UKIAH REGIONAL AIRPORT COMMISSION

June 2, 2015

Minutes

COMMISSIONERS PRESENT
Gordon Elton, Vice Chair
Don Albright
Eric Crane
Randal Beckler

STAFF PRESENT
Greg Owen, Airport Manager
Ken Ronk, Airport Assistant / Recording Sec.

COMMISSIONERS ABSENT
Carl Steinmann, Chair

OTHERS PRESENT
Karen Scalabrini, Director of Finance

1. CALL TO ORDER
The Airport Commission meeting was called to order by Vice Chair Elton at 6:04 p.m. at the Ukiah Regional Airport, Old Flight Service Station, 1403 South State Street, Ukiah, California. Roll Call was taken with the results listed above.

2. PLEDGE OF ALLEGIANCE - Everyone recited the pledge of allegiance.

3. APPROVAL OF MINUTES – Minutes for May meeting will be presented in August meeting.

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

5. DISCUSSION/ACTION

5A. Budget
Airport Manager Owen:
- What we have in the package is a copy of the draft budget for the Airport. The City Council has taken a look at the budget but not made any recommendations or changes to it yet.
- The Airport Commission asked for the attendance of the Finance Director at the May Commission meeting but she was not able to attend so tonight Karin Scalabrini, Finance Director was able to attend.
- The request was to have the Financial Director answer some questions about the City’s Annual Comprehensive Report (CAFR).

Finance Director Scalabrini:
- Apologized for not coming to the May meeting due to the city budget deadline and the hours involved with it.
- Would like to go over the questions that were asked of her from the Commission.

1. Explanation of the $122,541 difference in expenses between the CAFR and the City financial reports?
As the commission readily identified the depreciation expense included in the CAFR and not on the City financial reports ($60,686)
The other $61,855 is in the 778 fund - Contractual Services Account this was not broke out or shown on your budget documents.

Vice Chair Elton:
- Is the 778 fund a budgeted item?

Finance Director Scalabrini:
- This would be included in the Capital Budget which is a separate document.
2. The Airport Manager shows total revenue, for 2013/2014; in the amount of $1,284,601 the City financial reports show $1,232,002?
The difference was the timing with EPIC in Nov. 2014, EPIC was not sending the City any checks regularly and the $52,599 was not recorded in the financial statements till after they were closed for that fiscal year. This go’s right into question #3.

3. The Cash balance for the enterprise, in the CAFR, is zero. How can that be possible?
If you look at the Financial statement in the CAFR under accounts receivable there is $275,000 $245,000 of that is in receivables from EPIC. EPIC has been slow paying the City. We have discontinued using their credit card processing because of this problem. There have been a few transactions used for EPIC while the new card processing machines have been getting the glitches worked out.

Airport Manager Owen:
- At this time EPIC only owes the City about $7,500.

4. The CAFR combining Statement of the Cash Flows (Page 90) lists Operating subsidies of $33,001?
This is from a FAA grant that is coming in.

5. The Commission requests an explanation of how or why the General Government Service Charge, account 77725200.6100 exceeded the budgeted amount by $5,660 for FY 2014?
In the past this was not a true cost. Since I came on as the Finance Director this has changed to be a true cost account.

Commissioners:
- Discussion on the true cost accounting practice.

Finance Director Scalabrini:
- IT has become a service fund with an allocation of $12,758
- The City Council is an allocation
- Insurance cost for the departments - REMIF

Commissioners:
- Discussion on the allocation process for the Budget for an item can go up or down based on the use of that department, Personnel, City Council, and IT etc.

Finance Director Scalabrini:
- Discussion on this year’s Budget 2015/16

5B. Airport Maintenance
Airport Manager Owen:
- With the Airport Day coming up we’ve continued the Airport clean up with mowing weed eating and general cleanup of the visible areas.

