

UKIAH REGIONAL AIRPORT COMMISSION
December 2, 2008
Minutes

COMMISSIONERS PRESENT

Dottie Deerwester, Chair
Eric Crane
Don Albright
Jeffrey Sloan
Carl Steinmann

STAFF PRESENT

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

COMMISSIONERS ABSENT

None

OTHERS PRESENT

John Eisenzoff
Floyd Smoller
Daryl Hudson
Bud Searer

1. CALL TO ORDER

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 recited the pledge of allegiance.

3. APPROVAL OF MINUTES - November 4, 2008

The Commission made the following corrections:

- Page 3, paragraph 10 to read, "Chair Deerwester and Commissioner Crane noted the importance for the Commissioners to **participate** on the ad hoc committee as it relates to a financial policy and its affect on the Airport."
- Page 2, last paragraph, Commissioner Sloan requested clarification as to the content. Greg Owen stated the intent refers to a tenant improvement program, which pertains to a policy that is not currently in place.
- Page 2, Commissioner Crane requested adding a sentence to the discussion concerning Budget Line Item 291 that reads, "Commissioner Crane is of the opinion that many of the indirect costs could be/should be direct costs and supports having a more detailed methodology for tracking of time/costs for services rendered. **One example given was City Attorney fees, which City Manager Chambers acknowledged would be straight forward to do.**"
- Page 5, last paragraph to read, "Commissioner Albright supports agendizing the issue of **helicopter** transient parking for discussion."

M/S Crane/Steinmann to approve November 4, 2008 minutes, as amended. Motion carried by an all AYE voice vote.

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS – None

5. DISCUSSION/ACTION

A. Budget Line Item 291

Airport Manager Owen stated the Commission has requested further discussion regarding Budget Line Item 291 relevant to what the Commission's recommendation to City Council should be in this regard. The City Manager has indicated staff is working on formulating a better breakdown of costs associated with this budget line item. Other City departments/Commissions in addition to the Airport Commission are questioning the current method of tracking costs for this expenditure. City Council will make a decision concerning administration of this expense line item and/or provide direction whether a time study and/or other analyses are necessary.

The Commission/staff further addressed this agenda item as follows:

- **Commissioner Crane** commented, for example, the City Attorney has an effective program for the tracking of his time and supports the City create a similar program pertinent to Line Item 291. He recommends looking at what is presently being allocated and possibly developing a more effective method of separating direct costs from indirect costs. It may be more cost effective for an outside agency to perform certain accounting/billing services for the Airport as opposed to in-house. It is likely the Airport absorbs/sustains and/or is charged for costs shared by other City departments such as attorney fees that may be exorbitant and he questions whether this is a reasonable approach because the cost may be more for one department than for another. He also favors better defining direct and indirect costs.
- **Chair Deerwester** acknowledged while there may be a need to better define costs and/or establish a more effective method for the tacking of certain costs, allocating every cost to a particular department may not be the best approach because the sharing of costs such as attorney fees may be less costly for the overall picture. It takes specific skills/education to perform certain tasks such as for billing/accounting, which can be expensive compared to the City performing the task in-house.
- **Commissioner Crane** commented, for example, there are times when the City Attorney works on issues for the Airport and times when no attorney fees are necessary and the Airport gets charged in the 291 account for attorney fees as an indirect cost because City departments absorb certain costs for other department. It is for this reason, costs should be defined as a way to have more control over expenditures since the Airport operates as an Enterprise Fund requiring it be self-sustainable unlike other City department making it all the more important to be able to track/classify/define all costs. Direct costs are tangible while indirect costs may not be. He supports looking at indirect cost allocations and ways to implement these costs into direct costs.
- **Commissioner Albright** noted the importance of being able to plan for future expenses and being in a sound financial position to handle unanticipated expenses. If the 291 account continues to increase disproportionately each year, it is difficult to plan ahead. He favors looking at a cost breakdown plan creatively so such a plan financially benefits the Airport.
- There was a general discussion whether a time study is necessary and how to effectively allocate costs that fall into the 'fuzzy grey' category relative to direct versus indirect costs since the purpose of defining the 291 account is to allow for discretionary cash on hand. There was also discussion relative to the element that because the Airport is part of the City and the benefit of not always having to encumber the full cost every year for certain services, such as for attorney fees particularly for those years when the actual/direct cost for attorney fees was more than what the Airport was charged in the 291 account.
- **Chair Deerwester** supports taking a historical look at the fiscal year budget relative to General Government Service charges for another City department that has a similar operating program as the Airport for comparison purposes.
- **Airport Manager Owen** stated it may be that other City departments/Commissions question the Airport budget in comparison relative to the cost breakdown issues. As noted above, the City Manager and Finance Director are working on a way to better explain the numbers and develop a more effective plan. He favors deferring further discussion and corresponding recommendation concerning the 291 account allowing the City Manager time to propose a plan. The Commission may find solutions on how to more effective breakdown costs by looking at City's plan.
- **Chair Deerwester** commented today more than before, require all entities whether government or private enterprises look at the way their businesses are conducted and stated the Airport should be looking at how it does business, as an entity separate from the City in terms of controlling costs and maintaining revenues.
- **Commissioner Albright** would be interested in serving on a subcommittee after the plan regarding the General Government Service fund has been completed.
- **Commissioner Crane** supports asking the City Council if the Airport Commission can review proposed cost breakdown plan as it relates to the Airport for comments/input prior to review by them.
- It may be that the issue of breaking down accounting for attorney fees cannot be resolved.

