



## 2006 – 2007 Proposed Budget --- Budget Summary Airport Maintenance Fund

### 2006 – 2007 Airport Maintenance Fund Budget Highlights

- Anticipate public/private partnership with Evergreen International Aviation working toward reconstructing the airport's secondary runway 17/35 and constructing an access taxiway to City hangars and Evergreen's property.
- Fuel storage tanks were paid off in 2005 – 2006 costing approximately ~\$45,000 per year.
- Funding set aside for a FBO (fixed base operator) building feasibility study to address 2006 Council Goal.

### Short- and Long-Term Issues

- **Short-Term Issues** --- addressed by 2006 – 2007 Proposed Budget
- **Long-Term Issues**
  - City owned buildings and facilities, including hangars, 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. There is very little Airport Fund revenue for these projects.
  - The airport has attempted to be totally self-supporting. Due to the limited revenue generation, property tax revenues were transferred from the Capital Improvement Fund as the City's match to recent FAA grants. With all property tax supported funds struggling for revenues, it is more critical that additional

revenues are generated from other sources to provide the required 5% FAA match.

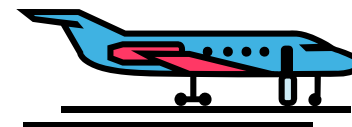
- The FAA Flight Service Center operations have now been privatized. The Flight Service Center is scheduled to close on June 4, 2007. This is a significant loss of revenue that will be hard to replace, ~\$90,000 per year.
- FAA regulations continue to change. Security measures will likely increase in the future putting additional strain on Airport Fund revenues.



71% of locally owned aircraft are stored in airport hangars.

### Core Services

- **Operations**
  - Charged with operating the airport facility necessary to meet all regulatory conditions as required by the FAA and providing a pleasing and safe environment for recreational pilots.
  - Operate all facilities in a cost effective and efficient manner.
- **Maintenance**
  - Responsible for maintaining all facilities and equipment owned by the City. This includes hangars, FBO building, FAA Flight Service Station, runway, taxiways, lighting, and grounds.



Jet aircraft compose 1.4% of operations.

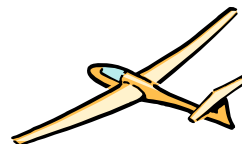


## Airport Maintenance Fund --- Historical Highlights

- 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.
- 1981** ALP and Master Plan updated.
- 1982** Voters pass 6-year bond levy to construct flight service building - \$700,000.
- 1987** Annual \$60,000 Transfer to Debt Service Fund eliminated.
- 1989** ALP and Master Plan updated.
- 1992** Main runway 4/22 reconstructed at cost of \$1,375,000 – 90% 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** ALP and Master Plan updated - FAA/ODA Grant.
- 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.

There are 2,500 glider operations per year.



From 1998 to 2002, airport activity increased 47%.



1998: 38,000 gallons of jet fuel were sold.

2002: 82,000 gallons of jet fuel were sold.



