

UKIAH REGIONAL AIRPORT COMMISSION
May 6, 2008
Minutes

COMMISSIONERS PRESENT

Dottie Deerwester, Chair
Bill Beard
Eric Crane, Vice Chair

STAFF PRESENT

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

COMMISSIONERS ABSENT

Don Albright
Ben Winter

OTHERS PRESENT

Carl Steinmann
Mike Whetzel
Don Ballek
James R. Freese

The Airport Commission meeting was called to order by Chair Deerwester 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- Everyone cited the pledge of allegiance.

3. APPROVAL OF MINUTES – April 1, 2008

Commissioner Crane made the following correction:

Page 5, paragraph 8, to read: "Commissioner Crane supports the City **seeking** 'First Right of Refusal' for these parcels."

M/S Beard/Crane to approve April 1, 2008 minutes, as amended. Motion carried by an all AYE voice vote of Commissioners present. Motion carried.

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

None.

Chair Deerwester recommended changing the order of the agenda relative to reports and discussion/action items. Staff and the Commission concurred.

DISCUSSION/ACTION

6D. Economic Development/Don Ballek

Don Ballek introduced himself and stated he is the Executive Director of Economic Development and Finance Corporation (EDFC) in Mendocino County.

Don Ballek made the following comments:

- He recently met with Tom Mitchell, CEO of Mendocino County at a workshop on economic development.
- Mr. Mitchell has an aviation background and understands the importance of maintaining an economically viable general aviation airport. He is very supportive of the Airport and notes the potential for expansion and economic development opportunities that exist with good planning. Job opportunities and increased revenue are some of the elements associated with economic development that can contribute to an even more successful Airport operation.

- Airport Manager Richey, Tom Mitchell and Don Ballek recently met to discuss emergency services at the Airport wherein it was highly recommended the City and County share a consultant concerning assessment of future economic development in order to more appropriately plan for emergency services at the Airport since both entities share the responsibility of ensuring adequate preparedness for emergency situations. The recommendation is for both agencies to apply for CDBG funding relative to planning/technical assistance as it relates to economic development and the element of emergency preparedness in the sum of approximately \$35,000 each.
- A planning grant would provide the opportunity for a comprehensive look at the Airport, the Airport grounds, and the environment to evaluate emergency preparedness, necessary services and accommodations, address security issues, and make specific determinations.
- The Notice of Funding Availability (NOFA) for CDBG Planning and Technical Assistance advises that funding is available for FY July 1, 2007 through June 30, 2008. According to NOFA, the State Department of Housing and Community Development Department has funding available under General Planning and Technical Assistance (PTA), as well as funding under Economic Development (ED) PTA for allocation. The PTA allocation provides funding in the form of grants to small cities and rural counties for planning and feasibility studies related to CDBG eligible activities such as housing, public works, community facilities, and economic development. Craig Schlatter of the CDC is very knowledgeable/familiar with the CDBG grant process. He writes grants for housing-related purposes and has agreed to write the application and participate in the process.

Airport Manager Richey commented as follows:

- He has had discussions with Community Services Director Sangiacomo about development potential at the northeast corner of the Airport.
- He understands the need for airports to play a larger role in emergency preparedness wherein the airports in Mendocino County have not been included in the County's emergency plan to the extent they should be.
- He addressed the site plans for the proposed new terminal building whereby an EDA funding request was made. This funding request was combined in an EDA grant with the Orchard Avenue Extension and Orrs Creek Bridge project and unbundled when the Orchard Avenue Extension/Orrs Creek Bridge project was approved for funding and the Airport terminal project was not approved.
- He supports the City and County work together and each apply for CDBG funding for planning and technical assistant to determine what types of developments would best benefit the Airport.
- There may also be redevelopment project opportunities.
- He favors the concept that in the event a new terminal building comes to fruition space be reserved for a permanent emergency preparedness office.
- Providing for an alternative power source is important because when no power is available, the Airport has no runway lights.
- He commented on local emergency agencies/organizations that assist with emergency services and act as a valuable resource for pilots and aircraft that transport person in emergency situations, such as the Mendocino County Sheriffs Air Squadron.
- He further supports conducting a meeting with Don Ballek, a County administrator, Community Services Director Sangiacomo, and the Airport Manger to continue discussions about economic development and emergency preparedness at the Airport.

