

***Regional Airport Board***  
***Meeting Minutes***

3:00 pm

FBO Office – Kelso/Aviation

May 15, 2014

**Call to order**

Chairman Darold Dietz called to order the regular meeting of the Southwest Washington Regional Airport Operating Board at 3:05 pm on May 15, 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).

**Approval of minutes from last meeting**

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

**Agenda Items**

- a. 2014 General Claims – Sharon Zimmerman.

Sharon provided the board with an overview of the General Claims Financial spreadsheet that had been prepared by Airport staff. She described to the board that the General Claims submitted for 2014 averaged on a monthly basis \$31,123.85. Dennis Weber asked if the spreadsheet captured any of her management recommendations in regards to the budget proposal. She said no and clarified that the General Claims spreadsheet provided an “actual” accounting of expenditures over the last few months. Rosemary pointed out that general claims are processed when invoices are received and may not reflect the months expenditures incurred. For example, the Airport received an invoice for maintenance costs in one month for a two month period. Sharon added that the Maintenance dollar amount, which Rosemary pointed out, only covered wages and benefits. The board reviewed the spreadsheet and staff added that Chairman Dietz had signed the General Claims this week and that they were in processing.

b. 2014 Amended Budget – Sharon Zimmerman.

Sharon described that her intent in carrying this item onto the board's agenda was with the understanding that the 2<sup>nd</sup> Budget Workshop had taken place earlier today. The results from that Workshop, if the Board approved, would then carry over with an Amended 2014 Budget. Sharon shared the Exhibit that had been created for the budget workshop. The Board discussed the possibility of rescheduling the budget meeting and Chet Makinster (CM) added that he personally wanted time to discuss and review the Exhibit and information created for the Board. Karyn Anderson provided a suggestion of May 22, 2014 for rescheduling the Budget workshop. The date had been held by the Board for a "CIP Workshop" that was going to be cancelled. After some discussion the Board decided to begin the Budget Workshop discussions today towards the end of the Operating Board meeting agenda. Janean Parker confirmed that they could carry over discussions of the budget during today's board meeting. Sharon added that she would send potential new meeting dates to the Board for the CIP Workshop.

c. 2014 Corporate Rate at Red Lion – Sharon Zimmerman.

Sharon shared with the Board that the Airport had received an offer from the Red Lion. The offer included a corporate rate for Airport users. Sharon stated that she had Janean take a look at the information. Janean added that the corporate rate wasn't a benefit to this group rather specifically to the Airport tenants and Airport users. Janean recommended adding language in a letter to clarify who can qualify for the corporate rate. Dennis Weber motioned to approve the Red Lion letter with the additional clarification language added that Janean recommended. Seconded by Chet Makinster (CM). The Board approved.

d. WSDOT Aviation AAA Grant Update – Sharon Zimmerman.

Sharon provided an update to the Board at the April Operating Board meeting regarding WSDOT Aviation grant applications for Airport grants. Sharon expressed that this agenda item was a follow up to the Board to provide them with the status on the AAA grant application. Sharon shared that she had submitted the WSDOT AAA Grant, with the City's help, on April 30<sup>th</sup>. She expressed her thanks to Steve Taylor's (Kelso City Manager) for his timely response and efforts to meet WSDOT Aviation's extremely short grant submittal deadline. She inquired about an amendment process and had set up

a meeting for next week with FAA, Reid Middleton, and WSDOT Aviation to discuss an amendment process.

She added that it is a new program for WSDOT Aviation, and she is wanting to learn more about the process and program. FAA has been very supportive of the concept.

- e. BNSF/WSDOT/Airport meeting update: Third Rail Realignment Discussion – Sharon Zimmerman. .

Sharon described the off-site meeting with BNSF, and WSDOT Aviation and WSDOT Rail. She learned that during the project they will not be making any changes to South Pacific Avenue so the Hangar accesses will still be the same as they are today. That South Pacific Avenue will only be the construction access for them during the project and that a lot of their activity will be occurring at the tunnel area. She is beginning the conversations regarding the condition of the road that they will be using during construction and what they plan to do to restore the road after construction. She then described the location of the third rail bridge to the board members, and that the design is not being shared at this time. They are interested in doing the fencing and have been very positive.

Dennis Weber asked if Sharon anticipated any problems with construction and bringing in tall equipment as they replace the line/build the new track. Sharon responded that she did not and that was an area that WSDOT Aviation had really been focused on and how that construction activity was going to occur. Chairman Dietz asked about the expansion area. Sharon replied that she also asked about the alignment in the meeting, in which she learned that it remains on the Golf-course side until you get to the Airport area. The conceptual design shows that the transition is at the tunnel. There was additional group discussion regarding the location of the third rail.

