

**AIRPORT COMMITTEE
CITY OF LINCOLN
MEETING MINUTES**

Wednesday, April 29, 2019

10:00 AM

LOCATION: CITY HALL – 600 SIXTH STREET

First Floor Meeting Room

Lincoln, CA 95648

Members Present

Paul Joiner, Mayor

Dan Karleskint, Councilmember

Jeff Hanner

Richard Pearl

Bob Butera

Byron Maynard

Brian Leibundguth

Members Absent

Staff Present

Jennifer Hanson, City Manager

Jerry Harner, Treasure

Sarah Roush, Accounting Manager

Ray Leftwich, City Engineer

CALL TO ORDER

Richard Pearl, Chair, called the meeting to order at 10:02 PM,

QUOROM

A Quorum was established with all members in attendance.

PUBLIC COMMENT

Hannes Idinger asked why the minutes didn't reflect the public's questions during the body of the meeting. The question was answered that the minutes are a "summary" of the meeting and it would be difficult to track every question.

Carol Foster asked, hypothetically, if the airport was closed, what would be the required return of grant funding for which continued operation was expected. There was no clear answer at this time only that some grants did not have any such requirement and that others were usually 20-year grants. However, there was no calculations of any such "payback" were made.

APPROVAL OF THE MINUTES FROM THE PREVIOUS MEETING

The committee approved the minutes from the previous meeting on February 20, 2018.

OPERATIONS UPDATE, Jennifer Hanson

The City is still in transition with trying to reduce staffing (costs) at the airport. Tony is still being asked to help with miscellaneous things as well as being available on weekends or after hours.

The subject of weed abatement was discussed with Ray Leftwich saying that the airport and the entire city have a weed problem, given the unusual rain fall this winter and the immediate climb to spring temperatures. He also stated that the chemicals used to eradicate the weeds are changing from those like "Round-Up to more environmentally safe chemicals and that they were looking at Pre-emergents.

A discussion followed on weed-whackers at the airport and how planes should be moved temporarily from the ramp area where those machines would be used. This would prevent aircraft damage from FOD picked up by them.

The fuel farm is just about to go out to bid and will be on the City Council's May agenda.

Work is needed to clear space around the ILS.

There have been few complaints about any of the City owned "Nuno" hangers. The City has fixed some of doors. Leasing on those hangars is at 100%.

The waiting list at the airport is 50 to 70 aircraft. Those on the lists have been called once and a while to establish whether they are still interested.

GENERAL BUSINESS UPDATE

An option to reduce the debt obligation of the airport is for the City to sell any hangars it owns. The City has been trying to get an appraisal for those hangars and they are currently looking to a new company for not only the Market rate for sales but also for hangar rental rates. Jennifer met with him last week. Byron mentioned that the company possibly should also be looking at what the costs would be to build new hangars.

Jennifer mentioned that they would be looking at a consultant's Fee Study for all of city fees, which, would include the airport.

A "General Fund Reserve Analysis" (attached) was submitted to the Committee. It was explained that there were two options to repay the debt incurred by losses from the airport. It's currently in a "due to/due from" status which has to be changed. Option 1 is to repay the debt from the General Fund. Option 2 is to establish an inter-fund loan with interest. Staff recommends Option 2 and the loan has to be booked before the end of the fiscal year. It was noted that a substantial amount of this debt was incurred in losses during a period from 2003 (and possibly earlier) to 2018 and were the result of annual operating costs exceeding operating revenues..

Sarah Roush, Accounting Manager, presented an unaudited Balance Sheet and Revenue & Expense statement (attached) for the airport (Airport Fund 750) for a period of nine months of fiscal year 2019. Committee chair Pearl noted that the

expenses didn't include the hangar debt service payment of \$120,000 which, would be booked in the fourth fiscal quarter

The question was asked "Are we maybe looking at a part-time management solution"?

There has been an increase in wages given the need to contribute to the unfunded accrued liability UAL of CALPERS (Retirement funds). The City is considering having a private company manage the airport, which relieves the City of that responsibility. An RFP for this option will be issued later with no specific commitment at this time.

