

Oregon State Aviation Board

Meeting Minutes

May 20, 2010

Portland, 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 Committee, a meeting of the Oregon State Aviation Board was held on May 20, 2010, at the Portland International Airport (PDX) Conference Center in the St. Helens room.

Board Members in attendance included: Chair Mark Gardiner, Vice-Chair Chris Corich, Board Members: Steve Beckham, Larry Dalrymple, Nan Garnick and Jack Locker.

Department of Aviation employees in attendance included: ODA Director, Doug Hedlund; ODA State Airports Manager, Mitch Swecker; ODA Fiscal Manager, Cindy Pease; ODA Projects & Planning Manager, Chris Cummings; ODA State Airports Manager Assistant, Roger Sponseller.

Presenters and guests in attendance included: ODA Director, ODA State Airports Manager, ODA Fiscal Manager and ODA Projects & Planning Manager. Ted Millar of Southend Airpark, Steve Ponce of DAS, Alan Alexander of OAMA, Vince Nartker of EAA and David Gamble of Mulino.

CALL TO ORDER – INTRODUCTIONS

- The meeting started at 11:00 a.m. Self introductions were made.

ACTION ITEM – Approval of meeting minutes for April 2010 Aviation Board meeting.

Motion to approve by Larry Dalrymple

Motion 2nd by Steve Beckham

Motion passed unanimously

Public Comments:

David Gamble: Remarked that he was upset that the old wooden hangars at Mulino were torn down. Oregon Department of Aviation (ODA) could have entered into a proposal by Daryl George where Mr. George could have bought the hangars from ODA and accomplished any renovations the hangars needed. Mr. Gamble felt that it would have been a better use of resources rather than tearing down the old structure and building a new one from scratch. Mr. Gamble has also been trying to rent an available space in the quad hangars and has not been having much luck doing so.

Mr. Gamble also remarked that, in his opinion, ODA is over-staffed. Washington State has only 10 full-time employees working in their aviation department and has been at that level for many years. Mr. Gamble felt that ODA needed to reduce its personnel to the same staffing levels as Washington. Mr. Gamble also stated that he did not think there was a lot of accountability in ODA and he would like to see more transparency. In addition, Mr. Gamble expressed his frustration with the State of Oregon owning 28 airports and having to take care of and maintain all of them equally. A number of the airports are of a seasonal nature and actually offer very little to general aviation flying. Mr. Gamble understood that emphasis is often placed on core airports located in the Willamette Valley (Aurora being a “big dog”); but more needs to be done to start making it work for the “little guys.”

Vince Nartker: Mr. Nartker remarked that he has been in the electronics business for 27 years. From his viewpoint, he does not understand how ODA can tear down hangars that were making money and replace them with newer units that are not even completely filled. In Mr. Nartker's opinion, it will be at least a couple of years before all of the units are occupied. This has resulted in lost revenue for the department and a greater financial burden placed on local pilots who would like to hangar their planes at Mulino.

Mitch Swecker: Wanted to offer some clarification on the issue brought-up by Mr. Gamble regarding the quad hangars at Mulino airport. Mr. Swecker stated that the quads have been vacant for about 20 days. One of the reasons ODA has chose not to rent any space yet is so the department can do an evaluation. Pending the results of that evaluation, Mr. Swecker has two inquiries on the hangar; one from David Gamble and one from Vince Nartker. Mr. Swecker felt that when the evaluation group finished it's assessment of the hangars that the rent should work out to about \$80.00 a month.

Budget Report:

Cindy Pease: ODA Fiscal Manager Cindy Pease stated that there was not much to report since the Aviation Board meeting from the prior month. The biggest change was that ODA moved money from PMP (Pavement Maintenance Program) to Operations as per House Bill 3696. The transfer out of PMP was \$702,000 and the transfer amount into Operations was \$752,000. The reason for the discrepancy is because ODA will receive \$50,000 from ODOT for the administrative costs of processing the *ConnectOregon III* applications.

Request for Proposal Approval (Mulino):

ACTION ITEM – Approve the issuance of the Mulino RFP subject to comments from the Aviation Board by June 2, 2010.

