

LAKE CHELAN AIRPORT BOARD
December 10, 2015

1. Call to Order
2. Agenda Changes
3. Minutes
 - A. Approve Minutes of the November 24, 2015 Airport Board Meeting (Gallucci)
4. Consent Agenda
 - A. Approve December 10, 2015 Claim & Payroll Warrants (Reviewed by Cooney)
 - B. Opportunity to Excuse Board from 2nd Meeting in December (Schmidt) 2015A-17
 - C. Authorization to Pay Year End Expenditures (Grant) 2015A-18
 - D. BPI, LLC Lease Termination for Lots 207, 208 and 209 (Schmidt) 2015A-21
 - E. McDonald Lease Agreement for Lots 207, 208 and 209 (Schmidt) 2015A-22
5. Public Hearings
 - A. None
6. Action Items
 - A. 2015 Budget Amendment Recommendation (Grant) 2015A-19
 - B. 2016 Budget Adoption Recommendation (Grant) 2015A-20
7. Airport Manager Comments
8. Adjournment

MINUTES OF THE NOVEMBER 24, 2015
AIRPORT BOARD MEETING
Chelan City Hall, 135 East Johnson Avenue, Chelan, Washington

1. **CALL TO ORDER**

The meeting was called to order at 7:58 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:**

Ms. Isenhart moved to approve the minutes as follows. Second by Mr. Morehouse. Motion passed unanimously.

A. Minutes of the November 12, 2015 Airport Board Meeting

4. **CONSENT AGENDA**

Ms. McCardle moved to approve the consent agenda as follows. Second by Ms. Isenhart. Motion passed unanimously.

- A. November 24, 2015 Claim Warrants No. 6193 to 6200 totaling \$1,665.33 and Payroll Warrants No. 3117 to 3121 totaling \$1,002.52
- B. Paiha Holdings, LLC Assignment of Lease to PBR Holdings, LLC
- C. David & Peggy Harkey Assignment of Lease to Lake Aero, LLC

5. **PUBLIC HEARINGS.**

A. **2016 PROPOSED BUDGET:**

The Public Hearing was opened at 7:59 p.m.
Ms. Grant reviewed the proposed airport budget.
There was no public testimony.
The Public Hearing was closed at 8:01 p.m.

**Mr. Steele moved to recommend adoption of the 2016 Airport Budget to the City Council.
Second by Mr. Morehouse. Motion passed unanimously.**

6. **ACTION ITEMS**

A. None.

7. **AIRPORT MANAGER COMMENTS**

A. None.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 8:01 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-17

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: Opportunity to Excuse Board
Members from the December 24,
2015

EXHIBITS
1. None

FOR AGENDA OF: December 10, 2015

ORIGINATOR: Paul Schmidt
Board Manager

APPROVED:
Airport Board Manager:



Reviewed by Attorney: No

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREASURER:
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AUTHORITY: RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title..."

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

As in past years, Boardmembers are given this opportunity to consider excusing themselves from the second meeting in December to avoid conflict with holiday plans.

Public Hearing Legislative Matter Other: _____

Suggested Motion:

I move to excuse all Boardmembers from the December 24, 2015 Airport Board Meeting.

AGENDA BILL NO. 2015A-18

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: Authorization to Pay Year End Expenditures

EXHIBITS
1. None

FOR AGENDA OF: December 10, 2015

ORIGINATOR: Cheryl Grant
Board Treasurer

APPROVED:
Airport Board Manager:



Reviewed by Attorney: No

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREASURER:
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AUTHORITY: RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title..."

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

With the cancellation of the final Board meeting for 2015, the Board will not meet again until January 14, 2016. Staff is requesting the Board authorize payment of end of year expenditures subject to review and recommendation from the boardmember delegated to review December vouchers. Vouchers will then be presented to the Board at the January 14, 2016 meeting for formal action.

Public Hearing Legislative Matter Other: _____

Suggested Motion:

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

AGENDA BILL NO. 2015A-21

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: BPI, LLC Lease Termination for
Airport Lots 207, 208 and 209

EXHIBITS

- 1. Lease Termination and Surrender of
Tenancy

FOR AGENDA OF: December 10, 2015

ORIGINATOR: Paul Schmidt
Airport Manager

APPROVED: 
Airport Manager:

Reviewed by Attorney: Yes

EXPENDITURE AMOUNT APPROPRIATION BOARD
REQUIRED: BUDGETED: REQUIRED: TREASURER: *cas*

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 *****

BPI, LLC has sold the hangar built on Airport Lots 207, 208 and 209 to Ryan and Noey McDonald, and is requesting the Airport Board terminate their lease so the McDonald's may lease the lots.

Public Hearing Legislative Matter Other: _____

Suggested Motion:

I move to authorize the Airport Board President to sign the Lease Termination and Surrender of Tenancy Agreement with BPI, LLC for Airport Lots 207, 208, and 209.

RETURN ADDRESS:
Lake Chelan Airport
PO Box 1407
Chelan W A 98816

The information contained in this boxed section is for recording purposes only pursuant to RCW 36.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Grantor(s):	Lake Chelan Airport Board
Grantee(s):	BPI, LLC
Reference Number(s) of Documents	
Assigned or Released	AFN 23376406
Abbreviated Legal Description:	Lake Chelan Airport Lots 207, 208, 209
Complete Legal Description on Page 1.	
Assessor's Parcel Number:	272304410100 (Parent No.)

**AGREEMENT TO TERMINATE LEASE AND
SURRENDER OF TENANCY**

THIS LEASE TERMINATION AGREEMENT ("Agreement") made by and between Lake Chelan Airport Board ("Lessor"); BPI, LLC ("Lessee"); and Raymond J. Wallitner and Ulrika A. Wallitner, husband and wife and Steve Shimp and Anne Shimp, husband and wife (the "Guarantors"), sometimes collectively referred to as the "Parties".

