

Oregon State Aviation Board
Approved Meeting Minutes

March 19, 2003

Salem, Oregon

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and mailed to persons on the mailing list of the Board, a meeting of the Oregon State Aviation Board was held at the Holiday Inn Express in Salem, Oregon, on March 19, 2003.

Board members present included Bill Wilkins (Chair), Mike Burrill, Jack Loacker, Carrie Novick and Joe Smith. Also present were Oregon Department of Aviation staff members Ann Crook, Daren Griffin, Carolyn Bolton, Rebecca Jasso, Gary Viehdorfer, Viv Weinkauff, Teddie Baker and Carma Gale. Lynn Rosik, Assistant Attorney General, attended by invitation. The attendance list signed by members of the public present at the meeting is on file at the offices of the Oregon Department of Aviation in Salem.

Chair Wilkins called the meeting to order at 9:00 a.m.

Agenda Adjustments

Added to the draft agenda were the following items:

- Announcement by Crook
- Report by Smith
- Comments by Wilkins on the upcoming meeting with Governor Kulongoski and lunches at Board meetings.

The agenda was approved as amended

Announcement

Crook introduced Viv Weinkauff, who has replaced Teddie Baker as Construction Project Coordinator at the Department. Crook noted that Weinkauff has extensive construction management experience.

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The meeting minutes of the January 29, 2003 meeting were approved as published.

Introductions followed.

Consider Establishment of Airport Ownership Task Force

On behalf of the Ad Hoc Committee on Airport Ownership, Loacker read a report written by Board member Smith which called upon the Board to establish a formal Airport Ownership Task Force.

Loacker moved that the Board approve the report of the Ad Hoc Committee on Airport Ownership and direct the Chair to appoint an Airport Ownership Task Force of no less than 5 and no more than 10 members, with membership to include: between one and three members of the State Aviation Board, one or two staff members, and members of the public selected from such potential groups as the Oregon Pilot's Association, AOPA, OAMA, the Oregon Aviation Alliance, FBOs, and others interested in Oregon's airport system. This task force's purpose would be to solicit broad public input regarding what role the State should play in the ownership and operation of Oregon airports. Findings of the Task Force would then come before both the State Aviation Board and the Director of Oregon Department of Aviation, with Department staff and Director being provided time to comment on the findings prior to any Board action. Specific questions to be addressed by the Task Force to include:

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- Should the Board ever consider airport divestment?
- If the Board did ever consider divestment, what criteria, whether applying to the airport, to the terms of divestment, or to potential recipients, should be applied?
- If the Board did approve divesting any airport, what if any, subsequent connection should the State maintain with the operation of the airport?
- Are there airports the State must own, and if so, what are the criteria for identifying them?
- Should the Board ever consider adding to the inventory of state-owned airports?
- If the Board did ever consider adding airports, what criteria should be applied?
- What role, if any, should the Board take in establishing new airports?
- Should the Board ever consider contracting out the management of a state-owned airport, and if so, what should the criteria be for considering that?
- Is leasing an entire airport ever appropriate, and if so, what criteria should be applied?
- Such other questions as the Task Force might identify.

Smith seconded the motion. Wilkins asked for comments. Crook reported that the Department was in support of the recommendation and has adequate budget to support the Task Force. The motion carried unanimously.

Wilkins asked Board members to inform him directly if they were interested in serving on the Airport Ownership Task Force, indicating his hope to announce the Task Force membership at the May 2003 Board meeting.

U.S. House Aviation Subcommittee

Crook reported that she offered testimony at a field hearing held by the U.S. House Aviation Subcommittee in Portland on March 17th on the topic of small community air service. Others who testified included:

- Dave Houser, Eugene Chamber of Commerce
- Bob Noble, Manager of the Eugene Airport
- Steve Schrieber, State Aviation Board and Port of Portland
- Jim Hansen and Dale Johnson, SkyTaxi

Crook reported that the subcommittee was very interested in both SkyTaxi and the Oregon's travel bank model pioneered in Eugene. Those giving testimony voiced their strong support of the reauthorization of aviation funding programs now before Congress.

Wilkins announced that the Board had been invited to tour the SkyTaxi facility following the meeting.

