



**City of McMinnville**

**AIRPORT COMMISSION MEETING**

**McMINNVILLE CIVIC HALL**

200 NE Second Street

**Monday, February 24, 2014**

**6:30 p.m.**

Chair Jody Christensen

Commissioner Andy Benedict

Commissioner Doug Hurl

Commissioner Joe Mollahan

Commissioner Brad Berry

Vice-Chair John Lautenbach

Councilor Alan Ruden

**Welcome!** All persons addressing the Airport Commission will please use the table at the front of the Board Room. If you desire to speak on any agenda item, please raise your hand to be recognized after the Chair calls the item. If you wish to address the Commission on any item not on the agenda, you may respond as the Chair calls for the *“Invitation to Citizens for Public Comment”* agenda item.

**AGENDA**

1. **CALL TO ORDER** (Chair Christensen)
2. **CONSIDER MINUTES OF THE JANUARY 7, 2014 COMMISSION MEETING**
  - Commission Action Required: **By MOTION and VOTE, the Commission shall approve the minutes from the January 7<sup>th</sup> meeting.**
3. **AIRPORT FUND BUDGET REVIEW** (Mike Bisset)
  - Review of the proposed FY14/15 Airport Fund budget.
  - Commission Action Required: **By MOTION and VOTE, the Commission shall make a recommendation to the City Council / Budget Committee regarding the proposed FY14/15 Airport Fund budget.**
4. **ITEMS FROM STAFF**
  - A. Airport Manager’s Report (Graham Goad)
  - B. Joint Work-session with City Council: (Mike Bisset)
    - **Tuesday, April 8<sup>th</sup> @ 7:00pm (Civic Hall)**

**5. ITEMS FROM COMMISSIONERS**

- A. Commissioner Communications (All)

**6. INVITATION TO CITIZENS FOR PUBLIC COMMENT**

- *This section of the agenda allows for citizens to address the Airport Commission regarding any issue not on the agenda. The Chair will also invite airport users and business owners to report on current activities at the airport. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up at a future meeting.*

**7. ADJOURNMENT**

NOTE: There will be a joint work-session with the Airport Commission and City Council on **Tuesday, April 8, 2014 @ 7:00pm** in the Civic Hall Building, 200 NE Second Street.

The next Airport Commission meeting will be on **Tuesday, May 6, 2014 @ 6:30pm** in the Civic Hall Building, 200 NE Second Street.

# **AIRPORT COMMISSION MEETING**

**Monday, February 24, 2014  
6:30pm**

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Agenda Item 2.      **MINUTES OF THE JANUARY 7, 2014 MEETING**

- Attachment 1: Proposed January 7<sup>th</sup> minutes.

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## McMinnville Airport Commission Meeting Minutes

McMinnville Airport,  
Civic Hall  
Tuesday January 7<sup>th</sup>, 2014

1. CALL TO ORDER - The meeting was called to order at 6:30pm by Jody Christensen. Commissioners present were, Jody Christensen, Doug Hurl, John Lautenbach, and Joe Mollahan, others present were Mike Bisset, Rich Spofford (City of McMinnville) and Graham Goad (Airport Manager).  
  
Jody Christensen introduced Alan Ruden from the McMinnville City Council. Alan is replacing Mayor Rick Olson as the City Council liaison to the Commission.
2. ELECTION OF OFFICERS - Per section 2.28.020(D) of the airport commission rules, at the first meeting of each year the Commission shall elect a chairperson and a vice chairperson.  
  
Jody Christensen asked for nominations. Joe Mollahan nominated Jody Christensen as chair; this was seconded by John Lautenbach. Jody accepted the nomination and all commissioners voted in favor.  
  
Doug Hurl nominated John Lautenbach as Vice Chair; this was seconded by Joe Mollahan. John Lautenbach accepted the nomination and all commissioners voted in favor.
3. MINUTES - The minutes from November 5, 2013 and December 3, 2013 meetings were reviewed by the commissioners. The minutes were approved as submitted by motion and vote; with all commissioners voting in favor.
4. CIRRUS AVIATION LEASE EXTENSION REQUEST – Mike Bisset introduced the topic, and reminded the Commission that they had started the discussion on this matter at their previous meeting. He noted that City staff was not in favor of reopening the Cirrus Aviation lease at this time.  
  
