



City of McMinnville

AIRPORT COMMISSION MEETING

McMINNVILLE CIVIC HALL
200 NE Second Street

Tuesday, March 1, 2016
6:30 p.m.

Chair Jody Christensen

Commissioner Andy Benedict
Commissioner Doug Hurl
Commissioner Bob Peacock

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. **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.*
3. **ELECTION OF OFFICERS** (All)
 - Per Section 2.28.020(D) of the Airport Commission rules, at its first meeting each year, the Commission shall elect a chairperson and a vice chairperson.
 - Commission Action Required: **By MOTION and VOTE, the Commission shall elect a Chair and Vice-Chair for calendar year 2016.**
4. **CONSIDER MINUTES OF THE NOVEMBER 3, 2015 COMMISSION MEETING**
 - Commission Action Required: **By MOTION and VOTE, the Commission shall approve the minutes from the November 4th meeting.**

AIRPORT COMMISSION MEETING

**Tuesday, March 1, 2016
6:30pm**

Agenda Item 4. **MINUTES OF THE NOVEMBER 3, 2015 MEETING**

- Attachment 1: Proposed minutes.

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McMinnville Airport Commission Meeting Minutes

McMinnville Airport,
Civic Hall

Tuesday, November 3, 2015

1. The meeting was called to order at 6:30pm by Chair Christensen. Commissioners present were Jody Christensen, Brad Berry, John Lautenbach, Doug Hurl, Andy Benedict, Bob Peacock, and City Councilor Alan Ruden. Staff in attendance included Mike Bisset, Rich Spofford (City of McMinnville) and Graham Goad (Airport Manager).
2. **Invitation to Citizens for Public Comment:** Tony Hann, from Infinite Air Center, addressed the Commission, and thanked them for the opportunity to present a proposal for FBO services. He indicated that he learned a lot from the RFP process, and he congratulated Konect Aviation.
3. **Consider Minutes of the July 21, 2015 Commission Meeting:** Chair Christensen asked for comments on the minutes from July 21, 2015 Commission meeting. Hearing none, she asked for a motion to approve. A motion to approve the minutes, as presented, was made by Commissioner Lautenbach and seconded by Commissioner Peacock; and the minutes were approved by unanimous vote of the Commissioners present.
4. **Fixed Base Operator Request for Proposal:** Mike Bisset briefly reviewed the RFP process and stated that two proposals received. He indicated that he was part of the RFP review committee, which also included Rich Spofford, City Manager Martha Meeker and Airport Manager Graham Goad, that reviewed and scored the proposals against the criteria contained in the RFP. Additionally, both proposers were interviewed by the RFP review committee. At the completion of the RFP review and interview process, it was the unanimous conclusion of the committee that Konect Aviation Oregon LLC had provided the proposal that was in the best interest of the Airport and the City.

The Chair asked for comments or questions from the commissioners. Commissioner Peacock stated that he had reviewed both proposals and found them to be good proposals. He indicated that he agreed with the staff recommendation to award the contract to Konect.

Commissioner Berry stated he had reviewed both proposals, and that he also found them to be excellent proposals. He stated that he had some financial questions that had been answered by Mike Bisset. He also agreed with the staff decision to award the contract to Konect.

Commissioner Lautenbach indicated that he had reviewed both proposals. He noted that he felt that the proposal from Infinite Air Center was very good, and that it included a grand vision for the airport.

Then he indicated that he found the proposal from Konect to be more aligned with the small town airport that he felt McMinnville's airport still was. He thanked both proposers.

Councilor Ruden asked Mike Bisset when the current lease expired and when the new operator would start. Mike noted that the current lease would end on June 30, 2016 and the new lease would start on July 1, 2016.

Commissioner Benedict noted that Konect was primarily a helicopter operator and posed a number of questions to Konect about how they intended to conduct fixed wing training and what aircraft they intended to use. Holly Nehls answered the questions for Konect.

