

MINUTES of
AIRPORT BOARD MEETING
April 13, 2023
6:00 p.m. via ZOOM

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

B. **ROLL CALL:**

Members Present:

Dennis Bedford
Al Clough

Jodi Garza
Jerry Kvasnikoff

Chris Peloso
Dan Spencer

Member Absent:

Eve Soutiere

Staff/CBJ Present:

Patty Wahto, Airport Manager
Phil Adams, Deputy Airport Mgr.
Andres Delgado, Airport Superintendent
Ke Mell, Airport Architect

Travis Dybdahl, Airport Accounting Tech.
Michelle Hale, CBJ Assembly
Sherri Layne, CBJ Law

Public Present:

Steve Noble, DOWL

C. **APPROVAL OF MINUTES:** *Dan Spencer moved the approval of the minutes of the March 9, 2023, Board meeting. The motion passed by unanimous consent.*

D. **APPROVAL OF AGENDA:** *The agenda was approved by unanimous consent.*

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

F. **UNFINISHED BUSINESS:**

1. **JNU Parking Lot Bid Award and Appropriation:** Airport Manager Patty Wahto reported staff had estimated from \$6.7M to \$8.1M. The one bid received on April 4 from Secon was not out of line for what is going on in the construction world. The bid is before the Board for their approval pending the grant amendment to the CARES Act. As staff was putting the grant together, the administration fees were not included in the grant. The other one is a discrepancy in the design fees based on amendment. Airport Architect Ke Mell said DOWL is the consultant for the Parking Lots Project. They have given the Airport a proposal to provide Construction and Administration (C&A) services. Because of the very tight schedule to complete design and get this project out to award so the work could be done this year, they were certain things staff asked DOWL to do fairly late in the design process, including the Board's request to give the best possible drainage for the parking lots. As a result, some design services were provided basically on a verbal notice to proceed. DOWL gave a proposal for the

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design services, along with the proposal for C&A services for the project. When Ms. Mell totaled the contract and first two modification, it comes to \$565,327. The Board previously approved \$600K for design services. However, the additional design services that were requested totaled \$227,212.50. The total of the design services is \$792,539.50.

Ms. Mell said staff did not take the time to go through the usual formal process for them to submit a design proposal based on their estimate of costs and for staff to approve it if the project was kept on track for bidding, which was about the latest date that the project could possibly have been bid to have a chance to complete the work this year. Information was given on the design services in the agenda item, which read: "The Board previously approved \$600K for project design, which is now increased by \$167,783. The total cost is \$767,783." Ms. Mell said that sentence should read "The Board previously approved \$600K for project design, which is now increased by \$192,539.50, for a total design cost of \$792,539.50." Chair Clough asked staff to make sure the numbers are correct before the motion goes forward.

Ms. Wahto said based on the \$24,756 increase, the total project cost at this point in time (which includes construction, design costs, construction administration costs and one other piece – the administrative costs for staff) increased by \$372,547. When all is totaled, the project total is \$10,478,766. Ms. Wahto said the CARES funding grant amendment or the first motion would be \$9,878,766, and then there are no changes on the next two motions. *Dan Spencer moved to approve the additional appropriation of CARES funding through the grant amendment in the amount of \$9,878,766 for the JNU Parking Lot Rehabilitation project. The motion passed by unanimous consent.*

Jodi Garza moved to approve the construction bid award of \$8,284,451 to SECON for the JNU Parking Lot Rehabilitation, funding through the CARES grant, and pending FAA CARES grant amendment. The motion passed by unanimous consent.

Jerry Kvasnikoff moved to concur with the Contract Administration and Inspection services contract for JNU Parking Lot Rehabilitation provided by DOWL at a cost of \$1,029,229. The motion passed by unanimous consent. Chair Clough thanked staff for all of their hard work in getting this project moving forward.

G. NEW BUSINESS:

2. Airport Manager's Report:

a. John Coleman Retirement. Ms. Wahto reported John Coleman, Business Manager, for almost 21 years is retiring on July 1st. John knows federal grants and funding like no one else. Recruitment will be done so that the new person can spend one-on-one time with John. We are sorry to see him go.

