

**UKIAH REGIONAL AIRPORT COMMISSION**  
**June 2, 2009**  
**Minutes**

**COMMISSIONERS PRESENT**

Dottie Deerwester, Chair  
Eric Crane, Vice Chair  
Don Albright  
Jeff Sloan  
Carl Steinmann

**STAFF PRESENT**

Greg Owen, Airport Manager  
Ken Ronk, Airport Assistant  
Charley Stump, Director of Planning  
Kim Jordan, Senior Planner  
Cathy Elawadly, Recording Secretary

**COMMISSIONERS ABSENT**

None

**OTHERS PRESENT**

Daryl Hudson  
Nick Bishop  
John Eisenzopf  
Bob Searer  
Phillip Ashiku  
Ray Meyer  
Richard Howland  
Bob Devinny

**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** – May 5, 2009

**M/S Albright/Steinmann** to approve May 5, 2009 minutes, as submitted. Motion carried.

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

**Nick Bishop** thanked staff for marking a designated area at the northern portion of the Airport for helicopters to park.

**John Eisenzopf** inquired about being able to make comments during the CALSTAR presentation.

**Phillip Ashiku** commented as a former City Councilmember protocol has typically been not to allow comments for presentations. He thanked Greg Owen for doing a great job as Airport Manager.

**5. PRESENTATION** - City Planning Department to give verbal report on CALSTAR permit process.

**Planning Director Stump** stated the Planning Commission will likely review the Major Use Permit and Major Site Development Permit for the CALSTAR project at the regular June 24 or July 8 meeting.

**Senior Planner Jordan** stated staff is in the process of preparing the CALSTAR project for discretionary review by the Planning Commission taking into consideration the issues raised by the Commission, public members and/or other persons at the April 8 regular Planning Commission meeting, which was continued to a date uncertain to allow sufficient time for staff to address the issues raised at that meeting. The Planning Commission is the body with the authority to make a decision about the proposed project use permit and site development permit. Staff requests further input/comments/information concerning the CALSTAR project be directed to the Planning Department and encourages interested persons to attend the Planning Commission when the matter will be heard in order to participate and/or to provide public testimony.

**John Eisenzopf** questioned why the project is being considered for approval at yet another temporary site as opposed to preparing to relocate the operation to a permanent site on the east side of the Airport that would best support a fixed wing/helicopter/crew headquarters emergency rescue operation. He cited safety and potential damage to private property as the primary reasons CALSTAR should be relocated to a permanent site as a more feasible approach.

**Chair Deerwester** stated the Airport Commission has considered potential relocation to the east side of the Airport for the CALSTAR operation and determined it would not be economically feasible for the City or the applicant at this time.

**Vice Chair Crane** commented it may be when the Airport Commission had discussions concerning the relocation of CALSTAR the best information was not available. He is hopeful the course can be reversed by the Planning Commission and/or, if necessary by City Council, noting the decision is out of the Airport Commission purview at this time.

## **6. DISCUSSION/ACTION**

### **6A. Fuel Price**

**Airport Manager Owen** commented there has been Commission discussion concerning how fuel prices at the Airport are determined. Staff/Commission commented as follows:

- Current City Resolution provides that, "The aviation price at the Ukiah Municipal Airport be set not higher than 25% below the highest and not less than the average primp price for aviation fuel of those surveyed within 50 miles of the coast, between Napa and Arcata."
- The City Attorney has reviewed the Resolution and noted it to be contradictory at times advising that staff must choose which limit to follow when there is contradiction or revise the Resolution. The Resolution does not work when 25% below the highest prices in the area is less than the average price surveyed, noting even if 25% below the highest price were higher than the average price, the Resolution does not specify how to set the price between the two limits. Based on the language for calculating fuel prices in the Resolution, the Airport has the option of currently charging \$4.08 or \$5.02 per gallon, which is quite a range. According to the Resolution, the Airport cannot be lower than either one of these two numbers, which makes the process essentially 'mathematically impossible' whereby staff is in violation of the Resolution.
- Staff is currently charging \$4.05 per gallon and has not been following the Resolution when setting fuel prices because of the discrepancy in prices. Staff set fuel prices based upon the margin of profit it needs taking into consideration other fuel prices in the survey area and cost of purchasing fuel. The reason the Resolution does not work is because when it was approved, fuel prices did not fluctuate between sales and costs as they presently do.
- Staff supports working with a flat price with a calculated mark-up formula for the margin of profit it needs based on fuel sales versus costs. There is really no way to project fuel sales other than documented fuel sales from other fiscal years taking into consideration the season. Staff noted fuel sales do not quantifiably deviate year to year.
- Staff supports the Commission make a recommendation to Council to revise the Resolution so that staff can more clearly set the fuel price.
- Also, staff has implemented a new program of offering a \$.10 per gallon off to customers who use an Air BP credit card to encourage fuel sales.
- There was discussion whether to establish fuel price by flat/set rate or by percentage, noting the problem with setting price by percentage for profit margin over cost is that the margin of profit would drop when fuel prices drop. With this approach there would be no allowance for flexibility.
- Staff indicated the current manner in which fuel price is set does 'average out' and it works. Staff takes into consideration the survey of fuel prices at other airports in the vicinity, cost to purchase fuel, anticipated revenue, the time of year, and volume on hand.
- **Vice Chair Crane** stated if the volume of fuel on hand (fuel reserve) fluctuates, the money that must go toward fixed overhead in this regard does not fluctuate, the profit margin versus cost would not average out.