Pacific Northwest Aviation Alliance (PNAA)

Smith reported that he had attended the Annual Congress of PNAA earlier in March and that he had been nominated to serve on the PNAA Board. This organization supports the advancement of aviation-related business in Oregon. Wilkins encouraged Smith's participation as a PNAA board member. Smith urged the Department to support PNAA monetarily. Burrill suggested that Smith might also consider serving on the Board's Ad Hoc Economic Development Committee.

Chair's Comments

Wilkins reiterated that Board members and Department staff would be responsible to buy their own lunches during Board meetings in the future due to new State directives resulting from the current budget crisis; however, he urged that the Board not curtail their activities to save travel money, noting that the activities of the State Aviation Board were very important to the State.

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Wilkins reported that former Board member Mike Nelson served on Governor Kulongoski's Transition Team and that Nelson had conveyed to Wilkins the Governor's interest in Oregon's airports. Wilkins and Crook have met with the Governor's advisor, Pat Egan, and will meet with the Governor on March 24th.

6th Quarter 2001-2003 Agency Budget

Jasso distributed the Governor's Balanced 2003-2005 Budget. She then reviewed the 6th Quarter 2001-2003 Budget Report for the quarter ending December 31, 2002. Issues of note:

- Oregon Emergency Management (OEM), which manages Air Search and Rescue through reimbursement received from Department of Aviation (from dedicated pilot registration fee revenues), has requested the Department to seek a \$34,000 increase in limitation from the Legislative Emergency Board. This increase is necessary to cover equipment purchases that exceed current budget limitation and would bring their total expenditures to \$115,180 for the current biennium.
- Actual revenues from fuel taxes are \$510,568 less than projections.
- GA entitlement expenditures are still low.
- Operating expenditures for the Department are currently at 71% of budget, with the target through 6th quarter being 75%.

Novick asked if any communities had contacted the Department to refuse their AIR-21 grants due to lack of local match. Crook indicated that several may need to refuse their grants due to local budget shortfalls, adding that the Department is working on innovative ways to help communities who find themselves in this type of situation.

Oregon Aviation Land Use Compatibility Guidelines

Crook reported the Department's *Oregon Aviation Land Use Compatibility Guidelines* notebooks had been completed and distribution was underway. Smith complimented staff on the final product. Burrill urged that the definition of "private use airports" be added to the glossary.

Annual Report

Crook presented the Department's 2002 Annual Report.

- Novick complimented the Department on the success of the weekly Part 139 airports conference calls, initiated after September 11, 2001.
- Wilkins suggested that new Oregon Department of Aviation signs replace the ODOT Aeronautics Division signs at each state-owned airport.
- Griffin indicated he is working closely with the FAA regarding citizen concerns related to flight pattern changes over Aurora that came in response to the recent noise mitigation study.
- Smith requested clarification regarding the role of the Board in the Department's Aviation Town Hall meetings. Crook indicated that the Town Hall meetings were an opportunity for Oregonians to meet Department staff and learn more about what the Department can do for them; she encouraged Board members to attend any Town Hall meeting held in their local areas.

Crook reviewed the challenges facing the Department during Fiscal Year 2003:

- Staff turnover is a problem. Jerry Eames will retire May 30th. Gary Viehdorfer will replace Jerry, requiring the Department to hire a new Aviation Planner. Carma Gale is leaving April 30th, so recruitment will begin soon for an Office Manager. Maintaining the Department's various programs simultaneously as undertaking training and orientation for new employees presents an obvious and expected challenge.

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- With both the national and the state economies sagging, Oregon communities will continue to face reduced budgets. This will cause ongoing reevaluation at the local level of the importance of airports to their communities.

Crook asked the Board to accept the 2002 Annual Report. Novick moved, Loacker seconded, and the motion carried unanimously. Wilkins complimented staff on a very informative, professionally designed product.

Legislative Update

Crook updated the Board on pending legislation.

