

AGENDA  
LAKE CHELAN AIRPORT BOARD  
December 13, 2012

1. Claim & Payroll Warrants
2. Minutes of the November 20, 2012 Airport Board Meeting
3. Cherry Orchard Lease with Sikes 2012A-07
4. Recommendation to Chelan City Council for Adoption of the  
2013 Proposed Budget 2012A-08
5. Authorization to Pay Year End Bills 2012A-09

MINUTES OF THE NOVEMBER 20, 2012  
AIRPORT BOARD MEETING  
Chelan City Hall, 135 East Johnson Street, Chelan, Washington

**PRESENT:** Airport Board President Goedde; Airport Board Members Cooney, Harper, Higgins, McCardle, Morehouse, Steele; Airport Manager Schmidt, and Airport Board Secretary Gallucci.  
**ABSENT/EXCUSED:** Isenhart.

Mr. Goedde called the meeting to order at 7:01 p.m.

WARRANTS AND MINUTES: Mr. Morehouse moved to approve Claims Warrants No. 5636 - 5640 totaling \$1,861.42 ; Payroll Warrants No. 2714 – 2718 totaling \$1,9505.55; and Minutes of the November 8, 2012 Airport Board Meeting. Second by Ms. McCardle. Motion passed unanimously.

2013 AIRPORT PRELIMINARY BUDGET PUBLIC HEARING: Ms. Grant briefed the Board on changes in the budget. She stated the Port of Chelan County had reviewed and approved the preliminary budget. Mr. Goedde opened the public hearing at 7:06 p.m. No one signed up to comment. Mr. Goedde closed the public hearing at 7:06 p.m.

**Ms. McCardle moved to recommend adoption of the 2013 Airport Budget by the City Council. Second by Mr. Steele. Motion passed unanimously.**

OPPORTUNITY TO CANCEL DECEMBER 27, 2012 MEETING: Mr. Schmidt explained the correct action for this agenda item was to excuse themselves from the Board Meeting. The meeting would then be cancelled due to lack of quorum.

**Mr. Steele moved to excuse the Airport Board President and Airport Board members from the regularly scheduled Airport Board Meeting on December 27, 2012. Second by Ms. McCardle. Motion passed unanimously.**

There being no further business the meeting adjourned at 7:08 p.m.

Prepared by:

Attested to:

Date approved by Airport Board:

\_\_\_\_\_  
Peri S. Gallucci  
Airport Board Secretary

\_\_\_\_\_  
Robert R. Goedde  
Airport Board President

AGENDA BILL NO. 2012A-07

BUSINESS OF THE LAKE CHELAN AIRPORT  
CHELAN, WASHINGTON

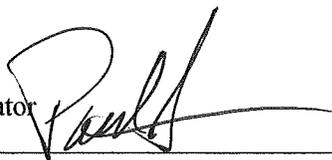
SUBJECT: Sikes Cherry Orchard  
Lease Extension

FOR AGENDA OF: December 13, 2012  
Revised:

ORIGINATOR: Paul Schmidt  
City Administrator

DATE SUBMITTED: December 5, 2012  
Revised:

APPROVED:  
City Administrator



MEETING DATE(S) AND EXHIBITS:

December 13, 2012  
1. Proposed Lease Extension

EXPENDITURE REQUIRED: Budget Line No.	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:
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\*\*\*\*\* SUMMARY STATEMENT/ISSUES \*\*\*\*\*

The Lake Chelan Airport purchased land some time ago that is actively farmed as a cherry orchard, in anticipation of the runway extension project. Until the land is actually needed for the project, it has been leased back to the former owner to continue operating the cherry orchard. This lease extension is for two additional years or until the runway expansion project gets underway. In previous lease agreements, the rent for the land was tied to the consumer price index for inflation adjustment purposes. Due to the small amount of lease payment, this lease extension proposes a flat 3% inflation increase each year.

☆☆☆☆☆☆

- Public Hearing
- Closed Record Appeal/Decision
- Recommendation
- Quasi-Judicial Matter
- Legislative Matter
- Other: \_\_\_\_\_

Suggested Motion:

I move to authorize the Mayor to sign and execute the attached "Orchard Lease Extension Agreement" between the Lake Chelan Airport and Sikes Orchards, Inc.