Don Ballek addressed the NOFA document and noted there are two months remaining before the new notice of funding availability is offered.

Chair Deerwester requested clarification there is the opportunity to apply for other funding in addition to planning and technical assistance for a project.

Don Ballek stated there have been discussions about consultants that would be highly qualified to evaluate the Airport in terms of assessing future economic development and planning for emergency services.

Chair Deerwester requested clarification the City and County would each apply for funding as a joint application as opposed to two competing applications.

Don Ballek stated the intent is for the City and County apply for funding for planning and technical assistance as a joint effort. From the States perspective, the applications would technically be competitive even though City and County would be co-joined relative to the hiring of one consultant.

There was discussion about what would happen if only one of the two agencies is approved for funding and whether that sole agency would be able to proceed at the Airport. If this scenario occurs, it may be best for the agency awarded the funding to turn it down and for both agencies to re-apply the following year.

Vice Chair Crane supports the County and City work toward completion of a Tax Sharing Agreement to benefit the community.

Airport Manager Richey stated the County and City have been discussing completion of a Tax Sharing Agreement for a long time.

There was a brief discussion whether the County and City would have to leverage money in addition to the grant funding for economic development at the Airport. There was also a brief discussion about grant administration and the cost associated with this function.

Don Ballek anticipates the grant award would be 100% funded. EDA requires a 25% match. Again, Craig Schlatter of the CDC would likely administer the CDBG for the County and City. Planning and Technical grant administration is not as complicated as other types of CDBG grants.

The Commission noted the cost benefit of working with consultants that have done past work for the Airport and/or familiar with the quality of work because staff/Commission would know what to expect in terms of work product.

Chair Deerwester supports the City and Council apply jointly for funding as opposed to two agencies competing for grant funding.

Don Ballek stated the drawback to this approach is the amount of money allocated would be less than if each agency applied separately for the same amount of funding.

Don Ballek will provide staff with an update regarding CDBG planning and technical assistance grant process so the Commission will be informed, including the new airport terminal project.

It was noted the grant applications can be done in phases similar to the FAA Improvement Grants for the Storm Drain reconstruction which includes Phase I for the engineering-related work and Phase II for the construction work.

REPORTS

5E. Jim Freese Update

Airport Manager Richey reported Mr. Freese has provided staff with a copy of his insurance agreement and log book entry showing that a glider in his possession is now airworthy. It appears that he is now in compliance with the hangar lease agreement.

Jim Freese thanked the staff and the Commission for extending him time to come into compliance with his lease agreement.

Commissioner Crane acknowledged while Mr. Freese complies with his Hangar lease by having an airworthy aircraft, it is of a different make and model from the aircraft that was not airworthy when the Hangar inspections initially occurred. He was of the opinion when the Commission granted the extension of time to come into compliance with the lease, the inoperable plane in the hangar would become airworthy.

Commissioner Beard referred to the log book entry and certificate of insurance documents and stated the information is not clear. He noted the following:

1. The log book entry does not reference an aircraft N-number.
2. The certificate of insurance does not show the limits of liability.

Airport Manager Richey stated City policy provides that aircraft must be insured for \$100,000/\$300,000 for public liability and property damage.

Airport Manager Richey stated staff will assist Mr. Freese with the necessary documentation to verify hangar compliance.

5B. CALFIRE Update

Airport Manager Richey stated staff has received new information about the CalFire project. Bernie Siller of State DGS (Department of General Services) contacted staff and advised the draft lease is almost ready and will be sent to the City. Furthermore, the consultant has sent the City a copy of the final draft EIR for the project wherein DGS anticipates final approval of the document. There is a 45-day public review/comment period associated with this document wherein approximately 10 days are left.

Airport Manager Richey commented on the draft lease progression and the negotiation process. The Commission will have the opportunity to review the document and provide input/comments when the draft lease from DGS becomes available. The lease agreement must be approved by City Council.