- f. SWRA Website, Community Outreach, Legislative Briefings, Office Space – Rosemary Siipola.

The board was informed that the Web Development project is nearing completion. That staff has been working closely with the web designer. Additionally hangar information will be included on the website along with aerial photos. Staff plans to advertise the Airport hangars on Craig's list as well and link to EAA and Civil Air Patrol. Steve Taylor with the City of Kelso asked if they could link to SWRA's new website. That Airport staff

had attended the Cowlitz County Tourism Expo in April. That it was well attended. Rosemary Siipola and her husband gave away 63 gliders to the kids and families in attendance. Airport information was disseminated to Cowlitz Black Bears, area Hotels, area Tour Guide services and the general public.

The Airport Manager gave a presentation to the Discovery Club this month. Rosemary added that they were able to answer a wide variety of questions and provide information regarding the SWRA Airport. Additional Airport activities include the Chamber and Tourism Center grand opening, the Lower Columbia Transportation Association presentation that's scheduled for September, the Airport Clean Up day with the Experimental Airport Association 1111 and the Civil Air Patrol, and Legislative Briefings scheduled with Sharon and the 19<sup>th</sup> District. Rosemary will email the Board members with meeting dates. Sharon extended the meeting invite to each Board member. Chet Makinster stated that he is very interested in attending. The Airport Office location research is nearing completion. Sharon would like this agenda item to wrap up. It is their intention to wrap up the research, complete the pre-application process and provide the board members with a complete cost for siting a temporary office modular building at 2215 South Parrott Way location.

g. FBO Contract Annual Review – Sharon Zimmerman.

Sharon reviewed the FBO contract. She added that just recently the Airport had a “hard landing” at the Airport and it's examples like that one, in which she would like to understand who is qualified to help with those situations. This is a perfect time and opportunity to go through these contracts and possibly hire out some of the work. She added that in the FBO contract there was a clause which allowed for an annual review period in June, which she plans to schedule next month. Chet Makinster asked if the hard landing had been more severe, if the Airport had an emergency procedure in place. Sharon responded yes, call 911 first. Sharon added that she had placed a call into the National Transportation Safety Board regarding what type of incidents the Airport should make them aware of. Additionally, Dan Johnson worked with the City Police and Fire Department to develop an emergency plan.

Public Comment was provided by Dwight Irby regarding the FBO contract. He suggested that during the review process the Board ask Denny Wise if the Airport Manager Office is available for use. Janean Parker reminded the body that public comment was on the agenda for a later time, but that since Dwight

had provided comment if he could please state his name and address for the record. Dwight responded with his name and address of 6114 Willow Grove Road and that he was a 20 year airport tenant. Sharon thanked him for his comment.

h. Long Term Westside Lease – Sharon Zimmerman.

Sharon provided an update regarding the long term west side lease and hangar removal on the west side of the Airport and pointed out to the Board/Chet Makinster the location of the hangars. She shared that she had an opportunity to go and meet with Warren Longden and George Ford who would like to invest in their hangars and discuss their expiring leases. She will continue to keep the Board up to date. Dennis Weber asked if the revenue for hangars were increasing. Sharon asked Karyn to provide a brief update on the status. Karyn Anderson replied that the Airport had about 21 hangars that were still available for lease. As of today, with the lease of an additional hangar, that makes 20 available for lease/rental. In June, there might also be two more hangar rentals. One inquiry from a gentleman working on the Mount St. Helens project, coming into the area, renting for at least one month to one year. The other inquiry from a gentleman that was a “walk-in” to the SWRA office. We have a hangar that he liked so we placed it on hold for June. If both of those lease, that will put us at around 17-18 hangars available for lease which is a good upward trend in leasing for the Airport.

i. Prime Development Land Lease – Sharon Zimmerman.

Sharon provided an update to the Board regarding Prime Development and that she is understanding that there is additional Revenue available once that issue is wrapped up she will provide that revenue number to the Board.

j. Civil Air Patrol Lease Agreement – Sharon Zimmerman.

Sharon has been approached by the Civil Air Patrol. The lease agreement is coming up in July. The current lease they have now was a five year lease. They will be meeting to discuss the existing lease agreement.

k. Review of Meeting and Action Items – Karyn Anderson

Sharon 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. Sharon will provide the Board with some potential CIP Workshop dates and has cancelled the CIP Workshop that was scheduled on May 22, 2014.