Commissioner Berry made a motion recommending that the City Council award the new FBO lease to Konect Aviation. The motion was seconded, and carried by a unanimous vote of the Commissioners present.

5. **FAA Lease Request:** Rich Spofford reviewed the FAA lease request for the 1200 square foot area they use in the Oregon State Police Building. Commissioner Berry asked some questions about the rates and term of the lease. Rich explained that the initial rate was based on the current market rate, and that the lease included fixed 3% per year rate increases over the term of the lease. He noted that the fixed annual increase is preferred by the FAA, versus an annual CPI adjustment approach.

Commissioner John Lautenbach asked staff if the lease money all went into the Airport fund and Mike Bisset indicated that it does.

Commissioner Hurl made a motion recommending that the City Council approve the FAA lease. The motion was seconded by Commissioner Peacock, and carried by a unanimous vote of the Commissioners present.

6. **Items from Staff:** Graham Goad gave the Airport Manager's report:
- He reviewed the Shift Sector event held on the weekend of August 21-22. He noted that the event included two days of sport and race cars running ½-mile speed trails on Runway 22. The event was well attended, and all involved thought that it was a great event. He mentioned that he only had a couple hours of minor clean-up work on the Monday morning following the event, which he felt was very good considering the size and scope of the event. He noted that on October 22nd a contractor re-painted the "22" numbers on the runway, which was necessary because the event had left them un-readable due to the race cars doing burn outs in that area. The costs for the painting were paid for by the Shift Sector organizers.
 - He reported on the KR2 convention that took place at the airport September 3-7. He noted that it brought eight planes and about 50 people to the airport. Most of the event was hosted in the B&G Hangar.
 - He noted that in September there was a pavement inspection by ODA, and a FAA inspection of the Runway Safety Areas. Both inspections went well with one minor correction noted during the FAA inspection, which was corrected the following day.

Mike Bisset reported on the "Fly Friendly" program, and noted that the contract had been approved by the City Council. The City Council had requested that the work start once the new FBO operator was selected, and thus the work is expected to commence in 2016.

7. **Items from Commissioners:** Commissioner Hurl asked staff questions about ongoing helicopter operations at the airport. Mike and Graham answered the questions, and noted that there had been a few recent complaints from airport neighbors.

The meeting was adjourned at 7:07 pm

AIRPORT COMMISSION MEETING

Monday, March 1, 2016
6:30pm

Agenda Item 5. **AIRPORT FUND BUDGET REVIEW**

- Attachment 1: Staff Memo
- Attachment 2: Proposed FY16/17 Airport Fund Budget

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M E M O R A N D U M

DATE: February 23, 2016
TO: Airport Commission
FROM: Mike Bisset, Community Development Director
SUBJECT: **AIRPORT FUND BUDGET**
FY16/17

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 Airport Commission’s consideration are the proposed Airport Fund budget revenues and expenses for FY16/17. 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
2014 ACTUAL	Actual revenues / expenses for each line for the fiscal year ending June 30, 2014.
2015 ACTUAL	Actual revenues / expenses for the fiscal year ending June 30, 2015.
YTD 6/30/2016	Year to date revenues / expenses for the current fiscal year as of Feb. 24, 2016. <i>Note that the “6/30/2016” is an error in the header that we can’t delete.</i>
2016 ESTIMATED	Staff’s estimate of the total revenues / expenses for the current fiscal year (ending June 30, 2016).
2016 AMENDED BUDGET	The budget for the current fiscal year (ending June 30, 2016) adopted by the City Council in June 2015.
2017 2 – Dept Proposal #2	Staff’s proposal for revenues / expenses for next fiscal year (July 1, 2016 – June 30, 2017).

Staff will review the proposed revenues and expenses at the Commission meeting on March 1st.