- HB 2173 is the Department's bill that provides an enforcement mechanism for failure to register as a pilot or aircraft owner in Oregon. Oregon Pilots Association has supported this legislation. The bill has now passed the House and is in the Senate. It is anticipated that a hearing will be set before the Senate Transportation Committee next week.
- SB 687 is Senator Gary George's bill that proposes to eliminate the Department's pilot registration program and, as a result, the OEM's Air Search and Rescue program. Lost registration revenues are replaced by increased avgas and jet fuel taxes. In recent conversations with Crook, Senator George agreed to kill this bill.
- SB 688 is also Senator George's bill, which changes the aircraft registration cycle to every three years. The Department supports this bill and supports also changing pilot registration to a three-year cycle.
- HB 2454 updates tax exemptions to specifically include airport districts.
- HB 3014 requires that money derived from the sale of Port of Portland airport property goes to the Port's airport fund rather than their general fund. This legislation applies only to the Port of Portland rather than all airport sponsors and cannot be amended by the Department at this juncture.

Burrill reported there is a movement to give the Governor the ability to site new industry in the state. The Oregon Transportation Commission is concerned this will affect ODOT. He asked Department staff to keep watch for any developments in this area.

Wilkins asked Crook what the effect will be on Department staff of recent directives from the Department of Administrative Services. Crook specified the following:

- There will be no cost of living, step or exceptional merit increases for the two year period July 1, 2003 through June 30, 2005.
- The 3% cost of living increase scheduled to take effect in February 2003 was rescinded by the Governor's Office for management personnel only.
- Non-general fund or "other-funded" agencies, such as the Department of Aviation, have been instructed to follow cost-saving mandates in place for general fund agencies, and to carefully scrutinize all expenditures for out-of-state-travel, information technology purchases, color copies and color printing, statewide training and conferences.
- Meals can no longer be purchased by the Department at state functions.

The Department has withdrawn its request to build a new office building in the 2003-2005 Agency Budget; however, Crook hopes to continue with building design and land acquisition. Since the building project is being pulled from the budget, construction of T-hangars at state-owned airport will be added back into the proposed budget document. Burrill suggested that the Department dedicate money to improve safety on airports. Crook agreed to look into that possibility.

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Small Airport Community Access Pilot Program

Novick reported that city leaders in Baker City have made the decision to return their federal Small Airport Community Access Pilot Program grant. Since Baker City was the only Oregon community to be awarded one of these federal grants, Novick requested that the Chair write a letter to Oregon's Congressional delegation urging them to request reallocation of the Baker City award to another Oregon airport who participated in the original grant application pool. Smith so moved, Burrill seconded. The motion carried unanimously.

Jordan Valley Airport Project

Representatives from the Eastern Oregon community of Jordan Valley gave a presentation on efforts to build an airport in their community. Mayor Jake Roe petitioned the Board to partner with the city in ownership of a new airport. Representatives noted the following:

- This effort to build a Jordan Valley airport began back in 1989.
- The region desperately needs an airstrip to support Life Flight medivac flights to Boise, as well as to support tourism, police and fire protection.
- There is a gaping hole in terms of rural air accessibility in eastern Oregon.
- Initially, Jordan Valley planned to be the airport sponsor for this project; however, the mine that served as their primary employer closed down completely several years ago. This cut the population of the community of Jordan Valley by half, down to just over 200. The reduction in population dramatically affects the community's tax base. With continuing changes in the economy, the City Council of Jordan Valley is apprehensive to take on the financial liability of airport ownership. Nevertheless, they still want the airport project to continue. As a result, they agreed to appeal to the Department of Aviation to be their airport's sponsor. The City would partner with other entities to maintain the airport.
- ODOT agreed that they would provide snow removal services.
- Jordan Valley officials have garnered a total of \$175,000 in grants for this airport project from U.S. Forest Service, Malheur County and the Department of Aviation's Financial Assistance to Municipalities (FAM) Grant program. They are also pursuing grants from the Federal Aviation Administration (FAA), so diverse support already exists.
- They foresee the airport being used by sports enthusiasts who would buy supplies in Jordan Valley and add to the economic viability of the region.
- There is a population of between 1000-1500 people within an hour's drive of Jordan Valley.
- Eventually Jordan Valley's City Council hopes to take over ownership of the airport.
- The next step is land acquisition, with approximately \$230,000 to \$250,000 needed by June 20, 2003. It is critical that airport sponsorship or ownership be determined before the City can commit to the land purchase.
- Operating costs must be projected; Crook offered Department assistance to determine those costs.
- Oregon Senator Ted Ferrioli attended the meeting of the Board to formally voice his support of the Jordan Valley Airport project.