Motion to approve by Steve Beckham
Motion 2nd by Jack Loacker
Motion passed unanimously

Comments:

Steve Ponce discussed the pending Request for Proposal (RFP) for Mulino. In particular, there were two points that Mr. Ponce wanted to bring to the Aviation Board's attention. First, there needs to be a consensus among all the parties involved with the Mulino projects to agree on monetary amounts and time frames for completion. Second, the scoring criterion for the proposal is incomplete. There are two open categories for reference questions checks that need to be filled in. With some input, comments can be inserted into the proposal and then the document can be submitted to Department of Justice (DOJ) for final review.

Chris Cummings added to the discussion by describing the intent of the RFP is to help bring outside resources (money) into Mulino. Mark Gardiner commented that this project fits into the mission of the department; not just operating airports in Oregon but also developing them. Steve Beckham asked how the recently submitted legislative concepts might pertain to the Mulino RFP. Doug Hedlund replied that there were authority issues pertaining to revenue bonds and some land-use issues as well. Jack Loacker inquired as to whether the whole airport (all of the encompassing land) was included in the RFP and did it have any "thru the fence" implications. The answer was that only the developable parts of the airport will be utilized and that there shouldn't be any "thru the fence" implications. Mark Gardiner remarked that the one of the challenges of real-estate development is the fact that if prospective tenants don't have reasonable ownership of the land, or at least a 99 year lease of the land, they are much less likely to invest in any long-term business commitments. Jack Loacker wanted clarification on the issue of tenant "thru the fence" activities. In other words, if a person leases real property from the State of Oregon, is it, or is it not, still "thru the fence?" The answer was no; it is no longer a "thru the fence" issue. Steve Beckham commented

that he felt this development project will help the “little guys” at the airport. David Gamble stated that, in his opinion, the best way to help the “little guys” is to help people own their airport property.

Ways and Means Letter:

Doug Hedlund: Reviewed the Ways and Means letter sent to the Oregon Legislature. The first item was the budget note regarding the agency’s position. According to the budget note, ODA shall report to the E-Board no later than March, 2010 with an update on the agency’s financial condition including an update on the implementation of fee increases, estimate of revenues from Mulino and the proposed policy change to reimburse administrative costs. The second budget note was in regards to the Legislative Fiscal Office (LFO) requests. The LFO recommends ODA implement an increase in set funds for capital construction expenditure limitations and an increase in “other” funds construction limitations for the Lebanon airport.

In addition, the DAS management review team and our agency will report on policy and practice improvements. Also, the Oregon Aviation Board will take a more active role in reviewing ODA’s financial position and its meaning. The agency will establish project tracking processes and procedures to ensure that financial and construction management remains efficient.

DAS Management Review Document:

ACTION ITEM – Aviation Board acknowledges receipt of and accepts the DAS Management Review report.

Motion to approve by Larry Dalrymple

Motion 2nd by Nan Garnick

Motion passed unanimously

Doug Hedlund: Presented a brief overview of the DAS Management Review report. The DAS Management Review team consisted of the following members: Jeremy Emerson (DHS), Steve Ponce (DAS Facilities), Cindy Forest (DAS Human Resources), Jenny Wilfong (DAS Operations), Paul Lucas (DAS Facilities) and Valerie McBride (DAS Facilities). The review team used the following principles to guide its work: Honor the agency’s staff for their talents and dedication to improving the current work environment, recommend alternatives to current business practices and consider current revenue and budget constraints. In following these principles, the review team determined that ODA can overcome many of its current challenges by accomplishing the following goals: First, strengthen relationships with the Federal Aviation Administration (FAA), DAS, Legislative Fiscal Office (LFO) and Department of Justice (DOJ). Second, develop administrative tools. Third, improve management controls. Accomplishing these goals will require ODA to reallocate resources.

Citation Authority:

Mitch Swecker: Discussed Oregon Department of Aviation’s citation authority. ODA has had citation authority for some time (ORS 837.100) but has never used it. Some employees didn’t even know that ODA could write citations. Some of the possible violations in which a citation could be issued include, but are not limited to:

- ORS 837.015 – Failure to register or renew registration of an aircraft when required by ORS 837.040 to 837.070.
- ORS 837.020 – Failure to register or renew registration as a pilot.