- **Daryl Hudson** asked if the \$.10 discount represents a percentage?
- Staff stated in terms of bookkeeping, a flat \$.10 discount is easier to track as opposed to calculating a percentage.
- **Chair Deerwester** requested clarification that the plan is if the Air BP card is used, a customer is not charged the extra \$.10 per gallon?
- Staff stated Air BP currently offers a no cost processing fee to the Airport for customers who use the Air BP credit card wherein staff will offer this discount as long as Air BP offers this discount. The \$.10 discount does actually calculate into a percentage.
- There was discussion concerning offering fuel at a lower price than those fuel prices listed in the survey, noting while the pilot benefits it would not likely be a lucrative financial decision for the Airport because staff has to be paid to do the fueling and/or other associated costs since the Airport is full service as opposed to self service and/or both.
- **John Eisenzopf** stated the intent of offering fuel at a discount than those prices listed on the survey is to encourage increased fuel sales at the Airport.
- **Chair Deerwester** stated there is no guarantee that fuel sales would increase likely proving to be a poor business decision on the part of the Airport.
- There was discussion whether to conduct a trial/test period for comparison purposes.
- **Ken Ronk** commented on the matter of offering fuel at a discount and stated consideration would have to be given to the cost of purchasing fuel, existing inventory of fuel and be able to stay within the parameter of a profit margin. Basic fundamental rule of maintaining good business practice is to purchase fuel low and sell high.
- **Vice Chair Crane** does not support restricting the pricing structure such that if fuel is purchased, the market drops as well as for neighboring competitors, and the Airport is caught with fuel on hand it cannot sell. The objective is to operate within a fuel price range where customers are willing to purchase fuel at the Airport. The question is how to establish a method for effectively calculating fuel prices that does not restrict the structure in order to operate with a profit margin and be able to sell fuel to willing customers.
- Staff supports formulating a revised Resolution for calculating fuel prices that works. The current Resolution presents a large margin.
- **Commissioner Albright** stated the objective must be to establish a method for setting fuel prices so that the variables discussed above balance out.
- **Chair Deerwester** stated there are three factors to consider: 1) A recommendation for language for a new Resolution. 2) Determine whether a trial/test period is feasible of providing fuel at a discount to encourage more aircraft to fuel at the Airport. 3) Continue with Air BP discount.
- **John Eisenzopf** stated the Airport would not be able to compete with self services prices unless such a facility is implemented at the Airport.
- The Commission has discussed implementing a self fueling facility in past meetings. Such a facility is very expensive and not an item the Airport can afford at this time.
- Staff intends to continue with the current method for calculating fuel prices because it works and makes sense.
- **Commissioner Steinmann** commented the existing system for determining fuel prices works and supports leaving it alone because the pricing is compatible with other airports. There no way the Airport can lower fuel prices to compete with self service fueling airports. Customers can take advantage of the \$.10 per gallon discount for using a Air BP credit card.
- The intent is to formulate language on how to calculate fuel prices. It may be that the current method for calculating fuel prices can be written into the Resolution.
- The Commission is in agreement a specific methodology must be formulated for determining fuel prices at the Airport.

**M/S Albright/Crane** to request staff draft new language for a City Resolution to establish a working policy for fuel price determination and to formulate a subcommittee consisting of two Commissioners to assist in this regard. Motion carried.

**6B.** Air BP Card Discount

**Airport Manager Owen** stated the Air BP card discount program has been implemented and is currently in effect.

The Commission supports staff continuing this program as long as Air BP offers this discount.

**6C.** Airport Self Fueling Ordinance

**Airport Manager Owen** stated staff is formulating a self fueling ordinance intended to discourage Airport users aimed at targeting transient helicopters from bringing their fueling trucks on the Airport for fueling purposes as opposed to purchasing fuel from the Airport. Liability issues are associated with allowing users to bring in their own fueling trucks. Until the ordinance was proposed, the Airport has had to assume all liability and associated costs with regard to safety issues such as fuel spills in this regard. The proposed ordinance is being reviewed by the City Attorney and will give staff more control over fueling operations conducted on the Airport, as well as increase revenue for the Airport. The ordinance requires a permit to allow such fueling systems on the Airport. An applicant for a self-fueling permit will pay a nonrefundable application fee of \$500 at the time of the application and \$1,000 fee to be paid annually thereafter. Additionally, a fuel flowage fee of \$.10 for each gallon of fuel delivered to permittees fuel truck must be paid. If the permittee buy's fuel from the City fuel storage located onsite, the cost is \$.50 for each gallon above the City's cost of fuel as addressed in the proposed ordinance. The ordinance requires the permittee to comply with a number of regulations when transferring fuel to an Airport user. The self-fueling permit authorizes the permittee to transfer fuel only into an aircraft owned by or leased exclusively to the permittee.