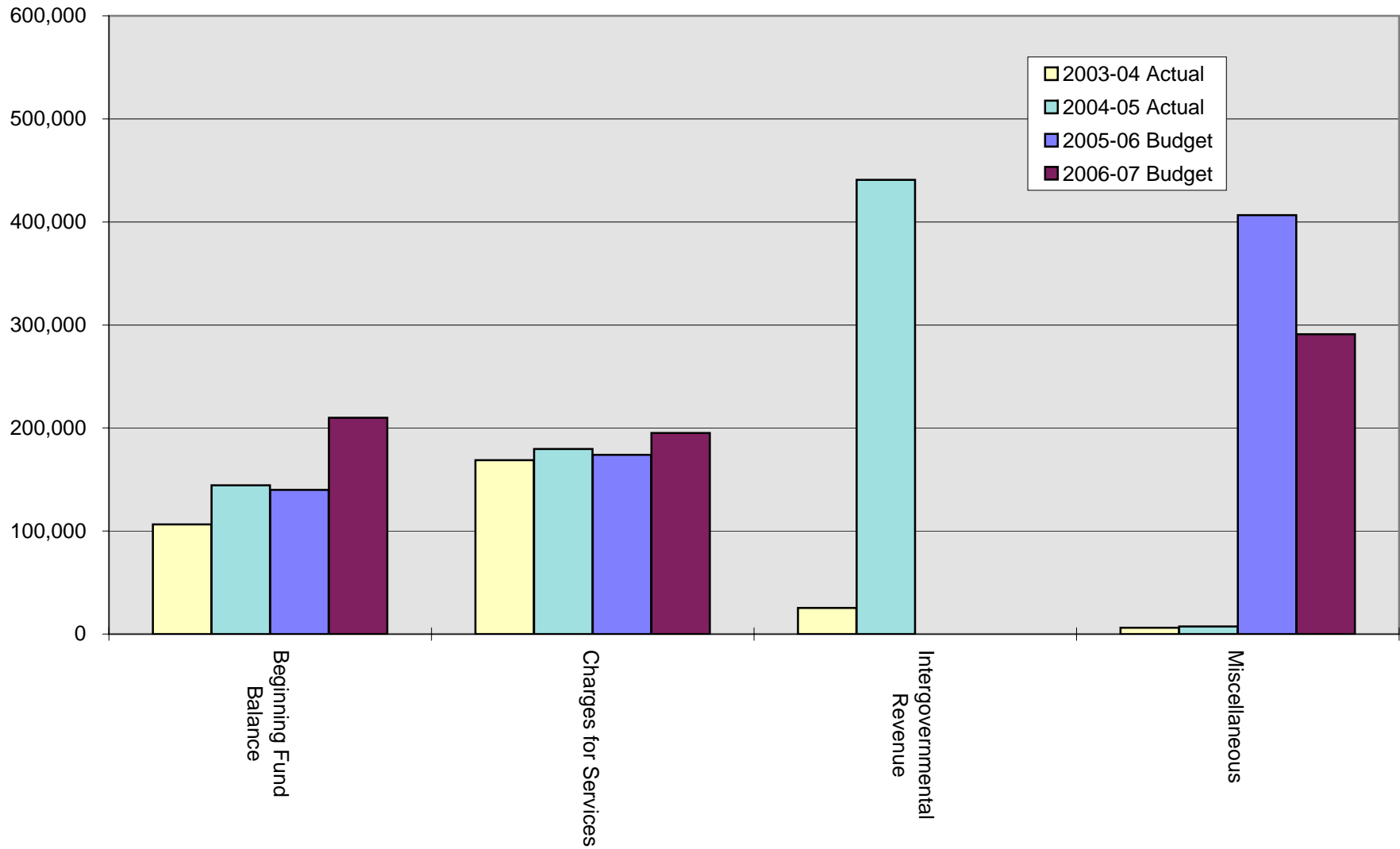
In 1980, there were 80 based aircraft.

In 2002, there were 150.

