



SPOKANE AIRPORT BOARD		
Chair:	Collins Sprague	
Vice Chair:	Nancy Vorhees	
Secretary:	Jennifer West	
Board Members:	Ezra Eckhardt	Al French
	Max Kuney	Ben Stuckart
Chief Executive Officer:	Lawrence J. Krauter, A.A.E., AICP	

NOTICE OF AIRPORT BOARD MEETING

Tentative Agenda for the October 19, 2017 Board Meeting

The Airport Board meeting will be held on Thursday, October 19, 2017 at 9:00 a.m. in the Boardroom located at Spokane International Airport, 9000 West Airport Drive, Suite 204, Spokane, Washington 99224.

- A. Call to Order**
- B. Roll Call of the Airport Board**
- C. Public Comment/Courtesy of the Floor**
- D. Employee Recognition – Presentation of Accredited Airport Executive Certification to Ryan H. Sheehan**
- E. Approval of Minutes** (9/28/17 regular meeting)
- F. Financial Report**
- G. Discussion of 2018-2019 State Legislative Affairs Priorities (Cliff Webster)**

Consent Agenda
(Items #1- 11)

1. *Approval of Payments/Warrants		
Construction Warrant Numbers	4325 - 4328	\$ 286,298.29
Operational Warrant Numbers	137375 - 137771	\$2,958,847.58

2. ***Award Construction Contract – Administration Annex Renovations Project – Dardan Enterprises, Inc.** – Spokane International Airport. The former Parking Operations Office will be improved to accommodate many of the functions currently held in the Board Room. This project also includes improvements to existing terminal restroom facilities and minor interior upgrades to the Irv Reed Center to make it a suitable venue for future public meetings. Plans and specifications were prepared by ALSC Architects and the project was publicly advertised. Three bids were received and opened on October 3, 2017 with the lowest responsive and responsible bid submitted by Dardan Enterprises, Inc. The Engineering Committee and Staff recommend award of a Construction Contract for the Project to Dardan Enterprises, Inc. in the amount of \$379,973.00 including Washington State Sales Tax. In addition, Board authorization of \$56,995.00 is requested for construction contingencies for a total authorization of \$436,968.00.
3. ***Award Construction Contract – Airfield Maintenance Headquarters and Fuel Facility Control Buildings Partial Remodel – Engineering/Remediation Resources Group, Inc. dba ERRG** – Spokane International Airport. The Airfield Maintenance Headquarters (AFM) Building and the Fuel Facility Control Building require updating and replacement of flooring and various fixtures within the employee areas. Plans and specifications were prepared by Wolfe Architectural Group and the project was publicly advertised. Four bids were received and opened on October 4, 2017, with the lowest responsive and responsible bid submitted by Engineering/Remediation Resources Group, Inc. dba ERRG in the amount of \$348,468.00 including Washington State Sales Tax. The Engineering Committee and Staff recommend award of a Construction Contract for the Airfield Maintenance Headquarters and Fuel Control Facility Partial Remodel to Engineering/Remediation Resources Group, Inc. dba ERRG in the amount of \$348,468.00 including Washington State Sales Tax. In addition, Board authorization of \$34,900.00 is requested for construction contingencies for a total authorization of \$383,368.00.
4. ***Award Construction Contract – Perimeter Fencing Improvements – National Native American Construction, Inc. dba NNAC, Inc.** – Felts Field. This project will relocate a portion of the perimeter fence along the northern property boundary, construct new fencing between the airfield and the Spokane Police Academy property, make repairs to a damaged section of fence along Euclid Avenue, and construct new fencing around four parcels adjacent to East South Riverway Avenue. Airport Staff prepared the documents and the project was bid through the Small Public Works Roster. Two bids were received and opened on October 3, 2017, with the lowest responsive and responsible bid submitted by National Native American Construction, Inc. dba NNAC, Inc. in the amount of \$213,509.00 including Washington State Sales Tax. The Engineering Committee and Staff recommend award of a Construction Contract for the Perimeter Fencing Improvements to National Native American Construction, Inc. dba NNAC, Inc. in the amount of \$213,509.00 including Washington State Sales Tax. In addition, Board authorization of \$21,300.00 is requested for construction contingencies, for a total authorization of \$234,809.00.
5. ***Approve Procurement of Roadway Deicing Product (Ice Slicer) – EnviroTech Services, Inc.** – Spokane International Airport, Airport Business Park, and Felts Field. The Airport has encountered delivery delays of road salt during peak usage due to relying on a single source of supply. In an effort to ensure supply needs will be met, Staff is seeking approval for a second product and vendor of road salt be approved. Ice Slicer (a salt blend) is available for purchase through Washington State Contract No. 02714 from Enviro Tech Services, Inc. The Engineering Committee and Staff recommend approval to purchase Ice Slicer deicing product from EnviroTech Services Inc. on an as-needed basis for the 2017–2018 season in an amount not-to-exceed \$100,000.00.
6. ***Approve Procurement of Roadway Deicing Product (Magnesium Chloride) – Roadwise, Inc.** – Spokane International Airport and Airport Business Park. Magnesium Chloride, a liquid deicing product, has been used successfully as a pre-treatment to prevent the bonding of ice and to act as a catalyst for improving the performance of road salt. The Airport purchased 679.14 tons at a cost of

\$105,504.82 during the 2016–2017 season and it is available for purchase through Washington State Contract No. 02714 from Roadwise, Inc. The Engineering Committee and Staff recommend approval to purchase Magnesium Chloride from Roadwise, Inc. on an as-needed basis for the 2017–2018 season in an amount not-to-exceed \$175,000.00.