WHEREAS the Parties entered into a Lease Agreement ("Lease") on January 14, 2011 and recorded January 31, 2011, where the Lessee rented Premises known as Lots 207, 208, and 209 as shown in that certain Binding Site Plan BSP-1997 -01 CH and recorded under Auditor's No. 2021151 Chelan County, Washington for a term commencing the January 1, 2011 through December 31, 2030; and

WHEREAS the Lessee and Guarantors desire the Lease terminate and have requested Lessor approve a lease termination and surrender of tenancy; and

WHEREAS the Lake Chelan Airport Board at its meeting of December 10, 2015, agreed to grant this request:

NOW, THEREFORE, the parties agree as follows:

1. Incorporation by Reference. The Recitals set forth above are hereby incorporated in this Agreement by this reference and are hereby binding commitments and representations.

2. Termination and Cancellation. The Lease is terminated, effective December 11, 2015.

3. Surrender. Lessee agrees to vacate and surrender the Premises to Lessor on or before the effective date hereof.

4. Reimbursement. Lessee is not entitled to any reimbursement of rent or other fees under the terms of the Lease.

5. Attorneys' Fees. In the event it is necessary for either party to retain the services of an attorney to enforce the provisions of this Agreement, to pursue an unlawful detainer action, or in the event of litigation regarding the terms of this Agreement, the substantially prevailing party shall be entitled to recover from the other its costs and reasonable attorney's fees in addition to other relief.

LAKE CHELAN AIRPORT BOARD

BPI, LLC

Robert R. Goedde, President

Raymond Wallitner, Member

Raymond Wallitner

Ulrika A. Wallitner

Steve Shimp

Anne Shimp

State of Washington
County of Chelan

I certify that I know or have satisfactory evidence that Robert R. Goedde is the person who appeared before me, and acknowledged that he signed this Lease Termination, and on oath stated that he was authorized to execute this Lease Termination as the President of the Lake Chelan Airport Board, as the free and voluntary act of the Lake Chelan Airport Board for the uses and purposes mentioned in the Lease Termination.

Dated this ____ day of _____, 2015.

(Print Name)
Notary Public, State of Washington
My appointment expires _____

State of Washington
County of _____

I certify that I know or have satisfactory evidence that Raymond Wallitner is the person who appeared before me, and acknowledged that he signed this Lease Termination, and on oath stated that he was authorized to execute this Lease Termination as the free and voluntary act of BBI, LLC for the uses and purposes mentioned in the Lease Termination.

DATED this ____ day of _____, 2015.

(Print Name)
Notary Public, State of Washington
My appointment expires _____

AGENDA BILL NO. 2015A-22

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: Ryan and Noey McDonald Lease Agreement for Airport Lots 207, 208 and 209

EXHIBITS
1. Lease Agreement

FOR AGENDA OF: December 10, 2015

ORIGINATOR: Paul Schmidt
Airport Manager

APPROVED: 
Airport Manager:

Reviewed by Attorney: Yes

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREASURER: <i>cas</i>
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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 *****

Ryan and Noey McDonald, purchased the hangar on Airport Lots 207, 208 and 209 from BPI, LLC and are requesting a lease agreement with the Lake Chelan Airport.

Public Hearing Legislative Matter Other: _____

Suggested Motion:

I move to authorize the Airport Board President to sign the Lease Agreement with Ryan and Noey McDonald for Airport Lots 207, 208 and 209.

The information contained in this boxed section is for recording purposes only pursuant to RCW 36.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Grantor:	Lake Chelan Airport Board
Grantee:	Ryan J. McDonald and Noey McDonald, husband and wife
Reference Number(s) of Documents	
Assigned or Released:	N/A
Abbreviated Legal Description:	Lots 207, 208 and 209, as shown in that certain Binding Site Plan BSP-1997-01 CH
Complete or Additional Legal Description on Page 1.	
Assessor's Parcel Number(s):	272304410100

LAKE CHELAN AIRPORT LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made and entered into this date by and between Lake Chelan Airport Board ("Lessor") and Ryan J. McDonald and Noey McDonald, husband and wife ("Lessee") sometimes referred to as the "Parties".

WHEREAS, the Lessee has purchased the improvements on the below described premises from BPI, LLC (the "Seller");

WHEREAS, as part of the sale and purchase of the improvements, (a) the Lessor and the Seller have agreed to terminate the lease of the premises between the Lessor and the Seller and (b) the Lessor and the Lessee have agreed to replace the lease between the Lessor and the Seller with this Lease, with the termination and lease to occur simultaneously; and

NOW, THEREFORE, the Lessor and Lessee desire to enter into this Lease, free from the interest of the Seller, as follows:

1. Premises.

1.1 Lots. Lessor hereby leases to Lessee, and Lessee leases from Lessor, upon the terms and conditions included in this lease, that certain parcel of unimproved real property located at the Lake Chelan Airport situated in Chelan County, Washington, referred to herein as the "Premises" and more particularly described as follows:

Lots 207, 208 and 209, as shown in that certain Binding Site Plan BSP-1997-01 CH as recorded under Auditor's No. 2019820, Book SP-15, Pages 33-37, Chelan County, Washington.

1.2 Common Areas. Lessee will have non-exclusive use of all common areas of the Lake Chelan Airport as designated by Lessor, including but not limited to, common restroom facilities, landing field, roadways, runways, aprons, designated taxiways, floodlights, landing lights, beacons, control tower, signal radio aides. Lessee agrees to conform to Lessor's rules and regulations pertaining to the use of these common areas. When the context of this agreement calls for it, the use of the term "Premises" includes the common areas.

