

Oregon State Aviation Board  
Approved Meeting Minutes

June 17, 2002

Redmond, Oregon

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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 in Redmond, Oregon, on June 17, 2002.

The Board convened in Conference Room C at the Eagle Crest Resort, Redmond, Oregon. Board members present included Bill Wilkins (Chair), Michael Nelson (Vice-Chair), Mike Burrill, Jack Loacker, Carrie Novick, Steve Schreiber and Joe Smith. Also present were Oregon Department of Aviation (ODA) staff members Ann Crook, Daren Griffin, Rebecca Jasso, Gary Viehdorfer, Carolyn Bolton and Carma Gale. Lynn Rosik, Assistant Attorney General, and Orrin Russie, Oregon Department of Transportation Reprographics Photographer, attended by invitation.

Chair Wilkins called the meeting to order at 8:02 a.m. He stated that this was a public meeting and was being recorded.

The agenda was adopted with one modification. What appeared on the agenda as "OAR 738-05" (General Definitions) was corrected to read "OAR 738-005." Introductions followed.

The revised draft minutes of the May 15, 2002 meeting were reviewed. The word "Operation" was changed to "Observation" on page three, first bullet. The minutes were approved as corrected.

Crook presented a recommendation for organizational improvements for ODA. She noted that ODA is facing the retirement of about a quarter of its staff in the next year. She recommended a reorganization of the department to improve efficiency and further the goals of the State Aviation Board. The reorganization would create three divisions:

- Administration
- Aviation Programs
- State-Owned Airports

Administration would consist of finance, public relations and legislative coordination, aircraft and pilot registration, information resources, office administration and clerical support. Aviation Programs would include all grant and aid programs, statewide planning, land use planning, and air operations and safety programs. Personnel would be cross-trained in these areas. A new management service position of Aviation Program Manager would be created. The current Aviation Land Use Planner position would be eliminated. The program specialists and manager would pick up its responsibilities.

Crook asked for approval of the reorganization plan. Novick moved that the plan be approved. Burrill seconded. The motion carried unanimously.

Smith noted that he met with most of the ODA staff recently during his Board member orientation in Salem and commended their dedication.

Viehdorfer presented recommendations for revisions to the List of Oregon Airports by Category and to Oregon's Core System of Public Use Airports, as appropriate, in the 2000 Oregon Aviation Plan. The revisions included:

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- Name changes as appropriate
- Removal of Juntura BLM, Sheridan and Happy Valley from the lists
- Category changes of Wasco State, Astoria and Newport

These changes reduce the total number of public use airports from 101 to 98. Viehdorfer noted that the category changes would benefit Astoria and Newport because match requirements for grants would be reduced. He also recommended that Astoria and Newport be immediately reassigned to Category 1 if they regain air service. He reviewed all of the categories, their significant function and designation criteria. He also reviewed the RENS program, which provides a statistical estimation of airport traffic.

Viehdorfer requested that the Board approve the changes and also authorize staff to make future changes to Newport and Astoria if/when appropriate. The Board decided to delegate to staff the authority to change airport categories in the future, as it becomes necessary.

Smith moved that the changes in the memorandum dated May 31, 2002, be approved, and that the Board delegate to staff the authority to make changes regarding airport categories and names, when appropriate, and report those changes promptly to the Board. Locker seconded. The motion carried unanimously.

Griffin presented the 3<sup>rd</sup> revision of the Rates and Charges Policy to the Board. He noted that the typographical and word usage changes previously requested by the Board were included. He reported there have been further discussions with ODA staff and the residents at the Independence State Airport regarding the access fee issue. He brought to the Board's attention letters from Alan Wright, President of the Independence Airpark Homeowners Association, and Harry Bladow of the Independence State Airport Support Group. Based on those discussions and letters, he offered new language regarding Residential Airparks for insertion into Section 5(C) *Access (Ingress/Egress) fees, Page 12.*

Gail Hill, Treasurer of the Independence Airpark Homeowner's Association (IAHA), read a memorandum from Alan Wright, amending his letter dated June 17, 2002. He requested that the first line of the proposed insertion read "...be assessed to each undeveloped lot...". Hill, the Board and ODA staff agreed that the word "developed," rather than "undeveloped," should be used in the inserted passage.