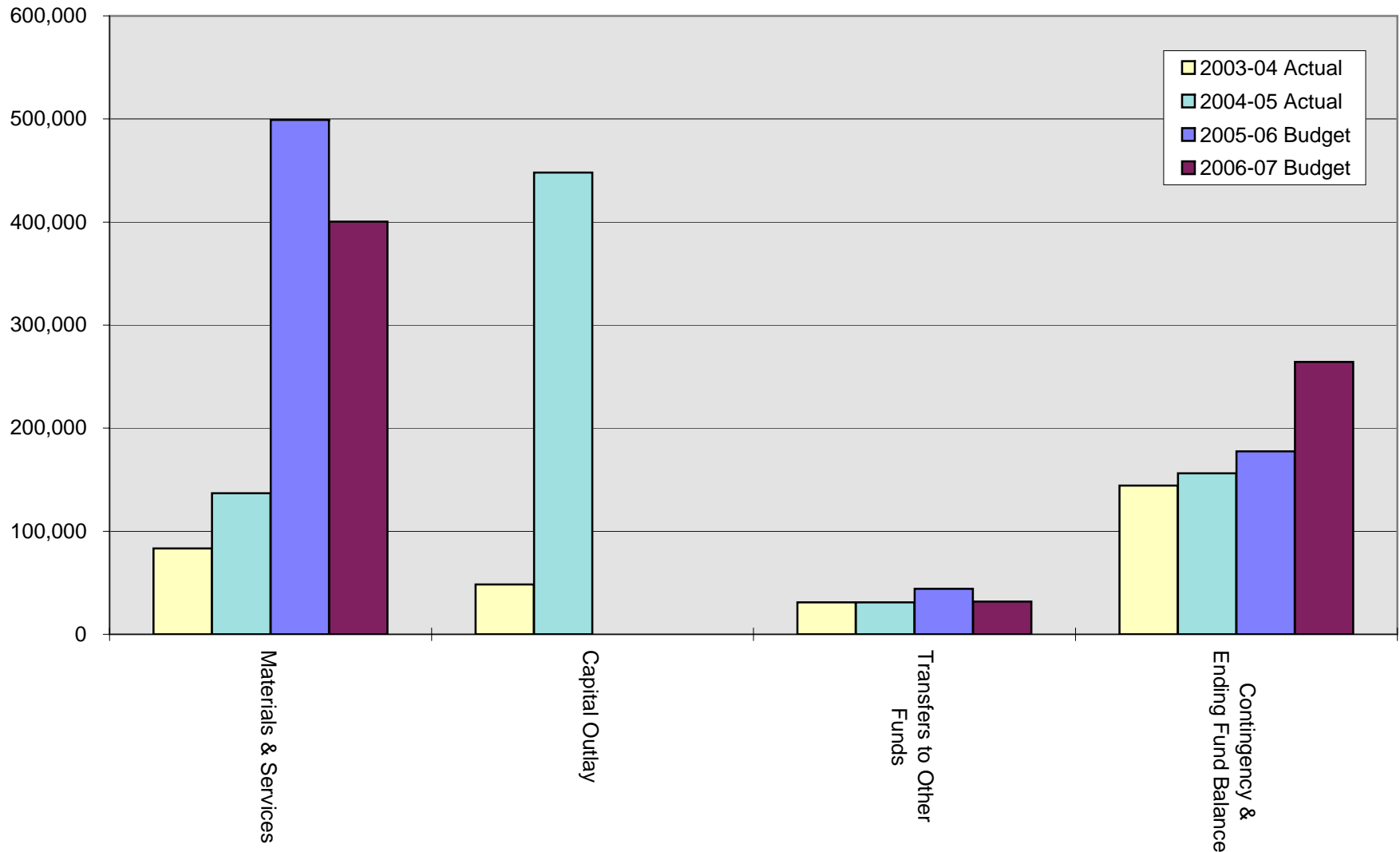
In 2002, there were 65,961 aircraft operations.



