

**CITY OF ROSEBURG
AIRPORT COMMISSION
MEETING MINUTES
March 17, 2016**

CALL TO ORDER: Chair John McDonald, called the meeting of the Roseburg Airport Commission to order at 3:30 p.m., in the Third Floor Conference Room of City Hall in Roseburg, Oregon.

ROLL CALL

Present: Chair John McDonald, Commissioners Gary Crowe, Frank Inman, David Morrison, Robb Paul, Dan Sprague and Ex-officio Rob Levin

Absent: Commissioner Clint Newell

Others Present: City Manager Lance Colley, Finance Director Ron Harker, Airport Manager Pat Loegering, and Staff Assistant Sandy Cook.

APPROVAL OF MINUTES

Paul moved to approve the minutes of the January 20, 2016 Airport Commission meeting as presented. Motion was seconded by Inman and carried unanimously.

Assignment of Ground Lease – Corporate Hangar Space #8

Yesterday, Staff received a request from Dave Leonard of LIDO, LLC for assignment of his lease of Corporate Hangar Space #8 to South Deer Creek Ranch, LLC. This will be considered “off agenda” to prevent further delay in the requested transaction. Transfer of this lease is revenue neutral as all corporate hangars pay the same monthly amount.

Crowe moved that the Airport Commission recommend to City Council to approve the requested assignment of Corporate Hangar #8 from LIDO, LLC (Dave Leonard) to South Deer Creek Ranch, LLC. Motion was seconded by Paul and carried unanimously.

Funding Options for Improvements

Colley provided background information regarding recent expenditures from Urban Renewal Funds that have been used as matching funds for FAA grants for Airport improvements. Urban Renewal will be discontinued in three years and will no longer be available to assist with similar funding. The City’s General Fund may not have additional monies available either. Council has requested the Airport Commission to consider alternative funding mechanisms. Finance Director Ron Harker presented a spreadsheet detailing historical revenue/expenditures from the Airport fund as well as projected forecasts for future years. This indicates the Airport will have a deficit in funding within a few years. Something needs to be in place for expenses including contingencies for unexpected costs. The forecast does not include additional expenditures as matching funds to any grants that might become available.

Harker recommended that in addition to the operational fund balance, the regular ending fund balance should stay at about 20% of annual expenditures and have a reserve for future capital. This is an enterprise fund and is intended to fund itself. With significant investments completed there are no anticipated capital expenditures expected over the next three to five years. It is incumbent upon the commission to come up with innovative ideas to increase revenue for the airport and provide a recommendation to the City

Council. Some resources have been included in the Urban Renewal Budget for this upcoming years' FAA match. The Airport Master Plan is scheduled to be updated in 2017-18 which will identify proposed projects and projected expenses for the coming years. However, Council has requested additional funding mechanisms to be in place. In response to questioning regarding the recommendation of excess monies necessary to be available, Colley suggested \$45-\$50,000 over actual forecasted expenses.

Upon questioning, Loegering explained the hangar vacancy rate has been consistent in recent times. The Commission reviewed revenue sources currently in place – Tom Thumb, land leases, rental income, and interest income. Brief discussion occurred regarding “through the fence program” of which the FAA policy does not endorse. Colley noted the City needs to comply with federal guidelines. Sprague suggested marketing the vacant lot at the north end Hangars. There was additional discussion about the vacant lot north of Airport Runway 16 (across Edenbower) and the difficulty with marketing it. Airport users benefit by identifying and completing the long term plans of the Airport and should therefore contribute to those costs. Morrison identified obvious resources – increase hangar rents, costs of keeping a plane at the Airport and promoting more use by fuel consumption. He suggested that use by private pilots provides economic development potential of the Airport and makes Roseburg accessible. The question is how to enhance the likelihood that the Airport can be an engine of economic development of the community. It is hard to measure and hard to develop it, but it should be a component of the economic value. Crowe suggested that since the entire County can benefit and not just the City of Roseburg, then the County should also participate.

Inman stated that ideas for raising revenue is somewhat limited and suggested they should consider how to curb expenditures by reviewing the line items in the budget. Colley advised that one of the major service reductions was when the full-time Airport Manager position was cut to half-time. A lot of the expenses are actual payments such as the \$5,000 annual cost to maintain the Carl Memorial. Administrative costs, maintenance costs and other services provided to the Airport by City Staff are not charged at one hundred percent of actual cost. Inman went through the first page of Operational Expenditures line by line requesting an explanation and asked to review the second page at the next meeting.

Colley advised and Commission concurred that this will be a recurring item on upcoming meeting agendas.

Activity Report – Loegering advised there appears to be a downward trend of geese being removed from the airport over recent years.

Maintenance Report – The January and February Maintenance Report were included in the packet.

ADJOURNMENT - Meeting adjourned at 4:39 p.m. Next meeting is scheduled for April 21, 2016.

