

UKIAH REGIONAL AIRPORT COMMISSION
October 3, 2006
Minutes

COMMISSIONERS PRESENT

Bill Beard, Chair
Dottie Deerwester, Vice Chair
Ken Fowler
Eric Crane

STAFF PRESENT

Paul Richey, Airport Manager
Ken Ronk, Airport Assistant
Cathy Elawadly, Recording
Secretary

COMMISSIONERS ABSENT

Ben Winter

OTHERS PRESENT

None

The Airport Commission meeting was called to order by Chair Beard at 6:30 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**- Paul Richey led the pledge of allegiance.
3. **APPROVAL OF MINUTES** - August 29, 2006

Commissioner Crane recommended the following changes to the minutes:

Page 1, corrections to August 1, 2006 minutes, sentence should read, "He stated the equipment is expensive and expressed concern as to the cost to benefit regarding the necessity of the device."

Page 4, Paragraph 5, third sentence should read, "It **would** have been better if Mr. Albright had consulted with the City prior to making the added improvements in which he may not have **had a reasonable expectation of an extension of the lease.**"

On a motion by Commissioner Crane, seconded by Vice Chair Deerwester, it was carried by an all AYE voice vote of the Commissioners present to approve the August 29, 2006 minutes, as amended.

It was noted that the Airport Commission meeting minutes of June 6 and June 27, 2006 will be reviewed/approved at the next regular meeting.

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

No one from the audience came forward.

5. **REPORTS**

5A. **Chamber Mixer Follow-Up**

Commissioner Deerwester reported the Chamber Mixer event went very well and the attendees appeared to be enjoying themselves, some of which have never toured the

Airport. One of the most popular activities was the hay ride around the outer perimeters of the Airport.

The Commission recommended having another Chamber Mixer at the Airport and the Commissioners briefly discussed various locations.

Airport Manager Richey advised that the widow of Max Hartley formally thanked everyone connected with orchestrating the proclamation and naming of a roadway sign at the Airport after her husband.

5B. Airport Pavement Maintenance Update

Airport Manager Richey reported the City Council approved funding for the pavement maintenance program in the sum of \$20,000 for FY 06-07. A bid for slurry seal work on the Airport, specification No. 06-09, was awarded to California Pavement Maintenance Co. in the sum of \$27,418.30. The bid was \$7,418.30 over budget and Council approved a budget transfer from the Machinery & Equipment account to cover the overage.

The slurry work will be conducted for the two parking lots, the entry way to the Airport, segmented circle, a narrow strip where the CALSTAR helicopter is stationed, area west of the redwood hangar, and a small area north of the ACE Aerial Service building. The work will be completed Friday, October 13 and Saturday, October 14 and the public will be notified that the front entrance of the Airport will be closed when the parking lots and front entrance paving work is being done.

Staff could have recommended downsizing the scope of the work and working on the project next spring or proceeding with the work and transfer funds from an Airport account to cover the overage, since construction costs will likely continue to increase. Additionally, it is not unusual for construction projects to have cost overruns by reason of unforeseen work or because the actual quantities necessary exceed those that were estimated. A policy resolution authorizes the responsible Department Head with approval of the City Manager to issue change orders not to exceed 10 percent of the original contract sum or \$5,000 whichever is greater provided that no change, when added to the original contract sum, exceeds the amount budgeted for the project.

A general discussion followed regarding the budget transfer from Machinery & Equipment which includes Hangar Acquisition (\$20,000) and the FOD Boss (\$7,000).

Airport Assistant Ronk supports the concept of putting the FOD Boss back in next year's budget.

5C. ACA Conference Update

Airport Assistant Ronk reported on the ACA conference he recently attended. One highlight of the conference was the session relative to emergency notification and procedures at airports where the speakers emphasized that airports provide for emergency training exercises with local fire departments.

Vice Chair Deerwester commented CERT is a responding organization that is very helpful during disaster/emergency situations and could participate in the emergency exercise at the Airport.

Airport Manager Richey acknowledged that having an emergency training exercise at the Airport would be beneficial.

Airport Assistant Ronk met with the FAA to discuss the possibility of expediting the storm drain improvements relative to the FAA grant due to the problems the Airport continues to experience. The FAA would require the City to pay for the design work upfront in the event the improvement phases were moved up. Staff indicated this would likely not occur because the amount of money the City would have to contribute would be substantial. The storm drain phases include:

- Storm Drain Study- 2006-07 FY
- Design & Specification phase- 2007-08 FY
- Construction phase- 2008-09 FY

Airport Manager Richey advised that the Standard Operating Procedure manual for the Airport has been updated and the section that pertains to emergency situation and those that involve aircraft will be reviewed by staff and made more comprehensive.

