



2:00 financial work shop. Information presented by Janean Parker, City Attorney.

**AGENDA
AIRPORT BOARD MEETING
SEPTEMBER 8, 2011 – 3:00 p.m.
At City Hall
203 South Pacific, Kelso, WA 98626**

1. Call to Order
2. Approval of Minutes of 8/11
3. Acknowledgment of Vouchers
4. Public Comments
5. Airport Manager Report
 - a. Written Report
6. Adjournment – Next meeting October 13th, 2011 at the Airport



Airport Advisory Board Meeting
Thursday August 11, 2011
Kelso City Council Chambers
203 South Pacific Kelso WA 98626

Those present were as follows:

Airport Board:

Darold Dietz, Port of Longview
Ken Botero, City of Longview
David Futcher, City of Kelso
Jerry Sorrell, Cowlitz County

Staff:

David Sypher, Public Works Director
Becky Hill, Department Assistant
Dan Johnson, Airport Operations Manager
George Hext, Project Manager
Don Bell, Assistant Airport Director

- 1. Call to Order:** Meeting was called to order at 3:00 pm by Chairman Darold Dietz.
- 2. Approval of Minutes:** July 14, 2011– Motion made by Board Member Jerry Sorrell, motion second by Board Member Futcher, motion passed.
- 3. Acknowledgement of Vouchers:-** Finance Director is out of the office-no report available.
- 4. Public Comments: Denny Wise-Kelso Aviation:** At last meeting talked about possibility of forming a "Tenant Advisory Group" to assist the Advisory Board with things they feel are important such as priorities. Since then, I have moved forward somewhat on the idea. The theory or structure behind this is to have a broad representation out there without having a large group coming and all voicing different opinions. The avenue that was taken is to have one tenant from the city owned east side hangars (John Leber), one from the private owned hangars (Jeff Powell), one from business (Denny Wise), one from the west side city owned hangars (unsure at this time) and one from the corporate-JH Kelly-Clary (Warren Longdon). We have met briefly and are hoping to provide the board with our views when they need some assistance when looking at priorities, projects, 5 year plan and the CIP as far as budget items go. **Chairman Dietz** asked if they were going to independently meet as a group? Yes, we will provide you with material ahead of time and then have a spokesman to answer your questions. **Board Member Botero** commented that this will be an advisory group to the advisory board. Denny stated that on numerous occasions the board has expressed interest numerous times that when you were talking about priorities that you were not pilots, aviation people or tenants that have a vested interest in the airport.
- 5. Airport Manager -** Crack sealing is moving along, walked the runway and taken measurements. Regarding dips in the runway, I had Skylar Masters come out as well to take measurements. One on south is a tenth below grade and the one on the north is 4" below grade. You cannot do a skin patch on this type of dip, you would need to make cuts, remove materials and replace with new materials and compact all of this to FAA standards.

Security gates –In progress as well. Tenants will be receiving information to come and pick up cards to get into the gates. Also researching a set up that would be able to detect emergency vehicles beacons approaching the gates that would open in case of an emergency. Dan also expressed his

concerns about the ability to secure the west side of the airport. In the near future will be trying to contact Burlington Northern to talk about the trees that need to be cut as well as installing a gate on the access property on the west side.

Hangars-7 vacancies and 2 possibly coming in.

Don Bell suggested that the big 19 foot opening would be to put in two swing gates. You could put a slide on each one into a concrete based pipe and you could lock one of the gates in position and the other would be secured by a combination type lock. The man gate next to it already has a combination lock on it. That would still leave the opening at the service road.

David Sypher-Public Works Director-What we are trying to do is to turn the reins entirely over to our Airport Manager and there is a couple of things that need to be addressed on some recent information. You all probably saw the email from Jerry Sorrell regarding the budget workshop that we were supposed to have today at 2:00 PM, and he will speak more on that shortly. There was an oversight and it did not get on the agenda for this meeting and by the time we knew it, Brian Butterfield was gone on vacation this week so we were unable to obtain the necessary information for the workshop. We feel the workshop is much needed and suggested that we have the workshop in September at 2:00 PM.

Board Member Botero asked before the meeting about the governance. Our attorney is the one working with FAA on that and at the request of the board is contacting them every two weeks. Unfortunately the FAA was on furlough because they were not funded by congress and have been out on the last two check ins. They came back this Monday and responded by email that they have almost got all of their answering machine messages caught up. They had nothing new to report.

We received information regarding our west side hangar development and the stop way project.