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- b. Airport Fund Balance and Capital Revolving Account Balance (Attachment #1). There have not been any serious changes on these documents. Staff will present the Airport budget on April 19 to the Assembly Finance Committee. There has been no change to the Capital Revolving Account; however, the City wants to dissolve this account and put it into the fund balance. She is discussing this as there is a reason why it is separate. This is a Capital Revolving Account. While it is Airport funds, it needs to remain separate for the very reason that this is not rates and fees funds and has not been generated from the Airport tenants. This was actually reimbursements from PFCs and other things that were left in an account and must be kept separate. If things are muddled within the fund balance, it looks like it is residual from the operating funds and that is not the case. She was worried that it could be construed as operational funds if thrown into the fund balance. She is trying to find ways for keeping this separate. The City wants to make sure funds are appropriated and not transferred. Ms. Wahto said that all funds will be appropriated. A lot of times this account forward funds projects. Chair Clough agreed that these federal funds do not need to get muddled up in this situation. He understood Ms. Wahto was trying to keep that from happening.
- c. CARES/CRRSAA/ARPA Fund Balance (Attachment #2). The table included in the agenda was updated and will be updated again with the new numbers. The fund has around \$2M remaining in this account. The CARES grant is the only grant that can do projects and the projects need to be done by April 2024 and closed out by July. The other two grants close in 2025. Board Member Jodi Garza noted the updated numbers for the estimated projects have not been put in by downtown. Ms. Wahto said the rent relief and other things are being put in the later grants so that this was freed up for projects.
3. Airport Project Manager Report – Mike Greene: Ms. Wahto reported the *Terminal Reconstruction Project* has the new area above the stairs opened up a little bit more. The project is still awaiting the arrival of glass panels. The opaque barriers were placed above the lighting and carpet will be installed so as to open the seating area. Some punch list items remain.

The *Terminal Fire Alarm Project* has feedback issues on Delta Air Lines cell phone.

The geotechnical work for the *Main Ramp-121/135 Project* has been done. The results are being reviewed. DOWL continues to work on the construction and safety phasing plan. Coordination continues with tenants and other projects. The goal is to provide 90% design documents by the end of April. One of the things Mike Greene has been working with DOWL is possibly reducing the scope of work. As prices for construction go up, the project scope may have to be reduced. This ties back into the results of the geotechnical work. Ms. Wahto said she had been switching projects on

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the Capital Improvement Projects (CIP) to put more funds into this project and the Gate 5 Passenger Boarding Bridge. It is hoped to put this out in May for bids and get it awarded sometime in the late summer/early fall.

The *Float Pond Improvement Project Phase II* construction has begun preparation for paving. This should go quick. The pond is open and no more work is being done that will affect the pond level. This project will hopefully be buttoned up in the first week in June. Another item that ties into this project was the pavement cuts on the float pond road. Secon has provided a number to repave those that seemed high. The cost is now \$43K. This is not Federal Aviation Administration (FAA) eligible, but it is CARES funds eligible. Chair Clough said this is pretty important to be done.

The *Gate K Crest Street Culvert* is ready to go. The FAA is ready to go with a grant, but out of all the projects, they wanted more environmental paperwork done, even though the Airport has the permit from Fish & Game. Now they want SHPO (State Historic Preservation Office) paperwork for the storm culvert. The FAA wants additional information and to review the PFAS (per- and polyfluorinated substances) that was done at a site about 90 feet away from that. The Categorical Exclusion Request has been submitted three or four times. These requests are coming from FAA Headquarters.

4. Airport Project Manager Report – Ke Mell: Ms. Mell thanked the Board for their support on the *Parking Lot Project* despite some difficult circumstances. The Airport has a bid, a willing contractor and barely enough time to do the work. Secon is confident they can do the work before winter arrives and the money expires. Ms. Garza said this is a great project and great use of CARES funds. She did not know how else the Airport would have been able to do this.

Schmolck Mechanical, contractor for *Bagwell Mechanical Repairs*, trained JNU staff on the Tox Alert System on April 12. Staff will instruct airline personnel as to the function of the system and then staff will make the system fully operational.

The *Tank Replacement at the old shop* had the Airfield crew dig several test pits to the north, east and west of the buried tank within approximately 5 to 10 feet of the tank. The test pits were dug 4.5-5 feet below ground service. No signs of an oil release from the buried tank were noted through field screening and visual observations. Laboratory samples will be sent to confirm. The reduced uncertainty with regard to potential contamination will favorably affect the design/development cost estimate, which has not yet been received. There is some possibility of contamination due to historic filling practices that tended to dump a little fuel on the ground at the fill pipe. However, it is now expected that a much more limited amount

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of remediation will be needed compared to what it could have been. NorTech sent the design/development drawings and staff is reviewing them.