- b. Janean Parker has offered to put some clarification language in a letter to clarify who can qualify for a corporate rate.
- c. Rosemary will provide the Board with legislative briefing dates.
- d. Sharon would like to wrap up the office research and get the board members a final cost estimate.
- e. Sharon will follow up on the FBO contract in June and then provide an update to the Board. (Karyn Added Dwight Irby's action item/suggestion of moving SWRA staff into the FBO office)
- f. Sharon will follow up on the Civil Air Patrol board lease agreement. Once she hears back on the details of the CAP lease agreement she will follow up with the Board.

1. Other Business and Public Comment:

- Sharon provided the Board with an update regarding the Disadvantaged Business Enterprise (DBE) plan that an Airport is required to have, and that the Airport's was completed in 2002. Prior to any construction, the Airport will need to update.
- Henry Schmidt, audience member, provided comment regarding the municipal code information he'd researched on the website. It includes information regarding what you can and can't do on the Airport. He was inquiring if the Airport had adopted the code. Janean replied that the Airport had adopted it as part of their operating rules. Sharon added that enforcement would be carried out by police enforcement in the worst case scenario. Henry gave examples, referenced the municipal code and asked how the Airport would respond. Chairman Dietz asked Henry if the point he was wanting to make regarding the municipal code, was that it needed updating. Henry replied yes. The Board/Sharon agreed.
- Dwight Irby wanted to give 30 days' notice to the SWRA that he will not be using one of his hangars, and rent on a month to month basis. Dennis Weber reminded the body that there was an issue with another tenant regarding providing the 30 day notice verbally and that it needed to be in writing. Sharon asked Mr. Irby to follow up with her and that she would assist in the change in lease agreement / process. Janean added that Sharon can work with Mr. Irby to accomplish what he is trying to do, but that it will require some follow up paperwork.

- Scott Walstra with the Cowlitz EDC shared that he had his Board convinced that SWRA was a great Airport, with a great future. He added that he spent most of the day in Olympia with the Statewide Organization of Economic Development Councils. They have several packets of funding that are at risk. They are going to keep a focus on continuing to help this Airport. In a meeting, he learned of an increased awareness and attempt to build supply chain relationships with Aviation Aerospace, so Ted has been tasked to get a summary of where we are at with the Airport, what we see as the future plan. If we can show sufficient commitment behind that, we can get some of these funds. Additionally, according to the paper, people that are looking at investing here are not from around here, they are not from the PNW, many are not from this continent. There is a lot of interest about this area. And these people fly jets.

Scott then gave the body an example of dollars that are being brought into the area, described SWRA as being a business jet-focused facility and how it makes sense to him. He then added that he has been looking into additional areas of outreach with Jerry and Sharon. He described his contact with folks that fly World War II aircraft and historical aircraft, that he belongs to groups like the Cascade War birds in Paine Field, and he thinks it is important to put together historic information and a community piece. He pointed out that SWRA's community needs to know the Airport is here.

Dennis Weber brought up the Chamber "after-hour" event that is occurring next summer and potentially a target date for the community outreach piece. Rosemary described how the event could be set up. Group discussion occurred regarding events. Scott added that he will be looking for a summary from Sharon or staff to help build our feedback to the state organizations

- Henry Schmidt provided some historical knowledge regarding some past outreach activities that were not supported by the community.
- Scott described a Natural Historic Reserve in Vancouver opportunity to take around Joe Jackson a Congressional Medal of Honor winner in a C47. He shared the experience with the body, describing the exciting opportunity with a humble, war hero.
- Dwight Irby added that he didn't have the authority but wanted to suggest that the SWRA staff could follow up with George Ford regarding locating

at the EAA until the FBO contract changes are complete. He also recommended lowering hangar lease rates.

m. Budget workshop - # 2

Sharon first reviewed the workshop meeting summary that Karyn transcribed/summarized for the Board. She pointed the Board members to the meeting packets that staff developed. The proposed budget was reviewed by the Board. Sharon walked the board members through each line item that had increased. This included the beginning fund balance and the airport manager insurance premium reimbursement under the Revenue section. She then highlighted the contract section under the Expenditures section.

She described the different skill sets needed, and the seasonal demand that occurs with each contract, such as the maintenance contract. After reviewing, she believes that task-base contracting might be the way to go.

