

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54

**UKIAH REGIONAL AIRPORT COMMISSION**  
**August 5, 2014**  
**Minutes**

**COMMISSIONERS PRESENT**

Carl Steinmann, Chair  
Eric Crane  
Gordon Elton

**STAFF PRESENT**

Greg Owen, Airport Manager  
Cathy Elawadly, recording Secretary

**COMMISSIONERS ABSENT**

Dottie Deerwester  
Don Albright

**OTHERS PRESENT**

**1. CALL TO ORDER**

The Airport Commission meeting was called to order by Chair Steinmann at 6:00 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** – June 3, 2014

**Commissioner Elton** made the following corrections to the June 3, 2014 minutes:

- Page 1, line 44, revised to read: 'Fuel sales seem low for where we are this budget year.'
- Page 1, line 46, 'annuals' should read 'actuals.'

**M/S Crane/Elton** to approve June 3, 2014 minutes, as amended. Motion carried (3-0).

**4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS**

**5. DISCUSSION/ACTION**

**5A. Budget 2014-15 / Airport Monthly Financial Report**

**New budget**

**Airport Manager Owen** referred to financial documents provided for this agenda item and made the following comments/notations:

- Related to his financial spreadsheet for FY 2014-15 these figures show revenues/expenditures for the newly approved budget where the intent of this document is to simplify and/or provide for a financial summary of Airport operating expenses and revenues for ease of understanding. Additionally, 'City of Ukiah Proposed Operating Budget Airport Enterprise Fund Detail for Fiscal Year 2014/2015' is a financial document that provides budget information in a changed and/or different format by individually categorizing assigned expenses. For example, former assigned expense 291 account (City new financial system account #77725200-61100), 'General Government Service Charges' is now detailed/broken down where the associated expenses are individually billed/charged as shown on the spreadsheet. The Airport Commission has wanted City Administration to provide this type of breakdown information to show exactly what the Airport allocates to the 291 account.
- Related to line items 'General Government Allocation' and 'Billing & Collection Allocation' in the detailed financial budget document budget information for FY 2014 and corresponding projected figures for FY 2014 is shown but not for FY budget 2015. For example, referred to 'Billing & Collection Allocation for Budget FY 2014, \$12,487 is shown as paid where for 2015 there is no budget for this line item. Acknowledged while there is a 'Billing & Collection Costs' expense line item as shown on the spreadsheet, related to the detail financial document 'Billing & Collection Allocation' is now lumped/included in Miscellaneous General Government Expenses' and is no

1 longer billed as a separate expense item. The Airport is still being charged for billing & collection  
2 that is now less than in past fiscal years.

- 3 • Related to the two aforementioned budget documents, noted expense items 'Billing & Collection  
4 Allocation' and 'Group Insurance' have gone down.  
5

6 **Commissioner Elton:**

- 7 • It appears the capital expenses are not included in the summary spreadsheet formulated by staff.  
8 • Related to the detail financial sheet asked about 'Information Technology Fixed Assets,'  
9 'Machinery & Equipment' that indicates a \$3,000 expense for equipment and requested  
10 clarification this is in addition to the \$13,364 IT charges (see Gen Govt Service Charges, IT =  
11 \$13,364).  
12 • Asked about the total budget figure.  
13

14 **Commissioner Crane:**

- 15 • Requested clarification regarding 'new approved budget' on the spreadsheet financial document  
16 and the intent of the other column to the left.  
17 • While it is good the 291 account breaks down what is allocated in this regard, it is not possible  
18 moving forward to backtrack how this expense account is broken down for past fiscal budget  
19 years for comparison purposes.  
20 • Asked whether the old City financial accounting system is still being used.  
21