- ORS 837.030 – Failure to exhibit federal certificate of competency and state certificate of registration on demand.
- ORS 837.075 – Failure to obtain or renew an aircraft dealer’s license when required.
- ORS 837.085 – Dropping articles from an aircraft unless authorized by law.
- ORS 837.090 – Unauthorized non-emergency landing on public highway or public parks or other public grounds.
- ORS 837.095 – Unauthorized flight over or photography of military or naval property.

Board member Steve Beckham remarked that he was “on-board” with some of the aspects of writing citations; but he also had real issues with the entire idea. Mr. Beckham stated that he felt this concept was a solution in search of a problem. He could not remember this concern being brought to the board anytime before; that is, that this was a subsequent ongoing problem. With all the issues that the agency and the board has on its plate, to take-on additional administrative and legal duties at this time is not a good idea. Also, Mr. Beckham felt that using citation authority is nothing more than a revenue generator using safety as the reason for enforcement. Mark Gardiner replied that there are basically three areas of concern where citation authority would be used. First is the ability to enforce collection of revenue. Second is aircraft operations either on the ground or in the air. Third is non-aircraft activities at state owned airports. Mark Gardiner also remarked that if ODA has rules it should be enforcing those rules or make changes to them.

Mitch Swecker continued to give an overview of the program. ODA is currently working with Oregon Department of Justice (DOJ) to “flesh-out” the citation authority procedures. Currently, none of the employees of ODA have any training or knowledge of how to write the citations. Coordinating with DOJ on these enforcement issues will insure that the program will correspond with the requirements and/or wishes of the board and will address the right issues.

ConnectOregon III:

Mitch Swecker: Presented a brief overview of where the department is with the *COIII* applications. The applications have already gone through the modal and the regional evaluations. The next step for *COIII* is the final review committee (June 9th and 10th) of which the Aviation Board Chair and Vice-Chair are participants. This committee will evaluate all of the *COIII* projects. From there the applications go to the Oregon Transportation Commission (OTC) committee in August; after that the grants will be awarded.

The Aurora tower, after going through the modal and region 2, came out as the top project in modal and made it as high as number 5 in the regional competition for region 2.

Chris Cummings: Discussed the progress of the *ConnectOregon III* program. There is an element of *COIII* that sets aside \$5 million out of the total \$100 million for just aviation projects. That \$5 million is intended to pay for NPIAS airport grant matches (5%). So far, the program has been a success. ODA had 65 applications for a total projects cost of approximately \$70 million. \$5.6 million of *ConnectOregon* rural airport money is more than what we have. There are a few anomaly applications where people could have applied for 80% grants as opposed to the 5% grants. The board will have to review and rank the applications when the review committee meets in June. Mr. Cummings decided to wait until the application packets were sent out to the board members to include scoring sheets which should make it easier for the board members to rank each project.

No further action is required from the board on this issue until the application packets have been reviewed and ranked.

Capital Improvement Program (CIP) Update:

ACTION ITEM – Motion to approve ODA staff following-up and applying for the \$100,000 system planning grant from the FAA.

Motion to approve by Chris Corich

Motion 2nd by Larry Dalrymple

Motion passed unanimously

Chris Cummings: There was discussion with the FAA for the state to partner with them on creating a statewide capital improvement program for all of the FAA grants. The basic premise is that, right now, non-primary airports individually give the FAA a list of projects for the grant's five year program. Sometimes the airports submit their lists and sometimes they don't. Either way, ODA has no idea which projects are being submitted for approval. The FAA is looking to streamline the process within the region to help airports with submitting their projects and help ODA by providing us with information that ODA can't get otherwise. FAA suggested that they would award to ODA up to \$100,000 in system planning grants to facilitate this program. ODA would go out to the individual airports and work with them on how to develop a capital improvement program. ODA would then be reimbursed on a work basis. The reason this issue is coming up now is because ODA has a timeline that it needs to meet. The FAA needs the application for the \$100,000 by mid-July. What the agency is seeking today is approval from the board to apply for the grant. Once that is taken care of, ODA will work with the FAA to establish the scope of the program and work-out any procedural problems.