Cirrus Aviation addressed the Commission. Robbie Sturm asked for further dialog with the City on the lease extension and further assurance from the City that Cirrus Aviation would have some stability at the airport there by allowing them to further invest in new equipment.  
  
Discussion between the Commissioners focused on the condition of the buildings at the airport currently leased by Cirrus Aviation; the structure of the current lease; and how the city would like to see a new building built to replace the current FBO building. Jody Christensen implored Cirrus Aviation to work with the city staff on the structure of an FBO lease.  
  
Dave Sturm addressed the commission saying that they had lost business due to the lack of equipment and facilities. Jody Christensen suggested the new FBO lease separate the services required from an FBO operator and the facilities into separate sections or separate leases.  
  
Doug Hurl asked Alan Ruden if the City and City Council had a plan for replacing the building.. Alan responded by stating there had been no formal discussions on the construction of a new building but that there was a desire among the City and Council to see this done. Alan added that it was his personal desire to see the construction of a new facility in 2016 to coincide with the reconstruction of runway 4/22. Jody Christensen added that there had been no discussions on how to fund the construction of a new building.

At this point Mike Bisset suggested that it seemed the commission was struggling with their purpose and what the City Council expected from them. Mike suggested that the Commission and the City Council should meet jointly to review airport issues and to clarify expectations.

Robbie Sturm stated she was confused as to why the Commission was reluctant to renew the lease or add a "Right to Renew" clause into the lease. Dave Sturm from Cirrus Aviation added that it was hard to invest in new equipment knowing they only had 2 and 1/2 years left on their current lease with no "right to renew".

John Lautenbach suggested there was not enough information present to make a motion on the lease extension request. Jody Christensen said no motion will be made at this time.

5. ITEMS FROM STAFF - Rich Spofford talked about the runway 4/22 rehabilitation project, and noted that he was preparing a Request for Proposal (RFP) for the engineering services for the project.

Graham Goad informed the Commission of the completion of the tree trimming project at the approach end of runway 4; the repair of the street lamps in front of the FBO building; and fixing the east gate with Joe Mollahan. He also told of the deck replacement project on the Pilots Lounge and some dry rot issues discovered by the contractor, Rich Spofford further elaborated on the project status.

Mike Bisset addressed the Commission about a new date for the next meeting as there was a conflict with the current commission meeting schedule and other users of the Civic Hall. Mike presented other possible dates, and the Commission settled on Monday March 24th, 2014 as the next meeting date.

6. ITEMS FROM COMMISSIONERS - Jody Christensen spoke of reviewing her notes from the work-session meeting from 2012. She recalled the vision and hopes of the Commission at that time, and felt the airport had huge potential for development. She noted that there was a need for some strategic planning sessions. Doug Hurl, Joe Mollahan, and Alan Ruden all agreed and talked of their visions for the airport and the possibilities. The Commission agreed to pursue these issues after the joint meeting with the City Council.

Jody reported on the completion of the airport informational brochure by the MEDP.

Doug noted his appreciation for having Alan join the Commission, and noted that the connection to the City Council will be important.

7. INVITATION TO CITIZENS FOR PUBLIC COMMENT - Alan Zanuzoski addressed the commission. He asked about funding for the poor sections of the apron, and Mike Bisset informed him that the FAA has indicated that the first priority should be addressing the main runway pavement condition. Alan suggested the possibility of extending the runway should be explored.

Alan also requested airport users be involved in the design portion of the apron rebuild.

Alan suggested the land leases be longer term if the City wanted businesses to invest in building at the airport, he also suggested the Evergreen hangar would make a good FBO/terminal building.

Alan then confronted the Airport Manager regarding landing/take off permits within the City. Mike Bisset indicated to Alan that personal attacks on City employees were not appropriate; that any issues with staffing should be brought to his attention; and that the Airport Commission meeting was not the appropriate forum for his complaints.

The meeting was adjourned at 8:23pm.