- The Commission asked staff to make reports on the 291 account and progress of the cost breakdown plan.

B. Transient Helicopter Sub-Committee [7:23:45 PM](#)

Commissioners Crane and Steinmann served on the subcommittee concerning helicopter transient parking and reported as follows:

- In light of the challenges to directing all helicopter traffic to the East side of the field at this time the subcommittee recommends directing year round traffic to the area north of the freight apron.
- The subcommittee recommends constructing rudimentary improvements to identify two helicopter pads north of the freight apron and two more immediately south of the bulk fuel station.
- The subcommittee long term recommends a strategy of incremental improvements, as budget allows, to focus improvements on the East side of the runway with the ultimate goal of shifting all helicopter use (except for emergencies) to that location.

There was discussion concerning the type of rudimentary improvements necessary to accommodate helicopter pads, associated costs for four helicopter pads, and areas that can be designated for transient helicopter parking. There was also discussion whether grass for the short term could be used for helicopter pads as opposed to a paved pad to maintain costs.

AOPA Representative Floyd Smoller advised Victor Hansen is part of the local search and rescue program and he is familiar with helicopter operations. He may be able to provide information to staff and the Commission concerning appropriate accommodations for transient helicopter operations at the Airport, including possible assistance with helicopter policies and procedures relevant to compatibility/safety issues for fixed-winged aircraft and airport-related operations. Mr. Smoller desires to review and compare the layout of transient helicopter parking lots from other similar general aviation airports and provide a report to the Commission.

Commissioner Crane stated the FAA should likely be contacted regarding improvements for transient helicopter operations at the Airport so helicopter traffic will be appropriately/safely directed, noting such traffic has increased over the years.

The Commission continued further discussion of this agenda item to the next regular meeting to include possible input from Victor Hansen and information from the FAA.

C. Non-Aviation Tenants [7:29:25 PM](#)

Airport Assistant Ronk commented on the issue of allowing for non-aviation tenants, and stated there are areas on the Airport that are not accommodating for aviation-related uses. The nursery and small equipment repair businesses are examples of non-aviation related uses operating in areas that are not favorable for aviation-related uses. He supports identifying areas on the Airport that can accommodate non-aviation related uses.

Chair Deerwester recommended discussion involving non-aviation tenants be deferred and incorporated into the business plan discussion.

It was the consensus of the Commission to continue this matter to the February regular Commission meeting.

D. FAA CIP/ACIP [7:32:38 PM](#)

Airport Manger Owen went to the annual FAA meeting regarding the schedule of capital improvements to the Airport. He referred to the AWP ACIP Data Sheet and the following comments were made:

- The Airport will receive initially \$500,000 in FAA grant funding for the construction portion of the storm drain improvement project allowing the Airport to go out to bid and complete the most critical areas first. The consultant will formulate the plans relevant to the most critical areas. The construction portion of the project will be completed in phases wherein the Airport will receive grant appropriations between \$1.5 and \$2 million for this purpose. The storm drain improvement project

will likely be completed in 2010 since the project will be completed in phases. The bid process for the construction phase of the project should begin in March 2009 with actual construction beginning in June 2009.