5C. Hangar Rent
Airport Manager Owen:
- Included in your package is a sheet with the Airport Commissioners Proposed Hangar rate increases for next year. With the new fee structure it’s about a $7,000 increase over the whole year. All the Hangar rates will go up except the Large Twin Port a Ports they will decrease from $212 per month to $182 per month.
<table>
<thead>
<tr>
<th>Hangar #s</th>
<th>Size</th>
<th>Proposed Price</th>
<th>Monthly Revenue</th>
<th>Yearly Revenue</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 10</td>
<td>Small Pasco</td>
<td>$220</td>
<td>$2,200</td>
<td>$26,400</td>
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</tr>
<tr>
<td>11 - 20</td>
<td>Large Pasco</td>
<td>$240</td>
<td>$2,400</td>
<td>$28,800</td>
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<tr>
<td>21 - 34</td>
<td>Shade Hangar</td>
<td>$95</td>
<td>$1,140</td>
<td>$15,960</td>
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<tr>
<td>37 - 47/ 52-65</td>
<td>Small Port a Port</td>
<td>$152</td>
<td>$3,800</td>
<td>$45,600</td>
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<tr>
<td>36, 48-51</td>
<td>Large Port a Port</td>
<td>$182</td>
<td>$910</td>
<td>$10,920</td>
<td></td>
</tr>
</tbody>
</table>

$127,680.00

Commissioners:
- Discussion on what CPI index to use plus the percentage to add to the CPI.

Vice Chair Elton:
- Suggested that the S.F., Oakland, San Jose CPI index be used.

Vice Chair Elton:
- Made a motion to recommend to the City Council this chart of Hangar Rate Increases with CPI plus 1.5% every year for the next 5 years.

1st. – Commissioner Crane
2nd – Commissioner Beckler
Passed 4 – 0

5D. Airport Tour
Airport Manager Owen:

Vice Chair Elton:
- Due to the City Finance Director coming we should move the Airport tour till Aug.

5E. Commission Chair & Vice Chair Elections
Airport Manager Owen:
- At this time we do not have a Chair Vice Chair Elton has been filling in so we need to elect a Chair and a Vice Chair.

Commissioners:
- Discussion

Commissioner Crane:
- Nominates Commissioner Elton for Chair and Commissioner Beckler for Vice Chair.

Commissioner Albright:
- 2nds the nomination

Commissioners:
- Discussion

Vice Chair Elton:
- All in favor 4 – 0 motion passes.

Commissioners:
- Discussion
- Results of election will be effective July meeting.
• Cancel July meeting
• Reschedule Aug. 4th meeting to Tuesday Aug. 11th, 2015

REPORTS
6A. Airport Monthly Financial
Airport Manager Owen:
• Avgas sales are doing well
• Reach has been using a lot of Jet A and we have seen a small decrease in Calstar fuel sales.

6B. Airport Day
Airport Manager Owen:
• Seventh Annual Airport Day
• Need an Air boss
• Times 9am till 3pm

6C. Fuel Tank
Airport Manager Owen:
• No new information

6D. FAA Entitlement Funds Transfer
Airport Manager Owen:
• Tomorrow June 3rd this will be going to the City Council to transfer our Federal $150,000 FAA Entitlement Funds to the Tuolumne Airport. Due to the ALP not being approved yet we cannot bank any more money past $600,000. In years past the money was just lost. Now they allow Airports to transfer their unused funds to other airports that have an approved ALP and shovel ready projects. The FAA has had our ALP on their desk for almost a year and until they approve the ALP we cannot use any entitlement funds on any projects due to not having any projects left on the old ALP. Tuolumne contacted us about the expiring funds and asked for the transfer which the FAA just started allowing. No one in the Mendocino County area contacted us till we had already committed with Tuolumne.

AGENDA ITEMS FOR AUGUST
1. Airport Tour
2. Airport Maintenance
3. Budget 2015-16
4. Airport Monthly Financial
5. Airport Day
6. Fuel Tank

8. COMMISSIONER COMMENTS/STAFF COMMENTS
Commissioner Crane:
• Has not decided about whether to reapply for the commission or not has been serving over ten years now. Will let us know before next meeting

Airport Manager Owen:
• There is now cameras installed inside this office and outside this building.

9. ADJOURNMENT
There being no further business, the meeting adjourned at 8:01 p.m.

Kenneth Ronk, Recording Secretary