22 **Airport Manager Owen:**

- 23 • Confirmed capital expenses are not included in the summary spreadsheet. Noted the summary  
24 sheet does show \$200,000 budgeted for 'Machinery & Equipment.' Did not include this figure in  
25 the spreadsheet other than for informational purposes because staff has no knowledge how this  
26 allocation will be spent. The detail sheet relative to 'Airport Operations Fixed Assets' does show  
27 what is budgeted for Machinery & Equipment.  
28 • Confirmed the \$3,000 is in addition to the \$13,364 IT charge.  
29 • 'New approved budget' is the budget Council approved for FY 2014-15. The column to the left of  
30 this column is staff's budget figures that were submitted.  
31 • Relative to total expenses in the budget must consider cost of new fuel tank. It may be the Airport  
32 may secure a loan for all or a portion of the cost so the 'true' total expense figure is not known.  
33 Confirmed the Airport budget of \$1,310,848 would include the \$200,000 anticipated cost for the  
34 fuel tank.  
35 • Has no knowledge whether or not City administration still uses the old financial system parallel  
36 with the new software accounting system. City administration was using both systems  
37 simultaneously. Airport staff uses the new financial software system.  
38

39 **Past budget years**

40  
41 **Airport Manager Owen:**

- 42 • The other financial documents in the agenda packet pertain to the year-end and monthly financial  
43 reports and statements.  
44 • The accounting discrepancy associated with EPIC has been resolved with City Administration.  
45 While there is money still to be posted, the balance sheet as of July 1 shows the Airport has  
46 received money from EPIC. Pooled cash shows a balance of \$151,194.07. Accounts  
47 Receivables shows a negative balance of \$272,232.24 and this is because receivables money  
48 still needs to be posted. The Airport should not be showing a negative balance in this regard.  
49

50 **Commissioner Elton:**

- 51 • Questioned whether there is really a problem with 'Accounts Receivables' that may not have  
52 been fully resolved. The receivables account should be a positive rather than a negative.  
53 • Would like to have a report at the next regular commission meeting about updated posting of  
54 transactions to the receivables account.  
55

1 **Airport Manager Owen:**

- 2 • Confirmed 'Accounts Receivables' account has not been updated and explained how so such that  
3 according to staff's receipts gross revenue should be approximately \$939,000. Confirmed the  
4 receivables account should be a positive figure. Noted close out figures have not been posted.  
5 Will watch the adjustments to the receivables account to make certain they are done  
6 accurately/correctly.
- 7 • Referred to the fuel sales/revenue sheet showing data for the last five years and talked about fuel  
8 sales/purchases. In terms of Avgas fuel sales, the helicopter school no longer operates at the  
9 Airport such that fuel sales in June were lost in this regard. Much of the fuel sales revenue for  
10 June was generated from this school.
- 11 • Noted net fuel sales revenue as of June 30, 2014 is \$280,224.78. Drew attention to the fuel cost  
12 versus the net fuel sales data as well as gallons purchased versus gallons sold for 2013/14 fiscal  
13 budget year.
- 14 • Explained fuel cost structuring and identified specific associated costs relative to taxes and/or  
15 other assigned costs that create fuel cost discrepancies.
- 16 • The intent of the fuel sales/revenue sheet is to show/compare fuel costs/revenue trends for last  
17 five fiscal years.
- 18 • Cited FY 2009/10 to demonstrate the difference in net Jet A fuel sales comparatively to the  
19 current fiscal year and this can be attributed to the mark-up differentials. The Airport made almost  
20 \$100,000 more this year in Jet A fuel sales than in past fiscal years because of the mark-up  
21 differential so even though the Airport has sold less volume of fuel, the fuel revenue has  
22 increased. The Airport has restructured the price of fuel so revenue has increased for all type of  
23 fuel sold. Changing the mark-up price for what the Airport charges for fuel has increased net  
24 revenue in this regard. The price of fuel for Calstar has also increased.

25  
26 **Chair Steinmann:**

- 27 • The fuel sales/revenue data is helpful. It is easy to see when the Airport has had a better fire  
28 year.