Vice Chair Crane asked staff to bring back for review items the Commission formulated and supports should be incorporated/addressed in the lease, some of which include:

- Fuel
- City Streets and future street development outside of the leased area as related to the CalFire project.
- Access

Commissioner Beard inquired whether CalFire has a hazard mitigation plan in place and supports they have a plan when they relocate.

Airport Manager Richey stated CalFire has been included on the Airport's Hazardous Materials Plan.

5C. FAA Grant Update

Airport Manager Richey stated staff was contacted this week by the grant writer and advised the FAA has some funds which may be available to the Airport provided the Airport is ready to begin the construction phase for improvements to the storm drain system. This means the engineering portion of the FAA Improvement Grant would have to be completed and bids for the construction portion of the grant would have to be in hand by July 1, 2008 and/or within close proximity thereof. He worked with the grant writer and submitted another grant request to the FAA. The FAA contacted staff today regarding the grant request and asked the funding request be deferred and included in next year's funding. It may be that after the ACIP is updated in January 2009, funding will be available earlier than anticipated.

He referred to the recent FAA grant application submitted on April 28, 2008 relative to the construction portion for improvements to the storms drain system and stated funding was also requested for a Super AWOS, as listed on the ACIP. Staff is of the opinion a Super AWOS is a priority CIP item and vital to maintaining safety at the Airport so that aircraft traffic is adequately directed/monitored on the runways. The next item of importance, as listed on the ACIP is to slurry the runways.

5D. Gordon Air Service Roof

Airport Manager Richey stated the roofing project is moving forward and he referred to a copy of the bid information and picture of the project. He noted the building was constructed in the 1950s, is deteriorating and in need of repair. He anticipates the roofing project will be completed by late June.

Commissioner Crane commented on the bid information concerning the scope of work and materials for use and recommended alternative materials for the roof to ensure longevity and a more secure structure.

Airport Manager Richey will convey the information to the City Purchasing Supervisor for her to prepare an addendum to the RFPs that have already been sent.

Airport Manager Richey advised the Hertz rent-a-car business will lease the former lumberyard facility at the northeast corner of the Airport. He further advised Hertz is currently operating as a 'company store' intends to become a franchise within the next month. Hertz will also pay for 15 parking stalls at the new site.

DISCUSSION/ACTION

6A. CALSTAR Relocation

Airport Manager Richey referred to a copy of raw data for the cost of moving CalStar to various sites. Staff is waiting for information from the Planning Department regarding requirements for development at any of these sites.

Staff/Commission made the following comments:

- Debbie Pardee supports the Commission come up with a plan/methodology for choosing a site as soon as possible so they can proceed with purchasing the modular buildings and address other issues involved with relocation.
- While Eastside North encompasses three Sub-Areas, relocation of the operation to Eastside North Sub-Area 3 adjacent to the windsock/area just north of the CalFire location at the top and bottom of the bank site would be the most feasible location for the Airport compared to the other proposed sites, ie., area south of the Brodoski Hangar at the top and bottom of the retaining wall, area north of Featherlite on the Westside North, and south of the Bulk Fuel Storage area on the Eastside North. Even though relocation to Eastside North Sub-Area 3 would be costly in terms of providing the necessary utility extensions, sewer hook-up/potential sewer pumping facilities, site preparation, potential ground improvements to address drainage and parking issues, development of a helicopter pad, and other associated costs, it would less costly than relocating to Eastside North Sub-Area 1 where the Bulk Fuel Storage area is located.
- Relocation of CalStar will likely require FAA review and approval.

Mike Whetzel addressed the matter of planning for future development/effective use of land and emphasized the importance of selecting a site for CalStar that would encourage future development. While relocation to Eastside North Sub-Area 3 may be initially costly with having to make site and utility improvements, it would be advantageous because some of the necessary infrastructure and expansion of utility facilities would already be in place for future development.

Airport Manager Richey understands that maximizing land to its best and highest use is highly important and stated a site must be chosen that can safety and effectively accommodate helicopter operations. He commented any operations on the proposed site north of CalFire other than for helicopter use would be extremely limited without construction of a taxiway.

Mike Whetzel stated relocating CalStar would begin the presence of development in this area and possibly encourage future development.

