

November 16, 2010
Noon
Newport, Oregon

The City of Newport Airport Committee met on the above date in Conference Room A of the Newport City Hall. Present were Jim Churchwell, Richard Larson, Mark Watkins, and Jim Hawley. Also in attendance were Airport Director Gene Cossey, City Attorney Penelope McCarthy, and Councilors Mark McConnell and Jeff Bertuleit.

APPROVAL OF MINUTES - OCTOBER 19, 2010

MOTION was made and seconded to approve the minutes of the meeting of October 19, 2010. The motion carried unanimously in a voice vote.

TEMPORARY SOURCE PROVIDER

A discussion ensued regarding the temporary source provider agreement. Cossey reported that the liability insurance and the 5% gross annual fee are issues. McCarthy explained why the city requires liability insurance. She noted that this agreement would allow folks to come onto airport property and provide aviation related services. Watkins asked whether we are trying to solve a problem that does not exist. Churchwell asked whether FedEx has this insurance. McCarthy reiterated that if the city allows someone to come onto public property without this kind of protection, and something happens, it is public dollars that has to pay for that. She added that In addition to the insurance, an indemnification should be required. Watkins asked whether a single person is required to have workers compensation insurance. Cossey noted that an individual would need liability on a vehicle if driving around the airport, rather than directly to a hangar. He added that if a vehicle is being operated commercially, on the airport, then a commercial automobile liability policy is required.

Cossey noted that insurance is necessary for a temporary source provider, but secondary to the intent of the agreement. He added that this is a first step in developing stronger minimum standards. He added that the goal of the FAA and minimum standards is to create a level playing field. He noted that one million dollars is Oregon's tort claim limit. Cossey suggested leaving the gross annual fee at 5%. Larson asked whether this fee would deter business. Cossey noted that if a business is grossing under a certain amount, the 5% annual fee would not be applicable. Hawley asked whether the FAA requires this agreement, and Cossey noted that there are grant assurances, and in some cases, grants are unavailable without compliance with minimum standards. He added that it qualifies the city to receive money and not to have to repay monies that have been received over the past 20 years. Cossey stated that this document will return to the Airport Committee once the changes are made.

YEAR-TO-DATE BUDGET DISCUSSION

Cossey distributed year-to-date budget figures. He reported that a lot of the revenues have not yet been received, including grant monies and fuel sales. He stated that wages are on track and should be under budget by the end of the year. He added that staff continues to work on the allocation of numbers, and that big issues are vehicle and equipment maintenance which are being monitoring carefully. He asked that specific questions be e-mailed to him. Watkins asked about airport staffing, and Cossey noted that Karen is cutting back her hours, but that there will be money to bring her back before the end of the fiscal year.

Cossey distributed and explained a fuel sales handout. A discussion ensued regarding fuel costs. Cossey stated that he is investigating the possibility of a pre-pay program, and that he will keep the Committee apprised.

AIRPORT MANAGER'S REPORT

Cossey updated the Committee on the AIP project update, noting that work should begin on the field within five to eight weeks.

Cossey reported that he plans to close the FBO on Thanksgiving and Christmas Days. He noted that signs will be posted, Lance will be on-call, and fuel can be pre-arranged.

Cossey reported that an inspection of the FBO building has shown that the facility has lots of leaks. He noted that steps will be taken to reduce the leakage, but the repairs are major and will have to be budgeted.

Cossey reported that the FLYONP marketing campaign is finally starting to really show. He added that the website is up, radio ads are running on two major radio stations, newspaper ads are running, flyers are being printed for inclusion in utility bills, a billboard has been placed on Highway 18, and banners are being developed. Watkins stated that he would like a follow-up with the Chamber of Commerce. Cossey stated that he is working with Lorna Davis on that. Watkins suggested an aerial photograph of the airport be used. McConnell noted that the FLYONP website will contain general aviation material.

McConnell reported that an Airline Sustainability Task Force meeting will be held on December 1 at 3:00 P.M. He noted that the Task Force will be discussing a final recommendation to the City Council. McConnell noted that the Air Service Consortium would meet Friday at 10:00 A.M. A discussion ensued regarding ticket banks. It was noted that SeaPort does not wish to utilize ticket banks, but that Astoria has a ticket bank that it is managing.

ADJOURNMENT

Having no further business, the meeting adjourned at 1:30 P.M.