PUBLIC COMMENT RE-OPENED.

Hannes Idinger inquired regarding a parcel on the airport that was offered to him and that that parcel was under contract (Placer Hangar). Jennifer responded that she would speak with him separately on that.

Hannes also wondered way the fuel prices had gone up and that we were higher than other airports. Jennifer explained that summertime pricing was in effect and that they just had a price adjustment last week. They are just raising prices as their costs increase.

Bruce Estes mentioned that, for him, a slight fuel price increases didn't seem that bad.

The Airport will be getting Possessory Use Tax "back" in the amount of \$11,000/year that had been previously allocated to the City's General Fund but, there are still a lot of questions for the County including how many years they can go back.

The City is still in contact with Planes of fame.

ADJOURNMENT

The meeting was adjourned at 10:55AM.

NEXT MEETING

The next meeting is scheduled for June 19, 2019 at 10:00AM.

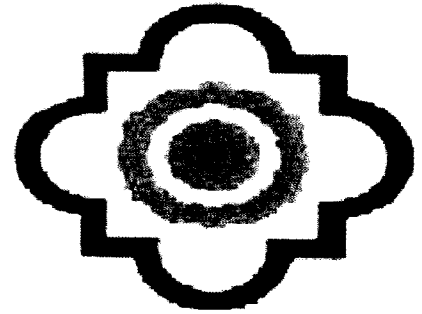
SUBMITTED 4/30/2019

By: Jeff Hanner, Airport Committee Member

General Fund Reserve Analysis		6/30/19 Projected Ending Fund Balance	Potential Airport Interfund Loan Adjustment	6/30/19 Projected Revised Ending Fund Balance
100	Spendable Reserves	\$ 1,554,711.00		\$ 1,554,711.00
	Operating Reserve	\$ 4,674,039.00	\$ (4,674,039.00)	\$ -
	Catastrophic Reserve	\$ 2,000,000.00		\$ 2,000,000.00
	Economic Reserve	\$ 2,356,063.00	\$ (275,961.00)	\$ 2,080,102.00
	Capital Replacement	\$ 351,150.00		\$ 351,150.00
	OPEB Reserve	\$ 2,094,818.00		\$ 2,094,818.00
	PERS UAL	\$ 678,711.00		\$ 678,711.00
	Designated Reserves	\$ 393,785.00		\$ 393,785.00
		\$ 14,103,277.00	\$ (4,950,000.00)	\$ 9,153,277.00