Sandy Cook, Staff Assistant



**CITY OF ROSEBURG
AIRPORT COMMISSION
AGENDA ITEM SUMMARY**

Meeting Date: April 21, 2016

ASSIGNMENT OF GROUND LEASE – AVIATION SUITES

ISSUE SUMMARY

Bill Woods (Pacific Housing Management) has requested that the lease on Aviation Suites be assigned from Pacific Housing Management to Marilyn and John Kittelman. Marilyn and John wish to purchase the Aviation Suites building from Pacific Housing Management.

STAFF RECOMMENDATION

Staff would suggest the Commission recommend Council approval of the requested assignment.

Staff will be present at the meeting to answer any questions the Commission may have regarding the assignment.

SUGGESTED MOTION

"I MOVE THAT THE AIRPORT COMMISSION RECOMMEND TO CITY COUNCIL TO APPROVE THE REQUESTED ASSIGNMENT OF AVIATION SUITES FROM PACIFIC HOUSING MANAGEMENT (BILL WOODS) TO MARILYN AND JOHN KITTELMAN."

ATTACHMENTS

1. N/A

CITY OF ROSEBURG, OREGON
AIRPORT FUND

CURRENT OPERATIONS

The Airport Fund was separated from Economic Development in 2002 to account for revenues and expenditures of the Roseburg Regional Airport. Primary operating revenues are from fuel sales and lease income. The fund depends on federal grants for most airport construction and major improvements.

The airport operating policies and capital improvements fall under the auspices of the Airport Commission. The day-to-day activities are performed under the direction of the Airport Director who works for the City Manager. The Department of Public Works also helps manage airport functions.

Lease income is derived from property leases and hanger leases. These leases comply with FAA guidelines and the revenues offset the reduction in General Fund subsidy for operations, which was eliminated in 1995-96.

As far as upcoming Capital Improvement Plan work coming up, the obstruction removal work is currently scheduled and budgeted for 2016.

CITY OF ROSEBURG, OREGON
AIRPORT FUND

AIRPORT OPERATIONS

CURRENT OPERATIONS: Airport operations are performed under the direction of the Airport Director who works under the City Manager. The Department of Public Works performs airport maintenance and the planning and implementation of airport construction projects. An allocation from the Airport Fund to the General Fund helps offset the costs associated with services provided by the Public Works Department.

DEPARTMENT GOALS:

1. Continue working with the airport consultant to work upcoming Capital Improvement Plans including obstruction removal this year.
2. Increase the north expansion area T-hangar occupancy rate.
3. Market the property north of Edenbower for non-aviation uses.

MATERIALS AND SERVICES: Significant expenditures are described as follows:

City Services/Management – This is reimbursement for the General Fund for administrative costs.

City Services/Public Works – This is the allocation to the General Fund for Public Works Department Services.

Building & Grounds – This is for basic airport maintenance.

CAPITAL OUTLAY: Funds are budgeted for capital improvement projects including obstruction removal.

DEBT SERVICE: Full Faith and Credit Airport Bonds were issued to finance construction of the new T-hangars, utilities, parking and road improvements at the airport.

YEAR	PRINCIPAL	INTEREST	TOTAL
2017	65,000	57,688	122,688
2018	70,000	55,088	125,088
2019	70,000	52,288	122,288
2020	75,000	49,488	124,488
2021-2032	<u>1,145,000</u>	<u>327,737</u>	<u>1,472,737</u>
TOTAL	\$1,425,000	\$542,289	\$1,967,289

Airport Occupancy Rate (does not include tie downs) 04/2016

Corporate Hangers/Lots (includes Aviation Suites): **85% occupancy** (Leonard Hanger sold in March)

- Total: 20
- Occupied: 17 (3 for sale including Aviation Suites)
 - For Sale/Rent
 - Aviation Suites
 - #7: Harvard Medical Park, Marlin Larsen
 - #11: Jim Diemert

Single T-Hangers (includes 'C' Row) **75% occupancy**

- Total: 64 (16 vacant)
- Occupied: 48
- Rate: 70% (78% in 8/2014, 81% in 12/2014, 77% in 3/2015, 77% in 6/2015, 70% in 8/2015, 70% in 9/2015, 77% in 12/2015, 70% in 03/16)

Double T-Hangers (does not include storage units) **75% occupancy**

- Total: 12 (3 vacant)
- Occupied: 9
- Rate: 83% (75% in 12/2015, 83% in 03/16)

Storage Units **60% occupancy**

- Total: 10 (excluding bathrooms) (4 vacant)
- Occupied: 6
- Rate: 70% (90% in 12/2014, 50% in 3/15, 60% in 6/15, 50% in 8/15, 70% in 9/2015, 70% in 12/2015, 70% in 03/16)

AIRPORT MAINTENANCE REPORT

March-2016

1. Checked runway and taxi way lights weekly – changed bulbs, adjusted signs as needed
2. Clean Hangar G and Hangar I Restrooms weekly –bi weekly in Summer
3. Check grounds, fence, signs, runway, gates, taxiway, Marion Carl Memorial area
4. Security lights checked after dark by street sweeper employee
5. Pick up trash weekly and as needed
6. Monthly visual storm water check for DEQ report
7. Changed reader board
8. South end trash(daily) and North end restrooms cleaned and stocked (weekly)