

Southwest Washington Regional Airport Operating Board

Background

In 2011, the Southwest Washington Regional Airport (SWRA) Masterplan final report was published. This long-range planning document captured information regarding governance alternatives, Federal Aviation Administration (FAA) regulated airspace requirements, community land use, a financial plan, an implementation plan, existing conditions and future needs of the Airport.

The Master plan has been used as a guidance document over the years and has helped to shape the SWRA Interlocal Cooperation Agreement, executed in February 2012, creating a five member Airport Operating Board (Board). The SWRA Board includes a Kelso City Councilor, Longview City Councilor, Port of Longview Commissioner, County Commissioner, and an appointed at-large member. The appointed at-large member has a managing staff role with one of the four agencies as well as partnership financing obligation. During 2012, the Operating Board further developed a set of rules of procedures and assumed all Airport Operational responsibilities by January 1, 2013.

Based on the SWRA masterplan, identified Airport activities, development and funding of additional Airport projects, along with an increased pilot and tenant usage rate at the Airport, costs associated to manage and operate the Airport have continued to increase over the years. As a result, the Airport Board member partnership contribution levels that were originally \$60,000 increased in 2015 to \$65,000. Additionally, an unforeseen expenditure for the Airport's Underground Storage tanks included \$6,250 dollars from each Airport Board partner for the Emergency Repair that is currently underway.

In preparation for 2016, the SWRA Operating Board has recently approved the revenue and expenditure budget of \$1,421,137.55 that includes approximately \$990,000 in FAA Airport Improvement Program, Washington State Department of Transportation (WSDOT) Aviation, Cowlitz County Rural Economic Development Grant funds, and Port of Longview Local Match funds for capital improvement projects. The remaining revenue of \$431,000 is from hangar rent, land lease, tie-down and flowage fees, and partner agency contributions and are expected to cover all airport operating, maintenance, CIP local match, and debt expenditures.

As the Board continues to learn more about the funding needs, facility operations, and maintenance activities, they continue to refine and adjust how it is doing business. This has resulted in the Board directing how maintenance services are provided and to contract out the mowing and herbicide services to a private contractor (that is expected to provide all equipment, supplies, and labor necessary to complete the work) and to continue with a contract with the City of Kelso for the daily maintenance needs. Any reduction that were a result of this shift were then used to meet identifiable debris removal efforts and stormwater management fee. With all these changes, the investment in toward on-going maintenance projects remained below \$20,000. The Board determined this was insufficient and determined an increase toward the airport preventative maintenance program in the amount of \$44,000 was necessary. The largest increase focused on pavement repair and crack sealing projects.

The SWRA Board approved budget for 2016 includes an \$11,000 member partner contribution increase from each of the partner agencies to align with Board priorities. This increase is respectfully requested.

EXHIBIT A**Southwest Washington Regional Airport Operating Board**

Airport Fund 2016 Budget -- Revenue (1) -- Fund 602 Dept: 59					
602 59	BASU	ELE	OBJ	Account Description	2016
	317	20	00	Leasehold Excise -- Leasehold excise from State	4,000.00
	317	90	00	Flowage Fee	1,000.00
	330	00	01	Intergovt - City of Kelso (3)	76,000.00
	330	00	00	Intergovt - Cowlitz County (3)	76,000.00
	330	00	02	Intergovt - City of Longview (3)	76,000.00
	330	00	03	Intergovt - Port of Longview (3)	76,000.00
	331	20	00	FAA Airport Improvement Grant	564,777.50
	334	03	60	WSDOT - Airport Improvement Grant (CIP)	31,376.53
				Port of Longview - Local Match for FY 2015 FAA Grant related project	16,376.52
	336	00	00	CC Rural Development Grant Stopway (CIP) (2)	331,607.00
				SWRA Fund commitment - Stopway (CIP) (2)	46,000.00
	361	11	00	Interest Income	100.00
	362	30	01	Tie Down Fees	100.00
	362	50	00	Hangar Leases	102,000.00
	362	50	01	Land Leases	13,000.00
	362	60	00	Rentals - Apartment	6,800.00
				Temporary Land Use Agreement	0.00
Airport Total Revenue					\$1,421,137.55

Note

1. 2014 Carryover Airport Fund of \$60,857.49 (assumed \$46,000 set-aside for Stopway project with \$14,857.49 remaining).

2. Cowlitz County Rural development funds restricted to stopway project

Stopway Project - Original Cowlitz County grant balance for stopway project is county grants \$431,607 and Airport fund commitment \$46,000. (Airport fund match for 2010 (\$15,000), 2011 (\$20,000), and 2013 (\$11,000)).

Current Contract for stopway design/permitting phase is \$402,965 with \$74,642 remaining (allocated not yet obligated).

For 2016 Budget purposes, assumed \$100,000 spent in FY 2015.

3. Partnership (intergovt) funding includes \$65,000 toward Direct Operating Expenditures and the additional \$11,000 allocated to maintenance projects. Resulting in a total of \$76,000 from each partner agency.