West Side Development Project- was put on hold because of FAA furlough. The earliest we can get that going is the first council meeting in September to present it to the council. We still need the final stamp from FAA to take it to council.

Stop Way Project-Consultant came back with a proposal after they had given us an updated number for our application in May of \$700,000 and now the price tag is \$1.1 Million. So there are major problems and we now have to talk to the county and state and tell them about this as our initial presentation to them was that we would build it for \$700,000 and now that will only get the design and the environmental stages done along with some construction. Board Member Futcher asked what changed. David Sypher stated that mostly they were using URS construction figures and when they actually put pen to paper, came up with \$150,000 dollars different and were also using 6 wetland sites that they thought would have to be analyzed, that number doubled and the cost really escalated. We are not sure as a staff team if this is valid. We are going to explore a new idea with WSDOT. Jerry has told us that he will go along with us to meet with WSDOT to explore new possibilities.

Board Member Sorrell read an email that he sent to Don Barkley who is the Project Manager for Reed-Middleton regarding the increase.

Board Member Sorrell introduced some components for the budget workshop. He is suggesting in what he is referring to as a delayed budget review as to where we are today. At the July meeting, the board acknowledged the bills that are composed of 3 pages, while it shows the expenses, It also shows you what the complete budget package is as to what was estimated to be at the beginning of the year. So you have 2 pages of expenses and one page of income/revenues. Feels it would be

good to see where we are today with plus and minuses that show actual expenses, then if we look at the close of the year, where we will be and what is the impact for 2012 as we look ahead. Jerry copied the three sheets with the description of the line items along with the estimated revenue and expenses and emailed them to David and Dan. These are just summarized sheets of what it is and broke them down between the local income and expenses versus the other income meaning exclude those grants and put them in another column so they don't inadvertently impact the bottom line. You must also know that the checkbook starts out the year with \$64,000 and some odd dollars. That is the launch money carried over from last year. Assuming that money wasn't there, where would be on income and expenses and quick calculations show that we would be in the range of \$86,000 in the red or overspent at the end of this year, based on what is being spent. How it ends up depends in what happens until the end of the year. That has to be looked at in the next year because at some point, the reserves will disappear quickly .

David Sypher-Preliminary numbers distributed when we did the Airport Manager interviews, shows what Jerry has done as well as the actual expenses and the actual revenues. This is a transitional year that we would actually be adding to revenues even though we budgeted to go into revenues \$64,000. So even though we had budgeted to go into reserves \$64,000, I show that at current spending, we would add about \$3,500 instead of using \$64,000. Then next year we would go into the reserves by a greater amount and would have about 2 years in reserves until exhausting our reserves. That is something that the Airport Board did not want to do. It may now have changed but that is what it looked like 3 months ago.

Board Member Sorrell-Summary that Finance Director issues has a line item that needs to be expanded as it could be misleading to the public if they were to look at it. It is "Building Maintenance Repairs"-Repairs to buildings and has an amount of \$45,000 and that is not happening. That sum happens to be a sum of other items that Dan has on his list combined into one line item. David feels it is mislabeled. That is in fact our maintenance line item. Jerry feels it needs to be clarified. Public Works Director Sypher stated to the Board that the Finance Director has told him that the auditors do not want to rename line items, they want us to create new line items. David changed the name in the preliminary budget and the Finance Director changed it back to the old one so that he wouldn't have to mess with the auditors. Jerry suggested that maybe we could put an asterisk * next to it and then say this is what it is comprised of.

Workshop is set for 2:00 PM on September 8, 2011. Staff was asked to have the packet of information to the Board by September 2, 2011 for their review. Board member Sorrell would like to see some options/suggestions that the city can come up with in respect to this and how it balances out. If the city retains the whole thing (airport) what would the move they would do. If not the city as whole ownership, would we (board) remain an advisory. We have been at this for over a year and it is not over yet.

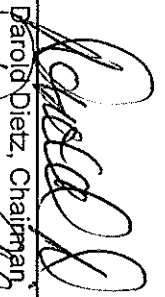
City Manager Richards: One comment- Longview received a report of a UFO flying over Longview. It was the size of a softball. After investigation it was found to actually be a homerun hit by our Mayor. It went so high in the air it was mistaken for a UFO. So the mayor hit his first homerun on his 40th birthday!

Meeting Adjourned at 3:45 pm.


Becky Hill, Recording Secretary


Darold Dietz, Chairman


We the undersigned Board of the Kelso/Longview Regional Airport Authority, Cowlitz County, Washington, do hereby acknowledge that the expenses hereinafter specified have been approved and paid in accordance with the policies of the City of Kelso.



