SOUTHWEST WASHINGTON REGIONAL AIRPORT

Airport Operations Board Meeting
Special Meeting
Thursday April 12, 2012
Southwest Washington Regional Airport
2215 Parrott Way Kelso WA 98626

Those present were as follows:

Airport Board:
David Futcher, City of Kelso
Dennis Weber, City of Longview
Jerry Sorrell, Cowlitz County
Darold Dietz, Port of Longview

Staff:
Dan Johnson, Airport Operations Manager
Becky Hill, Department Assistant
David Sypher, Public Works Director
George Hext, Project Manager
Don Bell, Assistant Airport Director

1. Call to Order: Meeting was called to order at 3:31 pm by Chairman Jerry Sorrell.

2. Discussion on Airport Board transition agreement and implementation

a) Consider Rules and Procedure Draft

Chairman Sorrell responded with some comments. He emailed them to the board earlier in the day. At this point he turned it over to Public Works Director Sypher to make his presentation.

David Sypher: Has talked to City Attorney Janean Parker to get her position on these changes as she was the original author here is what we have for clarification:

1) Term Airport Manager - Dan Johnson. In the future as we tackle the staffing, we may want to have a separate clerk or administrative assistant, but as it stands now Airport Manager is indeed as it is structured with Mr. Johnson.

2) Under Chair-Intent was simply in the event that you would be chair not the CEO. The same as the city charter where the mayor is just a chair and not the CEO.

3) Under Airport Manager-An assistant may be ex-officio-Yes, anybody can be appointed to keep the meeting minutes.

4) Order of Business-Pledge of Allegiance-is totally optional, it is not by statute or anything else.

5) Wherever "Council" appears, replace with "Board ".

6) Voting-is clear as written. It is covered under "Roberts Rule of order".

Continuing through Rules and Procedures for changes:

1) Quorum-Change four(4) to three(3). Three (3) ayes to pass any motion.

2) Attendance-Change three (3) to four (4).

3) Order of Business

    a) Call to Order
    b) Pledge of Allegiance
    c) Roll Call
    d) Minutes
    e) Manager Report
    f) Comments from Public (non public hearing topics)

4) Voting and Teleconferencing-strike last sentence of (c)

It was suggested to get future information to the board a week before the meeting or at least by Friday before the meeting. We need to have correct mail and email addresses for all board members.

Motion made to accept the Rules and Procedures with the changes made by Board Member Weber, second by Board Member Futcher-vote called-Motion passed.

David Sypher, Public Works Director: Worked with City Attorney Janean Parker on getting the elements that we need addressed before the end of the year.

The Interlocal Agreement is in effect now, but it requires there be some ordinances, the Rules and Procedures and address staffing needs. Brian Butterfield, Finance Director is quite concerned with the legalities of spending the money and the auditors having to do two (2) different audit reports in the same year. What is being recommended is that we take the rest of this year for the transition and then as of January 1, 2013, this board will be fully functional.

Board Member Futcher: What do we do as a group for the last 8 months as "Group 2" for a lack of a better term? Are we just setting things up and it still would not kick in until January?

David Sypher, Public Works Director: We had to call this a special meeting because we had not set our meeting times or anything yet, so from now forward, we will be the **Airport Operations Board**, and we will not suspend the **Airport Advisory Board** until November. If there is any business transacted that you want to make a recommendation to the City Council for some action, City Attorney Parker recommends not suspending the Advisory Board until we actually are ready to have everything implemented.

Board Chairman Sorrell: I have to go on the basis that Janean Parker said this is how we need to handle this as far as legality is fine with me, but I will have to accept that this is the way we do it. I don't know enough to challenge it or question it....I just accept it.

Board Member Futcher: Expressed concerns. We just set up an order of our meeting for the Operations Board, but we are doing the same things in the Advisory Board, so we are not going to do the Manager's Report.

David Sypher, Public Works Director: We will move all of these orders of business to the Operations Board. We are trying to comply with the Interlocal Agreement but will not fully implement until January 1, 2012.

Board Member Futcher: We will start operating under Operations Board unless something needs to be brought to City Council?

David Sypher, Public Works Director: If there is something that needs to go before Kelso City Council, we will need to open up an advisory agenda here.

Board Member Futcher: So we will be "Group 2" unless there is a need for first group to show and recommend something.

Board Member Weber: Only concern is on the schedule is in October is an FBO Lease negotiated and that is a long term commitment and am assuming it could take longer than 2 months.

David Sypher, Public Works Director: One of the things I promised Denny Wise to bring up the renewal of FBO contract. When you are trying to make some long term business decisions, you need to know what the term of your lease is going to be, once the Airport Board was in place, he wanted to negotiate the term of that lease.

Denny Wise, FBO: Gave a brief history of his lease negotiations. He is interested in a longer term lease to invest money in a business. Currently has a short term lease now (5 years- will renegotiate after 18 months which is at the end of December 2012) with a proviso that states he can chose when to terminate if a long term contract has not been agreed upon.

David Sypher, Public Works Director: As a placeholder, I put FBO negotiations in October, but the Board can move it to anywhere they want to on the calendar/timeline. It will be up to the Board to decide what terms you want as far as money and duration.

Discussion followed and Denny Wise was asked to get a proposal to the Board with ideas within the next 30 days.

Board Chairman Sorrell: Need to get the ball rolling on discussing the 5th at Large member. We just cannot decide at the next meeting. It has to be an employee or an executive position within the entities.