## ORCHARD LEASE EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT is made between the CHELAN AIRPORT BOARD (the "Lessor") and SIKES ORCHARDS, INC., a Washington corporation (the "Lessee").

### RECITALS

- A. The parties have entered into Orchard Lease Agreements regarding the leasing of real property described as follows (the "Orchard"):

That portion of the Southwest quarter of the Northwest quarter of Section 3, Township 27 North, Range 23, E.W.M., described as follows: Beginning at the Northwest corner of the Southeast quarter of the Northwest quarter of said section, then proceed East along the North line of said subdivision for 40 feet to the easterly boundary of the right of way of Primary State Highway 97; thence proceed on the same course for 200 feet; thence turn right and run Southerly parallel to the West line of said subdivision for 239 feet; thence turn right and run Southwesterly 265 feet, more or less, to a point which is 125 feet East of the Easterly right of way of Primary State Highway 97 and 474 feet South of the Northerly Line of said Subdivision. Thence run West 125 feet parallel with the Northerly boundary of said Subdivision; thence turn right and run Northerly along said right of way Easterly boundary for 474 feet, more or less, to the Point of the Beginning. TPN 27 23 04 410 100

- B. The original Orchard Lease was recorded April 15, 2002 under Chelan County Auditor's file no. 2114486, and terminates January 31, 2004 (the "Orchard Lease");
- C. The Orchard Lease Extension Agreement executed on November 15, 2003 and extended the Lease until January 31, 2009, and again extended until January 31, 2011, and executed on June 27, 2011 and again extended until December 31, 2012;
- D. The parties desire to modify and extend the term of the Orchard Lease, as follows:

## AGREEMENTS

1. **Term.** The term of the Orchard Lease shall extend another two (2) years, terminating January 31, 2014, unless terminated earlier by the City for reasons of breach by the Lessee or early start of runway construction by the City.
  
2. **Rent.** The Rent for the year 2012 was \$1,468.75 plus \$188.59 for leasehold excise tax that was paid to the State of Washington. The rent for 2013 shall be \$1,512.81 (3% increase) plus \$194.24 for leasehold excise tax to be paid to the State of Washington. The rent for 2014 shall be \$1,558.19 (3% increase) plus \$200.07 for leasehold excise tax to be paid to the State of Washington. Rent shall be paid **on or before October 31 of each year**, together with the amount required by law for the payment of leasehold excise tax, as required by the State of Washington or other tax entity, as such laws now exist or as they may hereafter be amended.
  
3. **Rent Adjustments.** N/A
  - 3.1 **Adjustment Based on Changes in the Consumer Price Index.** N/A
    - 3.1.1 **The Consumer Price Index.** N/A
    - 3.1.2 **Calculation -- Illustration.** N/A
    - 3.1.3 **Substitute.** N/A
  
4. **Past Due Rent.** At the effective date of this extension, there were no past due amounts owing.
  
5. **Terms of Orchard Lease.** The terms of the lease of the Orchard between the parties shall consist of the Orchard Lease, except as amended by this Extension Agreement.
  
6. **Late Charge and Costs.** In the event the lease payment is not received within 15 days of the due date, a penalty shall be assessed of \$100.00. Lessee further agrees to pay a late charge of two percent (2.0%) of the annual rental for each month the full lease payment remains unpaid. The late charge is due immediately and is in addition to all of Lessor's rights in this Lease. In the event Lessor elects to provide written notice of delinquency or other violation of the Lease, Lessee agrees to pay Lessor's cost and reasonable attorneys' fees incurred in providing such notice or action in addition to the penalty and late charge and all other payments and obligations called for herein.

**SIKES ORCHARDS, INC.**

**CHELAN AIRPORT BOARD**

By: \_\_\_\_\_  
Calvin D. Sikes, President

By: \_\_\_\_\_  
Robert R. Goedde, President

\_\_\_\_\_, 2012

\_\_\_\_\_, 2012

STATE OF WASHINGTON

COUNTY OF CHELAN

I CERTIFY that I know or have satisfactory evident that CALVIN D. SIKES signed this instrument and said person acknowledged that he signed this instrument as President of SIKES ORCHARDS, INC. and acknowledged it to be the free and voluntary act of SIKES ORCHARD, INC. for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON

COUNTY OF CHELAN

I CERTIFY that I know or have satisfactory evident that ROBERT GOEDDE signed this instrument and said person acknowledged that he signed this instrument as President of the CHELAN AIRPORT BOARD and acknowledged it to be the free and voluntary act of the CHELAN AIRPORT BOARD for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

AGENDA BILL NO. 2012A-08

BUSINESS OF THE LAKE CHELAN AIRPORT  
CHELAN, WASHINGTON

<p>SUBJECT: 2013 Lake Chelan Airport Budget</p> <p>FOR AGENDA OF: December 13, 2012 Revised:</p> <p>ORIGINATOR: Cheryl Grant Finance Director</p> <p>DATE SUBMITTED: December 5, 2012 Revised:</p> <p>APPROVED:  City Administrator</p>	<p>MEETING DATE(S) AND EXHIBITS:</p> <p>December 13, 2012</p> <p>1. Resolution Adopting the 2013 Lake Chelan Airport Budget</p>
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EXPENDITURE REQUIRED: Budget Line No.	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:
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\*\*\*\*\* SUMMARY STATEMENT/ISSUES \*\*\*\*\*

The Joint Operating Agreement between the City of Chelan and the Port of Chelan County for operation of the Lake Chelan Airport stipulates the Airport Board recommends to City Council and the Port Board approval of the following years' budget. The proposed budget is recommended by staff and has been submitted to Port Commissioners, who approved the Port's contribution in their 2013 budget.

City and Airport staff recommend City Council's adoption of the resolution.

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|--|--|
| <input type="checkbox"/> Public Hearing                                  | <input type="checkbox"/> Quasi-Judicial Matter |
| <input type="checkbox"/> Closed Record Appeal/Decision                   | <input type="checkbox"/> Legislative Matter    |
| <input checked="" type="checkbox"/> Recommendation: Airport & City Staff | <input type="checkbox"/> Other: _____          |

Suggested Motion:  
I move to recommend to City Council the 2013 Proposed Budget be adopted as presented.

**RESOLUTION NO. 2012-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, APPROVING THE 2013 BUDGET OF THE LAKE CHELAN AIRPORT AND APPROVING THE FUNDING OF THE PROPORTIONATE SHARE OF THE DEFICIT BY THE PORT OF CHELAN COUNTY AND THE CITY OF CHELAN**

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**THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON HEREBY RESOLVE AS FOLLOWS:**

- 1. That the proposed 2013 budget of the Lake Chelan Airport attached hereto be and the same hereby approved, and**
- 2. That the funding of the proportionate share of the deficit of the budget by the Port of Chelan County and the City of Chelan be and the same hereby is approved on the terms set forth in the Joint Operating Agreement between the parent municipalities.**

**RESOLVED this 13th day of December, 2012.**

**APPROVED:**

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**Robert Goedde, Mayor  
CITY OF CHELAN**

**ATTEST/AUTHENTICATED:**

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**Peri Gallucci  
CITY CLERK**

**FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
RESOLUTION NO. 2012-\_\_\_\_\_**

As of 11/30/2012

LAKE CHELAN AIRPORT

FUND #102

	2009 Actual	2010 Actual	2011 As Amended	2011 Actual	2012 As Adopted	2012 To Date	2013 Proposed
BEGINNING CASH BALANCE	180,737	149,653	91,145	183,535	14,500	127,459	3,600
TOTAL BEGINNING CASH BALANCE	180,737	149,653	91,145	183,535	14,500	127,459	3,600
<b>REVENUES</b>							
<b>INTERGOVERNMENTAL REVENUE</b>							
PORT DISTRICT - OPERATIONS	54,750	42,066	40,000	54,022	40,800	40,800	41,328
CITY OF CHELAN - OPERATIONS	23,465	24,038	45,426	45,426	46,150	46,150	46,842
TOTAL INTERGOVERNMENTAL REV	78,215	66,104	85,426	99,448	86,950	86,950	88,170
<b>CHARGES FOR SERVICES</b>							
LEASE TRANSFER FEES	300	600	300	150	300	150	300
WATER SALES	1,620	1,620	1,600	1,620	1,600	1,800	1,600
AVIATION FUEL SALES	119,314	111,188	140,000	153,094	120,000	135,861	125,000
TOTAL CHARGES FOR SERVICES	121,234	113,408	141,900	154,864	121,900	137,811	126,900
<b>MISCELLANEOUS REVENUES</b>							
INVESTMENT INTEREST	1,284	196	300	180	300	156	200
TIE-DOWN FEES	1,148	1,100	1,000	630	750	779	700
RENTALS & LEASES	40,151	45,069	41,000	38,174	40,000	43,339	38,000
OTHER MISC REVENUES/PENALTIES	731	1,252	1,000	404	1,000	625	600
TOTAL MISC. REVENUES	43,314	47,617	43,300	39,388	42,050	44,900	39,500
TOTAL REVENUES	242,763	227,129	270,626	293,700	250,900	269,661	254,570
<b>TAXES</b>							
LEASEHOLD TAX/OTHER NON REV	5,028	5,868	5,500	4,752	5,500	4,650	5,000
TOTAL TAXES	5,028	5,868	5,500	4,752	5,500	4,650	5,000
<b>OTHER FINANCING SOURCES</b>							
<b>GRANTS - CAPITAL</b>							
F.A.A.-DESIGN RUNWAY EXPANSION	37,465	104,589	64,579	26,975			16,200
F.A.A.-CONSTRUCTION RUNWAY EXPANSION			551,000		551,000	11,480	27,000
F.A.A.-REHABILITATE TAXIWAYS		101,458		2,342			
W.S.D.O.T.-DESIGN RUNWAY EXP	986	1,857	1,782	1,301			450
W.S.D.O.T.-CONST RUNWAY EXPANSION			14,500	0	14,500		750
W.S.D.O.T.-REHABILITATE TAXIWAYS		2,659		134			
TOTAL GRANTS	38,451	210,563	631,861	30,753	565,500	11,480	44,400
<b>CAPITAL CONTRIBUTIONS/OTHER FIN. SOURCES</b>							
INSURANCE RECOVERIES						3,500	
TOTAL CAPITAL CONTRIBUTIONS	0	0	0	0	0	3,500	0
TOTAL OTHER FIN. SOURCES	38,451	210,563	631,861	30,753	565,500	14,980	44,400
<b>TOTAL RESOURCES</b>	<b>466,979</b>	<b>593,213</b>	<b>999,132</b>	<b>512,740</b>	<b>836,400</b>	<b>416,749</b>	<b>307,570</b>

EXPENDITURES	2009 Actual	2010 Actual	2011 Budget	2011 To Date	2012 As Adopted	2012 To Date	2013 Proposed
SALARIES & WAGES	37,620	37,944	37,944	38,494	39,600	35,937	40,870
OVERTIME	476	711	600	0	500	820	500
PERSONNEL BENEFITS	17,782	18,770	17,682	15,120	18,900	14,650	19,300
SUPPLIES							
OFFICE	2,432	1,359	2,000	885	1,000	732	1,000
FUEL	2,235	3,035	3,000	2,739	2,000	924	2,000
RESALE - AVGAS	98,300	73,799	110,000	172,481	110,000	103,969	110,000
RUNWAY AND GROUNDS	6,248	5,644	7,000	4,391	7,000	5,682	7,000
BUILDING	1,936	27	2,500	679	2,500	272	2,500
EQUIPMENT PARTS	1,719	1,114	2,000	230	2,000	298	2,000
OTHER OPERATING/SMALL TOOLS	526	891	500	726	500	1,240	500
TOTAL SUPPLIES	113,396	85,870	127,000	182,132	125,000	113,118	125,000
OTHER SERVICES & CHARGES							
PROFESSIONAL SERVICES	1,847	1,787	2,500	3,444	2,500	2,565	3,000
LEGAL	98	133	1,000	305	500	845	500
AUDIT		1,579		1,697			
COMMUNICATION	2,751	2,733	2,600	2,595	2,600	2,456	2,600
TRAVEL & TRAINING	0	0	300		300	0	300
ADVERTISING	235	283	200	195	200	283	200
LEASES & RENTALS	227	96	400	250	400	0	400
INSURANCE	20,320	19,644	20,000	19,294	20,000	19,774	21,000
PUBLIC UTILITIES-Airport	6,889	7,151	7,500	9,921	7,500	7,013	8,000
PUBLIC UTILITIES -Residence	1,604	1,404	1,400	1,445	1,400	1,033	1,400
REPAIRS & MAINT-Airport	10,538	3,528	8,000	5,839	8,000	4,224	8,000
REPAIRS & MAINT-Residence	1,492	91	2,000	3,131	2,000	384	2,000
MISCELLANEOUS	345	1,152	1,000	981	1,000	1,057	1,000
TOTAL OTHER SVCS & CHRGS	46,346	39,580	46,900	49,096	46,400	39,633	48,400
INTERGOVERNMENTAL SERVICES							
ADMINISTRATIVE SERVICES	3,475	3,500	3,500	3,500	3,500	3,500	3,500
FINANCIAL SERVICES	7,000	7,000	7,000	7,000	7,000	7,000	7,000
EXTERNAL TAXES	8,602	10,650	10,000	13,024	10,000	11,186	10,000
TOTAL INTERGOV. SERVICES	19,077	21,150	20,500	23,524	20,500	21,686	20,500
<b>SUBTOTAL EXPENDITURES</b>	<b>234,696</b>	<b>204,025</b>	<b>250,626</b>	<b>308,365</b>	<b>250,900</b>	<b>225,844</b>	<b>254,570</b>

