meeting that we obtained an estimate for the pedestrian access gate/man-gate (approximately \$1,500). The Airport will be able to provide more security; their crews will be there 24/7 to watch the aircraft. Jeff asked about the Airport's security, and if the board would like to discuss this further at a later date. Steve said that as it pertains to Life Flight they plan to place a camera on the FBO building and on their facility. Life Flight wanted to come to the Airport and place their crew's quarters to allow someone to be next to the Aircraft, either flying it or next to it.

Airport business concept proposed. National Wings and Armor Foundation Museum. Steve shared that Karyn and he met Dave Statham to gain a better understanding of the proposed project. Steve explained that we had a nice discussion about the type of facility, the type of operations they are looking to have at the Airport, and location options. Possible locations could include locating the facility on the Pacific Avenue side of the facility which has access, near the Beacon Tower, and could be a redevelopment opportunity for that area. Discussions will continue over the next couple of months. Jeff asked about the time line and wanted to know if things were progressing. Steve said yes, that it really comes down to the feasibility of building a facility and the size needed in a particular location. Other concepts discussed included: at the North ramp, if they have the static operations of the museum, if the facility is on the westside and events are on the eastside, and the best use overall for daily access to

the museum facility. Jeff said that he asks because of the tourism component, and projects like this can help open up funding opportunities as it relates to tourism.

Governor announces June as General Aviation month (Proclamation):

Steve shared that the Governor announced June as General Aviation month, that a copy is provided in the board packets, along with the proclamation. Also, Mayor Fatcher, City of Kelso, also proclaimed June as General Aviation month.

SWRA Sign Estimate:

Karyn provided within the board packets two different graphic designs and estimates. She reminded the Board that at the last Board meeting Chet Makinster noted that the Kelso Aviation signs should be updated. Karyn explained that these older signs are located on the FBO building and another is located on the Beacon Tower. Karyn worked with a local sign shop to obtain estimates on an updated sign design. She shared that the logo used was from a design contest years ago, that the preferred logo is located on both designs. One is approximately \$375 (3x7) and the second, she explained that Steve suggested a larger font size for the design and that estimate is approximately \$549 (4x8). Brian suggested that we ask about a material that can be used in case the signs are “tagged”. Steve added that he can add these items to the budget for next year unless they would like to move forward now. Dennis Weber said that most people still refer to the Airport as the Kelso Airport. He suggested that perhaps they add Southwest Washington Regional Airport (SWRA) at Kelso, WA. Group discussion regarding Molt Taylor signs. David Fatcher asked if the Board members want to move forward on it this year or next. Jeff replied this year. Jeff added that he has reservations on the single engine plane within the graphic. *Group discussion regarding moving forward on the sign with another logo, similar to the letterhead SWRA logo that includes a jet plane. Karyn will follow up with the sign print shop regarding additional graphic design options.*

Steve used the Aerial map at the front of the meeting room. Steve pointed out the site location for Life Flight, the pedestrian access/man-gate, the museum, FBO, the Beacon tower and hangars located north of the Airport Office, and explained the location where additional interest was expressed in developing the hangars located on the southwest side of the Airport/Airport Office and that have been identified to be demolished. Karyn added that currently the Airport’s hangars are at 100% occupancy and pointed the Board members to their packets. Steve said that in addition to the hangars being at 100% occupancy, that the Airport also has a letter of intent with Brian Fleming’s company to build out hangars in E row and that we will eventually negotiate a ground lease with his company. Steve than pointed out the Albatross aircraft that is out at the North ramp, that another Albatross is to arrive next week Monday, and that there will be two Albatross’ stationed at the Airport. Additionally, there is a proposal regarding a

hangar that could house both Albatross on the north ramp. The questions that remain, will be where it is placed to best utilize the north ramp, and other aircraft such as Life Flight.

Dwight Irby asked about Life Flight's flight plan. Steve replied depends on their destination, but when they move in we can have some good-neighbor discussions with them regarding those details.

Steve also pointed out the trees that BNSF has removed, some of the additional vegetation that could be removed, if this is something BNSF will remove or would get contracted out. Dennis Weber asked if there was any stormwater concerns and Steve replied that after December's storms the BNSF engineers were able to provide information that there wasn't and in concurrence with the City engineer. Steve asked Don about the well-monitoring measurements. Don replied that they are dropping, Karyn added that the results are sent biweekly.

FBO Safety and Runway inspection (6 1 16), Airport Maintenance update – if any (e.g. vegetation, mowing, herbicide, UST, well-monitoring, and hangar repair)

Steve shared that the FBO as of June 1, 2016, began the maintenance and safety inspections for the Airport. Karyn added that it seems to be going well, that they check-in with the Airport Office, and provide updates as it relates to their inspections. She shared an example of good communication, that an FBO employee reported a maintenance issue to her regarding an Airport windsock, and that Public works staff then followed up on it to make the necessary repairs.

Additionally, the City of Longview reported that they approved the Airport keeping their portion of the remaining fund balance from the UST Cathodic Repairs (overall was \$5,650.37 remaining – City of Longview's portion approximately \$1,400). Steve added that the Airport/City of Kelso has now heard back from all entities regarding keeping the remaining fund balance and that this funding can now be used on match funding for future airport projects.

Jeff asked as it relates to inspections, is there security and/or signing regarding the Airport being a drone free/no drone zone. Mark Baltimore provided information as it relates to drones, regulations, and a recent drone strike that occurred a few weeks ago that clipped a 777. Mark added that FAA is going to ban them within a certain distance from an Airport, thinks it is in the public comment period. Jeff thanked him for the information, and added that perhaps there should be signing. Group discussion.

f. Board Updates (if any):

a) No Board member updates at this time.

g. Review of Action Items, Good of the Order, Board Chairman wrap up and next meeting date. David Futcher asked Karyn to provide the action items. Karyn read the following back to the Board members:

1. The Board approved the May meeting minutes.
2. The Board approved the general claims.
3. At the next Board meeting will have a better understanding regarding operating costs, a marketing promotion line item, and a draft budget.
4. At the next Board meeting Karyn will provide information on an additional graphic design option for the Airport's sign (estimates).

The next Board meeting is on July 21, 2016. David Futcher adjourned the meeting at approximately 4:37 p.m. Sign in Sheet/Attendees: Scot Walstra (EDC), Bill Smith (Pilot/Tenant), Brian Butterfield (City of Kelso/Finance), Jerry Sorrell (Pilot/Tenant), Don Barclay (Reid Middleton), and Mark Baltimore (Airport candidate).

Minutes respectfully submitted by: Karyn Anderson