Darold Dietz, Chairman



David Futchel, Vice Chairman



Becky Hill, Secretary

<u>August</u>	
Claims:	\$ 18,690.51
Payroll:	3,947.00
Transfers:	<u>3,546.39</u>
Total:	\$ 26,183.90

APPROPRIATIONS (REVISED)	MONTH-TO-DATE EXPENDITURES	YEAR-TO-DATE EXPENDITURES	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE	EXPENDED and ENCUMBERED %
420-27-546-10-10-0 ADMINISTRATION WAGES	70000.00	3947.00	10743.24	59256.76	15.34
420-27-546-10-20-0 ADMINISTRATION BENEFITS	22000.00	2492.18	7390.01	14609.99	33.59
420-27-546-10-31-0 OFFICE SUPPLIES	200.00	10.78	637.18	-437.18	318.59
420-27-546-10-41-0 PROFESSIONAL SERVICES	24000.00	1000.00	12000.00	12000.00	50.00
420-27-546-10-42-0 TELEPHONE/POSTAGE	450.00	62.95	364.89	85.11	81.08
420-27-546-10-43-0 CONFERENCE/SEMINAR/TRAVEL	700.00	34.96	439.12	260.88	62.73
420-27-546-10-49-0 MEMBERSHIP DUES & FEES	600.00		350.00	250.00	58.33
420-27-546-10-49-1 REGULATORY EXPENSE			489.00	-489.00	
420-27-546-10-51-0 STATE EXAMINER'S CHARGES	700.00			700.00	
420-27-546-10-53-0 LEASEHOLD TAX			98.28	-98.28	
420-27-546-10-91-0 I.R. RETM - ACTG/AMTY/SEC	27656.00	2191.00	17528.00	10128.00	63.37
420-27-546-10-91-2 I.R. RETM - ENGINEERING	25000.00	923.39	3051.80	21948.20	12.20
420-27-546-10-91-3 I.R. SERVICES	3178.00	265.00	2120.00	1058.00	66.70
420-27-546-40-53-0 DINKING ASSESSMENT	9000.00		18056.64	-9056.64	200.62
420-27-546-50-10-0 MAINTENANCE WAGES	4000.00		1466.30	2533.70	36.65
420-27-546-50-20-0 MAINTENANCE BENEFITS	1000.00		5.67	994.33	.56
420-27-546-50-48-0 REPAIRS TO BUILDINGS	44907.00	260.65	3622.28	41284.72	8.06
420-27-546-50-48-6 SOFTWARE MAINTENANCE			347.00	-347.00	
420-27-546-50-48-9 VEHICLE MAINTENANCE	2000.00	1046.89	3303.90	-1303.90	165.19
420-27-546-50-94-0 EQUIPMENT RESERVE - DEP.	2000.00	167.00	1336.00	664.00	66.80
420-27-546-70-44-0 ADVERTISING & PROMOTION	500.00		694.48	-194.48	138.89
420-27-546-80-31-0 OPERATING SUPPLIES	3000.00	910.49	2312.06	687.94	77.06
420-27-546-80-31-1 SAFETY SUPPLIES			2240.32	-2240.32	
420-27-546-80-32-0 FUEL	1500.00	380.69	1160.09	339.91	77.33
420-27-546-80-35-0 SMALL TOOLS & EQUIP	500.00		1164.68	-664.68	232.93

	APPROPRIATIONS (REVISED)	MONTH-TO-DATE EXPENDITURES	YEAR-TO-DATE EXPENDITURES	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE	EXPENDED and ENCUMBERED %
420-27-546-80-46-0	21000.00	11125.72	22107.72		-1107.72	105.27
PROPERTY INSURANCE						
420-27-546-80-47-1	8000.00	513.95	4239.60		3760.40	52.99
ELECTRICITY						
420-27-546-80-47-2	10500.00		4662.91		5837.09	44.40
GARBAGE/STORM MGMT						
420-27-546-80-47-3	1700.00	164.00	1148.00		552.00	67.52
SANITATION						
420-27-546-80-49-0			687.25		-1912.25	
MISC OPERATING						
420-27-582-46-77-1	15000.00		1912.25		15000.00	
REDEMPTION I/T-LONGVIEW						
420-27-592-46-83-2	1500.00				1500.00	
INT EXP-LONGVIEW						
420-27-594-09-00-1						
MASTER PLAN UPDATE						
420-27-594-46-63-0	4000.00		2717.44		-2717.44	
UNDERGROUND STORAGE TANKS						
420-27-594-46-63-1	435395.00		2467.22		432927.78	.56
AIRPORT IMPROVEMENTS						
420-27-594-46-64-0						
MACHINERY & EQUIPMENT						
TOTALS FOR CONS W/S BOND REDEPTION	739986.00	26183.90	130316.34		609669.66	17.61
TOTALS FOR AIRPORT FUND	739986.00	26183.90	130316.34		609669.66	17.61