Andy Andersen, Independence State Airport Support Group, read a statement by Harry Malette, HLM Services. Malette's statement included:

- Questions regarding the legal authority of ODA to impose ingress/egress fees to the non-commercial pilots and aircraft owners at airparks.
- The suggestion that doubling the aircraft registration fees or set it at a level to offset ingress/egress fees.
- A request to postpone Board decision on the Rates and Charges Policy until alternatives could be thoroughly investigated.

A discussion followed regarding the collection of access fees. Currently, the IAHA bills annually for ODA access fees, at the same time they collect their association fees for taxiways on common property. Griffin clarified that access fees are initiated when someone requests access to a state-owned airport. ODA does not assess access just because land is adjacent to the airport. Adequate infrastructure must in place before access is granted.

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Griffin explained that the Board is being asked to approve the Rates and Charges Policy itself. Methodology and logistics of collection and enforcement are administrative issues, which Griffin will negotiate and resolve with the individual homeowners associations (three exist at Independence).

Both Griffin and Rosik stated that no legal barriers existed to ODA imposing access fees.

Burrill expressed concern over the last sentence in the insertion, which states that the access fees will be collected by the airpark or homeowners association and submitted to ODA annually, since this addresses the method of collection rather than broader policy issues. The Board and ODA staff agreed to remove the last sentence.

Novick moved that the Rates and Charges Policy be adopted with the insertion of Residential Airpark into Section 5(C), as discussed, with the word “developed” included and the last sentence deleted. Locker seconded.

Wilkins asked if there were further comments.

Burrill recommended that the decision be postponed until confusion in language is resolved regarding whether the agreements will be with individual homeowners or homeowners associations. Burrill moved that the decision on the Rates and Charges Policy be tabled until the next Board meeting.

Locker seconded.

Wilkins asked for the roll call vote on the motion to table the decision. The votes were cast as follows:

Burrill:	Yes
Locker:	Yes
Nelson	Yes
Schreiber	No
Smith	No
Novick	No
Wilkins	No

The motion to postpone decision failed by a vote of 4-3.

Wilkins called for a vote on the motion to adopt the Rates and Charges Policy. The motion carried unanimously.

Wilkins moved to the next agenda item and called upon Griffin and Rosik to give an overview of administrative rulemaking and presentation of the new OAR 738-005 (General Definitions) and OAR 738-015 (Leasing at State-owned Airports).

Griffin reviewed the process to date on the leasing policies, noting the following:

- The process of adopting the non-commercial and commercial leasing policies began in the fall of 2000 with public meetings with tenants to discuss the draft policies.
- The process and procedures ODA follows for leasing on state-owned airports was identified.

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- In early 2001, there was a lengthy period of staff review, editing of draft policies, work with a consultant and additional public meetings
- Both policies were presented to the Board for review in April 2001. The Board at that point directed staff to work directly with the tenants to refine the language in both policies.
- ODA met with representatives from both the commercial and non-commercial sections.
- The Board approved each policy, the non-commercial in July and the commercial in August.
- The policies have not yet been implemented. The intent is to craft the policies into formal Administrative Rule; once that process is complete, they will be implemented.
- The rulemaking version of those policies is now before the Board and ready for public hearing. Substance is identical; only form has changed.

Rosik reviewed the general definitions rule and the rule-making process in general. She noted that:

- The statutes give the Board rule-making authority to adopt administrative rules that essentially have the force of law.
- In crafting the rules, extraneous language was eliminated. For instance, historical background text found in the policy document does not appear in the administrative rule.
- Due to the focused purpose of the Department and the relative brevity of the Department's total OARs, the decision made to have one overarching definition rule at the onset of OAR Chapter 738, rather than repetitive and sometimes conflicting definition sections in each section of the chapter. Definitions from the existing rule sections were carefully reviewed and updated so that defined terms would be used in a constant manner throughout the Department of Aviation's rules. The result is OAR 738-005 (General Definitions).

