LAKE CHELAN AIRPORT BOARD
November 24, 2015

1. Call to Order

2. Agenda Changes

3. Minutes
   A. Approve Minutes of the November 12, 2015 Airport Board Meeting (Gallucci)

4. Consent Agenda
   A. Approve November 24, 2015 Claim & Payroll Warrants (Reviewed by McCardle)
   B. Paiha Holdings LLC, Assignment of Lease to PBR Holdings, LLC (Schmidt) 2015A-14
   C. David and Peggy Harkey Assignment of Lease to Lake Aero, LLC (Schmidt) 2015A-15

5. Public Hearings
   A. 2016 Proposed Budget (Grant) 2015A-13

6. Action Items
   A. None

7. Airport Manager Comments

8. Adjournment

MINUTES OF THE NOVEMBER 12, 2015
AIRPORT BOARD MEETING
Chelan City Hall, 135 East Johnson Avenue, Chelan, Washington

1. **CALL TO ORDER**
The meeting was called to order at 7:14 p.m.

BOARD MEMBERS PRESENT
Airport Board President Goedde, Members Cooney, Harper, Higgins, Isenhart, McCardle, Morehouse, Steele, Manager Schmidt, Secretary Gallucci and Treasurer Grant.

2. **AGENDA CHANGES**
A. None.

3. **MINUTES**:
Mr. Cooney moved to approve the minutes as follows. Second by Ms. Isenhart. Motion passed unanimously.

A. Minutes of the October 22, 2015 Airport Board Meeting

4. **CONSENT AGENDA**
Mr. Cooney moved to approve the consent agenda as follows. Second by Ms. Isenhart. Motion passed unanimously.

A. November 12, 2015 Claim Warrant No. 6184 to 6192totaling $1,741.32 and Payroll Warrants No. 3111 – 3116 totaling $1,486.49 including Voided Warrant No. 3115 due to a printing error.
B. Fellrath Lease Termination for Airport Lots 309, 310, and 311
C. Harkey Lease Agreement for Airport Lots 309, 310, and 311

5. **ACTION ITEMS**
A. None.

6. **AIRPORT MANAGER COMMENTS**
A. None.

7. **ADJOURNMENT**
There being no further business, the meeting adjourned at 7:15 p.m.

Prepared by: Attested to: Date approved by Airport Board:

Peri Gallucci
Airport Board Secretary

Robert R. Goedde
Airport Board President

DRAFT

AGENDA BILL NO. 2015A-14

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT:	Paiha Holdings, LLC Assignment of Lease to PBR Holdings, LLC	EXHIBITS 1. Assignment of Lease
FOR AGENDA OF:	November 24, 2015	
ORIGINATOR:	Paul Schmidt Airport Manager	
APPROVED: Airport Manager:	Paul Schmidt by PS	
Reviewed by Attorney:	Yes	

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREAUSRER:

AUTHORITY: RCW 14.08.120. Specific powers of municipalities operating airports. "...a municipality that has established or may hereafter establish airports...may hereafter acquire or set apart real property for that purpose... (5) Acting through its governing body...the municipal airport commission may lease any airport property for aircraft landings, takeoffs, or related aeronautic purposes..."

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

Paiha Holdings, LLC would like to assign their lease of Lot 4B to PBR Holdings, LLC. This lease is scheduled for termination on December 31, 2019 at which time PBR Holdings, LLC will have the option to negotiate a new lease.

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[ ] Public Hearing [X] Legislative Matter [ ] Other: _____

Suggested Motion:
I move to authorize the Airport Board President to allow the Assignment of Lease for Airport Lot 4B from Paiha Holdings, LLC to PBR Holdings, LLC.

ASSIGNMENT OF LEASE

Parties

1.1 Landlord: Lake Chelan Airport, a Washington Municipal Corporation.

1.2 Assignor: Paihai Holdings, LLC

1.3 Assignee: PBR Holdings, LLC

1.4 Guarantor: David Bingham

Prior Documents

2.1 Lease Agreement. That Lease dated on the 1st day of February, 1999 between the Parties identified in Paragraphs 1.1 and 1.2 above and recorded under Auditor's #2049686 & #2095359.