I. d Bonds

General Ledger Balance Sheet



User: sroush
 Printed: 04/29/19 07:39:52
 Period: 01 - 09
 Fiscal Year 2019

Account Number	Description	End Bal	One Year Prior End Balance
750	Airport Fund		
	Asset		
750-0000-11005-0000	Cash on Hand	100.00	100.00
750-0000-11075-0000	Investment in Insurance Pool	12,280.87	12,280.87
750-0000-11999-0000	Cash in Bank	-4,804,918.52	41,164.18
750-0000-12000-0000	Accounts Receivable	0.00	0.00
750-0000-12030-0000	Property Tax Receivable	0.00	1,784.30
750-0000-12040-ITPL	Loan Receivable	7,934.93	8,262.21
750-0000-12040-KRCN	Loan Receivable	6,791.78	7,064.66
750-0000-12060-0000	Accrued Receivables	0.00	10,241.51
750-0000-12260-0000	Airport On Account	31,493.44	-10,291.84
750-0000-13235-0000	Inventory - Airport Fuel	42,679.61	42,679.61
750-0000-17500-0000	Land	1,549,379.80	1,549,379.80
750-0000-17510-0000	Buildings & Structures	11,062,737.90	11,062,737.90
750-0000-17515-0000	Accum Depr-Bldgs & Structures	-7,718,399.83	-7,718,399.83
750-0000-17520-0000	Machinery & Equipment	298,342.04	298,342.04
750-0000-17525-0000	Accum Depr-Machinery & Equip	-222,004.79	-222,004.79
750-0000-17530-0000	Land Improvements	1,148,703.27	1,148,703.27
750-0000-17535-0000	Accum Depr-Land Improvements	-371,091.14	-371,091.14
750-0000-17600-0000	Construction in Progress	98,768.50	98,768.50
750-0000-17600-0383	Construction in Progress	4,401.56	4,401.56
750-0000-18110-0000	Deferred Outflow - PERS	127,265.73	127,265.73
750-0000-18115-0000	Deferred Outflow OPEB	14,614.80	14,614.80
750-0000-18500-0000	Infrastructure	544,332.79	544,332.79
750-0000-18505-0000	Accum Depr - Infrastructure	-3,055.25	-3,055.25
	Asset	1,830,357.49	6,647,280.88
	Liability		
750-0000-20000-0000	Accounts Payable	0.00	-111,644.96
750-0000-20100-0000	Current Compensated Absences	-34,561.07	-34,561.07
750-0000-21205-0000	Due To Other Funds	0.00	-4,950,000.00
750-0000-21215-0000	Long-Term Compensated Absences	-8,640.27	-8,640.27
750-0000-22230-0000	Airport Deposits	-49,110.00	-48,520.00
750-0000-22250-0000	Sales Tax Payable	-185.49	-352.50
750-0000-24010-0000	Advance From Other Funds Loans	-1,437,836.96	-1,437,836.96
750-0000-25010-0000	Wages & Salaries Payable	0.00	-4,125.47
750-0000-28750-0000	OPEB Liability	-141,876.02	-141,876.02
750-0000-28760-0000	PERS Retirement	-393,671.62	-393,671.62
750-0000-28765-0000	Deferred Inflow - PERS	-11,450.51	-11,450.51
750-0000-28770-0000	Deferred Inflow - OPEB	-408.06	-408.06
	Liability	-2,077,740.00	-7,143,087.44
	Fund Balance		
750-0000-29000-0000	Fund Balance-Enterprise Funds	6,900,202.28	7,283,915.05
750-0000-29002-0000	Investment in Fixed Assets	-6,392,114.85	-6,392,114.85
750-0000-29030-0000	Nonspendable Insurance Pool	-12,280.87	-12,280.87
750-0000-29900-0000	Prior Period Adjustment	0.00	22,658.68
	Fund Balance	495,806.56	902,178.01