Lessor has the right to modify the common areas so long as the Lessee continues to have reasonable access to the Premises and reasonable use of the Lake Chelan Airport. Lessor shall not be subject to any liability and Lessee shall not be entitled to any compensation or abatement of rent and it shall not be deemed a constructive or actual eviction if the common areas or facilities are diminished or expanded.

In the event additional maintenance or clean-up to the Premises or common areas beyond that provided for normal use is required as a result of the use by Lessee, its agents, employees or guests, which Lessee does not perform, Lessee shall immediately pay the Lessor the cost associated with the additional maintenance upon billing for such costs by the Lessor.

2. Term of Lease. The term of this Lease shall be for a period of twenty (20) years, commencing on December 11, 2015 and ending on December 31, 2036, subject to the option to renew the Lease as provided in Paragraph 3.

3. Option to renew. Lessee shall have the option to renew this Lease for up to three (3) consecutive additional five (5) year terms ("Renewal Term"). Failure to exercise this renewal option terminates the lease at the end of the then existing term. Notice of the renewal shall be given, in writing, by Lessee to Lessor, not less than ninety (90) days prior to the end of the existing lease term. Lessor shall not be obligated to renew this Lease, if at the time of the exercise of the option, or at the time the renewal term is to begin, Lessee is in default under this Lease. Unless otherwise agreed to by the Parties, each renewal term shall be on the same terms and conditions as set forth in the Lease, except that rent shall be adjusted as set forth in Paragraph 5 below.

4. Rent.

4.1 Amount. Subject to the adjustments set out in Sections 5.1, 5.2.1 and 5.2.2, Lessee shall pay to Lessor rent ("Rent"), excluding leasehold tax, for the 2016 calendar year in the total amount of \$1,796.66, or \$598.89 per lot. Each lot is (2,000 sq. ft.), with the Rent calculated at \$.30 per square foot. Rent is prorated for December 11, 2015 to December 31, 2015 in the amount of One Hundred & Three Dollars & 37/100 (\$103.37). Each rental year thereafter shall commence on January 1 and end on December 31 of the same year.

4.2 Due Date. Lessee shall pay the Rent on or before January 15 of each year during the Term of this Lease.

4.3 Late Charge and Costs. In the event Rent is not received within fifteen (15) days after the date it is due, Lessee shall pay a late charge of two percent (2%) of the Rent for each month the Rent remains unpaid. The late charge is due immediately and is in addition to all of Lessor's rights in this Lease.

4.4 Costs and Attorneys' Fees. Lessee shall pay Lessor's cost and attorneys' fees reasonably incurred in providing such notice of default in the payment of rent, and in otherwise enforcing the Lessor's rights under this Lease, in addition to the late charge and all other payments and obligations called for herein.

4.5 New Lease and Lease Transfer Fee. In addition to Rent, at the time of execution of this Lease, the Lessee shall pay to Lessor a "new lease fee" in an amount established by the Lessor, which fee is currently \$150 plus all legal fees associated with the preparation of the lease.

4.6 Leasehold Tax. In addition to all other charges called for in this Lease, including Rent, Lessee shall pay to Lessor such sums as may be required by law for payment of leasehold tax as required by the State of Washington or other tax entity, as such laws now exist or as they may hereafter be amended, such leasehold tax currently being 12.84% of the Rent.

5. Rent Adjustments. The Rent set out in section 4 shall be subject to the following adjustments for changes in the Consumer Price Index; and changes in Market Value, except that in no event shall Rent decrease as a result of an adjustment. When changes in the Consumer Price Index and Market Value are measured and applied in any year, the adjustment to the Rent shall be based on the larger of the two changes.

5.1 Adjustment Based on Changes in the Consumer Price Index. Subject to the Adjustment described in section 5.2, beginning with the first day of the second calendar year after the effective date of this Lease, and continuing on the first day of each calendar year thereafter, including each year of any renewal term if the Lease is renewed, the Rent shall be adjusted by the percentage change in the Consumer Price Index for the year ending September 30 immediately preceding the year for which Rent is being adjusted.

5.1.1 The Consumer Price Index. For purposes of this section, the “Consumer Price Index” shall be the Consumer Price Index prepared by the Bureau of Labor Statistics, for All Urban Consumers, “West – B/C (Dec. 1996 = 100).”

5.1.2 Calculation -- Illustration. For purposes of illustration, if the change in the Consumer Price Index for the year ending September 30 of the year prior to an adjustment was 2.3%, the adjusted Rent is the product of the Rent for the year previous, multiplied by 1.023.

5.1.3 Substitute. If the Bureau of Labor Statistics discontinues the determination of the Consumer Price Index, then another index generally recognized as authoritative as measuring the change in consumer prices in the Chelan, Washington area shall be substituted by the Lessor, upon notice to the Lessee.

5.2 Adjustment Based on Changes in Market Value.

5.2.1 Change in Market Value from January 1, 2011 to January 2016.

5.2.1.1 Basis of Rent established in section 4.1. The Rent amount in section 4.1 was based on the assumed market value of the Premises on January 1, 2011 of \$577.11 per lot, or \$.2886 per square foot, and increased by the Consumer Price Index each of the calendar years after January 2011, as described in section 5.1. The Lessor is in the process of obtaining the fair market value of the lots constituting the Premises.

5.2.1.2 Change of Rent after determining fair market value as of January 1, 2016. Upon the Lessor obtaining the fair market value of the lots of the Premises, the Rent for the Premises will be the greater of (a) the fair market value of the lots of the Premises on January 1, 2016, and (b) the amount in section 4.1.

5.2.1.3 Payment of deferred rent. The Lessee shall pay the difference between the fair market value of the lots of the Premises and the amount set out in section 4.1 within 30 days after demand by the Lessor.