## Airport Maintenance Fund Resources



## Airport Maintenance Fund Requirements



## AIRPORT MAINTENANCE FUND

2006-07

02-Aug-06

75	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
<b><u>RESOURCES</u></b>									
<b><u>BEGINNING FUND BALANCE</u></b>									
		106,357	144,373	140,000	<b>60001-00</b>		0.00	210,000	210,000
					BEGINNING FUND BALANCE				
					Estimated July 1, 2006 cash carryover from the 2005 - 2006 fiscal year.				
		106,357	144,373	140,000			0.00	210,000	210,000
					<b>TOTAL BEGINNING FUND BALANCE</b>		0.00	210,000	210,000
<b><u>CHARGES FOR SERVICES</u></b>									
		0	0	0	<b>60044-00</b>		0.00	0	0
					AIRPORT LAND RENTALS:				
		17,511	17,394	18,000	<b>60044-11</b>		0.00	18,000	18,000
					AR - CROP SHARE & USDA				
					15,000 Crop share farmland around airport --- presently Kauer Farms and Eichler Farms				
					1,000 Crop share farmland near airport --- presently Van Holland Farms				
					2,000 USDA payments				
					*Airport Group --- Take bids on airport land crop share like was done at the WRF !!!				
		30,795	39,303	34,000	<b>60044-21</b>		0.00	35,000	35,000
					AR - LAND LEASES				
					5,500 Comcast building - land lease				
					1,200 Cascade Soaring - using airport grounds for glider operations				
					28,300 Hangars - land leases				
					*PB --- In-kind land lease with Yamhill County of \$1,000 added to PD M&S - Patrol, Account #01-07-80461-21.				
					CB --- Develop system to account for City's helicopter use !!!				
					RG --- Record JE to record use after system developed in 2006-2007 !!!				
		75,000	75,000	75,000	<b>60045-00</b>		0.00	95,000	95,000
					AFSS BUILDING RENTAL				
					FAA Automated Flight Service Station (AFSS) building lease. The current lease expires on September 30, 2007. The McMinnville AFSS is scheduled to close on June 4, 2007.				
					Budget Note: This rental lease currently provides approximately one-half of the revenue generated for airport operations.				
		7,998	8,664	8,000	<b>60049-00</b>		0.00	8,200	8,200
					FIXED BASED OPERATOR LEASE				
					8,200 Fixed Base Operator (FBO) lease				
		37,600	39,288	39,000	<b>60050-00</b>		0.00	39,000	39,000
					CITY HANGAR RENTALS				
					39,000 Lease payment for City-owned hangars				
		168,904	179,649	174,000			0.00	195,200	195,200
					<b>TOTAL CHARGES FOR SERVICES</b>		0.00	195,200	195,200
<b><u>INTERGOVERNMENTAL REVENUES</u></b>									
		0	10,000	0	<b>60136-00</b>		0.00	0	0
					ODA GRANT				
		25,428	430,934	0	<b>60138-03</b>		0.00	0	0
					FAA GRNT-RAMP CONST/HAZD REMOV				

## AIRPORT MAINTENANCE FUND

2006-07

02-Aug-06

75 00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
	25,428	440,934	0	<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	0.00	0	0	0
				<b><u>MISCELLANEOUS</u></b>				
	0	0	400,000	<b>60145-00 PUBLIC/PRIVATE PARTNERSHIP</b>	0.00	279,000	279,000	279,000
				Evergreen International Aviation's "seed money" for an environmental impact study and preliminary design for a Federal Aviation Agency (FAA) grant application to reconstruct the airport's secondary runway 17/35, construct a new infield taxiway to runway 17/35, and construct an access taxiway to City hangars and Evergreen property. The access taxiway will service a new Evergreen corporate hangar proposed to be built on Evergreen's property just south of the F-15 static display and provide a much needed route for transporting vintage aircraft to and from the Evergreen Aviation Museum. 50,000 Environmental Impact Study 229,000 Taxiway design				
				Budget Note: The City does not have adequate airport revenues or cash balance to fund the required initial environmental impact study or preliminary design services required by the FAA for grant submittal nor matching funds for this large project. In partnership with Evergreen, the City will apply for funding of the grant eligible portion of the access taxiway; and in exchange, Evergreen will provide revenues to meet the required 5% FAA match for the total project. This project will not proceed without a finalized partnership agreement with Evergreen.				
	1,810	3,047	2,600	<b>60151-00 INTEREST</b>	0.00	7,600	7,600	7,600
	4,387	4,369	4,000	<b>60167-00 OTHER INCOME</b>	0.00	4,500	4,500	6,000
				Revenue generated by surcharge on fuel sales by the fixed base operator (FBO).				
	6,197	7,416	406,600	<b>TOTAL MISCELLANEOUS</b>	0.00	291,100	291,100	292,600
	<b>306,886</b>	<b>772,372</b>	<b>720,600</b>	<b>TOTAL RESOURCES</b>	0.00	<b>696,300</b>	<b>696,300</b>	<b>720,550</b>