# AIRPORT COMMISSION MEETING

Monday, February 24, 2014  
6:30pm

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## Agenda Item 3.      **AIRPORT FUND BUDGET REVIEW**

- Attachment 1: Staff Memo
- Attachment 2: Airport Fund written “Budget Summary” and “Historical Highlights” documents
- Attachment 3: Proposed FY14/15 Airport Fund Budget

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M E M O R A N D U M

**DATE:** February 18, 2014  
**TO:** Airport Commission  
**FROM:** Mike Bisset, Community Development Director  
**SUBJECT:** **AIRPORT FUND BUDGET**  
*FY14/15*

The City’s fiscal year runs July 1 – June 30, and the proposed budgets for the various City funds are considered by the City Council & Budget Committee at a meeting in May, and officially adopted by the City Council at their second meeting in June. Attached for the Commission’s information are the written “Budget Summary” and “Historical Highlights” documents for the Airport Fund that are printed in the annual budget document with the revenue and expense numbers.

Also attached for the Airport Commission’s consideration are the proposed Airport Fund budget revenues and expenses for FY14/15. To assist the Commission with their review of the proposed budget, here is a “key” to the various columns contained on the budget document:

COLUMN HEADING	COLUMN DESCRIPTION
2012 ACTUAL	Actual revenues / expenses for each line for the fiscal year ending June 30, 2012.
2013 ACTUAL	Actual revenues / expenses for the fiscal year ending June 30, 2013.
YTD 6/30/2014	Year to date revenues / expenses for the current fiscal year as of <b>Feb. 18, 2014</b> . <i>Note that the “6/30/2014” is an error in the header that we can’t delete.</i>
2014 ESTIMATED	Staff’s estimate of the total revenues / expenses for the current fiscal year (ending June 30, 2014).
2014 AMENDED BUDGET	The budget for the current fiscal year (ending June 30, 2014) adopted by the City Council in June 2013.
2015 1 – Dept Proposal	Staff’s proposal for revenues / expenses for next fiscal year (July 1, 2014 – June 30, 2015).

Staff will review the proposed revenues and expenses at the Commission meeting on February 24<sup>th</sup>.

Staff recommends approval of the proposed budget. **By motion and vote, the Commission shall make a recommendation to the City Council / Budget Committee regarding the proposed FY14/15 Airport Fund budget.** The City Council and Budget Committee will consider the proposed budget at their meeting on May 14, 2014, and the City Council will officially adopt the budget at their meeting on June 24, 2014.

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### Budget Highlights

- The 2014-15 proposed budget includes Federal Aviation Administration (FAA) grant funds to begin the design and environmental evaluation of the planned rehabilitation / reconstruction of the main runway 4-22. It is anticipated that construction will occur in fiscal year 2015-16.

FAA will cover 90% of the design, environmental and construction costs; and the City is responsible for a 10% match.

Additionally, the City has applied for a Connect Oregon V grant to cover the required 10% match funds. The results of the Connect Oregon V grant process will be known in late summer 2014.

### Core Services

- The airport is owned by the City of McMinnville and is included in the National Plan of Integrated Airport Systems, making it eligible for federal funding. McMinnville Municipal Airport, designated by airport code MMV, occupies approximately 461 acres of land.
- MMV is classified as a “Category II – Urban General Aviation Airport” in the 2007 Oregon Aviation Plan. As such, MMV is a significant component in the statewide transportation system, and functions to accommodate corporate aviation activities (including business jets and helicopters), and other general aviation activities.
- The adopted 2004 Airport Layout Plan (ALP) identifies the current and future airport facility needs, and the improvements necessary to maintain a safe and efficient airport.
- The adopted “Minimum Standards for Commercial Aeronautical Activities” for the airport provide guidance and standards for current and future commercial activities and leases at the airport.
- MMV is a regional airport that supports the regional economy by connecting McMinnville and Yamhill County to statewide and interstate markets.