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 FY16/17 Airport Fund budget.** The City Council and Budget Committee will consider the proposed budget at their meeting on May 18, 2016, and the City Council will officially adopt the budget at their meeting on June 28, 2016.

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Budget Officer Report

25 - AIRPORT MAINTENANCE FUND

2014 ACTUAL	2015 ACTUAL	YTD 6/30/2016	Department :N/A Section :N/A Program :N/A	2016 ESTIMATED	2016 AMENDED BUDGET	2017 2 - Budget Proposal #2
RESOURCES						
BEGINNING FUND BALANCE						
0	0	0	4025-15 Designated Begin FB-Airport Fd - Facility Improvements	0	0	50,000
749,750	726,852	835,256	4090 Beginning Fund Balance Estimated July 1, 2016 carryover from the 2015-2016 fiscal year.	835,255	811,138	807,183
749,750	726,852	835,256	TOTAL BEGINNING FUND BALANCE	835,255	811,138	857,183
INTERGOVERNMENTAL						
0	169,495	232,966	4580 FAA Grant 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%.	510,050	579,801	2,978,354
0	16,152	11,196	4775-10 ODOT State Grants - Connect Oregon Connect Oregon V grant funds used for 10% match which is required with FAA grants	56,672	64,422	330,928
0	185,647	244,162	TOTAL INTERGOVERNMENTAL	566,722	644,223	3,309,282
CHARGES FOR SERVICES						
13,654	13,654	13,654	5400-05 Property Rentals - Crop Share & USDA	13,600	13,600	13,600
57,725	60,010	57,386	5400-10 Property Rentals - Land Leases	60,500	61,000	61,500
116,894	119,827	71,361	5400-15 Property Rentals - OSP Building	123,100	122,800	125,400
10,092	10,308	6,962	5400-20 Property Rentals - Fixed Base Operator Lease	9,700	10,500	9,700
38,510	37,600	17,948	5400-25 Property Rentals - City Hangar	37,000	40,000	37,000
236,875	241,400	167,311	TOTAL CHARGES FOR SERVICES	243,900	247,900	247,200
MISCELLANEOUS						
3,938	3,525	1,739	6310 Interest	3,300	4,100	3,300
8,093	6,565	5,777	6600 Other Income Includes the fuel flowage fees (\$0.05 per gallon) paid by the aviation fuel provider.	8,000	5,000	8,000
12,031	10,090	7,517	TOTAL MISCELLANEOUS	11,300	9,100	11,300
998,656	1,163,989	204,245	TOTAL RESOURCES	1,657,177	1,712,361	4,424,965

25 - AIRPORT MAINTENANCE FUND

2014 ACTUAL	2015 ACTUAL	YTD 6/30/2016	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2016 ESTIMATED	2016 AMENDED BUDGET	2017 2 - Budget Proposal #2
REQUIREMENTS						
MATERIALS AND SERVICES						
6,400	6,400	6,900	7610-05 Insurance - Liability	6,900	6,900	6,100
5,000	5,700	5,800	7610-10 Insurance - Property	5,800	5,800	7,000
0	0	0	7620 Telecommunications Airport Manager phone.	0	200	0
2,462	1,883	1,515	7660 Materials & Supplies Airport restroom, janitorial and office supplies, miscellaneous permits.	3,300	3,000	3,000
31,202	32,687	23,617	7720-40 Repairs & Maintenance - Runway/Taxiway	41,000	41,000	50,000
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Airport grounds mowing	1	24,000	24,000
			Airport grounds weed spraying	1	14,000	14,000
			Airport miscellaneous repairs - minor paving, painting, etc.	1	12,000	12,000
31,423	10,783	9,071	7740-05 Rental Property Repair & Maint - Building	35,000	32,500	42,500
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Insurance - liability	1	2,200	2,200
			Miscellaneous repairs, maintenance, landscaping, etc.	1	30,300	30,300
			Removal of FBO building	1	10,000	10,000
14,695	13,846	8,668	7740-10 Rental Property Repair & Maint - OSP	22,400	18,300	22,400
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Insurance - liability	1	500	500
			Insurance - property	1	3,400	3,400
			Miscellaneous repairs, maintenance, landscape, etc	1	18,500	18,500
19,859	14,393	6,414	7750 Professional Services	29,500	45,082	39,600
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Contract Airport Manager	1	15,000	15,000
			Miscellaneous professional services	1	20,000	20,000
			Audit fee allocation with Single Audit	1	4,600	4,600
22,375	165,954	263,782	7760-45 Professional Svcs - Plan/Study - Environmental Design & Const Svc	566,723	642,223	309,283
			Environmental and design work related to the main runway 4-22 rehabilitation/reconstruction project planned for 2015-16			
7,267	6,384	3,736	8215 Airport Lighting	11,000	15,000	15,000
			Runway, beacon, street, and parking area lighting maintenance and power costs.			
140,682	258,031	329,503	TOTAL MATERIALS AND SERVICES	721,623	810,005	494,883

