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**UKIAH REGIONAL AIRPORT COMMISSION**  
**June 7, 2011**  
**Minutes**

**COMMISSIONERS PRESENT**

Eric Crane, Chair  
Don Albright  
Carl Steinmann  
Jeff Sloan

**STAFF PRESENT**

Greg Owen, Airport Manager  
Ken Ronk, Airport Assistant  
Cathy Elawadly, Recording Secretary

**COMMISSIONERS ABSENT**

None.

**OTHERS PRESENT**

None.

**1. CALL TO ORDER**

The Airport Commission meeting was called to order by Chair Crane at 6:00 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** – May 3, 2011

**M/S Sloan/Steinmann** to approve May 3, 2011 minutes as submitted. Motion carried (4-0).

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

None.

**5. DISCUSSION/ACTION**

**5A.** 291 Account Charges

**Airport Manager Owen:** The breakdown of Ukiah Airport General Government Charge 291 is agendized for discussion at the request of the Commission.

The Commission generally reviewed the 291 charge document and had questions/comments concerning the charges for City Attorney and Personnel.

**Commission - City Attorney:**

- Unlike the other categories, 'City Attorney' represents a billed cost whereas the other line item categories in the 291 account are assessed costs.
- Do not get to see what it costs for the work the City Attorney does so there is no way to do a 'check and balance.' How is this particular account charge managed? Who essentially makes the assignment?
- Questioned why for the last three fiscal years the costs have been \$3,423. How were these cost figures determined?
- Understands the Airport is budgeted each fiscal year for attorney fees and the City Attorney bills against this budgeted amount. Should the billed expenses exceed the amount budgeted, the budgeted amount would increase the next fiscal year.

**Staff:** Attorney fees are estimated and budgeted for a year in advance.

**Commission consensus:**

- Since billed costs were lower than in past fiscal years and the fact the costs is not substantial and is reasonable, decided not to pursue further questioning of the matter.

**Commission – Personnel:**

- 1 • Questioned the reason for the substantial increase in costs for fiscal years, 2008-09, 2009-10  
2 and 2010-11.  
3 • Understands some of the high costs assigned were likely attributed to the expense of pre-  
4 hiring personnel for the Airport, including the Airport Manager in fiscal year 2008-09.  
5

6 The Commission comparatively reviewed 291 charges from fiscal year 2007-08 through fiscal year  
7 2010-11 and what is being requested for fiscal year 2011-12 in the sum of \$50,619 and noted this  
8 figure is less than in past fiscal years. Also, with regard to the General Govt. charges by percentage  
9 of the total overall charges for these fiscal years beginning with fiscal year 2004/05, 2.40% for fiscal  
10 year 2010-11 demonstrates a small percentage of the overall total.

11  
12 **Commission consensus:**

- 13 • Supports drafting a letter requesting the City explain and/or further provide a breakdown how  
14 the costs for HR services were calculated.  
15

16 **M/S Albright/Sloan** requesting Chair Crane draft a letter regarding further breakdown of the historical  
17 charges to the 291 expense account for 'Personnel' line item, particularly for fiscal years 2008-09,  
18 2009-10 and 2010-11 when there was a significant increase in costs shown for this line item.  
19

20 **5B. Budget 2011-2012**  
21

22 **Airport Manager Owen:**

- 23 • Has submitted the Airport Budget for fiscal year 2011-12 for approval by City Council.  
24 • Changes have been and are being made to this budget.  
25 • The revenue and expense budget shows the projected actual for fiscal years 2007-08, 2008-  
26 09, 2009-10, 2010-11 and what is requested/recommended for fiscal year 2011-12.  
27 • This year's budget is pretty much the same as last year.  
28 • Anticipates revenue from fuel sales to increase particularly with the increase per gallon that  
29 Calstar is required to pay. Last year most of the jet fuel was purchased by Calstar.  
30 • Calfire is not officially starting its fire season until July 1<sup>st</sup>.  
31 • The late rains this year has hurt fuel sales and will affect the projected actual for fiscal year  
32 2010-11.  
33

34 The Commission generally reviewed the budget and made comments.  
35

36 **Commission – Expenditure/Revenue line items:**

37 Q1. What is the 'Special Aviation Fund (310)?

38 Q2. Inquired about \$60,000 budgeted for depreciation and how this is figured.  
39

40 **Staff:**

41 A1: Represents grants. The only grant that will occur for this year is an FAA grant to Caltrans  
42 Aeronautics to administer a pavement study at the Airport. There is not a lot of construction money  
43 available for improvements to airports although there is a 'push' to make improvements to primary  
44 airports by 2015.