29  
30 **Commissioner Elton:**

- 31 • Is the amount of fuel in the tanks tracked?
- 32 • Related to fuel sales/revenue data pertinent to gallons sold compared to purchases over the past  
33 three years indicates the Airport has accumulated a 10,000 gallon balance and/or increase of  
34 fuel in storage and finds this to be a significant increase.
- 35 • Asked the question, if fuel is purchased June 30<sup>th</sup>, this would be considered a June purchase. If  
36 the invoice for this purchase is not received by the Airport until July 1<sup>st</sup> for the June 30<sup>th</sup>  
37 purchase, would this be included in the June posting of data?

38  
39 **Airport Manager Owen:**

- 40 • Staff does not typically track how much fuel is stored in the tanks. However, Airport operations  
41 make sure there is ample fuel on hand in the tanks, particularly during fire season. Right now the  
42 Airport has been selling a tank of fuel every few days.
- 43 • The records showing a discrepancy related to gallons of fuel on hand compared to fuel sold could  
44 be the result of the Airport purchasing of fuel and how soon the Airport is billed. For instance,  
45 fuel may be purchased at the end of a month, but the Airport is not charged until the next month  
46 and/or fuel is not sold until the next month where the records would show an increase in gallons  
47 purchased but not sold. This posting of data creates an overlap with regard to gallons sold  
48 compared to purchases that is reflected on the fuel sales/revenue data. Fuel is purchased  
49 according to anticipated demand and price per gallon and sold as prescribed within the  
50 guidelines of the Airport's fuel pricing and mark-up policy.
- 51 • City Finance Department posts fuel data.

52  
53 **Commissioner Elton:**

- 54 • Information relevant to figures showing fuel on hand compared to fuel sold has nothing to do with  
55 City Finance.

- Finds the fuel purchases/sales report not useful information. Is of the opinion if, for instance, fuel is purchased June 30<sup>th</sup>, all invoicing/billing should be associated with the purchase date rather than some other date it was posted/credited to the account because the data would then show an overlap and/or discrepancy.
- Is of the opinion Airport staff should be aware of fuel inventory at all times. The data on the fuel purchases/sales reports indicate a 10,000 gallon gain in fuel inventory. How is the fuel revenue budget formulated? Important to understand number of gallons of fuel on hand/purchased compared to determining number of gallons sold/to be allocated.

**Airport Manager Owen:**

- Related to fuel purchases/sales report looks at when City Finance posts the information. Uses fuel invoices for the year when formulating the fuel purchases/sales report.
- Understands Commissioner Elton's concern about posting of fuel data and how the information is not accurate and will correct the issue.
- Related to the fuel revenue budget, looks at the averages of fuel sold for a particular fiscal year.
- Commented on the fuel budgets for the different fiscal years for comparison purposes, i.e., revenues versus expenses.
- Related to anticipating how much fuel to purchase particularly during fire season is speculative.

**Commissioner Crane:**

- Will the Airport Commission revisit the fuel pricing restructuring and mark-up any time soon?

**Airport Manager Owen:**

- The pricing schedule is reviewed every five years. Will review this timeframe.
- Further review of financial reports specific to Airport budgets for FY 2012-13, 2013-14 and balance sheets for 2014 and 2015.

**Commission:**

- Finds the financial reports/data informative/useful.

**5B. Airport Maintenance**

**Airport Manager Owen:**

- Maintenance around the Airport declined for the month of June due to a staff injury.
- Staff has been working on the mowing of grass on the runway.

There was Commission discussion concerning slurry seal work and possible improvements to the taxiways in this regard.

**Airport Manager Owen:**

- Related to slurry seal work, going back out to bid with bid openings occurring on August 19<sup>th</sup>. The plan is to slurry seal from the Ashiku hangar to include T&M Aviation, West Coast Wings, Calstar area to the FEDEX building and corresponding ramp areas.
- Talked about tie-down materials for aircraft and the gradual conversion from nylon rope to chain. Chain is more durable than rope.