Airport Assistant Ronk stated the conference emphasized the importance for airports to have support groups.

It was noted the Ukiah Airport has an airport user support group with approximately seven active members that meets approximately once a quarter.

Vice Chair Deerwester expressed an interest in being advised when the Airport user group meets, and requested this information be available on the Airport website.

The conference also emphasized that airports operate like a business and noted often times the associated rates are set too low. Lease agreements should be maintained at the high end and according to market value. Airport staff should be creative with regard to land use and understand how to utilize maximum space to its best and highest use.

There was discussion at the conference regarding the realistic expectations of constructing quality hangars at the approximate cost of \$45 to \$55 per square feet, which does not include the cost of constructing taxiways. One of the reasons construction costs have increased is because new standards such as sprinklers inside of hangars are now required. Assessing the demand/market needs for new hangars is another factor for airports to consider when contemplating the development of hangars.

Airport Manager Richey advised grant and loan options are available for development of private hangar areas. However, an airport desiring grant funding from the FAA to develop a hangar area, must have all maintenance needs met for at least three consecutive years.

A general discussion followed regarding the likelihood of private hangar development relative to the demand for and condition of the existing hangars at the Airport where it was noted the loan participation requirements do allow for a zero down. However, rental rates must be sufficient to subsidize/back a loan amortized over time.

Commissioner Fowler inquired whether the ACA conference included discussions about the availability of AV-gas. The use of AV-gas requires that there be lead added to the product and this is the reason for potential problems of availability. The Airport uses little of this type of gas.

Airport Assistant Ronk stated availability depends upon the distributor. The distributor for the Ukiah Airport works well with staff and supplies the necessary fuel type requested.

5D. Airport Day Update

Vice Chair Deerwester stated the committee for the Airport Day event will meet monthly. The committee has the following questions:

- Can the Airport website be used as the basic contact promotional information of the event, even though the City is not sponsoring the event.

Airport Manager Richey stated the City can be a co-sponsor of the event, provided the City Manager gives her approval and there is not a significant amount of staff time involved. The Airport website can be used for contact purposes.

Vice Chair Deerwester recommended creating a website for the event on the Airport web link.

- What type of insurance would be the best fit for the event?

Vice Chair Deerwester commented insurance companies can restrict the type of activities permitted. If EAA insurance company is used, for instance, they would not allow aerial acrobats and alcohol to be served. The servicing of alcohol at the Airport Day should not be an issue because it will be advertised as a family-oriented event.

Airport Manager Richey stated the City of Willits sponsors its Airport Day and the insurance comes under the city umbrella policy. The City of Ukiah may be able to sponsor the Airport Day event through the City's insurance company provided it has no acrobatic acts. The City Risk Manager would be the person to ask in this regard.

A general discussion followed regarding vendors and booths and noted for insurance purposes the City should likely be named as additionally insured.

Vice Chair Deerwester stated a budget will be created for the Airport Day event. She inquired whether records exist on past Airport Day/Fly-in events to assist with the planning efforts.

Chair Beard stated the Lions Club organized and hosted Fly-in events in the past, in which he was affiliated. He will check with the Lions Club records for information concerning contacts and other relevant information that could help with the planning of the Airport Day event.

6. DISCUSSION/ACTION

6A. Discussion of County Land Use - Southwest side of the Airport

Airport Manager Richey stated land use issues have come up in the area immediately south west of the Airport property. The area is not in the city limits and any development must be approved through County of Mendocino Planning and Building Department. A residential development has recently occurred adjacent to the Airport fence in this area. County and City staff and the County Airport Land Use Commission have met as a result of this issue where an agreement has been reached. The City will amend the Airport Master Plan to show the extended building restriction line to be included in the A Compatibility Zone. The matter must be reviewed by the Ukiah Planning Commission with a recommendation to the Ukiah City Council for approval. City staff will then ask the County Airport Land Use Commission and County Planning Commission for approval.

As a result of the above efforts, County planners will have the necessary tools to further limit the type of developments, particularly residential, that can occur around the perimeter of the Airport.

Vice Chair Deerwester inquired whether the modular home that was placed approximately 20 feet from the Airport fence would be allowed to remain.

Airport Manager Richey stated any development that is pre-existing would be allowed to remain. He added there are quite a few residential structures in this same vicinity.

Vice Chair Deerwester further inquired in the event a homeowner dies that the existing residential structure would be allowed to remain.

Airport Manager Richey responded the existing usage of the land would be maintained. There are also density restrictions and requirements for the various compatibility zones.