The Commission supports focusing the relocation of CalStar to Eastside North south of the City Corporation Yard and adjacent to the windsock in the area just north of the CalFire location at the top and bottom of the bank.

There was a brief discussion about whether the City could assist with expenses for construction of infrastructure, site preparation, and/or expansion of utilities with regard to water/sewer and electric facilities.

Staff will consult with the Planning Department concerning site development requirements.

Commissioner Crane stated relocating to Eastside North would provide the opportunity for the Airport to rent the existing CalStar facilities.

6. DISCUSSION/ACTION

6B. 2008-09 Budget

Airport Manager Richey referred to the draft budget narrative, budget in spreadsheet format and budget in a worksheet that show budget numbers over the course of the last three years and accrued to date through March 31, 2008, including figures projected and estimated.

Airport Manager Richey referred to the Draft Budget Narrative 600 Fund and commented as follows:

- Due to increasing fuel prices and declining fuel sales, the draft budget reflects that this and several accounts are funded at a lower amount than last year.
- The draft budget is balanced with a net income (Fund Balance) of \$15,794.43. If the budget team makes significant changes to the draft, it could throw the budget into a deficit wherein the greatest potential for that is increasing City Hall fees (General Government Service charges) or adding Depreciation charges.
- Increasing salaries will also affect the budget. The salary for part-time employees for the new budget will be increased to \$12 per hour.
- With regard to expenditures and Vehicle Repair and Maintenance (600.5001.302), this account has more funds than last year due to running in a deficit last year and the need to have an outside contractor paint the cab of 100LL truck which is rusting badly.
- In terms of Salaries (600-5001-110 through 156), the numbers reflect MOU increases and included in the budget because without these numbers, the budget would not balance. Therefore, staff added these numbers with moderate increase to fill in the gap.

The draft budget narrative outlines the changes and/or recommendations relevant to revenues and expenditures for the FY2008-09 Airport Budget and staff commented:

- With regard to revenue and ground rent (600-0700-505-001) the annual CPI has been added for the FY and each lease has this language. The building rent/hangars/FAA building rent (002 thru 005) fees have not been changed as the City Council will have to review fees at the end of the year. The office rents for the lumber mill site have been added. The rent for the City Corporation Yard (600-0700-505-007) has increased \$1,000 over last year.
- With regard to expenditures, the salary for the Airport Manager's position will be paid at a lesser pay rate. The Pavement Maintenance and Building Maintenance programs will be funded at a lesser rate than last year for an overall reduction of \$20,000, and Asset Acquisition reserved for future Airport development including hangars has been reduced by \$20,000,

Staff addressed the line items by category regarding the spreadsheet for revenue as they relate Airport Ground Rent, Airport Administration Building rent, Airport hangar rent, FAA building rent, Commercial Hangar Rent for the Taylor Hangars and City Corporation Yard, Airport gas & oil sales, Airport operation fees, Airport miscellaneous sales, Airport landing fees, Airport catering, Other income, and State Grant Fund 310 for a grand total of \$1,390,560.36.

- There was a discussion concerning revenue and staff stated the sale of fuel is the Airports greatest source of income. Approximately \$.60 profit is made from the sale of Av gas and approximately \$1 profit is made from the sale of Jet A fuel.
- The FAA will rent fewer facilities whereby the rent and subsequent revenue to Airport will be less in this regard.
- The Airport operation fees remain static.

Staff addressed the line items by category regarding the spreadsheet for expenditures as they relate to salaries, travel & conference, utilities, contractual services, dues & subscriptions, general government service charges, purchasing department charges, equipment maintenance and repair, vehicle repair and maintenance, private equipment rental, billing & collection costs, general insurance, postage, fuels & lubricants, aviation fuels & lubricants, taxes, supplies, depreciation,

asset acquisition, machinery & equipment, and tank loan payment for a grand total of \$1,374,765.93.

- There was discussion concerning expenditures and staff addressed staffing and salaries by further elaborating on the narrative for this matter. Travel & conference, utilities, telephone will generally remain static. Contractual services are expenses that cannot be changed. General government services have increased. Vehicle repair & maintenance expenses have increased. Building & grounds maintenance expenses have been reduced. Staff's intent is to maintain costs as much as possible.
- There was discussion concerning the cost of aviation fuels and Airport policy concerning purchasing of fuel to effectively offset the revenue generated.