Southwest Washington Regional Airport Operating Board

Airport Fund 2016 Budget -- EXPENDITURES -- Fund 502 Dept: 59					
602 59	BASUB	ELE	OBJ	ACCOUNT DESCRIPTION	2016
	546	10	100	Salaries - Permanent Employee, Administrative	0.00
	546	10	200	Benefits - Permanent Employee, Administrative	0.00
	546	10	310	Office Supplies	1,500.00
	546	10	410	Professional Services (part-time Airport Manager and Property Manager)	120,000.00
	546	10	411	Professional Services (Accounting)	30,000.00
	546	10	412	Professional Services (Legal)	10,000.00
	546	10	413	Professional Services (FBO)	10,000.00
	546	10	420	Telephone, Postage, Copying, Internet (mngmt office)	2,000.00
	546	10	430	Travel/Seminars	1,000.00
	546	10	490	Membership Dues and Fees	1,000.00
	546	10	510	State Examiner's Charges	0.00
	546	10	530	Leasehold Taxes	150.00
	546	40	530	Diking Assessment	22,000.00
	546	50	100	Maintenance Permanent Employee Wages	0.00
	546	50	200	Maintenance Permanent Employee Benefits	0.00
	546	50	410	Professional Services Maintenance (City of Kelso)	36,000.00
				Professional Services Mowing & Herbicide	48,000.00
				Professional Services USDA Depredation services	4,000.00
	546	50	480	Repairs to Buildings (non-hangar) (2)	6,000.00
	546	50	481	Repairs to Landing Field (brush clearing and tree clearing) (2)	10,000.00
				Repairs to Asphalt (includes Crack seal Taxiway A of \$12,000) (2)	20,000.00
	546	50	485	Repairs to Hangars (gutter repair, roof, doors, accesses) (2)	15,250.00
	546	50	487	Repairs to Electrical (Runway lighting) (2)	10,000.00
	546	50	488	Repairs to Equipment (tractor, mower deck, riding mower)	750.00
	546	50	489	Vehicle Maintenance	200.00
	546	70	440	Advertising / Promotions	1,200.00
	546	80	049	Miscellaneous	5,650.00
	546	80	310	Operating Supplies	4,000.00
	546	80	311	Safety Supplies - (Decoys, Signing, Windsocks)	1,000.00
	546	80	320	FUEL	200.00
	546	80	350	Small Tools and Equipment	100.00
	546	80	460	Property Insurance	19,200.00
				Director's and Officers Liability	
				Automobile/Truck Insurance	
				Aviation Commercial Gen. Liability	
				Airport Management Insurance (paid by Airport Manager)	
				Underground Storage Tank	
				WCIA Property (City of Kelso)	
	546	80	471	Electricity	10,000.00

	546	80	472	Garbage/Water/Stormwater Management	20,500.00
				Garbage/Water	
				Stormwater Management Fee	
	546	80	473	Sanitation	2,100.00
	546	80	490	BNSF Easement Annual Contract	700.00
	582	46	771	Note Payable Longview (paid off FY 2015)	0.00
	594	11	002	Airport Sullivan Hangar Demolition	227,573.32
				Airport Beacon Tower Replacement	195,307.54
				Airport Talley Way Fencing and Security Gate	204,649.69
	594	11	004	CIP Stopway (1)	377,607.00
	594	46	630	Underground Storage Tanks/Compliance/Inspection (includes second opinion)	3,000.00
				Underground Storage Tanks Cathodic Protection	0.00
	594	46	630	Department of Ecology Business License (UST)	500.00
				AIRPORT TOTAL EXPENDITURES	\$1,421,137.55

Note

1. Cowlitz County Rural development funds restricted to stopway project

Stopway Project - Original Cowlitz County grant balance for stopway project is county grants \$431,607 and Airport fund commitment \$46,000. (Airport fund match for 2010 (\$15,000), 2011 (\$20,000), and 2013 (\$11,000)).

Current Contract for stopway design/permitting phase is \$402,965 with \$74,642 remaining (allocated not yet obligated).

For 2016 Budget purposes, assumed \$100,000 spent in FY 2015.

2. Reflects \$44,000 allocation toward maintenance projects and adjustment in delivery of maintenance services.

Increases between FY 2015 Amended Budget to FY 2016 Approved Budget line items include: Repairs to Buildings \$4000, Repairs to Landing Field \$8800, Repairs to Asphalt \$20000, Repairs to Hangars \$12750, Repairs to Electrical \$7000.