Payroll ① 3947.00
 Transfers ② 3,5216.39
 Claims 18,690.51

CITY OF KEISO
 STATEMENT OF ACTUAL AND ESTIMATED REVENUES
 AIRPORT FUND
 AS OF 08/2011

ACCOUNT NUMBER	DESCRIPTION	ESTIMATED REVENUE	ACTUAL MTD REVENUE	ACTUAL YTD REVENUE	UNREALIZED REVENUE	PERCENT RECEIVED
420-27-308-00-00	BEGINNING FUND BAL REQD	64266.00			64266.00	
420-27-317-20-00	LEASEHOLD EXCISE	4000.00	1223.58	3690.14	309.86	92.25
420-27-317-90-00	FUEL TAX	1000.00	75.03	651.73	348.27	65.17
420-27-330-00-00	INTERGOVT-COMLITZ COUNTY	20000.00		20000.00		100.00
420-27-330-00-02	INTERGOVT-LONGVIEW	20000.00		20000.00		100.00
420-27-330-00-03	INTERGOVT-PORT LONGVIEW	20000.00		20000.00		100.00
420-27-331-20-00	FAA AIRPORT IMPROVE GRANT	300000.00		8357.00	291643.00	2.78
420-27-334-03-60	MSA AIRPORT IMPROVE GRANT	7500.00		279.66	7220.34	3.72
420-27-336-00-00	RURAL CO. DEV. GRANT	150000.00			150000.00	
420-27-361-11-00	INTEREST INCOME-OPERATING	200.00	40.81	193.99	6.01	96.99
420-27-362-50-00	HANGAR LEASES	100000.00	8039.35	73817.41	26182.59	73.81
420-27-362-50-01	LAND LEASES	22000.00	832.51	6391.04	15608.96	29.05
420-27-362-50-02	FBO AGREEMENT	3720.00	310.17	2481.36	1238.64	66.70
420-27-362-60-00	RENTALS-APARTMENT	7300.00	586.30	4690.40	2609.60	64.25
420-27-369-90-00	MISCELLANEOUS REVENUE		35.00	35.00	-35.00	
420-27-397-00-01	TRANSR FROM GENERAL FUND	20000.00		10000.00	10000.00	50.00
TOTALS FOR AIRPORT FUND		739986.00	11142.75	170587.73	569398.27	23.05

