

**Oregon State Aviation Board
Final Meeting Minutes**

September 17, 2003

Klamath Falls, 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 at the Klamath County Government Center on September 17, 2003, in Klamath Falls, Oregon.

Board members present included Bill Wilkins (Chair), Mike Burrill, Jack Loacker, Carrie Novick, Steve Schreiber and Joe Smith.

Oregon Department of Aviation staff members Ann Crook (Director), Daren Griffin (State Airports Manager), Teddie Baker, Carolyn Bolton, Gary Viehdorfer and Viv Weinkauff. Lynn Rosik, Assistant Attorney General from Department of Justice.

Attended via invitation. Gordon Safely and Ellie Chambers attended at Board invitation to present a report on behalf of the Oregon Economic Development Association.

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

Agenda Adjustments

Several adjustments were made to the agenda:

Wilkins requested that Information Items include a report on the current status for various staff action items from previous board meetings. He commented that at the July Board meeting in Burns, Smith had begun an excellent practice of reviewing previous minutes and tracking items that require follow-up. Crook subsequently suggested that this become a regular part of all Board meetings.

Crook asked that a report on staff changes follow approval of the minutes.

The agenda was approved as amended.

Meeting Minutes

Amendments were proposed to the July 23, 2003, meeting minutes as follows:

- Smith suggested that at the bottom of page 1, the revisions to proposed FAM Grant awards be specified rather than merely saying that the Board “unanimously approved the awards with revisions.” Those amendments were the deletion of Illinois Valley from grant awards and the addition of Prineville.
- Smith noted that “illegible” should be corrected to “ineligible.”
- Novick pointed out that this particular vote took place in two parts. The first part dealt only with Redmond Airport-Roberts Field, and Novick abstained from that vote since she manages the Redmond facility and therefore had a vested interest in the outcome. The second vote was to approve all other recommended airport FAM Grants and she participated in that unanimous vote.

The June 23, 2003, minutes were unanimously approved as amended.

Proposed Designation of Cottage State Airport Grove Airport in Memory of James L. Wright

Wilbur Heath, Oregon Aviation Historical Society, led the presentation. James L. Wright – a prominent Oregon aviator from Cottage Grove – died tragically in a plane crash in Wyoming as he flew home to Oregon from Oshkosh several weeks ago. The City of Cottage Grove has joined with the Oregon Aviation Historical Society to recommend a tribute be made to honor the life of Jim Wright by naming the Cottage Grove State Airport after him.

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Burrill moved that the State Aviation Board designate the Cottage Grove State Airport as Jim Wright Field. Loacker seconded, and the motion passed unanimously.

Information / Discussion Items

Preliminary Review of OAR 738-120 FAM Grant Administrative Rules

Crook reported that during FY 2003, ODA staff began work to formulate new administrative rules for the Financial Aid to Municipalities (FAM) Grant Program. Staff seeks conceptual policy approval of the draft rules document today and will proceed to make any editorial revisions recommended by the Board over the coming weeks and months. Staff went on to provide an overview of the new rule.

Wilkins inquired regarding rule drafting methodology and whether Department of Justice had reviewed the rules. Rosik reported that she worked closely with staff through several rounds of edits prior to arriving at the current version, which is presented to the Board for purposes of preliminary review. She pointed out that policy decisions exist for the Board to address.

Smith observed that Board consensus existed to increase the grant cap and suggested \$40,000 as the maximum. He suggested that specific rule language be added clarifying that no applicant should automatically expect to receive the entire sum each year, regardless of the established cap amount. He also suggested that eligibility criteria give added weight for the ability of the airport sponsor to leverage other funding with FAM dollars. Smith urged careful staff analysis of the difference between funding all applications at a lower level versus successfully providing adequate funds to all *critical* applications.

Wilkins invited Board members to communicate directly with Baker on further questions or suggestions related to the proposed rule. He reminded Board members that communication with ODA legal counsel must occur through Baker. He directed staff to prepare a revised version of OAR 738-120 FAM Grant Rules for review and discussion at the November Board meeting.

Preliminary Review of Administrative Rule Periodic Review Process

Rosik explained that the Oregon Legislature has created laws that not only govern adoption and amendment of administrative rules, but also that require a formal process to be conducted every three years called "Periodic Rule Review." If Periodic Review is systematically performed every three years, the process is unlikely to result in dramatic changes. Periodic Review requires formal public notification and open meeting discussion and decision on all rules.

