

August 26, 2014

2:00 PM

Newport, Oregon

The City of Newport Airport Committee met on the above date in Conference Room A of Newport City Hall. In attendance were Committee members Jeff Bertuleit (Committee Chair), Thomas Knott, Mark Watkins, Ralph Grutzmacher, and Ken Brown, and prospective committee members Susan Reese Painter and Debra Smith. Also in attendance were: City Manager Spencer Nebel, City Council liaison Ralph Busby, Engineering Technician/Airport Project Director Melissa Román, and Committee staff Bob Fuller (Public Works).

I. Call to order.

The meeting was called to order at 2:00 PM by Committee Chair Jeff Bertuleit.

II. Approval of July 22, 2014 minutes.

Motion was made and seconded to approve the minutes of the July 22, 2014. The motion passed on a unanimous voice vote.

III. Introduction of prospective new committee members Susan Reese Painter and Debra Smith. (Applications are included in the meeting packet). Both applicants gave brief bios and noted their interest in the committee and the airport. Chairman Bertuleit explained the advisory nature of the committee regarding membership. Watkins encouraged them to read the historical overview included in the meeting packet. **Motion was made and seconded to recommend committee membership for both subjects. Motion passed on unanimous voice vote.**

IV. Operations Plan: Review and discuss

City Manager Nebel reviewed the cover memo (included in meeting packet). He requested the committee prioritize consideration of management and staffing issues at this time. Nebel advised he has had many calls from private management groups regarding opportunities for managing the FBO and airport, so he said clearly the interest is there. A discussion ensued around the various options. Watkins said he preferred a city employee as airport manager. Grutzmacher said he would prefer a local manager that can be removed or replaced easily if there were performance issues.

Knott says that the existing business plan does not work because it is based on only three sources of income for the airport: hangar leases, fuel sales and

increasing airline operations. We know that two airline operations were terminated in the past due to no profitability. The fuel sales and the hangar rents are the only source of income at present. It is not expected that fuel sales and hangar leases will show a significant increase in profits in the coming years.

Nebel advised the process would be a "Request for Proposals" (RFP); responding interested parties would tell us what the cost to the city would be. The question for the committee: Is this what you want to pursue? His previous experience with this type of situation is the city pays the FBO manager for airport maintenance and management; in one instance (for example), this number was about \$80,000/year; this involved a somewhat smaller airport than ONP.

Brown said in his opinion the FBO management should be contracted out, with the City still handling the airport maintenance and the City Manager overseeing the contractual requirements of the FBO contractor.

Bertuleit stated he prefers to have a contractual-type system, noting it is important they (the contractor) be able to reach out to the business community at large.

Grutzmacher suggested an alternative to the RFP process, involving soliciting "Letters of Interest" from private operators; he noted the RFP process perhaps gives too much expectation of awarding a contract as part of the process. Nebel agreed this would be a possible good interim step. He also agreed the City should probably continue with airport maintenance to keep the airport in compliance.

A motion was made and seconded to recommend the City pursue "Expressions of Interest" from private operators. The motion passed on a unanimous voice vote.

(At this time, in the interest of time management, the committee decided to re-order the agenda and move to Airport Celebration)

Airport Celebration

Knott and Román have been consulting with each other for plans on the "Grand Re-Opening" of the airport scheduled for October 18th.

Knott says that the airport has a bad reputation with the citizens due to all the bad news and unlawful activities of some pilots and staff. With the re-opening of the airport it is important to communicate that this airport supports some important services for everyone in this community:

- emergency relief in case of a disaster (tsunami)
- coast guard

- air mail supply (Fedex, UPS)
Knott is in contact with FEMA to get a key note speaker for the opening ceremony. He will also contact other institutions that benefit from this airport to hold a short speech.

Román gave an overview of the concept of the event, to include displays, vendors, booths, etc. Several participant options were suggested during the discussion. It was stressed that volunteers will be important to the success of the event; Bertuleit suggested the NPD volunteers as a source, and also some airport users who would be familiar with airport property restrictions, etc. (A detailed report is included in the meeting packet).

Part 139

Nebel referred the committee to FAA communiques advising the airport had passed recent Part 139 inspection (these are included in the meeting packet). Two minor findings were corrected, and FAA inspector Lynn Deardorff praised the airport staff on their work and maintenance efforts.

Minimum Standards

This was deferred to a future agenda item for a more detailed discussion. A draft is included in the meeting packet.

Construction Update

Project Director Román advised everything is on schedule and going well. FBO and T-hangar repairs are out for bid. Part of the T-hangar bid was removed; specifically, Public Works will now be doing the groundwork portion of the job.

IX. Monthly Report on Operations

This document is included in the meeting packet; due to time constraints it was not discussed.

X. Committee Comments

Busby asked the committee to endorse/recommend City budget and/or Connect Oregon monies be used for establishing a “remote communications outlet” at the airport. This would allow pilots to talk directly to Seattle Center, greatly enhancing important communications. His estimate is \$27,000-\$37,000 (he advised it’s one of those two figures, not necessarily a range between). Brown advised he did not think any Connect Oregon money was available at this time.

A motion was made and seconded to recommend the City pursue Connect Oregon monies, budget funds, or other sources as appropriate to fund this project. The motion passed on a unanimous voice vote.

XI. Public Comments

Paul Lawson, a developer of investment property in Newport, emphasized the importance of the airport for local economic development. He noted the importance of keeping the Part 139 Certification, and also mentioned the importance of working with Lincoln County Business Development Alliance and Business Oregon. Nebel advised he would take this under advisement. Lawson requested the draft minutes be posted on the City's website (currently the minutes are posted only after approval by the committee). Fuller will contact the City Recorder regarding any applicable rules regarding posting draft minutes. If there are no prohibitions, Fuller will contact committee members individually for their opinions and preferences on this.

XII. Develop next agenda

Operations Plan review

Nebel suggested discussion of long-range planning process, to include developing a calendar.

Minimum standards discussion (continued; not able to address at this meeting).

Monthly operations report.

Update on construction activities.

Before adjournment, the committee expressed their appreciation and thanks to Melissa Román for her outstanding work in directing the airport projects under construction.

XIII. There being no further business, the meeting was adjourned at 4:00 PM by Chairman Bertuliet.