

**Lewiston-Nez Perce County Regional Airport Authority
Board of Commissioners Meeting
Minutes of January 25, 2012**

The Lewiston-Nez Perce County Regional Airport Authority Board of Commissioners met in Regular Session on Wednesday, January 25, 2012 in the Airport Conference Room, 406 Burrell Avenue, Lewiston, Idaho.

I. CALL TO ORDER AND ROLL CALL

Chairman McCann called the meeting to order at 5:00 p.m. Commissioners present: William Vern McCann, Jr., Pat Nuxoll, Mike Martin, Verl Long and Chris Hayes.

II. CITIZEN AND COMMISSIONER COMMENTS

Chairman McCann asked if there were any comments from the audience.

Mr. Jim Otey of the Airport Friends briefed the board on the progress contacting various groups to participate in the Open House. DeAnn Scrabeck, also of the Friends announced that 106.5 Big Country committed to doing a live radio broadcast on site during the Open House. Mr. Doug Black announced that Leroy Chausse had installed a continuous-play DVD capability in one of the displays with a loaned TV; the current display features the Jet Boat races, courtesy of the Hells Canyon Visitors Bureau.

Kayla Brown of Riedesel Engineering introduced a co-worker, Garret Frei, then briefed the Board on the status of the south side taxiway project. The FAA is taking longer to finish their review of the plans and specifications due to personnel issues at their headquarters. They are still hoping for an early March bid advertisement.

Doug Mattoon announced he will be meeting with Mr. Rick Tremblay of the Economic Development Administration and a representative of the State's Department of Commerce on February 16th. He recommended the presence of an Authority representative.

III. APPROVAL OF MINUTES

Chairman McCann asked if there were any additions or corrections to the Regular Meeting minutes of January 25, 2012. Commissioner Nuxoll moved to approve the minutes as distributed. Commissioner Hayes seconded the motion and it passed unanimously.

IV. FINANCE

A. APPROVING VENDOR PAYMENTS

Airport Manager Turner reviewed the accounts payable roster. Commissioner Nuxoll moved to approve the vendor payments. Commissioner Long seconded the motion and it passed unanimously.

B. REVIEW OF FINANCIAL REPORTS

Commissioner Nuxoll distributed the financial reports, including a balance sheet, profit/loss statement, cash flow and PFC reconciliation. He pointed out adjustments made on recommendation of the auditor. He also pointed out that the PFCs will no longer be shown on the P & L statement because they considered trust funds. Mr. Turner will check on Falcon Air's overdue landing fees and issue a refund check to Greg Reed. Commissioner Long moved to approve the Financial Report. Commissioner Martin seconded the motion and it passed unanimously.

V. PRESENTATIONS, COMMUNICATIONS, AND CORRESPONDENCE

- WARREN ERICKSON, AUDIT REPORT FROM DECORIA, MAICHEL & TEAGUE, P.S.

After introductions, Mr. Warren Erickson from the Accounting Firm of Decoria, Maichel & Teague, P.S., presented the audited financial statements of the Lewiston Nez Perce County Regional Airport Authority, as of and for the year ended September 30, 2011. Mr. Erickson reviewed in detail the Report of Independent Auditor with the Commissioners and stated that at the conclusion of the of the examination his firm issued their opinion which states "In our opinion, the financial statements referred to present fairly, in all material respects, the respective financial position of the business-type activities of the Lewiston-Nez Perce County Regional Airport Authority, as of September 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America." Mr. Erickson stated that this statement is commonly referred to as an "Unqualified Opinion".

Mr. Erickson stated in the planning and performing of the audit, the Auditors considered the Authority's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing an opinion on the financial statements and referred to the "Report on Internal Control over Financial Reporting and on Compliance and other matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" included within the Financial Report. He commented on the Authority's internal controls and stated that they did not identify deficiencies in internal control over financial reporting that they consider to be material weaknesses but because the size of the Authority's staff is not large enough to permit an adequate segregation of duties for an effective system of internal control they have identified this as a significant weakness in internal controls. Mr. Erickson recommended that officials be aware that the condition does exist.

Mr. Erickson reported that during the course of the examination he had discussed the system of internal controls with Commissioner Nuxoll and recommended several changes to procedural policies which would enhance internal controls. He also complemented the Commissioners for their close association with the financial and record keeping process of the Authority.

Commissioner Nuxoll stated that as a result of his conversations with Mr. Erickson, he discussed several procedural changes with the staff and the recommendations have already been implemented.

Chairman McCann thanked Mr. Erickson, calling the audit process a valuable tool. Commissioner Martin moved to approve the audit report. Commissioner Nuxoll seconded the motion and it passed unanimously.