	2009	2010	2011	2011	2012	2012	2013
CAPITALIZED EXPENDITURES	Actual	Actual	Budget	To Date	As Adopted	To Date	Proposed
PROF SERVICES-RUNWAY EXPANSION	74,009	53,979	45,290	44,320			18,000
CONSTRUCTION-RUNWAY EXPANSION			350,000		350,000		
CONSTRUCTION-ACCESS ROAD REVISIONS			230,000		230,000		30,000
PROF SERVICES-TAXIWAY MAINT/IMPROVE		49,985		6,843			
OTHER IMPROVE-TAXIWAY MAINT/IMPROVE		91,148		11,002			
CARETAKER HOUSE-HVAC SYSTEM	3,137						
MACHINERY & EQUIPMENT-MOWER DECK		1,604					
MACHINERY & EQUIPMENT-CLOUD SENSOR		3,250					
MACHINERY & EQUIPMENT-REPLACE PICKUP				10,000			
TOTAL CAPITALIZED EXPENDITURES	77,145	199,966	625,290	72,165	580,000	0	48,000
TOTAL EXPENDITURES	311,842	403,991	875,916	380,530	830,900	225,844	302,570
	2009	2010	2011	2011	2012	2012	2013
NON EXPENDITURES-TAXES	Actual	Actual	Final	To Date	As Adopted	To Date	Proposed
NON EXPENDITURES-TAXES	5,488	5,479	5,500	4,752	5,500	4,478	5,000
OTHER NON-EXPEND (REFUNDS)		208					
TOTAL EXP & OTHER FINANCING	317,330	409,678	881,416	385,282	836,400	230,322	307,570
ENDING CASH BALANCE		183,535	117,716	127,459	0	186,427	0

AGENDA BILL NO. 2012A-09

BUSINESS OF THE LAKE CHELAN AIRPORT  
CHELAN, WASHINGTON

SUBJECT: Authorization to Pay  
Year End Bills

MEETING DATE(S) AND EXHIBITS:

December 13, 2012  
None

FOR AGENDA OF: December 13, 2012  
Revised:

ORIGINATOR: Cheryl Grant  
Finance Director

DATE SUBMITTED: December 5, 2012  
Revised:

APPROVED:  
City Administrator



EXPENDITURE  
REQUIRED:  
Budget Line No.

AMOUNT  
BUDGETED:

APPROPRIATION  
REQUIRED:

\*\*\*\*\* SUMMARY STATEMENT/ISSUES \*\*\*\*\*

With the cancellation of the final Airport Board meeting of 2012, the Board will not meet again until January 10, 2013. Staff is requesting the Board authorize payment of end of year expenditures subject to review and recommendation from the Board person delegated to review December vouchers. Vouchers will then be presented to the board at the January 10, 2013 meeting for formal action.

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|--|--|
| <input type="checkbox"/> Public Hearing                | <input type="checkbox"/> Quasi-Judicial Matter |
| <input type="checkbox"/> Closed Record Appeal/Decision | <input type="checkbox"/> Legislative Matter    |
| <input checked="" type="checkbox"/> Recommendation     | <input type="checkbox"/> Other: _____          |

Suggested Motion:

I move to authorize staff to pay invoices for end of year expenditures subject to review and recommendation from the board person delegated to review December vouchers.