Dawson has finished the main structural steel, installed a roof, wrapped the building and are working inside on the new *Alaska Seaplanes building*. The connection footings between their building and the north terminal have been poured and cured. They will be enclosing this area soon and then placing two holes in the north end of the terminal: one for the bag belt and one for pedestrian access. Coordination is ongoing with the site superintendent. In conjunction with the work, the Airport had Alcan install some electrical conduits that will be part of the Parking Lot Project lighting and access controls. In order to get those utilities, they need to go along top of the footings at the terminal north wall and up the outside face of the wall. Alcan installed conduits through Alaska Seaplanes footings to allow the Parking Lot contractor to pull the wires.

H. **CORRESPONDENCE:** None.

I. **COMMITTEE REPORTS:**

5. Finance Committee: None.

6. Operations Committee: None.

J. **ASSEMBLY LIAISON COMMENTS:** Assembly Member Michelle Hale reported the budget cycle has begun. They had a grueling meeting with the School. She thought the process is and should go well. The Assembly will meet on Monday. Ms. Hales said she had been in conversations with Patty and Jodi about the \$660K that has been made part of the CBJ budget for the past three years. It is in the CBJ budget this year as well. She will get together with both Patty and Jodi to discuss pulling it out again to give it back to the Airport. She said the City has enough in their fund balance and they don't need it as they thought they did initially. Her biggest point about the \$660K is it is just a matter of fairness. The CBJ as an entity got the Sales Tax revenue that would have been the Airport's and it is not. She did not have high hopes because they are the same Assembly Members. Chair Clough said any efforts on that are greatly appreciated. There certainly is an argument there that if the funds are not taken out of the approved bond package, that there should be a mil reduction.

Ms. Wahto said one thought on this is as the Airport comes up on projects is to get some local match from the City. There could be some assistance and tradeoff. The CARES funds has a sunset. If this is going to happen, can the City keep the Airport in mind for the local match for projects? Ms. Hale said if that is the direction to go, she said she felt it would be very important to find graceful ways to remind the Assembly that the money wasn't used and the Assembly might feel more amenable towards appropriating those matches. She said she has another year and a half and she will help. Ms. Garza said this

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could work to the Airport's advantage because they are not expiring funds. If the Airport was to go to the City and ask for funds, it would be for a designated project and easier for them to take action in the Airport's favor.

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

L. **BOARD MEMBER COMMENTS:** None.

M. **ANNOUNCEMENTS:** Chair Clough said the Manager's evaluation will be done at the May meeting. He asked that Pam send these forms out to the Board. This will be discussed at the meeting and then move right into the Manager's evaluation.

N. **NEXT MEETING DATE:** The next regular Airport Board meeting will be held on May 11, 2023, at 6:00 p.m. in the Alaska Room and via Zoom.

O. **EXECUTIVE SESSION:** Sherri Layne, City Attorney, said the report does not need to be in executive session. She said there is not a lot of change in the ongoing litigation except for one positive change. R&L Leasing's insurance will be defending CBJ, which is what was in their contract.

In recognition of Mr. Coleman's retirement, she said Mr. Coleman is great at keeping the leases and contracts up-to-date with the legal language to protect the Airport. She said it has been a pleasure working with him. She hoped he could pass on some of his knowledge to the new person.

For this litigation, the City will not be defending the case; it will be defended by R&L Leasing's attorney who will defend CBJ pursuant to their lease agreement. This is public information.