Budget Officer Report

25 - AIRPORT MAINTENANCE FUND

2014 ACTUAL	2015 ACTUAL	YTD 6/30/2016	Department :N/A Section :N/A Program :N/A	2016 ESTIMATED	2016 AMENDED BUDGET	2017 2 - Budget Proposal #2
<u>CAPITAL OUTLAY</u>						
0	0	0	8800 Building Improvements	0	0	0
0	0	0	8920-10 Land Improvements - FAA - Runway & Taxiway Const	0	0	3,000,000
0	0	0	9120 Sewer Construction Installation of approximately 400 lineal feet of sanitary sewer to serve existing and future hangars east of Cirrus Avenue.	0	0	40,000
0	0	0	<u>TOTAL CAPITAL OUTLAY</u>	0	0	3,040,000
<u>TRANSFERS OUT</u>						
61,122	70,702	73,871	9700-01 Transfers Out - General Fund	73,871	73,871	76,384
			<u>Description</u>	<u>Units</u>	<u>Amt/Unit</u>	<u>Total</u>
			Airport Fund support of Engineering operations.	1	6,483	6,483
			Engineering, Admin, & Finance personnel services support.	1	69,901	69,901
70,000	0	0	9700-77 Transfers Out - Wastewater Capital	0	0	0
131,122	70,702	73,871	<u>TOTAL TRANSFERS OUT</u>	73,871	73,871	76,384
<u>CONTINGENCIES</u>						
0	0	0	9800 Contingencies	0	300,000	300,000
0	0	0	<u>TOTAL CONTINGENCIES</u>	0	300,000	300,000
<u>ENDING FUND BALANCE</u>						
0	0	50,000	9925-15 Designated End FB - Airport Fd - Facility Improvements Carryover designated for future facility improvements	50,000	50,000	100,000
726,852	835,256	800,871	9999 Unappropriated Ending Fd Balance Undesignated carryover for July 1, 2016, including the excess (deficit) of revenues over (under) expenditures from 2015-2016 operations.	807,183	478,485	403,998
726,852	835,256	850,871	<u>TOTAL ENDING FUND BALANCE</u>	857,183	528,485	503,998
998,656	1,163,989	1,254,245	<u>TOTAL REQUIREMENTS</u>	1,652,677	1,712,361	4,415,265

25 - AIRPORT MAINTENANCE FUND

2014 ACTUAL	2015 ACTUAL	YTD 6/30/2016	Department : <i>N/A</i> Section : <i>N/A</i> Program : <i>N/A</i>	2016 ESTIMATED	2016 AMENDED BUDGET	2017 2 - Budget Proposal #2
998,656	1,163,989	1,254,245	TOTAL RESOURCES	1,657,177	1,712,361	4,424,965
998,656	1,163,989	204,245	TOTAL REQUIREMENTS	1,652,677	1,712,361	4,415,265