

OREGON STATE AVIATION BOARD
Approved Meeting Minutes

January 27, 2005

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 January 27, 2005 in Salem at the Oregon Department of Aviation, 3040 25th Street SE.

Board members attending included: Chair Mike Burrill, Vice Chair Steve Schreiber, Carrie Novick, Amy Prutzman, and Steve Beckham. Board Member Jack Loacker attended via telephone. Oregon Department of Aviation staff attending included: Acting Director, Charles Riordan; Independence and Aurora State Airports Manager, Thomas Franklin; Business Manager, John Wilson; and Fiscal Manager, Jennifer Kellar. Other guests included: Assistant Attorney General for the Department of Justice, Lynn Rosik; Jason Brandt, Salem Chamber of Commerce; John Cox, Oregon Pilots' Association; Tim Hay, Salem Airport; Jim Hutchins, Oregon Pilots' Association; Tom Long, Salem Airport Director; Ted Millar, Westwood Development Corporation; Bob Noble, Eugene Airport Manager; and Joel Scoggins, Columbia Helicopter. ODA employees present for introductions included: Teddie Baker, Stephanie Barth, Don Hankwitz, Rick Leontiev, LJ Maillet, Deb Schoenborn, Jessica Stratton, Doris Travis and Lori Warren.

1. CALL TO ORDER:

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

2. INTRODUCTION OF ODA STAFF:

Acting Director Riordan introduced all ODA Staff.

3. ACTION ITEMS:

(a) Approval of the Consent Agenda, minutes from the August 13, 2004 meeting, and minutes from the October 22, 2004 meeting, presented by Chair Burrill. Board Member Novick moved that both meeting minutes and the consent agenda be approved. It was seconded. The motion passed unanimously.

4. DISCUSSION/ACTION ITEMS:

(a) Youth Aviation Careers Initiative presented by Acting Director Riordan. This initiative provides grants and scholarships to fund Youth Career Aviation Programs at the local schools and educational institutions around the state. The amount is \$100,000 annually, \$200,000 a biennium. There is a maximum of 10 grants awarded each year with at maximum award amount of \$100,000 (if only one grant was awarded). The unused money goes into the Financial Aid to Municipalities (FAM) Grant which supports airports in Oregon.

This Initiative was already included in the budget so no vote was needed. The Board asked ODA staff to define the details of this Initiative for the next Board meeting.

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(b) Oregon Air Service Initiative presented by Acting Director Riordan. ODA has created this initiative to help support local communities by enhancing the US DOT's Air Service to Small Airport Communities grant program. The US DOT has this grant program for communities around the country that are in danger of losing air service or would like to enhance air service. A large factor in being awarded this grant is local support because the individual communities have to support this increase in air service. This grant is \$100,000 annually, \$200,000 per biennium. A maximum of 4 communities in Oregon receive this grant from the FAA each year. The amount of ODA's support to communities with this grant is based on the number of grants awarded. For example if there was only one grant awarded it could be for \$100,000, 2 grants for \$50,000, 3 grants for \$33,000 and 4 grants for \$25,000. If no grant is awarded by the US DOT the money is rolled over to the next year. Any money left after the biennium would be put into the FAM Grant.

Vice Chair Schreiber moved that the Oregon Aviation Board approve the 2 initiatives, the Youth Aviation Careers Initiative and the Oregon Air Service Initiative based on the understanding that ODA staff will come to the next Board Meeting with detailed policies and procedures related to these 2 initiatives. Board Member Novick Seconded. The motion passed unanimously.

(c) Board Meeting Schedule for 2005 presented by Chair Burrill. All the meetings are close to Salem this year because Legislature is in session. There was a request from the Board that Business Manager Wilson email all board members when there is a change in meeting dates. The meeting schedule is as follows: March 16th at the Oregon Department of Aviation in Salem, May 19th at the Oregon Department of Aviation in Salem, July 20th in Bandon, OR, September 21st in Madras, OR and November 16th in Eugene, OR.

5. INFORMATION ITEMS:

(a) Governor's Recommended Budget presented by Fiscal Manager Kellar. Presentation of ODA budget to the Legislature is postponed until late February. Total revenues for 03-05 were 15.3 million; total revenues for 05-07 will be 19.3 million dollars. Federal revenues for 05-07 will be 10.5 million dollars. The Operations portion of the budget for 05-07 has increased to \$430,000, which includes inflation, essential packages, and three policy packages (Air Service Initiative, Youth Aviation Careers Initiative and aircraft maintenance). The GA Entitlement package was originally 9.25 million dollars, the Legislature moved 6.77 million dollars to the base package which makes the GA Entitlement request 3.5 million dollars. The end result is still 9.25 million dollars.