5.2.2 Changes in market value each fifth year of the Lease. Subject to the adjustment of the Rent in section 5.2.1, and in addition to the annual adjustments to Rent based on the consumer price index described in section 5.1, beginning January 1, 2021, and January 1, of 2026, 2031, 2036 and at the beginning of each renewal term if the Lease is renewed, the Rent shall be adjusted so that it reflects the fair market value of the Premises, determined by an appraiser experienced in the valuation of property similar to the Premises, and without taking into account the value that may be contributed by the completion of improvements on the Premises by the Lessee.

5.3 No Waiver. Failure to calculate and apply the rental increase for one year shall not be considered a waiver of this Paragraph for any succeeding year.

6. Improvements.

6.1 The Lessee has constructed or will within one year from the date of execution of this Lease construct improvements on the Premises for the purpose specified herein, otherwise this Lease shall, at the discretion of the Airport Board, immediately terminate.

The design and type of new construction of improvements placed upon the property shall be in accordance with the Lake Chelan Municipal Airport Master Plan and the Lake Chelan Airport Rules and Regulations and must be approved in writing by the Lessor prior to Lessee's commencement of construction.

6.2 Any alterations or improvements made shall not affect the Lessee's obligation to pay rent. In making alterations, improvements and changes, and in performing other work on the premises, Lessee shall comply with all then applicable laws, ordinances, rules, and regulations of any proper authority including, but not limited to, the Lessor and shall indemnify and hold Lessor harmless from damage, loss, or expense incurred as a result of such work.

6.3 "Improvements" shall include, but are not limited to, any permanent additions or fixtures upon the Premises.

6.4 All improvements and fixtures constructed by Lessee on the Premises shall remain on the property of Lessee throughout the term of this Lease, any extended period thereof and upon expiration of this Lease, subject to the terms and conditions of this Lease and as set forth hereinafter.

7. Termination. Upon the expiration of the initial or renewal term of this Lease, or upon sooner termination, unless Lessor has exercised its option to purchase as set forth in Paragraph 8, Lessee shall remove any improvements from the Premises and restore the Premises to the condition existing prior to the construction of any such improvements. Lessee's failure to remove any improvements prior to expiration of this Lease or any extension thereof, or upon sooner termination for any reason, shall vest title and ownership of those improvements in the Lessor. If this occurs, Lessor at its sole option may use the improvements for its own purposes or remove the same and restore the Premises to its pre-lease condition and charge the costs of such activity to Lessee. Lessee shall pay the costs of removal activity, plus interest on this sum at the rate of 12% per annum from the date of the removal activity completion, together with any costs for collection of such sums from Lessee, including Lessor's reasonable attorney's fees.

8. First Right of Refusal. In the event Lessor determines to Lease the Premises for airport hangar purposes upon the expiration of the term of this Lease or any renewal term, Lessor grants Lessee the first right to lease the Premises on such terms as Lessor will be offering to Lease to third persons. In the event this Lease is terminated prior to expiration of the initial term

or any renewal terms of the Lease, this right of first refusal shall terminate. This right of first refusal shall not be effective if Lessor intends to use the Premises for purposes other than hangar purposes or as part of a project including other lands and other improvements on Lessor's other property, with the Premises being only part of the whole. In the event Lessor determines to lease the Premises for airport hangar purposes upon the expiration of the initial term or any renewal term thereof of this Lease, ninety (90) days prior to expiration of the initial term or any renewal term of this Lease, Lessor shall give Lessee written notice of the proposed terms and conditions for any new lease and Lessee shall have thirty (30) days following receipt of such notice to accept the terms and conditions as offered.

In the event Lessee is in default upon the expiration of the initial term or any renewal term of this Lease, Lessee shall not be entitled to a first right of refusal.

9. Option to Purchase. Upon written notice from Lessor to Lessee within one hundred twenty (120) days prior to the expiration of this Lease or expiration of any renewal term, the Lessor at its sole discretion shall have the option to purchase the existing improvements on the Premises from the Lessee at their fair market value at the time of termination. Such fair market value shall be negotiated in good faith between the Parties and if agreement cannot be reached as to value, the Lessor has no obligation to purchase. If agreement can be reached as to purchase price, the purchase shall be closed by payment of the established fair market value within thirty (30) days after the value as been determined, with a closing agent agreed to by the Parties.

10. Use.

10.1 Unless otherwise agreed in writing by Lessor, Lessee shall use the Premises primarily for an aircraft hangar facility.

10.2 The Lessee shall not use or permit the use of the Premises for any unlawful or immoral activity, nor suffer nor permit on the property any nuisance or offensive object, matter or activity. Lessee shall maintain the Premises in a neat and attractive condition.

11. Rules and Regulations.

11.1 The parties agree to be bound by all applicable ordinances, codes, laws, rules and regulations of the Lessor and applicable County, State and Federal Governments pertaining to the Premises.

11.2 Lessee agrees to comply with all reasonable rules, regulations and protective covenants enacted by the Lessor, from and after the date of adoption, including but not limited to, restrictions as to storage, noise, and enclosure of the premises.

11.3 In regard to the Premises, Lessee, at Lessee's sole expense, shall comply with all laws, orders and regulations of Federal, State and Municipal Authorities, and shall

specifically comply with all health and safety codes applicable to the use of said leased property, and shall comply with any direction of any public officer, pursuant to law, which shall impose any duty upon the Lessor or the Lessee with respect to the Premises. The Lessee, at Lessee's sole expense, shall obtain all licenses or permits which may be required for the conduct of Lessee's business within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and the Lessor, at Lessee's expense and when necessary, will join the Lessee in applying for all such permits or licenses.

12. Lessee's Acceptance. At the commencement of the term, Lessee shall and hereby does accept the Premises in its existing condition. No representation, statement or warranty, express or implied, has been made by or on behalf of the Lessor as to such condition. In no event shall the Lessor be liable for any defect in such property.

