

City of Creswell  
Joint City Council/Airport Commission Work Session  
August 23, 2010

The Joint City Council/Airport Commission Work Session was called to order at 6:30 PM by Mayor Bob Hooker.

Council Present:

Mike Anderson            Jack Gradle  
Bill McCoy                Jean McKittrick  
Bob Millam                Bob Hooker

Staff Present:

Mark Shrives             City Administrator  
Roberta Tharp            City Recorder  
Shelley Humble          Airport Manager  
Layli Nichols             Finance Director

Airport Commission Present:

Larry Lowenkron            Alan Pointer  
Mark Stroble                Ed Weeks

Council Absent:                    1 – Jane Vincent - Unexcused

Airport Commission Absent:            0

Press:                                1 – The Creswell Chronicle

Audience:                            0

**Airport Budget Review**

Finance Director Layli Nichols presented a power-point presentation titled “Budget Overview”. Ms. Nichols said this is the same presentation she presented at the City Council Retreat in March of 2009, but thought it was good information for the councilors who were not in attendance as well as the Airport Commission members. The presentation conveyed the budget as a financial plan that reflects the estimated revenues and expenditures for a single fiscal year. The City follows Oregon Budget Laws as spelled out in the Oregon Revised Statutes in procedures for preparing, presenting and administering the budget. Ms. Nichols reviewed the general fund, and other fund types such as enterprise funds, reserve and special revenue funds, debt service and capital project funds. Ms. Nichols outlined the major sources of revenues and the classifications of expenditures.

Creswell Airport Financial History – Finance Director Layli Nichols presented numerous charts on the financial history of the Creswell Airport beginning with the budgeted revenues and expenditures for the fiscal year 2010-2011. Ms. Nichols pointed out that approximately seventy six (76)percent of the projected revenues for the 2010-11 fiscal year will come from fuel sales while seventy-six point eight (76.8) percent of the projected expenditures will be on materials and services. A small discussion ensued regarding the possibility of Creswell’s involvement with Cottage Grove’s fuel sales and Mr. Shrives said he doesn’t believe that the Airport will pursue that.

Ms. Nichols explained more often than not the expenditures in the Airport Fund out weigh the revenues, but many of those you don’t have any control over. One example she provided was beginning in 2006 to the current time the increased expenditures in legal fees has increased for such issues such as skydiving, reclaiming a hangar, glider and banner towing, through the fence permits and various studies.

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A discussion ensued regarding staff time spent on airport issues.

Ms. Nichols presentation reflected the main sources of revenue for the Airport as Hangar rentals and fuel sales, with the best way to generate additional revenue would be to build more hangars.

A discussion began on the amount of revenue the Airport could receive from land lease versus the rental of T-Hangars, and the complete picture of fuel sales, revenues and expenditures. Mr. Shrives said he would have staff put together a spread sheet that includes all expenditures of fuel sales, including licenses, insurance and training that will reflect how much is actually made from fuel sales.

### **Grant Funding Overview**

Airport Manger Shelley Humble reviewed the different grants the City has received for the Creswell Airport since 2002.

FAM – Financial Aid to Municipalities which was established by the Oregon Department of Aviation. The FAM Grant Program fosters a statewide system of airports through discretionary award of financial assistance for airport planning, development and capital improvement projects. Prior to 2004 the Maximum Grant Award was \$10,000.00 with a 50% sponsor match. In 2004 the maximum award was increased to \$25,000.00 and the sponsor match was reduced to 10%. The FAM Grant Program is currently on hold due to budgetary constraints. Some of the projects completed with the FAM Grant Program include the FBO (Free Based Operator) remodel, Electrical Shack Roof, Beacon Platform Sealing, Receiver/Controller, Fire Road, Oil Dispenser and the Fuel Canopy Upgrade.

FAA-AIP – Federal Aviation Administration Airport Improvement Program provides grants to public agencies and in some cases to private owners and entities for the planning and development of public use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). The funds for the AIP dollars are received from a trust fund that is replenished by Federal fuel tax revenue. Prior to the City running the Airport, Creswell Inc. used AIP funds to prepare an environmental assessment, acquire land, construct and light a runway, construct terminal aprons, taxiway and entrance road. After 2000 the City of Creswell has used AIP funds to conduct an Airport Master Plan Study, Design a Fire Suppression System and Install the System in phases. Phases Two and Three of the fire suppression system installation are still being worked on and the FAA is allowing the Airport to amend the scope of work to include the removal of obstructions with the leftover funds of this grant. AIP Grant 3-41-0083-007 has approximately \$54,000.00 left the Airport will loose if it is not used by June 30, 2011. The remaining \$106,000.00 from the AIP Grant 3-41-0083-008 for the Fire Suppression System will be used for security fencing.

ODA-PMP Oregon Department of Aviation Pavement Maintenance Program is a state funded program to assist airports in undertaking pavement maintenance. This program protects Oregon's Airports investments by preserving pavement consistent with the goals of the 2000 Oregon Aviation Plan. The planned project for 2011 is to rehabilitate the runway and extend the perimeter fencing. The match for this grant is 90/10 and \$966.00 is estimated to be the Airports responsibility for the 2011 project.

Discussion ensued regarding FAA's fencing security requirements and environmental issues to deal with for obstruction removal.

RBEG – Rural Business Enterprise Grant was received to complete the Airport Business Plan.

Other Funding Systems – Western Petroleum Development Funds allowed the Airport to install the Card Lock System, a new Bennett Pump and upgrade the bonding cable for a total of \$24,785.00 without any match from the Airport.

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Shelley Humble presented a chart showing grant money received by the Airport since the early 1980's. The Airport has received \$1,831,411.00 in grant money from various grants, \$179,535.00 matched by the City, reflecting a total of \$2,011,946.00 improvements to the Airport with the help of grant money.

Discussions ensued regarding the City's \$375,000.00 transfers from the general fund to the Airport fund since 1999 to the current year have helped carry the Airport, the cost of building hangars, the funding for building hangars, rental and revenue of hangars, and obtaining land on the south end of the airport to build a taxiway.

**Discussion – Role of the Airport Commission**

A discussion ensued regarding the Airport Commission being an advisory body to the City Council who makes the final decisions. It was suggested to update the Airport Commission Ordinance to include a seat on the board for a downtown business representative.

Mr. Shrives suggested the Airport Commission comprise a list of important items they would like to work on, present it to the City Council and ask for guidance from them. Mr. Shrives asked the Airport Commission to report back to the Council at the November 8<sup>th</sup> meeting with a report on the updated Airport Rules.

Discussion ensued regarding the FAA's process of working with the Airport on different projects.

**Adjournment**

Mayor Bob Hooker adjourned the meeting at 8:43 PM.

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Robert A. Hooker, Mayor

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Roberta J. Tharp, City Recorder