Wilkins asked that Board members approach this periodic rule review process with an assumption that staff suggestions involve only non-substantive corrections to rule language unless staff specifically alert the Board that an amendment requires a change to existing policy.

Wilkins designated Smith to make the motion on this issue. Smith moved that the Phase I Periodic Rule Review amendments proposed by staff be generally approved in order that staff may proceed with preparation of necessary notices for filing with Secretary of State's office and mailing to interested parties, and that Board members continue to submit scrivener's edits through January 21, 2004, when adoption will be agendized. Novick seconded, and the motion unanimously passed.

Aerospace Economic Development Plan

Burrill opened the presentation with a review of the Board's unanimous decision earlier in the year to invest \$10,000 to serve as seed money for an aerospace economic development fund. The Board also secured the assistance of Ellie Chambers. Chambers and the Oregon Economic Development Association (OEDA) have now raised a total of \$29,000.

Wilkins recessed the meeting for lunch at 11:50 a.m. The meeting reconvened at 12:30 p.m.

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Leasing Rates for State-Owned Airports

Griffin provided a full copy of consultant Duncan & Brown's (D&B) report and reviewed his proposal for rate adjustments at all state-owned airports with hangar spaces, except Aurora since its lease rates were previously approved at the July 2003 meeting.

Griffin reported that every tenant at a state-owned airport was directly provided written notice of the proposed rate changes. The closing date for written public comment was September 1st, and all comments received were included in meeting packets for Board review. AOPA initially wrote asking for an extension. Griffin granted their request, but ultimately they sent only an e-mail merely thanking him for the information and stating they had no comment.

Loacker moved to approve the recommended rate schedule that appears on the back of the memo dated September 2, 2003, from Griffin to the State Aviation Board, Burrill seconded. Wilkins asked for further comments. There being none, the Board voted unanimously to approve staff's recommended rate schedule.

E-Board Request - Registration Program Data Base

Crook indicated that Board discussion and approval of the E-board request should be deferred at this time. The E-Board will meet in November but the meeting will fall in advance of the Board's November 17th meeting.

8th Quarter Budget Report for '01-'03 Biennium

Crook explained that with Rebecca Jasso's resignation from the agency, ODA is currently recruiting a new fiscal analyst. Crook reviewed primary points from the printed report.

UPDATES

Proposed Airport at Jordan Valley

Crook reported that a lot of progress had been made in Jordan Valley, though it involved things that weren't yet visible. Staff are currently finalizing a formal interagency agreement (IGA) between ODA and Malheur County, who has agreed to serve as airport sponsor. Their attorneys are talking to our attorneys and the agreement is nearly ready to sign.

Secretary of State's Audit Report

Crook reported that the Secretary of State's audit report identified several deficiencies that have resulted in internal changes at ODA. Just last week, Crook received final recommendations from the Treasury that will enable staff to meet the auditor's requirements for cash handling, even with limited staff. The intergovernmental agreement with ODOT is not yet in place, but staff are actively involved in negotiations with ODOT, while working closely with attorneys for both agencies.

2003 Legislative Session

Crook reported that the 2003 Legislative session held no surprises. None of ODA's bills passed, with the exception of the agency's successful budget bill. There was a flurry toward the end of session because the Legislature considered claiming ODA's ending 01-03 balance of \$300,000 and shifting it over to General Fund. From all appearances at the present time, in spite of the fact we don't yet have a Legislative Adopted Budget, the agency's carry over will be kept intact. Crook indicated that ODA was very pleased to finish session with an intact budget.

Crook indicated that the members of the Legislature selected to sit on Emergency Board have been announced. Novick asked that Crook send Board members a copy of the E-Board membership.

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Signage for State-Owned Airports

Griffin reported on the Board's directive that he replace all state-owned airport signs still referencing ownership by ODOT. The Cottage Grove airport sign designating it as Jim Wright Field will have a special design; this will be accomplished during by 2004.

INFORMATION

Airport Ownership Task Force

Wilkins is trying to reach Rep. Greg Smith to secure his commitment to participate. The next meeting of the Task Force is scheduled for October 16th at ODA, from 1 to 4 p.m. A follow-up meeting is then scheduled for November 18th – the day before the next Board meeting, again from 1 to 4 p.m. Bolton was asked to schedule this meeting at the same location as the Board meeting.

The Board meeting adjourned at 3:35 p.m. for a tour of Klamath Falls Airport and Kingsley Field.

Respectfully submitted,
John Wilson, Office Manager
Oregon Department of Aviation

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