13. Right of Entry. The Lessor and its representatives may enter the Premises, at a mutually agreeable time upon providing reasonable notice to Lessee, for the purpose of inspecting the Premises, performing any work which the Lessor elects to undertake made necessary by reason of the Lessee's default under the terms of this Lease, exhibiting the Premises for sale, lease or mortgage financing, or posting notices of nonresponsibility under any mechanic's lien law. In the event the parties cannot agree, the Lessor may enter the Premises upon providing reasonable notice to Lessee.

In case of emergency or fire, Lessor may enter the Premises at any time without notice to Lessee.

14. Utilities. Unless otherwise specified herein, Lessor shall not be required to furnish to Lessee any facilities or services of any kind. Lessee shall be solely responsible for the cost of all utilities and shall hold the Lessor harmless therefrom, including, without limitation, costs for installation and maintenance of appropriate sewage, water and electrical services.

15. Repair and Maintenance.

15.1 The Lessee shall, at its own expense, maintain the Premises and any improvements thereon in accordance with all applicable zoning ordinances and restrictive covenants, and make all necessary repairs and replacements to the Premises. Lessee shall keep the premises in a safe and well-maintained condition and in conformity with the overall development of the Premises and surrounding property.

15.2 Such repairs and replacements shall be made promptly as and when necessary. On default of the Lessee in making such repairs or replacements, Lessor may, but shall not be required to, make such repairs and replacements on the Lessee's account, and the expense thereof shall constitute and be collectible as additional rent. In the alternative, Lessor can declare Lessee to be in default of this Lease, and have its rights and remedies provided for in this Lease.

15.3 Maintenance provided by Lessor shall include the following:

- Snow removal for designated taxiways;
- Lawn maintenance;
- Common restroom facility maintenance; and
- Common area maintenance.

15.4 In the event snow removal maintenance of non-designated taxiways is necessary, Lessee may perform such maintenance. However, such maintenance shall be performed pursuant to rules and regulations adopted by the Lessor and subject to the hold harmless and indemnity provisions specified in Paragraph 19.

16. Lessor's Rights. If the Premises shall be deserted or vacated, or if proceedings are commenced against the Lessee in any court under the Bankruptcy Act or for the appointment of a trustee or receiver of the Lessee's property either before or after the commencement of the lease term, or if there shall be a default in payment of rent or any part thereof for more than ten (10) days after written notice of such default by Lessor, or if there shall be a default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the Lessor for more than twenty (20) days after written notice of such default by the Lessor, this Lease (if the Lessor so elects) shall thereupon become null and void, and the Lessor shall have the right to re-enter or repossess the Premises, either by force, summary proceedings, surrender or otherwise, and dispossess and remove therefrom the Lessee, or other occupants thereof, and their effects, without being liable for any prosecution therefor. Improvements placed on the Premises shall at Lessor's option become the property of Lessor if such default occurs. Otherwise Lessor may remove the improvements and collect costs of removal as set forth in Paragraph 7 herein.

17. Lessor's Cure of Lessee's Default. If the Lessee shall be in default hereunder, the Lessor may cure such default on behalf of the Lessee, in which event the Lessee shall reimburse the Lessor for all sums paid to effect such cure, together with interest at the rate of twelve percent (12%) per annum and reasonable attorney's fees. In order to collect such reimbursement the Lessor shall have all the remedies available under this Lease for a default in the payment of rent.

18. Damage or Destruction.

18.1 Subject to Paragraph 18.2 the provisions relating to hazardous and/or dangerous conditions, if the Premises or any building or improvement thereon are destroyed or damaged by fire or any other casualty, the Lessee shall within a reasonable period of time not exceeding one (1) year, at Lessee's option:

18.1.1 Restore the Premises to the condition the premises were in at the time of commencement of this Lease and provide written notice to Lessor of Lessee's intent to terminate this Lease; or

18.1.2 Repair the damage to the Premises or improvements and continue to occupy the Premises subject to the terms of this Lease as if no such fire or other casualty had occurred.

18.2 Any hazardous and/or dangerous condition occurring after said destruction or damage by fire or any other casualty, shall be mitigated by Lessee as soon as practicable and to the satisfaction of the City of Chelan Building Official. For example, such measures may include, but are not limited to, removal of dangerous debris and fencing dangerous areas. In the event Lessee fails to mitigate such dangerous or hazardous conditions, the Lessor may, but is not obligated to do so, and Lessee shall pay all mitigating costs. Said payment shall be made pursuant to the 10-day notice requirement, interest accrual provision and collection procedures including attorney's fees set forth in Paragraph 18.3.

18.3 In the event the Lessee fails to select option 18.1.1 or 18.1.2 set forth above within a reasonable time not exceeding one (1) year of the occurrence of the damage, Lessor may terminate this Lease upon ten (10) days written notice to Lessee and at Lessor's option, either restore the Premises to the condition existing on the date of commencement of this Lease or make whatever improvements deemed necessary by Lessor to repair the damage. In either event, the lesser amount of restoration of the premises to the original condition or repair of the damages to the premises shall be paid for by Lessee. In the event Lessee fails to pay such amount within ten (10) days of the written demand of the Lessor, such amount shall accrue with interest at the rate of twelve percent (12%) per annum from the date Lessor provided Lessee written notice of such amount. In addition, Lessee shall pay Lessor all of Lessor's costs of collection, including but not limited to, reasonable attorney's fees.