- There are several onsite services at MMV that support corporate and general aviation activities, including fixed-wing/rotary-wing flight instruction; aircraft/avionics maintenance; aircraft storage; self-piloted business flights; corporate flights; and personal flying.
- Per the FAA’s Northwest Mountain Regional Airport Plan (2011), MMV was the third busiest (of nine) regional airport in Oregon, with an estimated 63,500 total aircraft operations during FAA fiscal year 2009.
- Airport Fund resources are used to maintain all facilities and equipment owned by the City. This includes hangars; the Fixed Base Operations (FBO) building; the Oregon State Police building; and airfield infrastructure, including the runway, taxiways, lighting, and grounds.

### Future Challenges and Opportunities

- City owned buildings and facilities (including hangers, the FBO building, maintenance hangars, and hanger taxiways) are in need of repair and replacement. These projects are low in priority for FAA grant funding and, therefore, must be funded by City or private resources. Very little, if any, Airport Maintenance Fund revenue is available for these projects.
- The airport has attempted to be totally self-supporting. However, due to the limited revenue generation, the City has had to come up with creative funding sources (such as the partnership with Evergreen Aviation which funded the City’s required 5% match for the 17-35 Runway/Taxiway project completed in 2010). With all property tax supported funds struggling for revenues, it is more critical than ever that additional revenues are generated from other sources.
- FAA regulations continue to change. Security measures will likely increase in the future putting additional strain on Airport Maintenance Fund revenues.



## Airport Maintenance Fund

## Historical Highlights

- 1942** McMinnville Municipal Airport constructed as national defense project for World War II. The airport property is acquired (fee title) by the City in 1942 and the federal government constructs the airport and airfield facilities.
- 1957** East Hangar is constructed.
- 1973** Airport Layout Plan (ALP) and Master Plan is written.
- 1982** Voters pass 6-year bond levy to construct Automated Flight Service Building - \$700,000.
- 1987** Annual \$60,000 Transfer to Debt Service Fund eliminated.
- 1992** Main runway 4/22 reconstructed at cost of \$1,375,000 – 90% Federal Aviation Administration – Airport Improvement Projects (FAA-AIP) Grant funded.
- 1999** New AVGAS and Jet A above ground fuel tanks installed using lease/purchase 7-year financing.
- 2001** Airport Taxiway Improvement Project completed at a cost of \$1,900,000 – 90% FAA – AIP Grant funded.
- 2003** Runway Protection Zone (RPZ) Tree Topping Project completed at a cost of \$165,000 – 90% FAA-AIP Grant funded.
- 2004** Apron Expansion Project completed at a cost of \$490,000 – 90% FAA-AIP Grant funded.
- 2005** Completed Oregon Department of Aviation (ODA) sponsored runway/taxiway seal coat project, paid off above-ground fuel tanks, and completed major runway lighting repairs.
- 2006** FAA contracts out Flight Services to Lockheed-Martin. Flight Services Station to close.
- 2006** City and Evergreen Aviation reach agreement on partnership for major airport improvements.
- 2007** Environmental and design work begin for major airport improvements.
- 2008** City and Oregon State Police reach agreement on lease terms on the former FAA Flight Services Station Building.
- 2008** New taxiway to Evergreen hangar and reconstruction of Runway 17/35 completed.
- 2009** Remodel of the former FAA Flight Service Station for the Oregon State Police is completed. OSP occupies 90% of the building on a long term lease.
- 2010** Completion of the 17/35 Runway/Taxiway project at a cost of \$4.4mil.



The FBO or “Terminal Building” continues to be a priority but lacks a funding source.