7. ***Approve Procurement of Roadway Deicing Product (Road Salt) – Salt Distributors, Inc. –** Spokane International Airport, Airport Business Park, and Felts Field. Road salt is used in addition to Magnesium Chloride during lower temperatures and heavy accumulations. The Airport purchased 2,165.43 tons of road salt at a cost of \$290,218.88 during the 2016–2017 season and it is available for purchase through Washington State Contract No. 02714 from Salt Distributors, Inc. The Engineering Committee and Staff recommend approval to purchase this deicing product from Salt Distributors, Inc. on an as-needed basis for the 2017–2018 season in an amount not-to-exceed \$350,000.00.
8. *** Award Service Contract – Fuel Tank Cleaning – WWWS Associates Inc., dba Big Sky Industrial –** Spokane International Airport. Protocols require tank interiors to be checked for cleanliness and for the coating condition of the interior surfaces, as well as testing for the integrity of the tank structure. Airport Staff prepared the documents and the project was publicly advertised, with one bid received and opened on October 9, 2017, in the amount of \$68,800.26 including Washington State Sales Tax. The Engineering Committee and Staff recommend award of a Service Contract for Fuel Tank Cleaning to WWWS Associates Inc., dba Big Sky Industrial in the amount not to exceed \$68,800.26, including Washington State Sales Tax with a contract contingency of \$6,900.00 for a total authorization of \$75,700.26.
9. ***Approval of the First Amendment to the Professional Services Agreement for State Legislative Affairs Services – Carney Badley Spellman, P.S. –** Spokane International Airport. A Professional Services Agreement was awarded to Carney Badley Spellman on January 27, 2015 for State Legislative Affairs Services. Mr. Cliff Webster, a principal with Carney Badley Spellman, is the principal representative for Spokane International Airport. The term of this Agreement is three (3) years with two (2) additional one (1) year options available. This Amendment exercises the first of two one year options commencing January 1, 2018. The contract amount is in the not-to-exceed amount of \$80,000 per year. The Finance Committee and staff recommend approval of the First Amendment to the Professional Services Agreement for State Legislative Affairs with Carney Badley Spellman, P.S in the not-to-exceed amount of \$80,000.
10. *** Approval of the Renewal of the Airport’s Property and Casualty Insurance Policies for the term commencing November 1, 2017; Purchase of Insurance Coverage – Alliant Insurance Services, Inc. (SIA, ABP, Felts).** The Airport’s insurance policies expire at midnight on October 31, 2017 and Alliant has received quotes for the Airport’s insurance program that includes Property, Terrorism, Equipment, Automobile, General Liability, Crime, Directors & Officers Liability, Excess Liability for Directors & Officers, Cyber and Pollution Liability. Alliant has advised the pricing they have obtained is competitive for the market and in line with the pricing from last year. The total premium for 2017/2018 policy year commencing November 1, 2017 is \$436,351.95 which is a slight decrease from last year’s total premium. The Finance Committee and staff recommend approval of the renewal of the Airport’s insurance policies as presented by Alliant Insurance Services, Inc.
11. *** Approval of the Lease Agreement for Building 1100** with *Western Integrated Technologies, Inc. (ABP)*. Western Integrated Technologies (WIT), a manufacturer and integrator of fluid power and electronic systems, has requested a lease for approximately 3,560 square feet in Building 1100, Suite 104. WIT is opening an office in Spokane and they will utilize the premises as an administrative and sales office with warehouse storage and light assembly operations. Staff has negotiated a new agreement with WIT for 3,560 square feet in Building 1100 with a term of approximately three (3) years commencing on October 15, 2017 and expiring on October 31,

2020. WIT will pay \$7.26 per square foot per annum or annual rent of \$25,845.60. WIT will make interior improvements to the Premises and will be responsible for all interior maintenance, janitorial and window cleaning. The Airport will be responsible for the structure, roof, HVAC units, landscaping and snow removal around the Premises. The Finance Committee and staff recommend Board approval of the Lease Agreement for Building 1100, Suite 104 with Western Integrated Technologies, Inc.