6B. Hangar Lease Discussion

Airport Manager Richey commented the Commission desired to further discuss lease renewals and the authority of the Airport Manager to accomplish this. The Airport Manager has negotiated and signed lease agreements for tie down, individual hangars, and office lease, which has been the practice for years. The leases for large hangars are approved by City Council. Commission discussion has been about the Airport Manager approving leases for large hangars and with the following limitations:

1. Five year renewal only, all other terms and conditions of the lease are to remain the same.
2. Must be taken to Airport Commission for recommendation.
3. Must comply with Land Use guidelines.

4. Lease terms/conditions already established by Council including CPI.
5. Tenant can appeal decision to Council.
6. Renewal of existing leases only.

Renegotiating leases through City Council is time-consuming and the intent of staff is to lessen this process and not to circumvent the lease policy authorized/established by Council. Staff supports allowing the Airport Manager to renew a lease option of an existing tenant on existing facilities for short term and for any new development/buildings. Staff further supports that these matters go through the complete City process and the lease approved by Council.

Commissioner Crane addressed the five-year renewal option, and recommended this option be clarified as to which five-year extension the lease is on and the issues that involve resetting/calculating the CPI.

Airport Manager Richey stated the CPI for all leases will be adjusted according to the fiscal or calendar year.

A general discussion followed regarding whether the Airport Manager should have the authority to negotiate five-year lease extensions or a limit placed thereof, such as a one time five-year extension.

Commissioner Crane recommended that City Council review the element whereby a lessee desires to have another five-year extension written into the existing lease.

Vice Chair Deerwester stated, for instance, a new contract would have to be negotiated at the end of the 15 years should a 10-year lease that was approved by Council and extended for five more years in circumstances where another five-year extension is requested.

It was the consensus of the Commission to modify proposed Policy No. 1 to recommend to City Council that the Airport Manager has the authority to negotiate one, five-year lease extension.

A MOTION was made by Commissioner Fowler and seconded by Commissioner Crane to recommend adoption of the six hangar policies listed above with modification to Policy No. 1.

Commissioner Crane requested clarification in cases involving five-year renewals and whether this is considered a five-year term and/or how the initial term is established.

Airport Manager Richey stated the initial five-year lease would have to be negotiated. The Airport Manager by resolution currently has the authority to negotiate and sign lease agreements for tie down, individual hangar, and office leases including extensions in this regard provided the terms and conditions are to remain the same and that lease renewals are only for existing leases. The recommendation is for the Airport Manager to have to the

authority/latitude to extend an existing lease for five years provided all other provisions of the lease remain the same.

Chair Beard commented on the issue of annually adjusting Airport leases to the current CPI rate, and questioned this procedure that unless the five years were changed to reflect a five year maximum so that adjustment for any of these lease extensions to five years, or less would accurately reflect the annual CIP rate.

A general discussion followed regarding the issue concerning the amount of time between the fiscal year when the CPI would be adjusted and the amount of time when the leases actually renew, since all leases expire and/or renew at different times. The leeway time would be advantageous to the lease holder.

Airport Manager Richey explained the intent is to make the process of adjusting CPI escalators easier to track by adjusting the rates once a year rather than adjusting them every time a lease is renewed. For instance, if a lease is to be renewed in February, the CPI would not be adjusted until the fiscal year begins in July and this procedure would pertain to all lease renewals.

Chair Beard further commented on the matter of accurately accounting for CPI rate changes and effectively coordinating this procedure by allowing for an option for up to five years or less in order to effectively adjust to the annual CPI rate. He questioned the calculating of the renewal date for those leases with extension clauses and how this would affect the CPI annual rate change.

It was noted the adjusted CPI does not change the lease terms. However, the question is whether or not the term of the lease would be for five years relative to those leases with five-year renewals and in these cases what would be the renewal date.

Airport Manager Richey stated the extension agreement and the CPI rate change are two different issues. Allowing for CPI adjustments annually on the same date for all leases will make the process much easier for staff.

The above motion carried by an all AYE voice vote of the members present to recommend to City Council approve the six hangar policies, as discussed above.

Airport Manager Richey will contact the City Attorney and City Manager concerning the hangar policy recommendations prior to going to City Council for consideration.

7. COMMISSIONER COMMENTS

Commissioner Crane stated the Reno Air Race was fun.

8. STAFF COMMENTS

Airport Manager Richey commented a comprehensive review of Airport fees and charges will be agendized for the regular November meeting.

The Commission discussed the roofing conditions and. replacement of such concerning some of the older existing hangars.

9. AGENDA ITEMS FOR NEXT REGULAR MEETING

1. Grant Updates
2. Discussion of Airport Fees and Charges
3. Review of the June 6, and June 27, 2006 Minutes
4. Review of the Commission Attendance Policy
5. Review of Noise Abatement Policy and Procedure
6. Airport Day Update

10. ADJOURNMENT

There being no further business, the meeting adjourned at 8:48 p.m.


Bill Beard, Chair


Cathy Elawadly, Recording Secretary