The Commission supports moving forward with finalizing the document for later review.

**6D.** Ukiah Airport Commission Support for SB 481

**Airport Manager Owen** explained the Senate Bill objective and noted jurisdictional problems have existed between the Federal and State government pertinent to wildlife and control thereof for safety precautionary reasons at airports. The Ukiah Airport Commission is being requested to give support to the bill that allows airports in California to comply with Federal wildlife removal processes that the State currently does not recognize.

**M/S Crane/Steinmann** to support the Chair of the Commission on behalf of the Commission sign the letter supporting Senate Bill 481. Motion carried.

**6E.** Airport Budget 2009/10

**Airport Manager Owen** referred to the preliminary Airport budget for fiscal year 2009/10, and stated expenditures in the sum of \$12,000 (Airport grant writer) and \$42,000 (Airport grant match) were not included in the preliminary budget.

The Commission recommended for future discussion that staff provide additional budget information.

Staff stated the proposed preliminary budget represents the new budget projections for FY 2009/10.

The Commission reviewed the budget and inquired whether there are significant changes compared to last year's budget.

Staff noted expenditure line item 600.5001.291, General Government Service Charges has decreased from last year.

The Commission requested the budget information in spreadsheet format for review at the next regular Commission meeting to include Expense/Revenue year-to-date information and budget actuals and projections from previous fiscal-year budgets. The Commission supports staff provides a budget update every quarter. The Commission was particularly interested in fuel costs and revenues from past years.

**6F. Airport Day**

**Airport Manager Owen** stated the plans for Airport Day are progressing well. The event will begin at 9:00 a.m. June 20 with a pancake breakfast. Staff is pleased with the scheduled list of activities and stated the plans have been orchestrated such that the event should be very successful and fun for every age group.

**7. REPORTS**

**7A. Airport Maintenance / Grounds/ Building Checklist**

**Airport Manager Owen** referred to the checklist and stated this form is beneficial for tracking information concerning maintenance for Airport grounds and buildings.

**7B. Helicopter Pad**

Staff constructed/marked an area on the northwest side of the Airport for transient helicopter parking. While the work is effective, the markings were not sufficiently spaced and will be realigned and repainted.

**7C. Compass Rose**

Staff is working on finding a suitable location to construct a smaller, better functioning Compass Rose.

**7D. Joint Airport Commission and Mendocino County Land Use Commission Meeting**

The Commission is interested in meeting with the Mendocino County Land Use Commission and City Planning Department requested staff arrange for this to occur to discuss Airport compatibility with regard to boundaries concerning the B2 Infill Zone in connection with the proposed Form Base Zoning Code project.

Staff indicated before a meeting can be arranged, the Mendocino County Land Use Commission needs to update its membership information.

**7E. Airport Commission Vacancy**

Staff reported there is an upcoming Airport Commission vacancy for Commission Crane's seat on the Commission that will expire June 30, 2009. The City Manager is requesting all Commissioners and Board Members serving on City Commissions and Boards retain their seats for a period, if possible, even though his/her term has or will expire. Vacancies for Commissions and Boards will be posted at a later date.

It was the consensus of the Commission to cancel the regular July 7, 2009 meeting.

The Commission requested staff notify the Commissioners when the CALSTAR project will be reviewed by the Planning Commission.

The Commission requested staff email a *draft* agenda to the Commissioners so they have an opportunity to review the agenda and possibly make changes prior to the formal agenda and accompanying staff reports being mailed.

**8. AGENDA ITEMS FOR NEXT REGULAR MEETING IN AUGUST**

1. Fuel Price Recommendation and report from the subcommittee
2. Compass Rose (Report)
3. Fuel Ordinance (Report)
4. FY Budget 2009/10 (Report)
5. Airport Day (Report)
6. Helicopter Pad (Report)
7. Mendocino County Land Use Commission Joint Meeting (Report)
8. Airport Commission Vacancy (Report)
9. FAA Storm Drain Improvement Project (Report)
10. Taylor Hangar (Report)

**9. COMMISSIONER COMMENTS**

**Chair Deerwester** expressed sympathy for Susan Jordan, a local pilot and attorney, recently killed in a plane crash out-of-state.

**Commissioner Sloan** requested contact information for Carol Ford, the Airport's aviation grant writer.

**10. STAFF COMMENTS**

None.

**11. ADJOURNMENT**

There being no further business, the meeting at 8:39 p.m.

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Dottie Deerwester, Chair

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Cathy Elawadly, Recording Secretary