P. **ADJOURN:** *Dan Spencer moved to adjourn. The motion passed by unanimous consent and the meeting adjourned by unanimous consent at 7:00 p.m.*

ATTACHMENT #1

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	\$819,246	-	-	-	BUDGET
Aug-18		\$23,438	(\$23,438)		PFC9 reimburse Master Plan match (portion)
Feb-16		\$3,000	(\$3,000)		SREF Geothermal remaining encumbrance
Jan-14		\$39,063	(\$39,063)		RWY Rehab match (portion) anticipate 2019 reimb
Apr-15		\$32,849	(\$32,849)		RWY Rehab match (portion) anticipate 2019 reimb
Jul-18		\$310,000	(\$310,000)		Sand/Chem/Fuel Design.
Nov-18		\$21,988	(\$21,988)		Sand/Chem/Fuel Construct match antic 2019 reimb (org \$106,250)
Apr-19			(\$477,000)	**	<i>NO LONGER REQ.Termnl Recon -less Float Pond Design (\$40k and \$108K) / Property Acq (\$50k)</i>
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jan-21			(\$40,000)		Float Pond Frwd Fund Design
May-21			(\$108,000)		Float Pond Frwd Fund Design
	\$144,246				AVAILABLE BUDGET

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

**Terminal bonds have been sold; all funding is in place; temp forward funded \$675K to be credited once Controller's completes transfer back to acct

ATTACHMENT #1

NET REVENUES v EXPENSES Juneau International Airport For Fiscal Years ending June 30

	Revised 2022	Actual 2022	Revised 2023	Projected 2023	Adopted 2024	Revised 2024	-
Operations Revenues (a)	\$6,103,600	\$5,922,987	\$7,260,000	\$7,591,900	\$7,498,000	\$9,592,400	\$0
O&M Expenses (b)	(\$7,941,600)	(\$8,376,776)	(\$9,045,200)	(\$9,203,100)	(\$8,919,500)	(\$9,711,100)	\$0
Operations Surplus (Deficit)	(\$1,838,000)	(\$2,453,789)	(\$1,785,200)	(\$1,611,200)	(\$1,421,500)	(\$118,700)	\$0
Non-Operational Expenses							
Other (c)	\$0	\$0	\$0	(\$2,340,400)	\$0	\$0	\$0
GO Bond debt service--Expense	(662,625)	(662,600)	-	(660,375)	-	(657,125)	-
Total	(\$662,625)	(\$662,600)	\$0	(\$3,000,775)	\$0	(\$657,125)	\$0
Non-Operational Revenues							
Airport fund balance applied	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COVID-19 relief grants drawn							
CARES	\$0	\$0	\$0	\$0	\$0	\$775,825	\$0
CRRSA	-	1,559,564	-	1,764,887	-	-	-
ARPA	-	1,559,564	-	2,847,088	-	-	-
Total (d)	\$0	\$3,119,128	\$0	\$4,611,975	\$0	\$775,825	\$0
Net Surplus (Deficit)	(\$2,500,625)	\$2,739	(\$1,785,200)	\$0	(\$1,421,500)	\$0	\$0
3-month Operating Reserve:	(\$1,985,400)	(\$2,094,194)	(\$2,261,300)	(\$2,300,775)	(\$2,229,875)	(\$2,427,775)	\$0

Note 1: **Rent Abatements:** Revenue not collected due to Abatements (approx. \$1.25m) is not factored into the Budget Revenue line (a) for Adopted, Revised, Projected budgets, but is reflected in Actuals for FY22. i.e. budget lines for FY23 & FY24 are shown "whole" so that rates and fees can be accurately derived.

Note 2: **Board-Approved CARES Expenditures:** \$2,340,400 of Board-approved, grant-funded, expenditures are projected for FY23. These expenses are not included in the O&M expense line (b), so that they do not inflate the FY23 deficit for Rates and Fees calculations. The grant-funded expenses are shown on the Non-Operational Expenses line, Other (c).

Note 3: **Non-Operational Revenues, Total (d):** The CARES/CRSSA/ARPA grant draw for FY23 is projected at \$4.6M; this includes the operational deficit \$1.6M, GO Bond debt service \$660K, and Board-approved projects \$2.3M.

(a) See Attachment 1 for summary and Attachment 4 for detail by account.

(b) See Attachment 1 for summary and Attachment 3 for detail by account.

(c) Other includes: capital expenditures, transfer of sales tax to Airport fund, and transfers between Airport operations and

CIP projects, and other changes in restrictions of fund balance. At year end, the audited financial statements are not on a cash basis but on accrual--The Airport budgets/reports are revenues & expenditures – which are cash basis.