## AIRPORT MAINTENANCE FUND

2006-07

02-Aug-06

75 00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
<b>REQUIREMENTS</b>								
<b><u>MATERIALS &amp; SERVICES</u></b>								
	5,853	8,275	12,000	<b>80441-00 AIRPORT LIGHTING</b>	0.00	18,000	18,000	18,000
				Runway, beacon, street, and parking area lighting maintenance and power costs.				
	110	25	100	<b>80451-00 TELECOMMUNICATIONS</b>	0.00	200	200	200
				Airport Manager telephone/pager.				
	1,502	1,311	2,000	<b>80461-00 MATERIALS &amp; SUPPLIES</b>	0.00	2,000	2,000	2,000
				Airport restroom, janitorial, and office supplies.				
	0	0	0	<b>80471-00 REPAIRS &amp; MAINTENANCE:</b>	0.00	0	0	0
	15,118	19,307	34,000	<b>80471-01 R&amp;M - RUNWAY/TAXIWAY</b>	0.00	30,000	30,000	30,000
				General repairs and maintenance of runway/taxiway including minor asphalt repairs, painting, and weed control spraying.				
				15,000 Miscellaneous repairs				
				7,000 Mowing				
				8,000 Weed spraying				
	0	0	0	<b>80493-00 REPAIR &amp; MAINT - RENTAL PROP:</b>	0.00	0	0	0
	6,368	9,555	15,000	<b>80493-01 R&amp;M RENTAL PROP - BUILDINGS</b>	0.00	15,000	15,000	15,000
				Repairs, maintenance, landscaping, and insurance on FBO building and other airport City-owned hangers and buildings.				
	8,525	9,075	10,000	<b>80493-03 R&amp;M RENTAL PROP - AFSS</b>	0.00	10,000	10,000	10,000
				Repairs, maintenance, landscaping, and insurance on FAA Automated Flight Service Station.				
	4,000	5,200	4,900	<b>80511-00 INSURANCE-PROPERTY &amp; LIABILITY</b>	0.00	6,100	6,100	6,100
	13,524	17,062	21,000	<b>80611-00 PROFESSIONAL SERVICES:</b>	0.00	40,000	40,000	40,000
				20,000 FBO facility plan --- City Council 2006 Goal				
				13,200 Contract Airport Manager - Judy Newman				
				5,900 Miscellaneous consultant fees				
				900 Audit fee allocation				
	28,254	61,816	0	<b>80611-09 PS - FAA RAMP CONST/HAZD REM</b>	0.00	0	0	0
	0	0	400,000	<b>80611-11 PS - FAA RUNWY &amp; TAXIWAY CONS</b>	0.00	279,000	279,000	279,000
				Consultant's design services for project to reconstruct runway 17/35, construction of new parallel taxiway, and hangar taxiway in partnership with Evergreen International Aviation. Design services will not proceed without partnership agreement finalized.				
				50,000 Environmental Impact Study				
				229,000 Taxiway pre-design to prepare for FAA grant submittal				
	0	5,259	0	<b>80611-99 PS - GRANT FEASIBILITY COSTS</b>	0.00	0	0	0