Property

3.1 Property Description. The Lease identified in Paragraph 2.1 above is for the following described real property located at the Lake Chelan Airport in Chelan County, Washington: Lake Chelan Airport Lots 4B.

Assignment of Lease

4.1 Assignment of Lease. Assignor hereby assigns, transfers and sets over to the Assignee all of Assignor's interest in that Lease identified in Paragraph 2.1 above, and Assignees hereby assume and agree to fulfill all of the Tenants' conditions of said Lease.

Assignor's Continued Liability

5.1

Guarantor

6.1 Guarantor. David Bingham guarantees all performance of PBR Holdings LLC, including payment of rent.

Notices

7.1 Assignee & Guarantor designates his address as follows:

Assignee: P.O. Box 186
Chelan Falls, WA 98817

Guarantor: P.O. Box 186
Chelan Falls, WA 98817

This assignment shall be effective as of the 20th day of October, 2015.

ASSIGNOR(S)/TENANT(S)

PaiHai Holdings, LLC

_____
Nolan B. Worley, Member

_____
Lynne A. Worley, Member

ASSIGNEE(S)

PBR Holdings, LLC

_____
David Bingham, Managing Member

GUARANTOR

_____
David Bingham

AGENDA BILL NO. 2015A-15

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT:	David & Peggy Harkey Assignment of Lease to Lake Aero, LLC	EXHIBITS 1. Assignment of Lease – To Be Distributed
FOR AGENDA OF:	November 24, 2015	
ORIGINATOR:	Paul Schmidt Airport Manager	
APPROVED: Airport Manager:	Paul Schmidt by PS	
Reviewed by Attorney:	Yes	

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREAUSRER:

AUTHORITY: RCW 14.08.120. Specific powers of municipalities operating airports. "...a municipality that has established or may hereafter establish airports...may hereafter acquire or set apart real property for that purpose... (5) Acting through its governing body...the municipal airport commission may lease any airport property for aircraft landings, takeoffs, or related aeronautic purposes..."

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

David and Peggy Harkey would like to assign their lease of Lots 148, 149, and 150 to Lake Aero, LLC. This lease is scheduled for termination on December 31, 2019.

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[ ] Public Hearing [X] Legislative Matter [ ] Other: _____

Suggested Motion:
I move to authorize the Airport Board President to allow the Assignment of Lease for Airport Lots 148, 149, and 150 from David and Peggy Harkey to Lake Aero, LLC.

AGENDA BILL NO. 2015A-13

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT:	2016 Lake Chelan Airport Proposed Budget Public Hearing	EXHIBITS 1. 2016 Proposed Budget
FOR AGENDA OF:	November 24, 2015	
ORIGINATOR:	Cheryl Grant Board Treasurer	
APPROVED: Airport Board Manager:	Paul Schmidt by PG	
Reviewed by Attorney:	No	

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREASURER: CGT

AUTHORITY: RCW 35A33.070 Budget – Hearing. "The Council shall meet on the day fixed by RCW 35A.33.060 for the purpose of fixing the final budget of the city at the time and place designated in the notice thereof. Any taxpayer may appear and be heard for or against any part of the budget."

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

The preliminary 2016 Airport Budget has been distributed to the Airport Board and Chelan County Port District and the Board now needs to have a public hearing to allow public comment on the budget. Council will consider the airport budget during the regular Council meeting on December 10, 2015.

For maintenance and operations this budget is substantially the same as the 2015 budget, increasing by only $900. Provided federal funding is available, it also carries on the expansion/realignment project.

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[X] Public Hearing [X] Legislative Matter [ ] Other: _____

Suggested Motion:
I move to recommend adoption of the 2016 Airport budget by the City Council.