**5C. Airport Commission Recording Secretary**

**Airport Manager Owen:**

- Would like Commission's input regarding replacement and/or alternative methodologies for minute taking relative to the recording secretary for the Airport Commission.
- Recording Secretary Elawadly will be available for the next couple of Commission meetings.

**Recording Secretary Elawadly:**

- Talked about the duties associated with her function as recording secretary for the Ukiah Airport Commission.

1 **Commission:**

- 2 • Generally discussed this matter including the possibility that the minutes could be action rather  
3 than summary.  
4 • Would like more time to discuss replacement alternatives when all the Commissioners are  
5 present.  
6

7 **5D. Fuel Tank**

8 **Airport Manager Owen** gave an update concerning a requested proposal from Mead & Hunt to provide a  
9 design and bid specifications for two different tank options:

- 10 • Mead & Hunt sent a proposal for this firm to complete a spec and the cost for this service is  
11 approximately \$60,000. This spec is not what the Airport was anticipating.  
12 • The Airport has not been pleased with EPIC, the current fueling vendor. Customer service has  
13 really declined particularly when staff requests a load of fuel and/or for some other need.  
14 • Discussed about the possibility of sending a RFP for a new fuel vendor. It may be if a new fuel  
15 vendor is found that this vendor could install a tank as part of the contract. The issue is while staff  
16 was looking at Mead & Hunt to complete a spec for a new fuel tank the cost also includes all that  
17 is associated with the project management side of the project where staff is of the opinion the  
18 cost is too high for an approximate \$100,000 tank.  
19 • The purpose of the spec would be to make certain the aspects of the project standards comply  
20 with all regulating jurisdictions, including that aspect related to project  
21 management/administration.  
22 • Staff will make a determination what approach to take. It may be some of the specifications in the  
23 Mead & Hunt RFP can be eliminated.  
24 • Getting the necessary spec for the project that includes the tank and all elements involved that  
25 meet with the expectation of what staff wants and at a reasonable cost is the issue.  
26

27 **Commission:**

- 28 • It would appear as an alternative option to paying Mead & Hunt an exorbitant amount of money to  
29 cover all project management components that a firm installing the tank would be able to do the  
30 same as part of the cost of purchasing the tank.  
31

32 **Airport Manager Owen:**

- 33 • The concern has been that a fuel tank business would not be able to handle all the environmental  
34 issues associated with the installation of a fuel tank.  
35 • Will proceed with a RFP to tank vendors to see what prospects are available and how much of  
36 the project requirements such a vendor can perform and at what cost.  
37

38 **Commission:**

- 39 • Supports going out to bid for a tank vendor to purchase the tank and do the installation.  
40

41 There was Commission discussion about possible environmental issues that would need to be addressed  
42 such as ensuring proper containment in the event of a fuel spill and/or other issues and what  
43 materials/elements are necessary to comply with environmental regulations.  
44

45 **5E. Airport Business Plan:**

46 **Airport Manager Owen:**

- 47 • Subcommittee has yet to meet to review the building inventory at the Airport that would be a  
48 component of the business plan.  
49 • Would like to concentrate more closely on getting the business plan completed.  
50

51 **REPORTS**

52 **6A. Airport Day**

53 **Airport Manager Owen:**

- 54 • While it was very hot day, Airport Day was quite well attended and a successful event.  
55

1 **6B. ALP Update**

2 **Airport Manager Owen:**

- 3 • The FAA is in the process of reviewing the technical aspects of the ALP Update. Changes  
4 requested by the FAA will be incorporated into the document.  
5

6 **Commissioner Crane:**

- 7 • Does the ALP Update include the matter of possibly having to shorten the runway? Recalls one  
8 particular drawing that he did not support related to the matter of shortening the runway length  
9 when Mead & Hunt presented and discussed the ALP Update with the Commission. Asked about  
10 the justification for shortening the runway length? How is this related to the Displaced Threshold  
11 and Relocated Threshold?  
12