Regular Agenda

12. ***Award Service Contract – Overhead Door Preventative Maintenance and Service – Continental Door Company** – Spokane International Airport, Felts Field and Airport Business Park. The Airport has more than 100 overhead door systems which require periodic, routine maintenance and occasional repair. After preparation of documents and public advertisement by Airport Staff, two bids were received and opened on September 21, 2017. The low bid was received from Overhead Door Company of Spokane-Coeur d’Alene, however their bid was declared non-responsive due to an error in the submission of their bid security. Therefore, the lowest, responsive bid was received from Continental Door Company in the amount of \$94,248.00 including Washington State Sales Tax. The term of this contract will be one year, with two one-year renewals at the Airport’s option. The Engineering Committee and Staff recommend award of a Service Contract for the Overhead Door Preventative Maintenance and Service to Continental Door Company in the amount not to exceed \$94,248.00 including Washington State Sales Tax with a contract contingency of \$5,752.00 for a total authorization of \$100,000.00.

13. *** Selection of Independent Audit Firm** – Spokane International Airport, Felts Field and Airport Business Park. In 2012, staff and the Board completed a RFP process and entered into an agreement with the independent accounting firm Moss-Adams, LLP to provide auditing services in relation to the Comprehensive Annual Financial Report (CAFR) and a separate required report regarding Passenger Facility Charges (PFCs). The agreement had a three-year term with options to extend for two more years. The term of the agreement ended with the audit of the year that ended December 31, 2016. A Request for Proposals was publicly advertised with five firms submitting Proposals. After review of the proposals by Board and Staff members, three finalists were selected and were interviewed by a selection committee comprised of Finance Chair Eckhardt and three staff members. The selection committee recommended to the Finance Committee on October 11, 2017 the engagement of Moss-Adams, LLP to provide audit services related to the CAFR for a term of three years. The fees proposed for the next three years are:

Year	2017	2018	2019
Moss-Adams	\$51,350	\$52,800	\$54,450
SAO (estimated)	\$19,000	\$20,000	\$21,000

The term of the new agreement is three years in order to allow sufficient time to implement new financial reporting software. Also, the selection committee recommended the continued services of the State Auditor’s Office in conjunction with the Federal Single Audit and the Accountability Audit. The Finance Committee recommends the selection of Moss-Adams, LLP to provide audit services related to the CAFR and PFC for three years in the amount not to exceed \$55,000 per year and also recommends continued utilization of the State Auditor’s Office to continue to perform the Single Audit and the Accountability Audit.

14. ***Approval of the 2018 Spokane Airport Board Budget** – Spokane International Airport, Felts Field and Airport Business Park. A consultation meeting for the preliminary SIA budget was held with the Airport Airline Affairs Committee on September 29, 2017. The proposed 2018 budget for Spokane International Airport, Airport Business Park and Felts Field was reviewed with the Board Finance Committee on October 11, 2017. The budget is divided into three primary areas: Spokane

International Airport comprising 89%, the Business Park 2%, and Felts Field 9% of the total budget.

	<u>Operations</u>	<u>Capital</u>	<u>Total</u>
Spokane International	\$ 34,509,213	\$ 42,594,790	\$ 77,104,003
Airport Business Park	1,550,796	540,000	2,090,796
Felts Field	<u>1,705,272</u>	<u>6,183,000</u>	<u>7,888,272</u>
Total	<u>\$ 37,765,281</u>	<u>\$ 49,317,790</u>	<u>\$ 87,083,071</u>

The total budget represents a 20.2% increase from the 2017 budget attributable to an 11.6% increase in the Operations budget and a 27.8% increase in the Capital budget. The increase in the Operations budget generally follows the increase in passenger activity, while the Capital budget will be influenced by the funding and timing of specific projects.

The 2018 landing fee rate will be \$2.10 per 1,000 pounds of landed weight, an increase of 1.4% from 2017. The terminal lease rate will be \$53.71 per square foot per annum, an increase of 5.7%. The Finance Committee and staff recommend approval of the Spokane Airport Board’s 2018 Budget in the amount of \$87,083,071 along with the rates shown in the budget package, and subsequent submission to the City and County of Spokane.

15. **Staff Reports/Board Member Comments**

- **Chief Executive Officer’s Report**
- **Board Member Comments**

The Airport Board may take action on other routine business issues as they may arise while the Board is in session.

16. **Executive session to follow for discussion of legal, personnel and real estate matters.**

17. **Adjourn**

The next regularly scheduled Board meeting is Thursday, November 16, 2017 at Spokane International Airport.

Note: The consent agenda () may be considered in a single action. Any Board member or any member of the public in attendance at the meeting may ask for the separation of any item from the consent agenda for individual consideration. Please notify the Board Clerk prior to the start of the meeting if you wish to make such a request.*

The Spokane Airport Board is committed to providing reasonable accommodations to individuals with disabilities. Individuals requiring reasonable accommodations to attend this meeting should call the Board Clerk at (509) 455-6444 or email at thart@spokaneairports.net at least 48 hours in advance of the meeting to arrange for accommodation.