Rosik explained that we are currently in the public hearing stage of the rule-making process on 738-005 (General Definition) and 738-015 (Leasing for Aeronautical Activity at State-Owned Airports). Notices have been given to the appropriate parties specified by law, including the appropriate members of legislature and all those on the Department's interested party list for administrative rulemaking. It was also formally noticed in the Secretary of State's Bulletin, which is the official publication that provides notices of all proposed administrative rules in state government on a monthly basis. She reviewed the options regarding public hearings:

- A formal public hearing is not mandatory in the administrative rulemaking process. The Board can formally propose to adopt a rule by a given deadline, scheduling a public hearing only if a member of the public petitions for one. ODA's preference is to schedule a public hearing for all proposed administrative rules rather than waiting for the public to petition.
- It is possible for ODA's public hearing to occur in any variety of settings. For example, the Board could delegate Crook or Griffin to be the hearings officer, hold the public meeting, then report back to the Board. Since the Board is going to make the decision on the rules, it is appropriate for it to hear the public testimony directly.

The next step in the rulemaking procedure for OAR 738-005 and OAR 738-015 is:

- Conduct the public hearing today before the entire Board.
- Members of the public can also submit written comment to the Board by the posted deadline of Friday, July 5, 2002.
- At the conclusion of the public comment period, all testimony as well as staff recommendations based upon the testimony will be provided to the Board for review.

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Action on both the General Definitions rule and Leasing rule can be scheduled for the August 2002 meeting of the State Aviation Board.

- Once formally adopted by the Board, the new rules are filed with the Secretary of State by the Department's Administrative Rules Coordinator (Carolyn Bolton) and take effect.
- All new rules are then published in the official code of Administrative Rules for Oregon.

Wilkins summarized for the record that:

- The Board has held a series of public meetings in various locations around the state for the past two years on the policies for commercial and non-commercial leasing at state-owned airports.
- A nationally recognized aviation consultant worked with ODA on the leasing policies.
- ODA staff has worked at length with interested parties.
- The Board is about to hold a public hearing; it will not adopt the rules today.
- The record will stay open until the time specified in the notice. Staff will analyze comments heard today and all written comment received during the comment period, and staff analysis will be made available to the Board.
- The Board will return at a regularly scheduled meeting for the actual adoption of the rules.

Wilkins asked if there were any questions from the Board or from members of the public who were present. There being none, he announced that the public hearing would begin as scheduled at 10:30 a.m.

The Board meeting recessed at 10:09 a.m. to hold the Public Hearing on Administrative Rules.

Wilkins reconvened the meeting of the State Aviation Board at 12:15 p.m.

Crook and Jasso reviewed the 2003-2005 Agency Budget Request. Crook noted that this is the beginning of a huge piece of work. She reviewed the critical policy elements of the budget and told the Board that these elements are open to debate and discussion. She noted some of the numbers will not be in the final budget request because ODA does not have the final data yet to input. ODA is using the best numbers available at this point. She will be asking for approval at the teleconference meeting in July. The deadline for submitting the budget is August 1, 2002.

She reviewed the first element, performance measures, which is now a required part of the budget submission. Performance measures provide a link between the budget request and how the budget supports the goals of the Legislature, the State Aviation Board and ODA. She noted that this is the first year there has been an organized process for developing the performance measures. Crook used the agency's goals that were reviewed and discussed at the Board Intensive Work Session in February as a basis for the performance measures.

- Develop aviation as an integral part of Oregon's transportation network
- Encourage aviation-related economic development
- Support aviation safety and education
- Increase commercial air service and general aviation in Oregon
- Create and implement strategies to protect and improve Oregon's aviation system

The performance measure demonstrates how the Department measures progress toward those goals. Crook reviewed the high level outcomes (which are the broader mission and philosophy from which the Department determines its specific goals) and the key performance measures associated with those goals. She distributed a chart showing nine performance measures.