Budget Officer Report

**25 - AIRPORT MAINTENANCE FUND**

2012 ACTUAL	2013 ACTUAL	YTD 6/30/2014	Department :N/A Section :N/A Program :N/A	2014 ESTIMATED	2014 AMENDED BUDGET	2015 1 - Dept Proposal
<b>RESOURCES</b>						
<b>BEGINNING FUND BALANCE</b>						
774,392	809,288	740,468	<b>4090</b> <b>Beginning Fund Balance</b> Estimated July 1, 2014 carryover from the 2013-2014 fiscal year.	740,470	739,694	710,000
<b>774,392</b>	<b>809,288</b>	<b>740,468</b>	<b>TOTAL BEGINNING FUND BALANCE</b>	<b>740,470</b>	<b>739,694</b>	<b>710,000</b>
<b>INTERGOVERNMENTAL</b>						
0	0	0	<b>4580</b> <b>FAA Grant</b> FAA grant for environmental and design work related to the rehabilitation and reconstruction of the main runway 4-22 project planned for 2015-16. Grant will fund 90% of the cost; City will match will be 10%.	50,000	180,000	250,000
<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL INTERGOVERNMENTAL</b>	<b>50,000</b>	<b>180,000</b>	<b>250,000</b>
<b>CHARGES FOR SERVICES</b>						
13,885	13,654	13,654	<b>5400-05</b> <b>Property Rentals - Crop Share &amp; USDA</b>	13,650	13,600	13,600
54,549	55,863	55,313	<b>5400-10</b> <b>Property Rentals - Land Leases</b>	57,700	56,800	59,700
104,977	107,958	76,598	<b>5400-15</b> <b>Property Rentals - OSP Building</b>	117,100	116,800	119,800
9,654	9,888	5,847	<b>5400-20</b> <b>Property Rentals - Fixed Base Operator Lease</b>	10,100	10,000	10,200
44,184	41,508	3,025	<b>5400-25</b> <b>Property Rentals - City Hangar</b>	40,000	42,000	40,000
<b>227,250</b>	<b>228,871</b>	<b>154,437</b>	<b>TOTAL CHARGES FOR SERVICES</b>	<b>238,550</b>	<b>239,200</b>	<b>243,300</b>
<b>MISCELLANEOUS</b>						
4,103	4,472	2,322	<b>6310</b> <b>Interest</b>	4,200	5,300	4,300
9,832	10,565	4,809	<b>6600</b> <b>Other Income</b> Includes the fuel flowage fees (\$0.05 per gallon) paid by the aviation fuel provider.	6,500	10,000	7,000
<b>13,935</b>	<b>15,037</b>	<b>7,131</b>	<b>TOTAL MISCELLANEOUS</b>	<b>10,700</b>	<b>15,300</b>	<b>11,300</b>
<b>1,015,577</b>	<b>1,053,196</b>	<b>-77,963</b>	<b>TOTAL RESOURCES</b>	<b>1,039,720</b>	<b>1,174,194</b>	<b>1,214,600</b>

## 25 - AIRPORT MAINTENANCE FUND

2012 ACTUAL	2013 ACTUAL	YTD 6/30/2014	Department :N/A Section :N/A Program :N/A	2014 ESTIMATED	2014 AMENDED BUDGET	2015 1 - Dept Proposal
<b>REQUIREMENTS</b>						
<b>MATERIALS AND SERVICES</b>						
3,910	6,100	6,400	<b>7610-05 Insurance - Liability</b>	6,400	6,400	6,400
4,200	4,500	5,000	<b>7610-10 Insurance - Property</b>	5,000	5,000	5,700
0	0	0	<b>7620 Telecommunications</b> Airport Manager phone.	100	200	200
1,734	2,001	1,773	<b>7660 Materials &amp; Supplies</b> Airport restroom, janitorial and office supplies, miscellaneous permits.	2,500	2,500	3,000
20,884	23,138	26,082	<b>7720-40 Repairs &amp; Maintenance - Runway/Taxiway</b>	38,000	40,000	40,000
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Airport grounds mowing	1	17,000	17,000
			Airport grounds weed spraying	1	10,000	10,000
			Airport miscellaneous repairs - minor paving, painting, etc.	1	13,000	13,000
16,706	13,938	14,164	<b>7740-05 Rental Property Repair &amp; Maint - Building</b>	40,500	23,500	15,000
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Miscellaneous repairs, maintenance, landscaping, etc	1	13,100	13,100
			Insurance - liability	1	1,900	1,900
11,803	6,604	9,033	<b>7740-10 Rental Property Repair &amp; Maint - OSP</b>	15,000	15,000	17,000
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Insurance - property	1	2,700	2,700
			Insurance - liability	1	500	500
			Miscellaneous repairs, maintenance, landscape, etc	1	13,800	13,800
22,407	14,470	9,464	<b>7750 Professional Services</b>	20,400	20,000	20,000
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Audit fee allocation	1	600	600
			Miscellaneous professional services	1	5,300	5,300
			Contract airport manager	1	14,100	14,100
0	0	0	<b>7760-45 Professional Svcs - Plan/Study - Environmental Design &amp; Const Svc</b> Environmental and design work related to the main runway 4-22 rehabilitation/reconstruction project planned for FY15/16.	55,555	200,000	277,778
4,790	9,216	0	<b>7770-52 Professional Services - Projects - OSP Remodel</b>	0	0	0
5,405	5,082	4,393	<b>8215 Airport Lighting</b> Runway, beacon, street, and parking area lighting maintenance and power costs.	15,000	15,000	15,000
<b>91,837</b>	<b>85,049</b>	<b>76,308</b>	<b>TOTAL MATERIALS AND SERVICES</b>	<b>198,455</b>	<b>327,600</b>	<b>400,078</b>