Lake Chelan Airport
2015 Budget

AGENDA BILL NO. 2015A-13
Exhibit 1

As of 9/30/2015
LAKE CHELAN AIRPORT
FUND #102

	2013 Actual	2014 As Amended	2014 Actual	2015 As Adopted	2015 To Date	2016 Preliminary
BEGINNING CASH BALANCE	178,615		185,745	27,000	220,224	
TOTAL BEGINNING CASH BALANCE	178,615	0	185,745	27,000	220,224	0
REVENUES						
INTERGOVERNMENTAL REVENUE						
PORT DISTRICT - OPERATIONS	41,328	41,871	41,871	42,537	28,360	42,537
CITY OF CHELAN - OPERATIONS	46,842	46,979	46,979	37,813	18,907	37,813
DOT GRANT-MAINT-runway safety						
TOTAL INTERGOVERNMENTAL REV	88,170	88,850	88,850	80,350	47,266	80,350
CHARGES FOR SERVICES						
LEASE TRANSFER FEES	300	300	300	300	150	300
WATER SALES	1,800	1,600	2,070	1,800	2,790	2,000
AVIATION FUEL SALES	158,824	155,000	156,022	155,000	137,766	155,000
TOTAL CHARGES FOR SERVICES	160,924	156,900	158,392	157,100	140,706	157,300
MISCELLANEOUS REVENUES						
INVESTMENT INTEREST	205	150	179	150	43	150
TIE-DOWN FEES	867	700	1,667	800	1,571	1,500
RENTALS & LEASES	37,793	38,000	41,576	38,000	35,750	38,000
OTHER MISC REVENUES/PENALTIES	80	500	393	500	1,185	500
TOTAL MISC. REVENUES	38,945	39,350	43,816	39,450	38,550	40,150
TOTAL REVENUES	288,039	285,100	291,058	276,900	226,522	277,800
TAXES						
LEASEHOLD TAX/OTHER NON REV	4,726	5,000	4,938	5,000	4,902	5,000
TOTAL TAXES	4,726	5,000	4,938	5,000	4,902	5,000
OTHER FINANCING SOURCES						
GRANTS - CAPITAL						
F.A.A.					11,567	
F.A.A.-DESIGN RUNWAY-ENVIRON ASSESS	36,622	0		150,000		58,230
F.A.A.-CONSTRUCTION RUNWAY SHIFT	867					225,000
F.A.A.-REHABILITATE TAXIWAYS						
W.S.D.O.T.-DESIGN RUNWAY-ENVIR ASSESS	0	0		7,500		3,235
W.S.D.O.T.-CONST RUNWAY SHIFT	0					12,500
W.S.D.O.T.-REHABILITATE TAXIWAYS						
TOTAL GRANTS	37,489	0	0	157,500	11,567	298,965
CAPITAL CONTRIBUTIONS/OTHER FIN. SOURCES						
TOTAL CONTRIBUTIONS						
INSURANCE RECOVERIES	2,781					
RENTAL DEPOSIT			500			
TOTAL CAPITAL CONTRIBUTIONS/OTHER FINAN	2,781	0	500	0	0	0
TOTAL OTHER FIN. SOURCES	40,270	0	500	157,500	11,567	298,965
TOTAL RESOURCES	511,650	290,100	482,242	466,400	463,215	581,765