David Sypher, Public Works Director: When he talked with City Attorney Parker about the 5th member at large and the way the CEOs and built this Interlocal Agreement, what the thought at the time was, this position would be needed as a sort of support for the group. If this Board (these 4 members) feel like we want to change to an At Large City Member or whomever, that would take changing the Interlocal Agreement. The way it is structured now, is that it would be a, supervisory staff member, probably intended to be one of the entities staff member's that would be acting as technical support to the Board.

Board Member Weber: Would suggest or nominate Norm Krehbiel from the Port of Longview. He is willing to serve and fits the requirement.

Chairman Sorrell: Inquired as to what Mr. Krehbiel's position at the Port was?

Board Member Dietz: stated that he was the Assistant Executive Director and an Engineer. He is highly intelligent, involved and very capable. He also serves on the Public Facilities District. He keeps the Port Commissioners well informed.

County Commissioner George Raiter asked the Board if he could make comments. He is a little confused by the quasi statutory state that this governing board is in right now. Are you in fact conducting governance business or having to wait until December?

David Sypher, Public Works Director: Stated they are conducting governance business now according to our city attorney. That is why we had to actually open this meeting and legally advertise this special meeting.

Mr. Raiter has one more question? Financially, what does that mean? Is there financial structure in place or does it take place in January, this year or what?

David Sypher, Public Works Director: It is his understanding that financial system will be talked about and set into place to become effective the 1st of the year, but until then they are operating under the City of Kelso system.

Chairman Sorrell: Ask for anymore discussion. He stated he feels we should discuss today and not make the direct appointment and that you are making a nomination at this time.

Commissioner Raiter: Not sure if the county has officially appointed someone to the governance board as of yet. Is that in the Interlocal Agreement that the Advisory Board will automatically become the Governance Board?

David Sypher, Public Works Director: No. We had issued that question and we thought we had gotten a response back. Mr. Raiter cannot say if the board got a response back, but knows it has not been reviewed by the Commissioners. Mr. Sypher advised Mr. Raiter that everyone but the county has accepted. We talked to Board Member Sorrell about that and just assumed that would be the case and that it had been taken care of.

At this point, in light of Mr. Raiter's comment, Chairman Sorrell will step out of the chair position and Position 2 - City of Longview - Board Member Weber will take over as the Chair.

Chairman Weber: Go ahead and invite Mr. Norm Krehbiel to the next meeting and make it the first item on the agenda and he can join at that time and the County Commissioners can clarify membership on the Board.

Board Member Sorrell: The budget is always going to be an interesting issue in that Kelso will always have something to do with this airport with respect to the budget, because of the state and federal money that came down. Kelso signed for it. Assuming that some things like design, environmental design and construction might remain with Kelso. Those things that deal in maintenance and operation could be over at the Operation Board. The budgets may run in two pararell paths. One is money that the City of Kelso is responsible for to FAA and the State and the other is the working budget that the Airport Operations Board has. Does it make sense that the financing be kept with the City of Kelso and that someone from the Finance Department be this 5th person?

Chairman Weber: Other than that is a staff function rather than a policy making function and we are policy making functions and generally those are kept separate.

Discussion followed about financial and operation scenarios.

Board Member Sorrell: Mr. Rob Parish, whom formally worked with the Pullman/Moscow area would probably be the best to help us on how to do this.

David Sypher, Public Works Director: I have added personnel to this list for the meeting on June 14th. It is his understanding that Norm Krehbiel from the Port of Longview has been nominated for the 5th member at large and he is invited to the meeting on May 10th to be discussed at that meeting.

Chairman Weber: There are no other nominations.

Board Member Futcher moved to close the nominations, second by Board Member Dietz
Vote Called-Motion passed.

David Sypher-Public Works Director asked if everyone is comfortable with the calendar/timeline he will add it to the agenda.

Board Member Sorrell: Feels we should workshop the meeting in the morning of June 14th to meet with Mr. Parish as it may be too much to start at 3:00. Mr. Sypher advised if it is a special meeting, we will need to advertise 24 hours in advance of the meeting time to publish meeting time change or we can bring it up on May 10th and just continue that meeting to June 14th workshop.

Denny Wise, FBO: Asked again about the quarterly budget reports.

Board Member Sorrell: If you go back 2-3 meetings, it was brought up to have quarterly updates. At the last meeting, the Finance Director was on vacation, so we did not get an example of a budget sample. I did not get in touch with the Finance Director soon enough, so we have yet to see a budget sample again. I also emailed you what I had thought about doing so that Operations and Maintenance budgets are kept apart from Environmental Design construction Budget. The reason is there is some really big money on that budget that can make it look like we are sitting pretty good, but that is not the case when we are strictly dealing with the revenue for Operation and Maintenance. In the manager's report he mentioned 10 vacant hangers that are on an average $200 per month x 10 = $2,000 per month x 12=$24,000 not coming in for operation and maintenance.

David Sypher, Public Works Director: Brought up October 11th as negotiation for the FBO contract. There are 4 members and soon to be 5, do you want to create a negotiation team or negotiating appointee or did you expect Mr. Wise to negotiate with the entire board?

Board Member Futcher: Suggested that we have a negotiating board that is less than the quorum of this board. Mr. Sypher stated that you would then have a two man team.

Chairman Weber: Let's put that decision on the May agenda as well.

Meeting adjourned at 4:25 PM

Becky Hill, Recording Secretary

Dennis Weber, Chairman