

***Regional Airport Board
Meeting Minutes***

3:00 pm

FBO Office – Kelso/Aviation

June 19, 2014

Call to order

Chairman Darold Dietz called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:00 pm on June 19, 2014 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 and then the roll call was read. The following were present: Darold Dietz (DD), Dennis Weber (DW), Chet Makinster (CM), David Futcher (DF), Sharon Zimmerman (SZ), Janean Parker (JP), Rosemary Siipola (RS), and Karyn Anderson (KA). Norm Krehbiel will be arriving late.

Approval of minutes from last meeting

The Operating Board approved the May 2014 Meeting Minutes. All in favor.

Agenda Items

- a. 2014 General Claims – Sharon Zimmerman.

Rosemary provided the board with an overview of the General Claims. She described to the board that the General Claims Financial spreadsheet had been prepared by Airport staff and will be made available to the Board. Rosemary pointed out that general claims that are processed in June are for the May bills and that the general claims vouchers totaled \$26,471.51 for the month of May. Sharon added that FAA had reimbursed approximately \$59,000 and that the Airport should be receiving reimbursement in June.

- b. Airport Insurance – Sharon Zimmerman.

Rosemary described to the board that the Airport staff has been researching the current Airport insurance and that during these research efforts we discovered that our white Titan Vehicle that is owned by the Operating Board is not insured. Karyn Anderson handed out a copy of the quote, obtained from the current insurance carrier, to each board member. Rosemary explained the vehicle insurance coverage and that the quote was approximately \$700.00 a year. David Futcher (DF) moved to authorize obtaining insurance coverage

for the Airport's vehicle up to \$1,000.00. Chet Makinster (CM) seconded the motion. All were in favor. Brief discussion occurred regarding the age of vehicle, which is a 2008 vehicle.

c. CIP Workshop, Overview and Next Steps – Sharon Zimmerman.

Rosemary thanked the Operating Board for the CIP workshop and development of an action strategy. Discussion at today's workshop included reprioritization of Airport projects to align up with safety as a priority and the FAA fundable projects. Staff will be working with the Reid Middleton to develop a scope that includes, grading, and fencing at the south end of the airport, the north end and west side will include assessment of the 2 properties within the runway protection zone and the phasing of the Sullivan hangars. Airport staff will return to the August meeting having developed a project timeline for the board members. In the interim staff will talk with the county to discuss using the Stopway funding on the environmental and safety work that we would have to do anyway. From the staff's perspective we have a plan of attack for the "low hanging fruit" and those projects that have been languishing over the last two years, which will help to get those moving forward. The staff will continue to keep you up to date on the progress, have received direction from the Board at the CIP workshop to move forward and appreciate the Board's input. Before moving on to the next agenda item, Dennis Weber expressed his thanks to the Airport staff for all of the work they've done in helping to get them back on track.

d. Hangar Occupancy and Revenue Report – Sharon Zimmerman.

Karyn provided an occupancy report and revenue spreadsheet report to the Operating Board. She walked the board members through the occupancy report, pointing out the occupancy rates, and that D, F, and G hangars are owned by Prime Development which were not included in the total occupancy rate. Hangars A, B, C, and 15-59 were included in the total occupancy rate. This report captures that there are 71 units of which 54 are occupied. The 71 unit figure does not include the 6 storage units in the A, B, and C hangars. The total occupancy rate for the Airport is currently at 76%.

Dennis Weber (DW) asked if this percentage showed an appreciable increase. Karyn replied yes and referred the Board to the next handout, the Hangar Area Revenue and Land Lease Revenue spreadsheet report that she created for the meeting. In the comment section of the report, Karyn pointed out that she inserted information identifying if they are a new tenant. She added that this information does fluctuate, that the Airport has had new tenants over the last

couple of months, some current tenants have moved from the Airport owned hangars into the Prime Development owned hangars and some tenants have moved out of Prime Development into our hangars.