Airport Manager Richey addressed the revenue and expenditure budget worksheet and stated the figures penciled in represent projected amounts/change.

The Commission made no changes to the budget and agreed with staff's recommendations.

6C. Grand Jury Report

Airport Manager Richey stated staff testified before the Grand Jury about emergency services and readiness. The report is now out and staff must respond to the report. He referred to the report and stated some of the findings concerning the Ukiah Region Airport are inaccurate assessments and will be addressed in the response. Some of inaccuracies include:

- The Ukiah Airport is unprepared to handle any disasters other than aircraft related incidents.
- The Ukiah Airport has limited management staff. Third in line of responsibility is the clean-up crew.
- CalStar leases space at the Airport for administration and for responding to emergency calls.

Staff noted the information about the Runway length, width is also incorrect and should read, 4415X150 feet rather than 3000X75 feet.

Staff noted the finding 'there is no back-up generator available for power failure' is a true assessment and back-up power source is an issue that needs to be addressed.

5. REPORTS

5A. Airport Commission Application and Staffing

Airport Manager Richey referred to a copy of the letter sent to the Mayor as requested by the Commission and the latest draft of the Airport Commission Application for Appointment and accompanying Airport Commission Application Instructions and asked the Commission for any additional changes or recommendation they may have.

Airport Manager Richey stated Deputy City Clerk Currie advised that other Board, Committee, Commission applications ask the question, "How do you believe your skills, experience, expertise and perspectives would be beneficial to the work of the Commission"? The Airport Commission application does not ask this question in this form.

Commissioner Beard commented asking such a question on the application may not be the best approach because a person applying for a Commission seat may not have knowledge of what a

particular Commission is all about without City Code sections cited to explain the duties and responsibilities. Otherwise without certain information about what the Commission does or is about, a person would be unable to answer the question.

Airport Manager Richey stated the Airport Commission Application Instructions provide the necessary information for an applicant.

The Commission discussed the application instructions and changed the last sentence to read, "Interviews will be held and appoints considered at a regular City Council meeting scheduled a date to be determined."

It was the consensus of the Commission for the Commission application relative to when the application is due to read, "Please return this application and attachments to the City Clerk's office by Friday (date), at 5:00 p.m. to 300 Seminary Avenue, Ukiah, CA 95482."

Commissioner Crane inquired whether the application instruction specifies the Commission seat available is for an applicant that resides in the County or inside the City Limits since the City Code requires three Airport Commissioners must reside inside the City Limits and two may reside within Mendocino County.

Airport Manager Richey stated the instructions indicate the applicant check with the City Clerk to find out if the position vacant is a City Limits position or County Wide. The Press Release would also provide this information.

Airport Manager Richey recommended the matter concerning Airport staffing be discussed in an emergency closed session.

The Commission concurred.

M/S Beard/Crane to adjourn to close session regarding Airport staffing.

7. COMMISSIONER COMMENTS

None.

8. STAFF COMMENTS

Airport Manager Richey commented on the Agenda Summary Report regarding Airport Manager Authority to Sign Renewals of Existing Leases at the Ukiah Regional Airport and accompanying Resolution of the City Council of the City of Ukiah Establish a Policy Authorizing the Airport Manager to Sign Lease Renewals of Hangars/Grounds Leased at the Municipal Airport that the City Council will review.

Staff recommends the Airport Manager have the authority to sign five year renewals/extensions of existing leases at the Airport with the following conditions:

1. Maximum five year renewal only.
2. Must be taken to Airport Commission for recommendation.
3. Must comply with Land Use Guidelines.
4. Lease terms must remain as established by Council or higher.
5. Any tenant can appeal decision to Council.

9. AGENDA ITEMS FOR NEXT REGULAR MEETING

None discussed.

10. ADJOURNMENT

There being no further business, the meeting adjourned to closed session at 9:00 p.m.

Closed Session opened: 9:00 p.m.

Closed Session adjourned: 9:50 p.m.

Chair Deerwester, Chair

Cathy Elawadly, Recording Secretary