Budget Officer Report

**25 - AIRPORT MAINTENANCE FUND**

2012 ACTUAL	2013 ACTUAL	YTD 6/30/2014	Department :N/A Section :N/A Program :N/A	2014 ESTIMATED	2014 AMENDED BUDGET	2015 1 - Dept Proposal
<b><u>CAPITAL OUTLAY</u></b>						
0	106,241	0	<b>8800 Building Improvements</b>	0	0	0
0	0	0	<b>8920-10 Land Improvements - FAA - Runway &amp; Taxiway Const</b>	0	0	0
0	0	0	<b>8920-15 Land Improvements - Leasee Improvements</b>	0	0	0
<b>0</b>	<b>106,241</b>	<b>0</b>	<b><u>TOTAL CAPITAL OUTLAY</u></b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>TRANSFERS OUT</u></b>						
44,452	51,437	61,122	<b>9700-01 Transfers Out - General Fund</b>	61,122	61,122	68,946
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Airport Fund support of Engineering operations.	1	5,328	5,328
			Engineering, Admin, & Finance personnel services support.	1	63,618	63,618
70,000	70,000	70,000	<b>9700-77 Transfers Out - Wastewater Capital</b>	70,000	70,000	0
<b>114,452</b>	<b>121,437</b>	<b>131,122</b>	<b><u>TOTAL TRANSFERS OUT</u></b>	<b>131,122</b>	<b>131,122</b>	<b>68,946</b>
<b><u>CONTINGENCIES</u></b>						
0	0	0	<b>9800 Contingencies</b>	0	300,000	300,000
<b>0</b>	<b>0</b>	<b>0</b>	<b><u>TOTAL CONTINGENCIES</u></b>	<b>0</b>	<b>300,000</b>	<b>300,000</b>
<b><u>ENDING FUND BALANCE</u></b>						
809,288	740,468	694,606	<b>9999 Unappropriated Ending Fd Balance</b> Undesignated carryover for July 1, 2015, including the excess (deficit) of revenues over (under) expenditures from 2014-2015 operations.	710,143	415,472	445,576
<b>809,288</b>	<b>740,468</b>	<b>694,606</b>	<b><u>TOTAL ENDING FUND BALANCE</u></b>	<b>710,143</b>	<b>415,472</b>	<b>445,576</b>
<b>1,015,577</b>	<b>1,053,195</b>	<b>902,036</b>	<b><u>TOTAL REQUIREMENTS</u></b>	<b>1,039,720</b>	<b>1,174,194</b>	<b>1,214,600</b>

Budget Officer Report

**25 - AIRPORT MAINTENANCE FUND**

2012 ACTUAL	2013 ACTUAL	YTD 6/30/2014	Department :N/A Section :N/A Program :N/A	2014 ESTIMATED	2014 AMENDED BUDGET	2015 1 - Dept Proposal
1,015,577	1,053,196	902,037	<b>TOTAL RESOURCES</b>	1,039,720	1,174,194	1,214,600
1,015,577	1,053,196	-77,963	<b>TOTAL REQUIREMENTS</b>	1,039,720	1,174,194	1,214,600