19. Hold Harmless Indemnity and Insurance.

19.1 The Lessee shall indemnify the Lessor from and against any and all claims, demands, cause of actions, suit or judgments, including attorney's fees, costs and expenses incurred in connection therewith and in enforcing the indemnity, for deaths or injuries to persons or for loss of or damage to property arising out of or in connection with the condition, use occupancy or Lessee's maintenance of the Premises or common areas or any improvements thereon; or by Lessee's non-observance or non-performance of any law, ordinance or regulation applicable to the Premises; or incurred in obtaining possession of the Premises after a default by the Lessee, or after the Lessee's default in surrendering possession upon expiration or earlier termination of the term of the Lease, or enforcement of any covenants in this Lease. This includes, without limitation, any liability for injury to the person or property of Lessee, its agents, officers, employees, or invitees. The Lessee specifically waives any immunity provided by Washington's Industrial Insurance Act. This indemnification covers claims by Lessee's own employees.

19.2 In the event of any claims made to, or suits filed against Lessor, for which the above indemnity applies, Lessor shall give Lessee prompt written notice thereof and Lessee shall defend or settle the same.

19.3 Lessee, as a material part of the consideration to be tendered to Lessor, waives all claims against Lessor for damages to goods, wares, merchandise and loss of business, in, upon or about the Premises and for injury to Lessee, its agents, employees, invitees or their persons in or about the Premises from any cause arising at any time, other than for Lessor's sole negligence or willful misconduct.

19.4 From and after the commencement date of the initial term of this Lease and continuing for the initial term and any extension of this Lease, Lessee shall insure the Premises, at its sole cost and expense, against claims for personal injury and property damage under a policy of general liability insurance, with aggregate limits of \$1,000,000 for bodily injury and property damage. Such policy shall name Lessor as an additional insured. Before taking possession of the Premises, the Lessee shall furnish the Lessor with a certificate evidencing the aforesaid insurance coverage.

19.5 The aforementioned minimum limits of policies shall in no event limit the liability of Lessee hereunder. No policy of Lessee's insurance shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Lessor by the insurer. Lessee shall, at least thirty (30) days prior to the expiration of the policies, furnish Lessor with renewals or binders.

19.6 The insurance required shall be issued by carriers acceptable to the Lessor, and Lessor's approval shall not be unreasonably withheld.

19.7 The Lessee agrees that if Lessee does not purchase and maintain such insurance, Lessor may, but shall not be required to, procure such insurance on Lessee's behalf and charge Lessee the premiums together with a five percent (5%) handling charge, payable upon demand.

19.8 In the event a fire or other casualty loss results in destruction of the building to the extent that Lessee determines not to use insurance proceeds to repair or rebuild the hangar building, the proceeds of any insurance payment available to Lessee shall first be used to restore the premises to the condition they were in prior to construction of a building on the premises and the remaining insurance proceeds shall be the property of Lessee.

20. Encumbrance of Lessee's Interest.

20.1 The Lessee may encumber, by Mortgage, Deed of Trust, or other proper instrument, its leasehold interest and estate in the Premises, together with all improvements placed thereon by Lessee, as security for any indebtedness of Lessee.

20.2 The execution of any such Mortgage, Deed of Trust, or other instrument, or the foreclosure or other proceedings thereunder, shall not relieve the Lessee from its liability and obligations under this Lease.

20.3 Any holder of Lessee's interest herein acquired through foreclosure or other proceedings shall acquire and possess only the rights and interests of Lessee herein and shall be subject and subordinate to the rights and interest of Lessor herein.

21. Right to Assign. The Lessee shall not assign or sublet the Premises or any part thereof, without the prior written consent of the Lessor. Consent to assignment shall not be unreasonably withheld by Lessor, and is to be based upon the Lessor's determination the proposed assignee may adequately perform the duties of the Lessee. Any such assignment shall be subject to the adjustment of the Rent to the fair market rent for the premises, as set out in section 5.2. Upon receipt of the written consent of Lessor to assignment or sub-letting of the Premises, Lessee may sell any improvements placed on the premises to the assignee or sub-tenant, but any assignee or sub-tenant to this Lease shall be subject to all terms and conditions of this Lease as if said assignee or sub-tenant were the original Lessee.

22. Presence and Use of Hazardous Substances.

22.1 All hazardous substances shall be stored in accordance with all legal regulations regarding storage of hazardous substances and Lessee shall store on or around the Premises only those amounts of hazardous substances that are necessary for maintenance and operation of aircraft and in no case in amounts greater than permitted by any legal regulation. "Hazardous substances" shall include those substances designated as, or containing components designated as, hazardous, dangerous, toxic or harmful and/or which are subject to regulation by any federal, state or local law, regulation, statute or ordinance. For purposes of this Lease, all aircraft fuels shall be considered hazardous substances.

22.2 Hazardous substance. With respect to any hazardous substance, Lessee shall:

22.2.1 Comply promptly, timely and completely with all governmental requirements for reporting, keeping and submitting manifest, and obtaining and keeping current identification numbers;

22.2.2 Submit to Lessor true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and are submitted to the appropriate governmental authorities;

22.2.3 Within five (5) days of Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of hazardous substances and provide evidence satisfactory to Lessor of Lessee's compliance with the applicable governmental regulations;

22.2.4 Allow Lessor or Lessor's agents or representatives to enter the Premises, after reasonable notice, to check Lessee's compliance with all applicable governmental regulations regarding hazardous substances;

22.2.5 Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain hazardous substances (if minimum standards or levels are applicable to hazardous substances present on the Premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth as an addendum to this Lease);

22.2.6 Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances.

22.2.7 Lessor shall have the right, at reasonable times and upon reasonable notice to Lessee, to inspect the Premises to monitor Lessee's compliance with this section. Lessee shall reimburse Lessor for any costs or expenses paid by Lessor to third parties (non-Lessor employees, including Lessor's retained inspectors or representatives of government entities). If an inspection reveals the use or presence of hazardous substances requiring clean-up or other action, then Lessee shall pay, as part of the clean-up costs incorporated in Paragraph 22.3 below, Lessor's actual costs, including reasonable attorney's fees and costs, incurred in making or providing for the clean-up required and any follow-up inspections.