ATTACHMENT #2

Projects for CARES Funding (DOES NOT INCLUDE OPERATIONAL USE)

4/6/23

Project #	Project Name	Cost Est.	Board Approved	Description	Status
	Public Parking Rehab - Design	\$767,783	\$600,000	Design Long, short, employee, rental car	Board approved
	SREB Circulation Pump Replace	\$165,000	\$165,000	Updated May 2022 Board meeting bid \$156.2K	Board approved
	Outbound Bag Belt/ Conveyor Sys	\$1,610,000	\$1,610,000	Design/Construct motor,belts, fire door, MCP	Board approved
	Sand/Chem Back-up Boiler	\$175,000	\$175,000	in design, tbb in July 2022	Board approved
	TWY Regulator Upgrade	\$203,028	\$203,028	cost	Board approved
	Bagwell Gas Detection System	\$238,400	\$238,400	Design and Replace pend bid approv \$195.4K	Board approved - pending
	Forklift for SREB/SCAB Chem	\$48,715	\$50,000	Approved Dec 2021	Board approved
1	Public Parking Rehab	\$9,313,680		LT, ST, employee, rental car, lighting, drainage ADA	incr 500K for drainage
2	Terminal Seating	\$450,000	\$450,000		Board approved
3	Terminal Lighting Replacement	\$0	\$75,000	LED replace fluorescent old/remaining terminal	FAA Elig now
4	Acquire Man Lift	\$20,000	\$20,000	In-terminal Man Lift for maintenance/cleaninng	Board approved
5	Fuel Station Access Control	\$20,000	\$20,000	Automated fuel access control	Board approved
6	Fuel Station Back-up Generator	\$15,000	\$15,000	In-Line and portable generator + enclosure cost ??	Board approved
7	TSA Bag Screening Floor Replace		\$20,000		Board approved
8	Ceiling Tiles Replacement Old/DL	\$350,000	\$350,000	350k-1M Bulk tile order replace all remaining	Board approved
9	SREB Wash Bay Protection	\$32,000	\$32,000	Ext curtains, ceiling protect, seal/paint dr	Board approved
10	Compactor Relocation / Replace	\$350,000		\$250k design/pad electrical \$100K compact	
11	Blk M, N, O trench drain/paving	\$1,000,000		Est for trench drains and paving	
12	Blk O paving behind hangars	\$280,000		may combine with above	
13	North AK Seaplane/Ward Paving	\$150,000		between tenant lease and TL, TL repair work	
14	Power/Electric to Float Pond	\$190,000	\$190,000	est only to extend down north rd, not to each dock	Board approved
15	Water/Sewer Float Pond/Other			TBD	
16	NWDA Electrical 3-Phase Site Only	\$296,400	\$296,400	brought to box only, not to lease lots update 6/22	Board approved
17	Gate K Culvert Replacement	\$572,200	\$604,313	culvert/pavement failure \$49.1K eng/CA, \$523.1K est	Pending bid approval
18	Old Shop UST remove/replace	\$120,000	\$147,150	remove UST/replace above tank/cleanup; desn \$47.150	Incr design/Pending bids
19	Biffy Dump Station	\$90,000		DOES NOT INCLUDE DESIGN/CA	
20	Compass Rose	\$10,500		Siting only; not include painting	
21	Penthouse (2009) DOAS Repair	\$100,000		est for entropy wheel compressors, etc	
22	Alex Holden Re-design/Repave	\$2,100,000		Cargo Road, raise bed, curb gutter, drainage, pave	
23	Sidewalk Blower/Plow	\$30,000			
24	SREB Maintenance /Addition	\$12,300,000		Est ECI, FAA ineligible maintenace bays/shops	
25	Penthouse (2009) Cooling System	\$30,000		erminal project	
26	Sand/Chem Ship Ladder - Mix Tank	\$15,000		plus shipping??? 2019 quote	
27	Floor Tile Replacment Dep. Lounge	\$10,000			
28	Lighting&Cameras/Security Upgrade			no est yet	
29	Coastal Helicopter Paving			TBD...part of RON parking in master plan	
30	Chain Drive Security Gates			tenant request	
31	Anchor West End Pull-out				
32	Power to N Terminal Ramp Side			tenant request	
33	Water to N Terminal Ramp Side			tenant request	
34	Lactation Pods North End			tenant request; not federal requirement	
35	Food Concession 1st Floor			tenant request; concessionaire viability	
		\$31,052,706	\$5,261,291		
	Total Project		Approved spending	NOTE: Projects only, not operational uses	