**AIRPORT MAINTENANCE FUND**

2006-07

02-Aug-06

75	00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
		83,254	136,885	499,000	<b>TOTAL MATERIALS &amp; SERVICES</b>	0.00	400,300	400,300	400,300
					<b><u>CAPITAL OUTLAY</u></b>				
		0	0	0	80701-00 EQUIPMENT	0.00	0	0	0
		0	0	0	80771-00 BUILDING IMPROVEMENTS	0.00	0	0	0
		0	0	0	80773-00 LAND IMPROVEMENTS:	0.00	0	0	0
		48,279	48,279	0	80773-03 FUEL STORAGE TNK - L/P PAID	0.00	0	0	0
		0	399,790	0	80773-09 FAA - RAMP CONST/HAZARD REMOV	0.00	0	0	0
		48,279	448,069	0	<b>TOTAL CAPITAL OUTLAY</b>	0.00	0	0	0
					<b><u>TRANSFERS TO OTHER FUNDS</u></b>				
		0	0	0	80901-00 GENERAL FUND:	0.00	0	0	0
		30,380	30,501	32,422	80901-01 ADM FIN CD DIR MGMT PLAN	0.00	28,618	28,618	27,949
					Transfer to General Fund for personnel cost allocations for administration, finance, Community Development Director management, and planning services.				
		0	0	11,000	80901-03 GEN FD - COMMUNITY DEV CTR	0.00	240	240	240
					Transfer to General Fund for Airport Fund's allocation of the Community Development Center's operating costs; i.e., estimates of property and liability insurance, HVAC and lights, repairs and maintenance, building maintenance, janitorial services and supplies, and maintenance and rental contracts. In 2005-2006, purchase allocation of OMI Regional Building funded by this account.				
					Budget Note: The Engineering Department provides the Airport Fund with professional support including airport program management, airport project management, and airport contract management, particularly related to Federal Aviation Agency and Oregon Department of Aviation grant projects. In 2005-2006, this transfer allocation was used to purchase the Community Development Center building.				
		600	609	673	80912-00 PARKS & REC FUND - GRNDS MAINT	0.00	0	0	0
		0	0	0	80925-00 CAPITAL IMP FD - CDC REMODEL	0.00	2,760	2,760	2,760
					Transfer to Capital Improvement Fund for Airport Fund's allocation of the estimated remodeling costs prior to moving into the City's new Community Development Center.				
					Budget Note: The Engineering Department provides the Airport Fund with professional support including airport program management, airport project management, and airport contract management, particularly related to Federal Aviation Agency and Oregon Department of Aviation grant projects.				
		30,980	31,110	44,095	<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	0.00	31,618	31,618	30,949
					<b><u>OPERATING CONTINGENCIES</u></b>				
		0	0	75,000	80801-00 OPERATING CONTINGENCIES	0.00	65,000	65,000	65,000



**AIRPORT MAINTENANCE FUND**

*2006-07*

02-Aug-06

75 00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
	0	0	75,000	<b>TOTAL OPERATING CONTINGENCIES</b>	0.00	65,000	65,000	65,000
				<b><u>UNAPPROPRIATED ENDING FUND BAL</u></b>				
	144,373	156,308	102,505	<b>80997-00 UNAPPROPRIATED ENDING FUND BAL</b>	0.00	199,382	199,382	224,301
				Budgeted cash carryover for July 1, 2007. Actual cash carryover will also include all remaining money from the Operating Contingency account and the excess (deficit) of revenues over (under) expenditures from 2006 - 2007 operations.				
	144,373	156,308	102,505	<b>TOTAL UNAPPROPRIATED ENDING FUND BAL</b>	0.00	199,382	199,382	224,301
	<b>306,886</b>	<b>772,372</b>	<b>720,600</b>	<b>TOTAL REQUIREMENTS</b>	0.00	<b>696,300</b>	<b>696,300</b>	<b>720,550</b>

**AIRPORT MAINTENANCE FUND**

*2006-07*

02-Aug-06

75 00	ACTUAL 2003-04	ACTUAL 2004-05	BUDGET 2005-06		NUMBER OF EMPLOYEES	PROPOSED 2006-07	APPROVED 2006-07	ADOPTED 2006-07
	306,886	772,372	720,600	<b><i>AIRPORT MAINTENANCE FUND TOTAL REQUIREMENTS</i></b>		696,300	696,300	720,550