22.3 Clean-up Costs, Default and Indemnification. With respect to any cleanup costs, default and indemnification, Lessee shall:

22.3.1 Be fully and completely liable to Lessor for any and all clean-up costs and any and all charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, generation and/or sale of Hazardous Substances, in or about the Premises.

22.3.2 Indemnify, defend and hold Lessor harmless from any and all costs, fees, penalties and charges assessed against or imposed upon Lessor including Lessor's reasonable attorney's fees and costs as a result of Lessee's use, disposal, transportation, generation and/or sale of hazardous substances.

22.3.3 Upon Lessee's default under this Article, in addition to the rights and remedies set forth elsewhere in this Lease, Lessor shall be entitled to the following rights and remedies.

22.3.3.1 At Lessor's option, to terminate this Lease immediately;
and

22.3.3.2 To recover any and all damages associated with the default, including, but not limited to, clean-up costs and charges; civil and criminal penalties and fees; and loss of business, sales and rents by Lessor and any and all damages and claims asserted by third parties together with reasonable attorney's fees and costs.

23. Holdover. If Lessee, with the implied or expressed consent of Lessor, shall holdover after the expiration of the term of this Lease or any renewal term, Lessee shall remain bound by all the terms and conditions of this Lease, except that the annual rent in addition to CPI increases, shall be increased by fifty percent (50%) over the amount due the last year of the immediately preceding Lease term.

For example, if annual rent is \$200, then the holdover rent shall be $\$200 \times 50\% = \100 .
Annual rent = \$300.

If the Lessee holds over beyond the term of this Lease or any renewal thereof, without the consent of Lessor, the Lessee shall pay in liquidated damages a sum equal to 15% of the amount of the annual rent called for under this Lease for each month the Lessee holds over without Lessee's consent. This paragraph shall not affect any of the Lessor's right to terminate the Lease Agreement and declare a forfeiture or to otherwise take possession of the premises.

24. Successors and Assigns. The covenants and conditions herein contained, including the provision as to assignments, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

25. Attorney's Fees. In the event it is necessary for either party to retain the services of an attorney to enforce the provisions of this contract, to pursue an unlawful detainer action, or in the event of litigation regarding the terms of this contract, the substantially prevailing party shall be entitled to recover from the other its costs and reasonable attorney's fees in addition to other relief.

26. Notices.

26.1 Notices from Lessor to Lessee of Lessor's intent to inspect the premises as provided in this Lease may be oral or in writing.

26.2 Any other notice under this Lease must be in writing and must be sent by registered or certified mail to the last known address of the party to whom the notice is to be given, as designated by such party in writing. The Lessor and Lessee hereby designate their addresses as follows:

Lessor: Lake Chelan Airport Board
c/o City of Chelan Administrator
P.O. Box 1669
Chelan, WA 98816

Lessee: Ryan J. and Noey McDonald
15300 Lakeview St.
Entiat, WA 98822

27. TIME IS OF THE ESSENCE IN THIS LEASE.

28. Interpretation. This Lease has been submitted to the scrutiny of all parties and their counsel, if desired, and it shall be given a fair and reasonable interpretation in accordance with its words, without consideration to or weight given to its being drafted by any party or its counsel. Paragraph headings are for convenience only and shall not be considered when interpreting this contract. All words used in the singular shall include the plural; the present tense shall include the future tense; and the masculine gender shall include the feminine and neuter genders.

29. Non-Waiver of Covenants. The Lessor's failure to insist upon the strict performance of any provision of this Lease shall not be construed as depriving the Lessor the right to insist on strict performance of such provision in the future. The subsequent acceptance of rent, whether full or partial payment, by the Lessor shall not be deemed a waiver of any preceding breach by the Lessee of any term, covenant, or condition of this Lease, other than the failure of the Lessee to pay the particular part of the rent accepted, regardless of the Lessor's knowledge of the proceeding breach at the time of the acceptance of that part of the rent.

30. Savings. Nothing in this Lease shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provisions of this Lease and any statute, law, public regulation or ordinance, the latter shall prevail, but in such event, the provisions of this Lease affected shall be curtailed and limited only to the extent necessary to bring it within legal requirements.

31. Incorporation. This agreement represents the entire agreement of the parties. Unless set forth herein in writing, neither party shall be bound by any statements or representations made and each agrees that there are no such statements or representations being relied upon in making this Lease.

32. Non-Discrimination. The Lessee shall not discriminate against any person on the basis of race, creed, political ideology, color, national origin, sex, marital status, sexual orientation, age, or the presence of any sensory, mental or physical handicap or on any other basis prohibited by law.

33. Governing Law. This Lease shall be governed by the law of the State of Washington and venue for any action arising from this Lease shall be Chelan County, Washington.

34. Modifications. No alteration, changes or amendments to this Lease will be binding upon either party unless the same are written and executed by the parties.

35. Effective Date. This Lease is effective December 11, 2015.

LESSOR:

LESSEE:

LAKE CHELAN AIRPORT BOARD

Ryan J. McDonald

By _____
Robert R. Goedde, President

Noey McDonald

State of Washington
County of Chelan

I certify that I know or have satisfactory evidence that Robert R. Goedde is the person who appeared before me and acknowledged that he signed this Airport Lease Agreement, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of the Lake Chelan Airport Board to be the free and voluntary act of the Lake Chelan Airport Board for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2015.

(Print Name)

Notary Public, State of Washington

My appointment expires _____

State of Washington
County of Chelan

I certify that I know or have satisfactory evidence that Ryan J. McDonald and Noey McDonald are the persons who appeared before me and acknowledged that they signed this Airport Lease Agreement as the free and voluntary act for the uses and purposes mentioned in the Airport Lease Agreement.

Dated this ____ day of _____, 2015.