Crook noted that that the Department has already committed \$221,081 for land acquisition for the Jordan Valley Airport, but that financial assistance does not constitute state ownership of the airport. Wilkins asked if the Department had adequate staff and resources available to study Jordan Valley's request. Crook committed to consider the complex problems faced by Jordan Valley in proceeding with their airport, and indicated that Griffin would serve as the agency contact.

Mayor Roe thanked the Board.

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Viewports

Lennie Christensen and Don Braeme of EGlance addressed the Board to request funding support for Viewports, a weather and security monitoring system. This system is currently in use at the Bend Airport. Viewports is also installing a system at Sunriver, with installation possible at Albany and Corvallis as well. They cited support from Senators Wyden and Smith, Representative DeFazio and State Senator Clarno. Currently 21 Oregon airport managers are requesting financial assistance from the State for the system through EGlance. The following points were made:

- It is not a mobile system.
- They are selling both the equipment and the service to support the system.
- The cost of monitoring 100 airports would be \$500,000 a year.
- The system does not pick-up fast-moving aircraft due to speed, helicopters due to vertical movement, nor small numbers on aircraft due to camera limitations.

Wilkins thanked Christensen and Braeme for the information and directed them to contact Department management.

Oregon Aviation Plan

Crook reviewed Franklin's memo of February 25, 2003, which provided information requested by the Board at the January 2003 meeting to clarify the levels of support provided by the Department to various types of Oregon airports.

Wilkins asked for comments from the audience. Jerry Dale, Sportsman Airpark, commented that this was the first time he had seen an admission that airport funding was determined by ownership. He pointed out that – as a privately owned public use airport sponsor – he pays taxes that are specifically designated to support the airport system through such programs as the Pavement Maintenance Program, yet he is unable to receive any of those funds for his public use airport because of private ownership. He also expressed concern regarding the State's contracting processes.

Wilkins noted that reconsideration of airport designations should be a future Board agenda item. Crook noted there were errors in the Public Use Airports matrix and stated the matrix would be reviewed and corrected.

Subcommittee Reports

PDX Airspace Task Force Update. Crook reported there had been an organizational meeting for this group in February. No one from the Portland Tower was in attendance. She stated that the Department will not be the driving force, so a working group will be formed to determine viability of this task force. A consultant has already been retained.

Aerospace Economic Development Program. Burrill reported that the program now has \$29,000 (including the Department's \$10,000 match). He introduced Ellie Chambers, Economic Development Manager for Avista Corporation. Chambers is working on identifying target opportunities. She is working closely with Ron Fox of Oregon Economic & Community Development Department. Fox has met with Wilkins and Crook. The subcommittee will meet directly following the Board meeting.

Regional Air System (Air Cargo). Crook gave a brief report on behalf of Steve Schrieber, who was unable to attend. A conference is scheduled for September 9-10, 2003, in conjunction with two other conferences sponsored by the Port of Portland on adjoining dates. A reception is

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planned for all three conferences on September 8, 2003. Ellie Chambers is also working to help organize the conference.

Set Agenda for May 21, 2003 Board Meeting

The Board set the agenda for the May 21, 2003 meeting, to be held in Independence.

- Presentation of first draft of FAM Grant Administrative Rules
- Legislative update
- 03-05 Biennial Budget update
- Airport Ownership Task Force membership
- Jordan Valley update
- Policy on core vs. non-core airports (if there are new developments)
- Subcommittee reports

Public Comment

Wilkins opened the meeting to public comment. Jim Hutchins, OPA, asked the position of the Board on PDX Class B air space. Wilkins responded that the Board will cooperate, but it is not a driving force. Crook concurred that the Department will participate in the process of collecting public input.

There being no further business, the meeting was adjourned at 3:30 p.m.

Copies of meeting materials and written public comments are on file at the Department of Aviation in Salem, Oregon.