

**CITY OF ALBANY
AIRPORT ADVISORY COMMISSION
City Hall, Santiam Room
333 Broadalbin Street SW
Thursday, September 8, 2011
3:30 – 5:30 p.m.**

MINUTES

Commission Members Present:: John Harshberger, Heath Kasper, John Pascone; Pat Eastman; Dennis Smith, Jerry Wilken

Commission Members Absent: Ron Terhaar

Staff Present: Chris Bailey, Airport & Transit Manager; Mark Shepard, PW Director; Irene Mann, PW Executive Assistant

Others Present: Dan Miltenberger; Henry Pollack

CALL TO ORDER

Chair Kasper called the meeting to order at 3:30 p.m.

APPROVAL OF MINUTES

The minutes from the Airport Advisory Commission meeting of August 18, 2011, were unanimously approved.

DISCUSSION: FBO PROPOSALS

Bailey commented that two proposals had been submitted in response to the RFP for an FBO. The proposals were from Dan Miltenberger and Peterman Air LLC (a father and son team). The Airport Advisory Commission review team of Dennis Smith, Pat Eastman, and John Harshberger met with Bailey twice. After their initial meeting, they requested additional information from the two respondents.

After receiving the additional information, the review team did not feel that they could recommend either proposal to the full Airport Advisory Committee to go forward to the City Council. The review team looked at the future of the airport and was concerned about the revenue projections. They also feel that the Commission should realistically decide what they want from an FBO, what the future of the airport is, and what the future for the FBO building is.

Discussion about the long-range financial viability of the airport, the FBO building, the fuel system, hanger rental and managerial responsibility of the airport took place among the Commission members. None felt the two proposals met the goal of being self-sufficient.

Wilken asked for a summary of the proposals. Bailey said that Miltenberger proposed purchasing the FBO building and fuel system, leasing the land for ~\$1,440 per month (after Year 1). He also proposed some management changes. Peterman Air LLC proposal represented that of a more 'traditional' FBO, managing things and renting hangars, and providing airplane maintenance in the future. Smith added that both scenarios would be showing negative balances after two or three years and none met the goal for the airport to be self-sufficient. He felt the Commission should re-evaluate what a viable FBO business could provide in the long-term.

Bailey added that a City staff person would continue to need to manage some things at the airport and said that personnel costs would rise ~10% a year. The City cannot easily just sell the property; there is a public process for selling/purchasing City-owned property.

Shepard said the Commission was wrestling with some good questions. Smith added that a number of airports operate without an FBO.

Pascone inquired about the status of the Airport Master Plan Update. Bailey replied it would hopefully be completed the summer of 2012. Bailey also explained the City could end the process of an RFP and not award it to any of the bidders if it would be deemed not to be in the best interest of the City. The Commission discussed meeting with the two proposers.

Miltenberger said that the late Dick Ebert had set written 'minimum standards' for the airport. Bailey said while there was a discussion of 'minimum standards,' they had never been approved by the City Council.

Wilken asked staff to get more information about the City of Salem airport and the City of Newport airport.

Pascone suggested hiring a consultant to look at what the Albany airport needed from an FBO. Eastman said the Commission needed to decide what they expected from an FBO and how would they get it? He also asked, "What should the 'face' of the airport be?" Pollak suggested breaking up the FBO services.

ACTION: Wilken motioned and Smith seconded a motion to recommend closing the RFP and not awarding the contract. The vote was unanimous.

Staff will discuss their recommendation at the next City Council work session. Staff will also prepare a memo for a future City Council meeting and send copies of the e-mail to all the Airport Advisory Commission members. Pascone also asked that staff pursue hiring a consultant to perform a small study.

I-5 INTERCHANGE DESIGNS AND FUTURE AIRPORT DEVELOPMENT

Bailey said she attended the August 22, 2011, City Council work session and reported on the Commission's recommendation that the Council preserve as much airspace and land around the airport as possible. She said that ODOT is not making any decisions at this time, they are just seeking input. She added that ODOT is months away from making any decision.

RUNWAY ELECTRICAL WORK

Bailey reported that the runway electrical work has begun and must be completed by 5 p.m. on Monday, September 19, 2011. Kasper added that the cost to install flush-mounted runway threshold lights would be ~\$14,000 and it is just a few hundred dollars to replace a broken light.

NORTHWEST ART AND AIR FESTIVAL (NWAAF)

Miltenberger reported that there were 212 rides provided to Young Eagles. Additionally there were various displays at the airport and in general, a high level of interest generated in flying.

Kasper said as the liaison to the Parks and Recreation for the NWAAF, he encountered similar problems as he had in the past. He would like Parks and Recreation to provide funds and have a line item in the Airport budget so that the pilots could manage the budget. Eastman suggested having a meeting with Parks and Recreation staff to discuss the process for funding.

REVIEW MONTHLY PROGRESS REPORT

Bailey gave the Commission copies of her current Monthly Progress Report. The Commission members and members from the public commented or provided input to the items on the list. Miltenberger asked that galvanized fencing be used in the future since it is difficult to see if the green fencing has been cut.

Also discussed were property lot line adjustments, signs for the fuel pump to remind users to rewind it slowly, and the possibility of a courtesy car at the airport.

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NEXT MEETING DATE

The next meeting of the Airport Advisory Commission is scheduled for October 13, 2011, at 3:30 p.m. in the Santiam Room at City Hall.

ADJOURNMENT

The meeting was adjourned at 5:30 p.m.

Respectfully submitted:

A handwritten signature in cursive script, appearing to read "Irene Mann".

Irene Mann
Executive Assistant to the PW Director

IM:kw