13 **Chair Steinmann:**

- 14 • How does the Little River Airport FAA runway improvement project factor/compare to Ukiah  
15 Airport's desire to maintain a 100-foot width where the FAA paid for improvements to the 100-foot  
16 runway at Little River?  
17

18 **Airport Manager Owen:**

- 19 • Confirmed the ALP Update document must include all FAA fundamental requirements associated  
20 with the FAA Runway Improvement project. The Ukiah Airport is classified as a B2 airport and  
21 currently has a runway with a 100-foot width. For a B2 airport classification the FAA will only fund  
22 for runway improvements having a 75-foot width.  
23 • Staff will convey to the FAA that while a 75-foot width for the runway is required, this is not what  
24 the Airport wants. Understands the FAA will only pay for runway improvements relative to a 75-  
25 foot width. It may be the Airport can continue to maintain a 100-foot width but would have to seek  
26 funding elsewhere for the extra 25 feet of runway width.  
27 • Related to the Little River Airport FAA runway improvement project, this occurred before the FAA  
28 Advisory Circular was updated. The FAA Advisory Circular now requires a 75-foot runway width  
29 for airports with a B2 classification.  
30 • Shortening the runway length has to do with approach surfaces and/or approach coming into the  
31 Airport and this is where the FAA calculates the length. Related to the Displaced Threshold the  
32 FAA calls this the 'In-Line Taxiway' and this pertains to essentially the end of the runway.  
33

34 **Commissioner Crane:**

- 35 • Would the FAA consider labeling the 'In-Line Taxiway' into something else so this section of the  
36 runway can be used as it has been? How much of the runway length would be lost?  
37

38 **Airport Manager Owen:**

- 39 • The FAA will not consider renaming the 'In-Line Taxiway.' Does not anticipate much loss of  
40 runway length. Essentially the Airport will lose approximately 500 feet of pavement associated  
41 with what was formerly called the 'Displaced Threshold.' As such, the Airport will gain some of the  
42 runway length back. It is just a matter of how much length the Airport will get back.  
43 • The Airport Commission will have an opportunity to review the ALP Update document and make  
44 comments before it goes to Council for review and adoption.  
45 • The plan after approval of the ALP Update is to move forward on the grant for the design aspects  
46 of the FAA Runway Improvement project in 2015 with actual construction occurring in 2016.  
47

48 There was discussion concerning how many layers of paving material have been applied to the existing  
49 runway over the years.  
50

51 There was also additional discussion about the ALP Update and feasibility of taxiways and/or allowing for  
52 more space on the eastside of the Airport for future use by possibly moving the centerline of the runway  
53 in either direction and would this provide more useable space on the east or west side of the Airport.  
54 However, the FAA will not pay to relocate the Localizer. It would cost about \$800,000 to relocate the  
55 Localizer. It was determined there would be no benefit to moving the centerline because everything is

1 either built up to this line and/or it just would not be advantageous as a benefit to even consider because  
2 of how the Airport has developed/built-out.  
3

4 **7. AGENDA ITEMS FOR AUGUST**

- 5 1. Budget 2014-15 / Airport Monthly Financial Report  
6 2. Airport Maintenance  
7 3. Airport Commission Recording Secretary  
8 4. Fuel Tank  
9 5. Airport Business Plan  
10 6. ALP Update

11  
12 **8. COMMISSIONER COMMENTS/STAFF COMMENTS**

13 **Commissioner** asked about the status of the new tenant in the former small engine repair shop.  
14

15 There was Commission discussion about Willits hospital inviting Calstar to relocate to Willits Airport. It  
16 was noted 'REACH' is located at Lampson Airport in Lakeport.  
17

18 **9. ADJOURNMENT**

19 There being no further business, the meeting adjourned at 7:40 p.m.  
20  
21

22 \_\_\_\_\_  
23 Cathy Elawadly, Recording Secretary  
24