(Print Name)
Notary Public, State of Washington
My appointment expires _____

AGENDA BILL NO. 2015A-19

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: 2015 Lake Chelan Airport
Budget Amendment
Recommendation

EXHIBITS
1. Proposed City Resolution No.
2015-1310

FOR AGENDA OF: December 10, 2015

ORIGINATOR: Cheryl Grant
Board Treasurer

APPROVED: *Paul Schubert*
Board Manager: *pg*

Reviewed by Attorney: No

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREASURER: <i>WAM</i>
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AUTHORITY: RCW 14.08.200 Joint Operations. (7) "...The total amount of expenditures to be made by the board for any purpose in any calendar year shall be determined by the municipalities involved by the approval by each on or before the preceding December 1st, of a budget for the ensuing calendar year, which budget may be amended or supplemented by joint resolution of the municipalities involved during the calendar year for which the original budget was approved."...

***** 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 that the Airport Board recommends to City Council and the Port Board approval of budgets and amendments thereto.

Attached is the proposed amended budget resolution, recommended by staff, which does the following: eliminates grant and airport funding for the land acquisition (this was done in the city budget); acknowledges receipt of funds from USDA for airport use this summer; makes contributions to the city for the land purchase and water line study; budgets for improvements to the pilots' lounge while reducing budgeted amount for the gator; reduces budgeted wages and increases benefits for part-time employees.

Public Hearing Legislative Matter Other: _____

Suggested Motion:

I move to recommend approval to City Council to amend the 2015 Airport Budget.

RESOLUTION NO. 2015-1310

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, AMENDING BUDGET RESOLUTION NO. 2014-1286, SETTING THE 2015 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

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

- 1. That since the adoption of the 2015 Airport budget, and passage of Resolution No. 2014-1286 it has become necessary to appropriate certain funds which previously had been un-appropriated, 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 10th day of December, 2015.

	REVENUES	EXPENDITURES
Beginning Cash Balance	(\$ 23,110)	
FAA Grant-Taxiway Maintenance	\$ 11,567	
FAA Grant-Construction Runway Expansion	(\$150,000)	
WSDOT Grant-Construction Runway Expansion	(\$ 7,500)	
Airport Usage Fee-USDA	\$ 37,500	
Penalties & Fees	\$ 500	
Salaries & Wages-Part time		(\$ 4,000)
Benefits-Part time		\$ 1,500
Contribution to City of Chelan-Waterline Study		\$ 2,500
Contribution to City of Chelan-Land Purchase		\$ 39,637
Professional Services-Runway Expansion		(\$ 7,500)
Land Improvements-Runway Expansion		(\$165,000)
Bldg Improvements-HVAC Pilot's Lounge		\$ 5,850
Mach & Equip-Gator Tractor		(\$ 4,030)
Total	(\$131,043)	(\$131,043)

APPROVED:

Robert Goedde, Mayor

CITY OF CHELAN

ATTEST/AUTHENTICATED:

**PERI S. GALLUCCI
CITY CLERK**

DRAFT

AGENDA BILL NO. 2015A-20

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: 2016 Lake Chelan Airport
Budget Adoption
Recommendation

EXHIBITS

1. Proposed Airport Budget
2. Proposed City Resolution No. 2015-1311

FOR AGENDA OF: December 10, 2015

ORIGINATOR: Cheryl Grant
Board Treasurer

APPROVED: *Paul Schmidt by RS*
Board Treasurer:

Reviewed by Attorney: No

EXPENDITURE REQUIRED:	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:	BOARD TREASURER: <i>car</i>
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AUTHORITY: RCW 14.08.200 Joint Operations. (7) "...The total amount of expenditures to be made by the board for any purpose in any calendar year shall be determined by the municipalities involved by the approval by each on or before the preceding December 1st, of a budget for the ensuing calendar year, which budget may be amended or supplemented by joint resolution of the municipalities involved during the calendar year for which the original budget was approved."...

***** 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 that the City Council and the Port Board shall approve the airport's annual budget. The city and port have held their joint meeting and the port has received a copy of the proposed budget.

This budget continues forward with small improvements to airport building(s), machinery replacements, and the on-going work necessary for the runway shift. Staff is recommending approval and it is anticipated the port will do the same.

Public Hearing 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-20
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	37,200
TOTAL BEGINNING CASH BALANCE	178,615	0	185,745	27,000	220,224	37,200
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
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		
F.A.A.-CONSTRUCTION RUNWAY SHIFT	867					225,000
W.S.D.O.T.-DESIGN RUNWAY-ENVIR ASSESS	0	0		7,500		
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	237,500
CAPITAL CONTRIBUTIONS/OTHER FIN. SOURCES						
TOTAL CONTRIBUTIONS						
PORT OF CHELAN - CAPITAL						10,000
CITY OF CHELAN - CAPITAL						
INSURANCE RECOVERIES	2,781					
TRAN IN TO CORR CLEARING FUND						
RENTAL DEPOSIT			500			
TOTAL CAPITAL CONTRIBUTIONS/OTHER FINAN	2,781	0	500	0	0	10,000
TOTAL OTHER FIN. SOURCES	40,270	0	500	157,500	11,567	247,500
TOTAL RESOURCES	511,650	290,100	482,242	466,400	463,215	567,500

Lake Chelan Airport
2015 Budget

AGENDA BILL NO. 2015A-20
Exhibit 1

EXPENDITURES	2013 Actual	2014 As Amended	2014 Actual	2015 As Adopted	2015 To Date	2016 Preliminary
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

RESOLUTION NO. 2015-1311

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, APPROVING THE 2016 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

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

- 1. That the proposed 2016 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 10th day of December, 2015.

APPROVED:

**Robert Goedde, Mayor
CITY OF CHELAN**

ATTEST/AUTHENTICATED:

**Peri Gallucci
CITY CLERK**