VI. OLD BUSINESS

A. DEVELOPMENT POLICY

Chairman McCann asked Mr. Turner for his report. Mr. Turner stated that the draft before the board incorporates not only the feedback from the Community Development and Fire Departments, it also includes suggestions made during the last meeting. He cleaned up the document and it is now ready for Board consideration. Commissioner Long expressed concern that the document wasn't specific enough. He also believes the south side should be platted. Commissioner Nuxoll stated that the detail can come over time; the document can and should be updated regularly as conditions warrant. Chairman McCann stated that the present document doesn't conflict with Commissioner Long's suggestions. However, platting could be done after the south side development plan is done. Commissioner Long then suggested that the concept of private hangars versus multi-unit hangars should be addressed, and the policy should define what non-aviation uses would be allowed. Several alphabetizing and paragraph lettering mistakes were pointed out. Commissioner Hayes clarified that multi-unit hangars and commercial hangars will be approved by the Board. He moved to approve the Development Policy with the aforementioned grammatical changes corrected and with the understanding the policy can always be changed. Commissioner Nuxoll seconded the motion. After a brief discussion, Chairman McCann called for a vote. The motion passed with four aye votes (Martin, Nuxoll, Hayes, and McCann); Commissioner Long voted nay.

B. GENERAL RULES AND REGULATIONS

The Chairman asked for the staff report. Mr. Turner reported that the draft before the Board has been refined from the first version and changes incorporated from the last meeting. The document is now submitted for Board consideration. Commissioner Long suggested incorporating self-fueling regulations. Mr. Turner recommended against incorporating those regulations in that they are already covered by City fire code; incorporating them would be duplication and may also open the document up to obsolescence, thus creating conflict between regulations. Commissioner Nuxoll recommended incorporating them simply by reference. It appeared the consensus of opinion was to reference the adopted fire code, so Chairman McCann asked Mr. Turner to place the item on the next Board agenda.

VII. NEW BUSINESS

A. RESOLUTION 2012-2, CONSENTING TO THE SUBLEASE OF A PORTION OF THE LEASE BETWEEN THE LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT

AUTHORITY AS LESSOR AND STOUT FLYING SERVICE, AS LESSEE, TO LIFE FLIGHT NETWORK AS SUBLESSEE; PROVIDING THAT THE SUBLESSEE BE SUBJECT TO ALL OBLIGATIONS OF THE ORIGINAL LEASE AND PROVIDING AN EFFECTIVE DATE.

Chairman McCann asked for the staff report. Mr. Turner reported that Mr. Ralph Stout of Stout Flying Service had submitted the report attached to the resolution. Mr. Stout intends to sublease his large hangar to Life Flight and his lease requires him to seek the consent of the Authority Board prior to doing so. Commissioner Long moved to adopt Resolution 2011-12. Commissioner Martin seconded the motion and it passed unanimously.

B. CAPITAL IMPROVEMENT

Chairman McCann reminded the Board that the lack of a rest room in the security screening area was the single most common customer comment card received. Using a building layout plan, he described for the Board the concept and location. Carlton Construction's estimate was "not to exceed \$15,000." There was a brief discussion about the purchasing policy and state law concerning small projects such as this. Commissioner Long moved to proceed with Carlton's concept. Commissioner Nuxoll seconded the motion. Chairman McCann and Commissioner Martin announced they would abstain for business reasons, after which the Chairman called for a vote. The motion passed with Commissioners Hayes, Long, and Nuxoll voting in favor of the motion.

C. AIR FAIR 2012

Chairman McCann reminded Board members that the Airport Friends had offered to serve as the lead agency in preparing an open house featuring the Commemorative Air Force B-17. Commissioner Martin stated he'd almost satisfied himself that the concept wouldn't be disallowed by the Authority's insurance. Commissioner Nuxoll stated he was confident the Authority could provide accounting services for the Friends. Chairman McCann stated this was another wonderful example of how the Friends continually step up to provide a much needed positive image for the Airport. Commissioner Nuxoll moved to designate the Friends of the Airport as the lead agency for the open house or air fair. Commissioner Long seconded the motion, and it passed unanimously.

VIII. RECURRING BUSINESS

A. AIRPORT MANAGER'S REPORT

Mr. Turner reviewed his board report including, but not limited to the south side project. The consultant's lead report has been sent to the State Department of Environmental Quality; an approval letter is imminent. He summarized the airport's reaction to the recent snow event and its impact on equipment. He pointed out the South Side Development Plan Consultant Scope of Work. Chairman McCann asked him to place this item on the next meeting agenda. Mr. Turner then described the situation with respect to surplus airport items, including the stack of salvage pipe on the south side. Commissioner Nuxoll recommended placing this item on the next agenda, to include the disposition of the erstwhile gun club clubhouse. Mr. Turner then reviewed the

agenda package information items. Before concluding, he summarized the outcome of the FAA's annual inspection and asked to have some Board time at the next meeting to discuss continuing and coming Federal mandates.

B. COMMISSIONER COMMENTS

Commissioner Hayes indicated there was an MPO/TAC meeting coming up.

IX. ADJOURNMENT

After reminding Commissioners of the next meeting scheduled for 5:00 pm on February 8th, Chairman McCann adjourned the meeting at 8:00 p.m.

Robin L. Turner, AAE
Airport Manager/Recording Secretary