- Because the FAA changed the project schedule for the construction phase of the storm drain improvement project, corrections were made to the data sheet relevant to the project schedule as follows:

Advertising: March 1, **2009** – April 1, **2009**

Bids Received: April 15, **2009**

Construction: May 1, **2009** – September 15, **2009**

Grant Closeout: January 30, **2010/2011**

- The Open AIP Funded Project and expected close out date for fiscal year 2008 refers to FAA Improvement Grant No. 9 (3-08-268-09 2006 Phase 2), which is closed and 3-08-268-10 2007 (storm drain grant, engineering) is Grant 10, which is open.
- Fiscal Year 2008, project description (Unicom System) was initially recognized as a Super AWAS. It is questionable whether staff will proceed with this CIP item. There was discussion whether the federal funds allocated to the Unicom system could be used for construction of the transient helicopter pads wherein staff clarified this would be a separate CIP project.
- Staff desires to proceed with the design specifications relevant to the Slurry Seal Runway & Taxiway CIP project for fiscal year 2009 in the sum of \$210,000 as well as the design specifications for the taxiway connector for the purpose of developing the northeast corner of the Airport. The design aspects of the project would likely begin in 2010 and construction in 2011. There was no correction to the project schedule for these CIP projects.
- Staff noted the project description and corresponding schedules for CIP projects are subject to change in the event priorities change.
- Staff advised no funding has been 'drawn down' to date relevant to FAA Grant Improvement No. 10. Arrangements are in the process of being made so that money can be electronically transferred to the Airport account for FAA improvement projects.

E. Business Plan [7:52:22 PM](#)

Airport Manager Owen commented the Commission supports tying this matter with agenda item c. The City Manager has recommended the Airport formulate a business plan to correspond with the existing Airport Master Plan and Airport Land Use Plan. He intends to discuss formulating a business plan with other general aviation airports having a plan. It is likely a consultant will be used to help prepare the plan with input from the Commission. He will provide further information concerning a business plan for the Airport at the regular January 2009 Commission meeting.

F. CPI Increases for Airport [7:55:42 PM](#)

Airport Manager Owen advised City Council approved the CPI increase by Resolution for fiscal year 2007 as a one time adjustment in March 2007. Staff proposes the Commission recommend to Council that CPI increases for City-owned hangar rentals/office space/tie downs fees/vehicle parking fees/operation fees/landing fees/fuel truck parking/Old Redwood Hangar/ and Shop Building #2 rental be adjusted every two years at 6 percent or each year at 3 percent. He referred to the list showing the current rate for each activity and the proposed new rates. He recommends the Commission support approval of the proposed CPI increases for rental activities at the Airport and that every two years, an increase will automatically occur at 6 percent and if the Commission desires to implemented a larger increase, this can be reviewed.

There was a brief discussion concerning the origin of how CPI rates are established.

Commissioner Crane commented City-owned hangar rental rates were static for at least 10 years and favors implementing a 1.5 to 2 percent CPI increase over and above the proposed 6 percent (3 percent annual) increase to make up for the arrears when costs were going up and rental rates remained the same.

Airport Assistant Ronk questioned whether a price increase is reasonable given the present state of the economy.

Commissioner Albright stated while Commissioner Crane's proposal has value, he supports looking at another type of increase of a larger proportion, such as a fuel credit and rebate system to encourage fuel sales and as a way to defer the proposed increases to rental activities at the Airport. He expressed concern that hangar improvement/repairs are not effectively being done.

The Commission discussed an acceptable range of additional percentage increases over and above the proposed CPI increase, cycle for review of CPI increases, alternative approaches to compensate/catch up from past years when there were no increases, how to be in a better position to financially make tenant improvements to facilities/hangars when necessary in addition to the funding budgeted in the building and maintenance and landscaping maintenance expense account.