The Board requested that Fiscal Manager Kellar create a pie chart for all ODA income, like the one for ODA expenses, and present it at the March Board Meeting. The Board requested that Fiscal Manager Kellar keep the Board up to date every couple of weeks with what is happening with the budget.

(b) Review ORS 835.015 & 835.035 presented by Chair Burrill. Chair Burrill emphasized that the ODA Director should be involved in Board directed tasks so that ODA staff work time is not wasted and everything is organized.

Board Member Prutzman commented that the Board is not on the ODA Organizational Chart.

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The Board asked what power the Board has in relation to ODA. Attorney Rosik said that legally it is written, the Board with the advice of the Department shall incorporate a definite plan for the development of the airports, airways, industries and aviation in general. The Board is the policy making body and planner for aviation in the state. Attorney Rosik added, the Board can choose to delegate through the Director to the Department and have the Director report at Board Meetings or have the Director bring items to the Board to be voted on.

The Board requested that Attorney Rosik present information at the next Board Meeting on where ODA Staff and the Board legally have discretion in contract decisions. Attorney General Rosik replied that last legislative session there was a huge rewrite on contracting laws for the State of Oregon. Attorney Rosik suggested that the agenda item for the next Board meeting be how the new laws are going to affect ODA and examples of the new forms of effective contracting.

(c) Connecting Oregon Initiative with ODOT presented by Acting Director Riordan. This is the Governor's plan to use lottery backed bonds to develop transportation in the state and economic development in rural communities. The total amount is \$100,000,000 with 10% going to aviation, equaling \$10,000,000. Programs need to create long term jobs and must be in effect by 2006. ODOT has asked for a transportation planning document relating to the movement of people, goods and cargo.

(d & e) Economic Development – ODA Partnership and Oregon Transportation Plan presented by Acting Director Riordan. ODOT wants information from ODA on crucial airports in the state, economic activity around the state, infrastructure improvements and expenditures at these airports. ODOT is trying to predict what kind of future developments need to occur and how those could relate to aviation. ODA requested specific information from all 28 state airports for the ODOT report.

(f) Aurora State Airport Construction Project presented by Independence and Aurora Airports Manager Franklin.

(1) Aurora State Airport ODA Office. ODA decided to contact the businesses and set up a series of public meetings. The first public meeting was in the fall, the second public meeting is Feb. 1st. The two Aurora plans are: a total shut down for 27 days, working day and night 6 days a week, or only shutting down at night and grinding and paving all night, making sure the runway is useable by daylight. Manager Franklin is getting a modular building so he will have an office at the Aurora Airport.

(2) Aurora State Airport Easement. The estimated cost of this project is \$90,000 of which \$46,000 is unfunded.

The question was asked; will the state pay 15,000 dollars and donate their easement for this project? The answer will be researched. Then we could request the County and PGE to fund the rest.

ADDED INFORMATION ITEM: – AIRPORT ZONING ISSUES

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Mr. Millar said he would like ODA to get involved in overall land use planning and try to get an airport zone approved for all airports. The categories are A, B, C, D, 1, 2, 3, 4, and 5. Marion County is in a public zone which is set up for transmission lines and government services, they don't know how to treat the airport because it has no airport zone.

Acting Director Riordan responded that the FAA System Plan Update includes a zoning inventory of all the airports in the state and the kind of zoning they have in those communities.

There was a comment that for two years the periodic review process has been on hold because of backup and therefore Airport Overlay Zones have not been updated.

BREAK FOR LUNCH 12:00 P.M. – 1:00 P.M.

5. INFORMATION ITEMS: (continued)

(g) Proposed Amendment to OAR 738-020-0025 presented by Business Manager Wilson. This amendment is to the application site approval process for future airports which currently requires the public to pay \$375, \$300 in cost and \$75 refundable. The problem is, it costs more than \$300 in personnel time to do the inspection and it costs \$25 in personnel time to refund the \$75. ODA proposes to remove section five which describes allowable costs; the inspector's per diem, lodging expenses by DAS policy and the cost of the DAS motor pool car, which would set a new \$300 flat fee. Attorney Rosik said all that is needed is to make sure the Board has no objections to this rule amendment, so Manager Wilson can file the paperwork with the Secretary of State's Office and the rule can be approved.

(h) ODA Building presented by Business Manager Wilson. The cost of construction of a new building from ODA's Budget, is \$600,000. There are still questions as to how all the details will be worked out.