Karyn walked the Board members through the revenue spreadsheet, describing each column. She pointed out what the revenue would be if at full capacity, what the actual rental is on a monthly basis for each hangar and what is currently being collected. Additionally, she explained that while D, F, and G hangars are owned by Prime Development the Airport is collecting land lease for those hangars. She stated she is coordinating with Patty Murray at the City of Kelso to build an emergency contact list of the tenants that are renting hangars from Prime Development and recently learned from Denny Wise that the Prime Development hangars are at full capacity.

Karyn described that the land lease is collected on a monthly, quarterly, and annual basis, reviewed each table, the monthly hangar rent, the annual land lease and the total annual hangar rent and annual land lease amount of \$117,166.15. She pointed out when the hangars are fully occupied the total would be closer to \$180,000.00. David Futcher (DF) thanked Karyn for the information and commended her on using the word hangar numerous times and spelling it correctly. Rosemary added that Karyn is very diligent on keeping up to date information, if the board has any questions.

Darold Dietz (DD) thanked Karyn for the update. Dennis Weber added that one of the interesting strategies will be how the Airport works with the tenants in the Sullivan hangars, the phasing and the transition that will need to occur. Rosemary added that perhaps this is a three year strategy. Karyn added that the Airport is also advertising the hangar information on Craig's list, that when the new Airport website is launched it will be on there as well, and that we are looking to add to General Aviation magazines to hopefully get us to full occupancy.

Group discussion continued regarding the need for ongoing conversation with the tenants, public meetings, and attendance at already scheduled EAA meetings to assure there are no surprises.

e. Office space and diking district final costs – Sharon Zimmerman.

Rosemary provided the board with a Site Set-up, permitting and preparation estimate for the Office Modular. She described the final modular office rental information and final set up expense, that she'd been working closely with Jerry Sorrell to develop the estimate. The total estimate, not including set-up is approximately \$37,531.75. Total cost, including set-up is approximately

\$60,000.00. She reminded the board that they had requested the wrap-up of the research regarding a modular estimate and to be provided with the total cost of placing a unit at the FBO location. Staff recommends that the board research other avenues. David Futcher thanked staff for the report. All board members concurred no further action would be required at this time.

Rosemary than provided the board with a brief update regarding the diking district research efforts. She shared that the Airport doesn't pay any property tax because the City owns the property however, the Airport is assessed \$22,000 for diking fees. Rosemary and Jerry met with Terry McLaughlin and his staff of appraisers to discuss. After the meeting Terry decided to research with other assessors around the state in regards to how other Airports are assessed. Currently the Airport is being assessed as a light industrial area at \$10.5 million dollars. The Airport is on property that was purchased with funding that precludes us from developing the property. She went on to explain that once Terry gets back to us, we plan to work with Terry and his group to get this amount reduced, and possibly follow up with the Board of "equalization" to assist us in the process. Darold Dietz (DD) asked about one lot that was valued at \$54,000 on the old west side that was just ground. Rosemary said yes because they are valuing it as industrial property. Staff added that the strip in the middle of the runway is valued at \$11,000.00. Brian Butterfield (BB) asked if the City would be able to get a refund from past paid fees. Staff will discuss all solutions and try get the amounts reduced. Rosemary said at a minimum we need a better understanding regarding assessment process and that overall the meeting with Terry went well.

f. Legislative briefing update – Rosemary Siipola.

Rosemary provided the board with an update on the Legislative tour that Senator Hatfield, Representative Blake, Representative Takko, Chet Makinster and Darold Dietz, David Hodges, and Deanna Horton from Senator Murray and Senator Cantwell's staff attended. She shared that Airport staff emphasized during the tour that the jet fuel tax goes to the General Aviation fund not to the DOT aviation for grants and things like that, we also talked about some of the issues regarding the CIP projects and the DOT program and how they are trying to do things. We tried to give an Airport CIP update, and a better understanding of what the process is to get things done, the wetland mitigation process was discussed.

Rosemary than shared that the Airport is setting up another tour with Representative Ed Orcutt. Ed Orcutt is the ranking member on the transportation committee and Dean Takko is on the transportation committee.