Sharon shared that her thought was to add some flexibility in it for the Board, having a task based approach and then described her management contract as being task based as well. Kelso's finance contract would also need to be reviewed, a type of refinement exercise and adjustment in the downward area of expenditure. The legal contract was increased by 5,000 due to the foreseen contract work that Janean will conduct for the Airport. This was an increase from 10,000 to 15,000. Also, the FBO contract that we have today needs more clarification regarding what the \$25,000 dollars provides the Airport.

Dennis Weber commented that Sharon's reviewing of the contracts was "spot-on". He then asked her when she is reviewing the contracts if she had a goal regarding how much she is trying to cut out. What is that number?

Sharon described the line item for membership dues increased by 50\$, the insurance analysis and coverage of 4 different insurance policies. Steve Taylor with the City of Kelso asked how Sharon came up with the \$22,000 figure. They walked through the various bills and insurance charges. Steve believes there should only be \$13,000 in insurance charges. This is an area to be further analyzed.

Sharon described the diking district analysis. Group discussion regarding the review that needs to occur regarding the current parcel value assessment. The assessment and value of the land at the Airport appears to be high. Sharon described that it's identified and possibly worth the effort due to the savings in funds. She added that currently the Airport is assessed at 10 million dollars and our insurance has us covered for 3 million. Dennis Weber asked if they hadn't been out to visit since 1996. Sharon replied that it could be. Chet replied that it could be 1996.

Chairman Dietz added that he thought it was great that this was being analyzed and researched.

Sharon next described the assessment of garbage and storm water, green space and parcel assessment, that the TPI has increased 100\$, and the loan payment line item was highlighted. Conceptually, Sharon described work for maintenance that could be contracted out, an increase in pavement repairs, and an RFP process for some of the work that needs to be accomplished.

Sharon summarized the next Exhibit, the "memo" developed by SWRA which provides recommendations on how to get through the next 6 months, and next year. Dennis Weber asked if during the review, she will continue through this analysis process. Sharon replied yes. David Futcher added that \$16,000 isn't going to get us anything and won't fund any projects which he said is the Board's priority. David Futcher pointed to 5 lines on the spreadsheet. He is convinced that less than 100% FTE's should be dedicated, using current employees, and current lawn guy. Group discussion regarding different scenarios. Chairman Dietz commented that the work can't get done without these Airport staff. That the Airport can't achieve any capital improvement projects without somebody managing the time and hours, and the paperwork.

Dennis Weber commented that this is a work in progress, that if he understands Sharon correctly the 5 items (numbers) will be changed to task-based, which will reduce those 5 figures. Sharon replied to Dennis Weber, that this is a recommendation in the way of a "concept" and if the Concept for each of these contracts is the way the Board would like to go, that's the direction she will go.

Dennis responded that realistically he thinks that's the way to go. Group discussion regarding AIP funds that are also available after October, approximately 600,000. Dennis Weber asked if the Airport is still getting value from Reid Middleton consultants. Sharon discussed with group,

replied they are doing fine, and that they are qualified. Chet Makinster asked if funds were available for planning and administration. Sharon replied for planning only, not administration.

Dennis Weber asked if the Airport manager reimbursement had been researched. Sharon said she had researched it and said if the reimbursement is to be used for staff, than no it cannot be reimbursed.

Dennis Weber reiterated that he asked earlier about a goal figure that Sharon is trying to achieve for a fund balance and that it would be useful to know.

Further group discussion regarding Airport priorities, tenant business, mowing, runway lighting, the PUD grant, tree maintenance and everyday low cost items. Additional Board discussion that included audience members input, money spent on growing the airport versus maintaining the airport, the Airport as a Regional facility, and Board member/Council priorities of CIP projects and maintenance.

The Operating Board proposal at the end of the budget discussion was for Sharon to continue managing and administration of the Airport. While doing so, continue her analysis of the budget, her task-based concept, analysis of each line item she's highlighted and that have been discussed at today's budget meeting, and for a detailed breakdown of contract services. Dennis Weber also asked during the Budget discussion for a "goal" number that Sharon was trying to achieve as she works to reduce expenditures in the contract area. And, in addition to managing, the board would like to continue to identify the airport extension as a priority, along with maintenance and preservation.

David Futcher voted to adjourn, Chet Makinster seconded the motion. Meeting adjourned 5:05.

**n. Next Meeting Date Location and Time – Chairman**

**Adjournment**

Next meeting date is on June 19, 2014.

Chairman Darold Dietz adjourned the meeting at 5:05 pm. Sign in Sheet: Steve Taylor (City of Kelso), Henry Schmitt (Retired/NWA/Tenant), Dwight Irby (Tenant/Retired), and Scott Walstra (EDC).

Minutes respectfully submitted by: Karyn Anderson