Lake Chelan Airport
2015 Budget

AGENDA BILL NO. 2015A-13
Exhibit 1

EXPENDITURES	2013 Actual	2014 As Amended	2014 Actual	2015 As Adopted	2015 To Date	2016 As Adopted
SALARIES & WAGES	46,671	39,000	37,899	39,100	27,100	40,000
OVERTIME	0	0	0	0		
PERSONNEL BENEFITS	16,720	8,600	8,359	4,000	4,361	6,000
SUPPLIES						
OFFICE	543	1,500	1,268	1,500	1,955	2,000
FUEL	2,838	3,000	2,258	2,200	889	1,200
RESALE - AVGAS	142,110	130,000	105,222	135,000	92,425	135,000
RUNWAY AND GROUNDS	6,411	8,000	8,969	8,000	8,181	11,000
BUILDING	0	1,000	1,355	2,000	185	1,000
EQUIPMENT PARTS	1,218	1,500	1,528	1,500	2,209	1,500
OTHER OPERATING/SMALL TOOLS	503	500	0	500	437	1,000
TOTAL SUPPLIES	153,623	145,500	120,601	150,700	106,281	152,700
OTHER SERVICES & CHARGES						
PROFESSIONAL SERVICES	1,996	5,000	2,759	10,000	1,884	9,000
LEGAL	322	500	1,200	1,000	203	1,000
AUDIT	3,937	0	0			
COMMUNICATION	2,871	2,800	3,082	3,400	2,634	3,400
TRAVEL & TRAINING	0	500	728	500	1,362	1,000
ADVERTISING	300	200	235	300	105	300
LEASES & RENTALS	0	400	480	400	116	400
INSURANCE	20,201	21,000	20,207	22,000	20,713	22,000
PUBLIC UTILITIES-Airport	8,591	9,000	8,686	9,000	7,066	9,500
PUBLIC UTILITIES -Residence	593	1,400	1,250	500	20	1,000
REPAIRS & MAINT-Airport	2,300	12,000	15,374	10,000	3,203	7,000
REPAIRS & MAINT-Residence	2,269	3,500	3,886	2,500	98	1,000
MISCELLANEOUS	814	1,000	938	1,000	656	1,000
TOTAL OTHER SVCS & CHRGS	44,193	57,300	58,826	60,600	38,059	56,600
INTERGOVERNMENTAL SERVICES						
ADMINISTRATIVE SERVICES	3,500	3,500	3,500	3,500	1,750	3,500
FINANCIAL SERVICES	7,000	7,000	7,000	7,000	3,500	7,000
EXTERNAL TAXES	12,565	14,000	12,877	12,000	6,291	12,000
TOTAL INTERGOV. SERVICES	23,065	24,500	23,377	22,500	11,541	22,500
SUBTOTAL EXPENDITURES	284,273	274,900	249,062	276,900	187,343	277,800

Lake Chelan Airport
2015 Budget

AGENDA BILL NO. 2015A-13
Exhibit 1

CAPITALIZED EXPENDITURES	2013 To Date	2014 As Amended	2014 Actual	2015 As Adopted	2015 To Date	2016 Preliminary
LAWN TRACTOR/MOWER						20,000
PROF SERVICES-RUNWAY SHIFT	38,550	0		7,500		64,700
CONSTRUCTION-RUNWAY SHIFT				165,000		250,000
OTHER IMPROVE-SERVICE POLE REPLACEMENT		5,000	4,996			
CARETAKER HOUSE-FLOORING REPLACED		3,100	3,021			
AIRPORT LOUNGE-HVAC SYSTEM					5,843	
AIRPORT LOUNGE-FLOORING UPGRADES						3,000
STORAGE BUILDING/GARAGE DOOR REPLACE	1,250					
MACHINERY & EQUIPMENT-ROUTER				2,500	1,711	
MACHINERY & EQUIPMENT-GATOR				8,000	3,968	
MACHINERY & EQUIPMENT-COMPUTER				1,500	869	
MACHINERY & EQUIPMENT-SECURITY CAMERAS						9,000
MACHINERY & EQUIPMENT-FERTILIZER SPREADER						700
MACHINERY & EQUIPMENT-LIGHTING UPGRADES						2,000
TOTAL CAPITALIZED EXPENDITURES	39,800	8,100	8,017	184,500	12,391	349,400
TOTAL EXPENDITURES	324,073	283,000	257,079	461,400	199,734	627,200

	2013 Actual	2014 As Amended	2014 To Date	2014 As Adopted	2014 As Adopted	2014 As Adopted
NON EXPENDITURES-TAXES	1,833	5,000	4,938	5,000	4,746	5,000
OTHER NON-EXPEND (REFUNDS)						
TOTAL EXP & OTHER FINANCING	325,905	288,000	262,017	466,400	204,480	632,200
ENDING CASH BALANCE	185,745	2,100	220,224	0	258,736	-50,435

11/4 No increase in entites' contributions make M & O balanced.
Shortage is $15,735 runway work + $34,700 capital purchases