There was a discussion concerning the various types of hangars in conjunction with rental value and in keeping with current market rental rates to offset increased costs for maintenance/repairs and/or cost of operation. There was also a brief discussion about the CPI process for increases to Airport lease agreements.

Staff stated there is a minimum/maximum percentage of CPI increases that can be charged, including the fact there are several different types thereof.

ON A MOTION BY Commissioner Crane, Seconded by Commissioner Steinmann, it was carried by the following roll call vote of the Commissioners present to approve the proposed 6 percent CPI increase for the two year period to become effective January 2009 plus a 1.5 percent increase in addition to the 3 percent CPI increase for next year to become effective January 2010 to help catch up for those years where there was no increase wherein the 1.5 increase in addition to the 3 percent increase shall continue for a minimum of five years.

AYES: Chair Deerwester, Commissioners Crane, Sloan, Steinmann; NOES: Commissioner Albright

6. REPORTS

A. CALSTAR Update [8:22:55 PM](#)

Airport Manager Owen reported CALSTAR continues to work on the lease agreement wherein no timeframe for completion has been established. The future of the existing CALSTAR modular buildings can be discussed at a later date.

B. Compass Rose [8:24:16 PM](#) - No report

C. Airport Day

Airport Manager Owen reported Airport Day can be coordinated with the City's annual family fun day held in the Spring. A date for this event has not been chosen. It is important to begin to planning for the individual activities as soon as possible. Since the event will be coordinated with an annual City event, this eliminates the need to further advertise and secure sponsors wherein funding is already available.

D. Holiday Potluck

The Airport holiday potluck is December 17, 2008. Flyers for the have been sent to staff, all FBO's, Airport tenants and to other guests.

E. Taylor Hangar [8:30:33 PM](#) – No report

F. Redding Auto Body [8:31:49 PM](#)

Airport Manager Owen has contacted City Attorney Rapport regarding this matter. The City Attorney has been available to respond.

G. Sweeper Update

There was a general discussion concerning the history of the C&G station and problems associated with the street sweeper cleaning the runway/taxiways/aprons.

Airport Manager Owen is working on an Airport sweeping plan with the City Public Works Department.

There was a brief discussion whether the C&G fueling station is on the Airport's Hazardous Materials Business Plan. Staff will review this matter.

7. **AGENDA ITEMS FOR NEXT REGULAR MEETING**

1. Transient Helicopter Parking
2. Update on 291 account

The Commission discussed whether to conduct a January regular meeting. Staff will advise the Commission if Airport issues arise requiring Commission review and input wherein a decision will be made whether to cancel the regular January meeting.

Agenda items for the regular February meeting include non-aviation tenant and Airport Business Plan.

There was a brief discussion about ways to generate additional revenue for the Airport to include the planning and development of additional hangars.

8. **COMMISSIONER COMMENTS 8:58:36 PM**

There was a brief discussion concerning an update on possibly obtaining the WAAS system.

9. **STAFF COMMENTS**

Airport Manager Owen reported the matter regarding approval for a bid award to HLR Roofing for roof replacement on the old lumber mill office in the sum of \$9,499.50 will go before City Council tomorrow night. The building is in need of repair to make this building leaseable. Interior repairs have already been made and the building has been inspected by the City Building Official and found to be in leaseable condition, if the roof is repaired. He has followed through with the bidding out process, which was discussed and approved by the Airport Commission. The Commission has expressed a strong interest in having the site used for an airport-related business, in keeping with the Airport Land Use Plan. An alternative to spending the funds budgeted for this improvement would be a decision to have the building demolished and to proceed with planning for another type of use for the site.

The Commission supports making the necessary roof repairs in order to make the building leaseable. It will take approximately 10 months of rental fees to pay the cost of the improvement.

Airport Manager Owen is in the process of assessing/evaluating implementing a self-fueling ordinance for the Airport wherein a fueling permit would be required.

There was discussion regarding an effective/reasonable window period for requiring a fueling permit application.

10. **ADJOURNMENT**

There being no further business, the meeting at [9:02:37 PM](#).

Dottie Deerwester, Chair

Cathy Elawadly, Recording Secretary