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREV PERIOD ENDING BALANCE		CURRENT TRANSACTIONS		CURRENT BALANCE	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
42011110	AIRPORT FUND-CASH	32624.15		15448.44	27183.90	20888.69	
42011800	STATE POOL-AIRPORT	278876.25		40.81	1000.00	278917.06	
42012200	ACCOUNTS RECEIVABLE-AIRPORT			11109.07	13266.91	12456.09	
42013400	INTERGOV RECEIVABLE	14613.93		586.30	586.30	586.30	
42014310	PREPAID INSURANCE	5950.00				5950.00	
42017110	LAND	455580.32				455580.32	
42017310	HANGARS/TIEDOWNS	391665.14				391665.14	
42017390	GEN ADMIN BUDGS	140155.39				140155.39	
42017710	ACCUM DEPR-BLDG/STRUCTURE		205596.18				205596.18
42017860	STORM DRAINS	21385.01				21385.01	
42017980	ACCUM DEPR-BLDG/STRUCTURE	263811.33				263811.33	
42017990	LANDING FIELDS/RUNWAYS/AP	121527.10				121527.10	
42018510	FENCING						
42018890	ACCUM DEPR-OTHER IMPROVEM	152045.56		819647.66		152045.56	819647.66
42021100	MACHINERY & EQUIPMENT						
42023700	WARRANTS PAYABLE		125285.57				125285.57
42023910	LEASEHOLD TAXES		1421.91	9269.03	9269.03		2610.57
42025700	CUSTOMER DEPOSITS		525.00	85.12	1273.78		525.00
42026380	DEFERRED REVENUE		150000.00				150000.00
42028800	LONGVIEW NOTE PAYABLE		85000.00				85000.00
42029210	RETAINED EARNINGS		2810331.62				2810331.62
42029220	REVENUE CONTROL		159444.98	907.30	11805.64	130316.34	170343.32
	EXPENDITURE CONTROL	104132.44		26183.90			
	BALANCE SHEET TOTALS	4357252.92	4357252.92	64629.97	64385.56	4369584.33	4369339.92
420273172000	LEASEHOLD EXCISE		2466.56		1223.58		3690.14
420273179000	FUEL TAX		576.70		75.03		651.73
420273300000	INTERGOVT-COWLITZ COUNTY		20000.00				20000.00
420273300002	INTERGOVT-LONGVIEW		20000.00				20000.00
420273300003	INTERGOVT-PORT LONGVIEW		20000.00				20000.00
420273312000	FAA AIRPORT IMPROVE GRANT		8357.00				8357.00
420273340360	WSA AIRPORT IMPROVE GRANT		279.66				279.66
420273811100	INTEREST INCOME-OPERATING		153.18		40.81		193.99
420273825000	HANGAR LEASES		65778.06	662.89	8702.24		73817.41
420273825001	LAND LEASES		5558.53		832.51		6391.04
420273825002	FBO AGREEMENT		2171.19		310.17		2481.36
420273826000	RENTALS-APARTMENT		4104.10		586.30		4690.40
420273899000	MISCELLANEOUS REVENUE				35.00		35.00
420273970001	TRANSPR FROM GENERAL FUND		10000.00				10000.00
	REVENUE TOTALS	159444.98	662.89	11805.64			170587.73
4202754610100	ADMINISTRATION WAGES	6796.24		3947.00		10743.24	
4202754610200	ADMINISTRATION BENEFITS	4897.83		2492.18		7390.01	
4202754610310	OFFICE SUPPLIES	626.40		10.78		637.18	
4202754610410	PROFESSIONAL SERVICES	11000.00		1000.00		12000.00	
4202754610420	TELEPHONE/POSTAGE	301.94		62.95		364.89	
4202754610430	CONFERENCE/SEMINAR/TRAVEL	404.16		34.96		439.12	
4202754610490	MEMBERSHIP DUES & FEES	350.00				350.00	
4202754610491	REGULATORY EXPENSE	489.00				489.00	

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREV PERIOD ENDING BALANCE		CURRENT TRANSACTIONS		CURRENT BALANCE	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
4202754610530	LEASEHOLD TAX	98.28				98.28	
4202754610910	I.F. REIM - ACTG/ATTY/SEC	15337.00		2191.00		17528.00	
4202754610912	I.F. REIM - ENGINEERING	2128.41		923.39		3051.80	
4202754610913	I.F. SERVICES	1855.00		265.00		2120.00	
4202754640530	DIXING ASSESSMENT	18056.64				18056.64	
4202754650100	MAINTENANCE WAGES	1466.30				1466.30	
4202754650200	MAINTENANCE BENEFITS	5.67				5.67	
4202754650480	REPAIRS TO BUILDINGS	3361.63		260.65		3622.28	
4202754650486	SOFTWARE MAINTENANCE	347.00				347.00	
4202754650489	VEHICLE MAINTENANCE	2257.01		1046.89		3303.90	
4202754650940	EQUIPMENT RESERVE - DEP.	1169.00		167.00		1336.00	
4202754670440	ADVERTISING & PROMOTION	694.48				694.48	
4202754680310	OPERATING SUPPLIES	1401.57		910.49		2312.06	
4202754680311	SAFETY SUPPLIES	2240.32				2240.32	
4202754680320	FUEL	779.40		380.69		1160.09	
4202754680350	SMALL TOOLS & EQUIP	1164.68				1164.68	
4202754680460	PROPERTY INSURANCE	10982.00		1125.72		22107.72	
4202754680471	ELECTRICITY	3725.65		513.95		4239.60	
4202754680472	GARBAGE/STORM MGMT	4662.91				4662.91	
4202754680473	SANITATION	984.00		164.00		1148.00	
4202754680490	MISC OPERATING	1225.00		687.25		1912.25	
4202759409001	MASTER PLAN UPDATE	2717.44				2717.44	
4202759446631	AIRPORT IMPROVEMENTS	2467.22				2467.22	
4202759446640	MACHINERY & EQUIPMENT	140.26				140.26	
	EXPENDITURE TOTALS	104132.44		26183.90		130316.34	