Mr. Millar volunteered to sit on the committee for the new building with Board Member Novick.

(i) ODA Annual Report presented by Acting Director Riordan. There were typographical errors that weren't caught before the report was published, put on the web, and sent out. The corrected version is currently available on the web.

The Board made the decision that the corrected Annual Report must be sent out again.

Acting Director Riordan said ODA will correct the Annual Report and submit it to the Board, before distributing it.

ADDED INFORMATION ITEM: – ODA WEBSITE

The website should be completely updated by the end of February. The Board needs a new group picture for the website. Board members have been asked to update their bios for the web.

5. INFORMATION ITEMS: (continued)

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(j) Aviation System Plan & Economic Impact Study presented by Acting Director Riordan. ODA is still in the process of solidifying the scope of the System Plan and the Economic Impact Study. The FAA has given ODA three grants to do this work but now wants them rolled into one grant. There is a March kick off meeting. The state will be broken into 6 different geographic regions. A central location will be chosen and surrounding airports and community leaders will be invited to meet and share what their goals are for the airport. After the meeting the consultant team and ODA staff will go to those communities and generate more information so ODA can complete the draft System Plan Update and draft a Economic Impact Study.

The Board requested that they be invited to attend the meeting of consultants and ODA staff members.

The Board commented that ODA has been in existence for 5 years, but the Aviation System Plan being used was produced by ODOT.

(k) Property Acquisition at Lebanon & Independence Airports presented by Acting Director Riordan. Independence Airport is at capacity so ODA is looking into buying property on the West Side of the airport. Lebanon has just rezoned some Exclusive Farm Use Land to Industrial/Commercial Use, next to the airport; ODA is talking with the FAA about purchasing some of the land.

The Board asked if there is a consensus that this is the direction ODA should be moving.

The Board suggested that ODA go back to the System Plan and make sure Independence and Lebanon are the right airports to invest in.

There was a question as to how much money the land will cost? There are no specifics at this time.

(l) Cape Blanco Airport Road Easement presented by Acting Director Riordan. Commissioner Brown came to ODA and asked if ODA would grant an easement to the county's land locked property at the Cape Blanco Airport so it could be developed. One advantage would be that it would make Cape Blanco Airport more attractive and then the County may chose to take over the airport which would free ODA of the responsibility and expense of managing the airport.

The Board agreed that ODA should go ahead with the trade of easement rights for the Cape Blanco Airport, but ODA must report back payment details for approval to the Board.

ADDED INFORMATION ITEM: - ODA LEGISLATIVE AGENDA

ODA has two bills this session. House Bill 2067 gives the Governor the authority to stagger the terms of Board Members. House Bill 2068 clarifies the system ODA uses to charge people for aircraft registration and adds a penalty to people who do not pay to register their aircraft.

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A Board member commented that it would be nice if the Board was informed because they are asked questions about dollar amounts by legislators, and they would like to have answers.

There was a comment that not enough research was done in developing House Bill 2068. Specifically how would ODA enforce payment of the penalties? For this reason part of this bill will be removed and reworked.

There was a request from the Board that the new Director be notified that any legislation being created should be approved by the Board.

ADDED INFORMATION ITEM: - ODA AIRPLANE

There has been discussion about whether or not ODA should own an airplane. Arguments against ODA owning an airplane include: the plane is only flying 100 hours a year, upkeep of the airplane is expensive and ODA has no pilot right now. Arguments in favor of ODA owning the airplane include: ODA could promote aviation in the state more by transporting government leaders in the ODA airplane, chartering an airplane is expensive, and by owning a plane you can write off the depreciation. In the ODA budget is 46,000 dollars for a new airplane engine, which is a large amount of money but this will increase the value of the airplane for resale.

6. STAFF UPDATE

(a) Review of New Organizational Structure. The Board asked how they get involved in the reorganization. The statute reads that the Board has approval process for reorganizations. A board member asked when the legislative affairs, website and legislative bills person's job was abolished and who took over those jobs? The answer is, all the managers are sharing those duties. There was a suggestion that ODA should add to the organizational chart a position for corporate communications. There is discussion as to whether to keep the pilot position open at ODA or reclassify it so the position becomes another engineer position or other needed position at ODA.

7. GENERAL PUBLIC COMMENT:

There was a comment that although there is a full agenda for today's meeting, ODA Management and the Board should remain civil to one another. The ODA Managers should be commended for their handling of difficult tasks. It was suggested that ODA Managers give trust and discretion to the new Director so he will stay and help make ODA a successful agency.

8. ADJOURNMENT

There being no further business the meeting was adjourned at 3:00 p.m.