45 A2. Depreciation is a requirement that must be shown on budgets. Essentially, it is shown as an  
46 expense that is treated as an 'adjustment to the fund balance' and shown as taken out because it is a  
47 non-cash item.  
48

49 **Chair Crane:**

- 50 • The Airport has a certain amount of facilities and equipment that have a cost and a life span.  
51 • Is not certain how depreciation works for government, but for a business, the IRS says  
52 equipment, for instance, has a certain life span whereby depreciation can be figured by  
53 straight line depreciation or by accelerated depreciation methods. Once the life span has  
54 been reached, the item is no longer depreciated.

- 1 • Essentially a business has a list of assets with varying costs and varying service lives and the  
2 depreciation amount is not considered an allocation but rather a real number based on the  
3 cost and life of the equipment or building. Also, maintenance is somehow factored into the  
4 calculation.
- 5 • Only buildings and equipment depreciate, not land.

6  
7 There was Commission discussion concerning how depreciation is documented in the budget and  
8 questioned line items 'net income after depreciation,' 'adjustments to fund balance' and 'fund balance  
9 ending' as shown on page 312 of the budget and whether or not there is an error. Depreciation is  
10 shown for some fiscal years and not included and/or carried over/accounted for other fiscal years  
11 creating a discrepancy to the 'fund balance ending' for certain fiscal years.

12  
13 The Commission questioned the intent of budget line item, 'Miscellaneous Revenue.'

14  
15 The Commission discussed the line items for salaries and what they represent.

16  
17 Staff noted the actual figure recommended for 'salaries, regular' was less than shown on the budget  
18 and that the 'Total salaries and benefits' should be \$264,227 rather than \$274,266.

19  
20 There was Commission discussion about possible reduction in salaries and if this would be reflected  
21 in days off, which would have an affect on daily operations at the Airport.

22  
23 Staff confirmed a schedule has been worked out in this regard.

24  
25 There was further discussion of the budget relative to 'transfers in (out)' for Airport Capital  
26 Improvement and/or Special Aviation Fund and questioned the origin thereof.

27  
28 Staff noted the City Finance Department creates the budget and determines which budget line items  
29 are necessary.

30  
31 **Chair Crane:**

- 32 • Questioned specifically the issue of a proposed 10% pay reduction for regular salaried Airport  
33 personnel to be taken in days off. The Airport operates as an Enterprise Fund and needs its  
34 workforce present during regular working hours to make certain the Airport is properly  
35 managed, provides an effective level of service and makes money. How will fueling be  
36 handled?

37  
38 There was general Commission discussion about how one would even go about making a case to  
39 challenge an administrative decision concerning pay reductions for City employees.

40  
41 **Chair Crane:** Does not agree that pay reductions for employees and closing City facilities is an  
42 effective way to address the City's financial shortfall. He could address City Council about why pay-  
43 cuts in the form of closing City doors are not helpful to the successful operation of the Airport and  
44 added while he cannot control what will occurs at City Hall, he can voice his opinion about what  
45 happens at the Airport.

46  
47 **5C. Courthouse relocation project**

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49 **Airport Manager Owen:** The Commission requested Courthouse relocation be agendized for  
50 discussion.

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52 **Chair Crane:** The Mendocino County Land Use Commission addressed a letter from the  
53 Administrative Office of the Courts (AOC) stating three stories plus a basement or four stories plus a  
54 basement is not consistent with the Airport compatibility zone regulations. This comment was made in  
55 the corresponding EIR for the proposed project. While the AOC can do what they want, there is at  
56 least documentation in the EIR that points out there are rules the AOC are supposed to look at.

1 During discussions of the proposed project allowance was made from a two story limit to include a  
2 three story limit and now the AOC wants to go to a five story limit. The issue is about land use and  
3 compliance with the Airport Compatibility Zone requirements for density. The B2 Infill Zone requires a  
4 maximum of 60 persons per acre whereby an increase in the number of stories would affect the  
5 maximum density allowed.