We are trying to coordinate a meeting with them, and we extended the invite to Scot Walstra and Senator Braun. Even though the Airport is out of Senator Braun's district they have a lot of interest in our Airport.

Scot Walstra (audience member) shared with the board that the EDC is in the middle of a lobbying effort that should help a client they are working with in order to attract aerospace jobs. It's too early to say what the outcome of that might be.

In regards to the light industrial zoning, Scot added that he recalls that Airports are zoned as light manufacturing as a default zone for Airports in order to embrace that activity and as an economic job creator. Scot added that when he looks at this Airport however he doesn't see any light industrial or light manufacturing activities going on, so that would be a good basis for a variance or request for a variance, since those are activities the Airport is not doing.

Rosemary thanked Scot for his input and added that the Airport was also working to outreach with Cong. Herrera-Beutler to arrange another tour since the last tour went so well. Rosemary thanked the board members (Darold and Chet) for attending the first Legislative tour. Group discussion occurred regarding potential meeting dates. Dennis Weber (DW) added that Jamie is coming in for a Homeowners Celebration and ribbon cutting on the June 30th so you might want to see if you can meet with her on that day.

g. Website Update – Rosemary and Karyn.

Rosemary pointed out to the board that Airport staff is working on the website and that she wrote the information on the white board for the board members to view the draft. Currently she shared that staff was working with the webmaster on the initial rollout and that we've received some edits from Jerry Sorrell. Karyn added that meeting dates and locations need to be updated. David Futcher (DF) added that he noticed an error in the email address on one of the webpages. Rosemary said it is a "slow" rollout and that they are making changes. The new address will be www.southwestwaregionalairport.com and we hope to have our hangar information on the website for advertising, and continue to update craigslist, and our aviation magazines for rental information and advertising. We will add the website links for the cities, EDC, ports, chamber, DOT Aviation, hotels, car rentals and other businesses as well. Rosemary added that once the work is completed there will be an additional \$300.00 going out to the webmaster. Sharon clarified that this was not an additional \$300.00. Karyn added that the total cost to develop the Airport's

website was \$600.00, \$300.00 was paid up front to initiate the contract and the remaining \$300.00 will be paid upon completion of the contract work.

Sharon asked Rosemary what the timeframe was in regards to editing and providing the edits to the webmaster. Rosemary replied over the next week or two. Dennis Weber (DW) asked if we would be posting the names and contact information of the board members on the website. Staff responded that currently we have only put names and titles and have not put personal contact information, home addresses, etc. Dennis Weber thanked staff for only putting names and titles on the board member page. Rosemary added that the website will be easy to navigate and if you type Kelso Airport it will bring up our new site.

Additionally, staff finalized the Airport brochures. Rosemary dropped off brochures at the Chamber of Commerce. Karyn provided a brochure to each board member.

David Futcher (DF) cautioned providing the password for the website which allows edits. Sharon added that it wasn't her intent to have edit making privileges provided to staff, board members or others. It was to be restricted to our web master. Karyn said to please let her/Rosemary know if they have any edits. Rosemary asked for any edits and input and told the board that she would let the board know when it is final and goes live.

h. Review of Meeting and Action Items – Karyn Anderson

Rosemary asked Karyn to provide a summary of today's meeting "action" items. Karyn replied and summarized the following list of action items for the Board:

- a. Rosemary is going to send out a copy of June's final General Claims spreadsheet to the board members.
- b. Sharon and staff to report on CIP scope, schedule, and budget. The CIP project sheets, summary sheets (including project timeline), and CIP delivery strategy.
- c. No further action required regarding Office Modular.
- d. Staff will follow up with the board regarding the diking district assessment work that's currently underway with Terry and his staff off assessors.
- e. Rosemary will send out the final Legislative tour dates to the board members.
- f. Staff will follow up with the board when the Airport's website is final.

i. Other Business and Public Comment:

- Dennis Weber (DW) asked if it would be appropriate to have the chairman review the Interlocal agreement or is that something more appropriately discussed in the executive meeting. Janean replied that an Interlocal agreement doesn't need to be discussed in an executive session and because the board is too small of a group to have an ad-hoc group, however it isn't too early to begin those discussions.
- Janean suggested that the Airport manager be the conduit for those discussions and what the next document would look like. Janean added that this would not need to be in an executive session and that causes for executive session are potential litigation, purchase and sale of real property, and personnel type issues. Janean offered to brainstorm some ideas in regards to what the process would look like.
- David Futcher (DF) stated that he'd like to address one issue that Darold is staring at right now and that is the management agreement that terminates in ten days. David said that the board needs to figure out what we to do. Dennis Weber (DW) asked if it was appropriate for an executive session. DF replied no. Janean agreed that it is not really an item for an executive session. Group discussion regarding Sharon's interest in continuing as management of Airport. Sharon reminded the group that it was discussed at the last meeting with an 18 month proposal. Dennis Weber asked if any action was taken. Sharon replied no.

Darold Dietz (DD) added that he believes the board needs to take action. He also shared that he stops into the Airport office more than anybody, he can see how enthusiastic the staff is about their work and feels they would all have their hands up if asked to continue. Board member and group discussion occurred regarding how long to extend Sharon's contract. David Futcher (DF) suggested and motioned for a 90 day extension and Chet Makinster (CM) seconded that motion. Sharon had a copy of the 18 month proposal that was provided to the board in December 2013. Additionally, Karyn handed out a 6 month list of accomplishments to the board members for their review.

Chet Makinster added that he also would like to extend Sharon's contract out farther. Dennis Weber (DW) asked if the 3 months was within mutual

written agreement. Darold Dietz (DD) and board tabled the motion momentarily.

David Futcher (DF) then raised the discussion of the Port taking over the Airport. DF shared that he believed the Port could run the Airport, the need to explore the Port's interest further, and perhaps put together a two member task force that could explore the feasibility. DW seconded that motion along with amending of the Interlocal agreement. Discussion regarding a minimum of 6 months to get that underway. DW agrees that the board should pursue that course to see if the Port is interested in taking over the Airport since Ports are authorized to do that under state law.

DF said that the board should start with an outline of the proposal to see if everyone wants to keep going or not, and he would like someone to come up with the outline and bring it to the board. Chet added that it's a goal of his and he supports this. Darold Dietz agreed to this direction, motion and seconded, all were in favor of the Port taking over the Airport.

Janean suggested that if they make it an official smaller group they are bound by all of the public meeting requirements, so rather the board should just assign two members to review it further without making it a formal committee. Everything would then be brought back to the board meetings. All were in favor. David Futcher was appointed and Dennis Weber was appointed.

Darold Dietz (DD) and board than went back to the earlier tabled-motion. Dennis Weber (DW) moved to motion to extend Sharon's contract for an additional 6 months. David Futcher (DF) seconded that motion. All were in favor. Sharon replied that she and staff would enjoy continuing on to help the Airport. Darold added that 6 months makes sense given the potential of transfer in ownership of the Airport to the Port. (Norm Krehbiel then arrived at the meeting)

- Dennis Weber (DW) added that he wanted to be very clear that his support of these last two motions is in no way any reflection of any disappointment of the work that has been done by Sharon and staff. Group discussion by all board members concurring with Dennis' statement, thanking Sharon and Airport staff for the work accomplished to date.
- Darold Dietz (DD) opened the floor for public comment. No audience member provided public comment.

Next Meeting Date and Meeting Adjournment

Next meeting date is on July 17, 2014.

Chairman Darold Dietz adjourned the Operating Board meeting at 4:00 pm. Then the Board went into Executive Session which concluded at 5:00 pm.

Sign in Sheet/attendees: Brian Butterfield (City of Kelso), Scott Walstra (EDC), Henry Schmitt (retired pilot), Charlotte Whittaker (citizen), and Don Barclay (Reid Middleton).

Minutes respectfully submitted by: Karyn Anderson