Account Number	Description	End Bal	One Year Prior End Balance
	Revenue		
750-0000-30166-0000	Curr Unsecur Aircraft Prop Tax	-29,416.47	-30,689.66
750-0000-30167-0000	Deli Unsecur Aircraft Prop Tax	0.00	-3,815.81
750-0000-33515-0000	Leases RowsN,P,Q,R,S,T	-160,740.48	-109,926.03
750-0000-35410-0000	Airport Fuel & Oil Sales	-711,740.55	-927,617.46
750-0000-35420-0000	Airport RentsTiedownsLeases	-277,887.95	-345,469.67
750-0000-38100-0000	Penalties & Service Charges	-2,378.36	-733.54
750-0000-38600-0000	Rents & Concessions	-46,283.63	-42,169.00
750-0000-39000-0000	Other Revenue	-5,467.50	-7,473.00
	Revenue	1,233,914.94	1,467,894.17
	Expense		
750-0000-50001-0000	Bad Debt Expense	5.62	-2,277.02
750-0000-65100-0000	Admin Cost Allocation	63,925.11	91,524.00
750-0000-65610-0000	Fleet Maintenance	16,039.25	17,330.54
750-0000-65620-0000	Engineering Costs	17,202.75	8,069.60
750-0000-78010-0000	Debt Service Principal	0.00	0.00
750-0630-99500-0000	Transfer Out	10,177.00	0.00
750.0955.99500-0000	Transfer Out	0.00	25,939.00
750-1040-40000-0000	Salaries - FT	14,322.59	0.00
750-1040-48050-0000	Retirement	274.90	0.00
750-1040-48060-0000	Workers Comp	64.82	0.00
750-1040-48065-0000	OPEB	599.00	0.00
750-1040-48070-0000	MedDenLife Ins	130.64	0.00
750-1040-48080-0000	SUI	23.78	0.00
750-1040-48090-0000	FICA	689.16	0.00
750-1040-50250-0000	Communications	59.80	0.00
750-4020-50400-0000	Professional Services	0.00	0.00
750-4060-48070-0000	MedDenLife Ins	-105.59	23,161.00
750-4060-48075-0000	Retiree Medical Insurance	15,049.06	0.00
750-6810-40000-0000	Salaries - FT	16,812.50	29,009.75
750-6810-44000-0000	Salaries - OT	156.55	552.99
750-6810-48050-0000	Retirement	472.66	3,397.22
750-6810-48055-0000	PERS Unfunded	6.69	2.17
750-6810-48060-0000	Workers Comp	328.05	157.83
750-6810-48065-0000	OPEB	1,199.00	1,585.00
750-6810-48070-0000	MedDenLife Ins	695.38	2,307.84
750-6810-48080-0000	SUI	47.61	76.99
750-6810-48090-0000	FICA	1,048.19	1,986.81
750-6885-40000-0000	Salaries - FT	84,328.67	97,830.08
750-6885-40500-0000	Salaries-On Call	11,464.50	14,064.75
750-6885-44000-0000	Salaries - OT	11,718.34	15,620.33
750-6885-48050-0000	Retirement	7,768.35	38,375.02
750-6885-48055-0000	PERS Unfunded	33,467.31	14,995.24
750-6885-48060-0000	Workers Comp	4,733.07	325.53
750-6885-48065-0000	OPEB	5,994.00	6,340.00
750-6885-48070-0000	MedDenLife Ins	26,906.63	30,749.44
750-6885-48080-0000	SUI	475.99	409.27
750-6885-48090-0000	FICA	7,489.04	8,973.80
750-6885-50110-0000	Insurance - NCCIF Pool Expense	0.00	3,945.02
750-6885-50111-0000	Insurance	13,140.00	12,566.00
750-6885-50140-0000	Materials & Supplies	5,290.62	18,894.74
750-6885-50150-0000	Fuel & Oil	3,507.37	5,450.47
750-6885-50190-0000	Uniforms & Clothing	1,337.92	1,412.11
750-6885-50220-0000	Advertising	0.00	0.00
750-6885-50250-0000	Communications	6,470.69	8,927.24
750-6885-50270-0000	Equipment Maintenance	0.00	663.17
750-6885-50280-0000	Building Maint.	0.00	55.80
750-6885-50300-0000	FacilityGrounds Maintenance	664.97	1,141.69
750-6885-50310-0000	Utilities	42,345.56	49,909.58
750-6885-50320-0000	Taxes	16,499.58	20,120.83
750-6885-50350-0000	Lease Expense	132.00	820.86
750-6885-50400-0000	Professional Services	45,513.94	81,474.91
750-6885-50500-0000	MembershipDues	1,721.31	3,115.10
750-6885-50540-0000	TrainingTravelConfMtgs	309.00	220.00

<u>Account Number</u>	<u>Description</u>	<u>End Bal</u>	<u>One Year Prior End Balance</u>
750-6885-50710-0000	Regulatory Fees	830.15	10,191.85
750-6885-57510-0000	Airport Fuel	490,282.36	686,366.12
750-6885-80070-0230	Construction in Progress	0.00	0.00
750-6885-85010-0383	DesignEngineering	3,245.00	1,628.50
750-6885-85010-0434	Engineering	<u>630.00</u>	<u>7,399.00</u>
	Expense	<u>985,490.89</u>	<u>1,344,810.17</u>
Ret Earnings Total		248,424.05	123,084.00
Fund Bal and Ret Earnings Total		247,382.51	779,094.01
Grand Total		<u>0.00</u>	<u>-283,287.45</u>
Ret Earnings Total		<u>248,424.05</u>	<u>123,084.00</u>
Fund Bal and Ret Earnings Total		247,382.51	779,094.01
Grand Total		0.00	-283,287.45