6  
7 The decision reached regarding the Courthouse relocation project and the number of stories allowed  
8 in the B2 Infill Zone is that public buildings can have a height limit of three stories.

9  
10 **6. REPORTS**

11 **6A. Blue Jay Health**

12  
13 **Airport Manager Owen:**

- 14 • Staff sent Gregg Taylor a 30-day notice regarding the eviction of Blue Jay Health.
- 15 • Mr. Taylor sent Blue Jay Health a 30-day eviction notice.
- 16 • Staff questioned Mr. Taylor after the 30-day notice had lapsed and the Blue Jay Health was  
17 still in the hangar.
- 18 • Mr. Taylor's response was he sent Blue Jay Health a 30-day notice and the tenant informed  
19 him that he intends to sue the Airport.
- 20 • Staff received a letter from Blue Jay Health's attorney that included a letter from former  
21 Airport Manager Richey giving Blue Jay Health permission to move into the hangar. Several  
22 claims were made in the letter, one of which included that an indefinite timeframe was given  
23 to Blue Jay Health by Airport Manager Richey in order to start an emergency preparedness  
24 business.
- 25 • The City Attorney has responded to the letter and advised the eviction proceedings were to  
26 continue despite the claims made in the letter from Blue Jay Health's attorney.
- 27 • The City Attorney suggested issuing a three-day Cure or Quit Notice basically giving Gregg  
28 Taylor three days to address the issue or the City would terminate his land lease with the  
29 City.
- 30 • Airport staff has since received a copy of an e-mail from Gregg Taylor to Blue Jay Health  
31 telling him to vacate the hangar this week stating the Savings Bank of Mendocino County has  
32 been contacted that the City intends to cancel his lease if Blue Jay Health does not vacate  
33 the hangar.
- 34 • City Council had previously determined Blue Jay Health has had sufficient time to get the  
35 proper licenses and/or permits to operate an emergency preparedness business.
- 36 • Blue Jay Health is to vacate the hangar whereby the legal matters can be addressed at a  
37 later date.

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39 **6B. Airport Day**

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41 **Airport Manager Owen:**

- 42 • Airport Day is June 11, 2011 from 10:00 a.m. to 3:00 p.m. although the gates will open  
43 sooner.
- 44 • Admission is free.
- 45 • Many events and activities are planned and commented on some of the highlights of the  
46 events, particularly the aircraft rides.
- 47 • Is hopeful the community will enjoy a family-oriented event.

48  
49 Due to the July 4 holiday, the Commission will not meet in July.

50  
51 **7. AGENDA ITEMS FOR NEXT REGULAR MEETING IN AUGUST**

- 52 1. Discussion about Calstar complaint.
- 53 2. Grant updates.
- 54 3. Tenant Improvement Program/Building Maintenance.

1 **8. COMMISSIONER COMMENTS** – None.

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3 **9. STAFF COMMENTS**

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5 **Airport Manager Owen:**

- 6 • City Planning staff has advised it is likely the Planning Commission will review the Airport  
7 Land Use Plan at the regular June 22 meeting.  
8 • At the regular June 15 City Council meeting, Council will select a Commissioner(s) to fill the  
9 expired seats. The Airport Commission has two City seats and one County seat available.  
10 Dottie Deerwester has expressed an interest in re-applying for a City seat. The rule at this  
11 point is three Commissioners must reside in the City and two in the County. Dottie's City seat  
12 has been vacant for a while. The problem is that Commissioner Steinmann has held a City  
13 seat, but has since moved into the County. Commissioner's Sloan and Steinmann's term will  
14 expire at the end of June. Both Commissioners have re-applied. Commissioner Sloan does  
15 reside in the County and his seat has been a County represented seat. There are no other  
16 applicants. It may be the rules governing this Commission need to be modified so the  
17 appointing of Commissions will allow for three County seats and two City seats in order to  
18 have a functioning Commission.

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20 **10. ADJOURNMENT**

21 There being no further business, the meeting adjourned at 8:07 p.m.

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24 \_\_\_\_\_  
Eric Crane, Chair

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26 \_\_\_\_\_  
Cathy Elawadly, Recording Secretary