Oregon General Aviation Appreciation Month:

Mitch Swecker: Put forth a proposal to the Aviation Board to create a proclamation for a "General Aviation Appreciation Month" for the State of Oregon. This was first brought to the attention of ODA by Ted Millar who pointed out that both Tennessee and the State of Washington have an appreciation month for general aviation. Mr. Swecker stated that a general aviation month could bring in some good publicity and recognition to aviation in Oregon. As it happens, 2011 is the 90th anniversary of the Aeronautics Department in Oregon and would be perfect timing to coordinate the appreciation month with other events. ODA's Director, Doug Hedlund, approached the Governor's office with the idea and got a positive response.

After a discussion on the issue, the Aviation Board decided that, in principle, the idea was a good one. Specifically, the appreciation month should be tied into other aviation events (examples: Hillsboro Airshow, Oregon Aviation Conference, etc.). Board member Steve Beckham asked if there was a way ODA and the Aviation Board could leverage the proclamation and make it meaningful. The reason he asked was because Mr. Beckham has been involved in a number of proclamations for whatever day or month and discovered that many of them are ignored. Mitch Swecker recommended that the department do some internal planning and research and then get back to the board at a later date. The board agreed.

ADS-B Update:

Mitch Swecker: Part of *ConnectOregon* was to get a jumpstart on the Automatic Dependant Surveillance – Broadcast (ADS-B) system deployment in the State of Oregon. Grant funds paid for 6 of the systems and the FAA provided an additional 3 systems to bring the total to 9. As it turns out, they were never tied into the FAA Air-Traffic-Control (ATC) system; they are a stand-alone system. Those systems are now obsolete. Mr. Swecker remarked that when he spoke to the FAA program managers earlier this year they indicated that the old ADS systems were going to be dismantled this summer. However, they will be replaced with 13 new systems throughout Oregon. The only place that won't be covered is the area in the very south-east corner of Oregon. The FAA has mandated that the complete system be in place by 2020.

After further discussion by the board, it was determined that the State of Oregon should pursue getting the new system set-up in the state. Aviation Board Chair, Mr. Mark Gardiner, stated that this should be made in to an “action item” for further consideration by the board.

Airshow ODA Booth Proposal:

The focus of the discussion was whether or not the Department of Aviation, during unsure economic times, should continue its public outreach (booth) at airshows or events around the state. If so, of what scope and scale if ODA decides to go ahead? Can we do it cheaper? In the past, ODA has attempted to reach all four corners of the state when deciding which events to attend. However, long-distance travel and overnight stays for ODA employees created the biggest expenditures for these events. The suggestion was made to use “flex time” to compensate employees instead of “straight time” which cost more. Event coordinator Roger Sponseller suggested that to keep costs down, ODA could restrict its outreach only to airshows and events within the Willamette Valley. This would eliminate the expenditure of hotel stays and greatly reduce the amount of time accrued by each individual employee. Board Chair Mark Gardiner remarked that outreach is important and that for planning purposes perhaps \$10,000 could be allocated for airshows and events. State Airports Manager Mitch Swecker felt that if ODA restricted its events to the valley, that we could come in under \$10,000. Mark Gardiner agreed then that it should be pursued.

Aviation Board Meeting Planning:

The Aviation Board discussed the tempo and frequency of the Aviation Board meetings. Board member Jack Loacker remarked that some of the members of the board have to come from farther away than some of the other members. They might not have enough time in-between meetings to preview and digest all of the material being considered. Board members agreed that, when ODA can afford it, the board meetings should be rotated to different parts of the state. Mark Gardiner inquired about how much pressure is being put on ODA staff to get ready for the board meetings. Doug Hedlund replied that having the meetings every other month was a better option because of all the staff time needed to put the meetings together. The board agreed that perhaps some combination of every other month, teleconference and sub-committees might be the bet option. Mark Gardiner and Doug Hedlund were designated to work-out a schedule.

Meeting Adjourned at 1:15 p.m.