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The Board suggested the following:

- Add business and job growth to encourage aviation-related economic development (#2 Agency Goal)
- Add the number of graduates of community college and 4-year degree programs to support aviation education (#3, Key Performance Measure)
- Add “increase the number of airports serving Oregon communities” (#6 Key Performance Measure)
- Add security to aviation safety and education (#4 Agency Goal)
- Change “air service” to “air carrier service” (#6 High Level Outcome)

Crook stated that the performances measures listed do not purport to encompass all of the Department's work. She explained the next step is to gather data and set targets, including deadlines for each measure, if the Board agrees with these performance measures. She noted that the Oregon Progress Board has been given oversight responsibility of the performance measure process for all state agencies. Once these measures are presented to the Legislative Ways and Means Committee, the Oregon Progress Board Executive Director will evaluate them. She has provided a draft version of ODA's proposed performance measures to the Progress Board Director for his preliminary evaluation and comments.

Crook reviewed the current operations and pilot revenue as background for the budget package. She noted there is a difference of roughly \$600,000 between what the starting figure upon which ODA's budget was based at the time of its departure from ODOT and the initial carryover figures now being quoted by ODOT as ODA's starting point for the 2003-2005 biennium. The revenue figures are based on the January projections. The baseline of the budget submission will be built on the March projections, which have not been received from ODOT (which collects fuels tax for the entire state). Jasso explained that she uses these projections as a base and changes the figures based on what she knows is coming up in the next biennium.

Crook showed a comparison chart of jet fuel revenue. Historically the actuals have been close to the projections. This year, the actuals have been consistently below the projections. Schreiber suggested the agency occasionally contact Bob Barnett at Port of Portland to review the Port's projections in alignment with ODOT's. Crook responded that she believed revenues would increase, though slowly.

Jasso reviewed the 2003-2005 Agency Request Budget for Board Approval, including the base budget and the program option packages (POP). Crook explained that the budget was based on current data and the result was a \$400,000 ending balance, which was as low as she felt comfortable with. She requested the Board let her know if they wanted a higher ending balance maintained. She reminded the Board that the \$500,000 planned for the new building would be spent only during this budget cycle. The ending balance would increase in the following biennia.

The Board made the following suggestions:

- Keep \$250,000 in the POP for hangars, but delete specific reference to Independence. Make decisions on where hangars will be built after decisions are made on which airports to keep in the state's portfolio.
- Do not make the new building the first item listed in the POPs.

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Jasso explained to the Board that the legislature sees the Program Option Packages and the base budget, but not line items in the base budget. The department's budget analyst sees everything and will review the budget submission between August 1<sup>st</sup> and December. The POPs and the capital outlay are likely to cause the most discussion.

The requested budget will be presented to the Board for approval at their July teleconference meeting.

The Board thanked Crook and Jasso for the presentation.

The Board set the next meeting for Salem at ODA's office. The date and time will be determined later.

The August 16<sup>th</sup> meeting will be held in Hillsboro. Agenda items will include:

- Presentation by Dick Clark on the Hillsboro Air Show and its future
- 2003-2005 budget update
- Review, discussion and decision on proposed OAR 738-005 and OAR 738-015
- Review of the proposed Rates and Charges Policy Administrative Rule language
- Recap of the Statewide Air Service Conference
- Presentation on Portland-Hillsboro Airport

Wilkins opened the meeting to public comment:

- Nelson reported that he had met the previous Friday with legal counsel for the Oregon Organization of Realtors in Baker City to discuss the Board's request regarding noise disclosure around airports.
- Smith noted that Dale Evans of OPA was present. Novick commended Evans on his work in getting the Bend City Council to fund a full-time airport manager at the Bend Airport.

There being no further business, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,  
Carma Gale, Office Manager

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