SOUTHWEST WASHINGTON REGIONAL AIRPORT OPERATING BOARD
Master Plan and Budget Side-by-Side Comparison

AIRPORT DIRECT REVENUE AND PARTNER AGENCY CONTRIBUTIONS

	Account Description	Master Plan	SWRA Current	SWRA Proposed
		Exhibit 7-9 year 2012	Amended 2015	2016
	Leasehold Excise -- Leasehold excise from State	\$4,732.00	\$4,000.00	\$4,000.00
	Flowage Fee (MP aka Fuel Tax?)	\$1,128.00	\$0.00	\$1,000.00
	Intergovt - City of Kelso	\$62,194.50	\$65,000.00	\$76,000.00
	Intergovt - Cowlitz County	\$62,194.50	\$65,000.00	\$76,000.00
	Intergovt - City of Longview	\$62,194.50	\$65,000.00	\$76,000.00
	Intergovt - Port of Longview	\$62,194.50	\$65,000.00	\$76,000.00
	Partnership Contributions for UST Cathodic Protection		\$25,000.00	
	FBO Agreement (leasehold tax on assigned hangars)	\$3,905.00		
	Interest Income (MP aka Misc Income)	\$100.00	\$100.00	\$100.00
	Tie Down Fees	\$0.00		\$100.00
	Hangar Leases	\$101,915.00	\$102,000.00	\$102,000.00
	Land Leases	\$12,903.00	\$13,000.00	\$13,000.00
	Rentals - Apartment	\$6,987.00	\$6,800.00	\$6,800.00
	Temporary Land Use Agreement		\$20,000.00	\$0.00
	TOTAL DIRECT REVENUE & PARTNER AGENCY CONTRIBUTIONS	\$380,448.00	\$430,900.00	\$431,000.00

SOUTHWEST WASHINGTON REGIONAL AIRPORT OPERATING BOARD

Master Plan and Budget Side-by-Side Comparison

AIRPORT DIRECT OPERATING, MAINTENANCE, CIP LOCAL MATCH, AND DEBT EXPENDITURES

	Master Plan	SWRA Current	SWRA Proposed
Account Description	Exhibit 7-9 year 2012	Amended 2015	2016
Salaries - Salaries - Permanent Employee, Administrative	0.00	0.00	0.00
Benefits - Benefits - Permanent Employee, Administrative	0.00	0.00	0.00
Office Supplies	700.00	1,500.00	1,500.00
Professional Services (Airport Manager, Property/Office, Government/Claims)		120,000.00	120,000.00
Airport Manager salary	80,000.00		
Airport manager benefits	24,000.00		
Property/Office (includes lease agreements & annual insurance renewals) salary	60,000.00		
Property/Office (includes lease agreements & annual insurance renewals) benefits	18,000.00		
Government/Claims (includes preparing general claims)			
Professional Services (Accounting)		30,000.00	30,000.00
Tenant Billing and Receiving payments			
Public Records storage			
Financial Statements (monthly reports and annual statements)			
Employee Payroll reporting			
State Audit support			
Processing authorized claims			
Professional Services (Legal)		10,000.00	10,000.00
Professional Services (FBO) (current contract ends May 31, 2016)	26,598.00	24,000.00	10,000.00
Telephone, Postage, Copying, Internet (mgmt. office)	3,000.00	2,000.00	2,000.00
Travel/Seminars	1,000.00	1,000.00	1,000.00
Membership Dues and Fees	1,050.00	1,000.00	1,000.00
State Examiner's Charges		6,700.00	0.00
Software Maintenance	1,500.00		
Leasehold Taxes		150.00	150.00
Diking Assessment (MP appears to be a combination of storm water & prop tax)	40,000.00	22,000.00	22,000.00
Maintenance Permanent Employee Wages (supervisor)	25,000.00	0.00	0.00
Maintenance Permanent Employee Benefits	7,500.00	0.00	0.00
Maintenance Permanent Employee Wages (tech)	47,000.00		
Maintenance Permanent Employee Benefits (MP 0.3 salary multiplier)	14,100.00		
Professional Services Maintenance		88,100.00	
Daily runway and lighting checks, wildlife hazing, inspection reports			23,400.00
Debris Removal (trash, shrubs, small trees)			12,600.00
Mowing and Herbicide			48,000.00
Depredation			4,000.00
Vehicle Maintenance (truck)	2,000.00	1,000.00	200.00
Advertising / Promotions	500.00	1,200.00	1,200.00

AIRPORT DIRECT OPERATING, MAINTENANCE, CIP LOCAL MATCH, AND DEBT EXPENDITURES - continued

	Master Plan	SWRA Current	SWRA Proposed
Account Description	Exhibit 7-9 year 2012	Amended 2015	2016
Miscellaneous		5,610.00	5,650.00
Operating Supplies	2,500.00	4,000.00	4,000.00
Safety Supplies - (Decoys, Signing, Windsocks)		1,000.00	1,000.00
Fuel	1,500.00	4,000.00	200.00
Small Tools and Equipment	500.00	500.00	100.00
Insurance	24,000.00	21,040.00	19,200.00
Directors and Officers Liability (\$3426)			
Automobile/Truck Insurance (\$736)			
Aviation Commercial General Liability Policy (\$8263)			
Airport Management Insurance (\$800)			
Underground Storage Tank (\$2134)			
WCIA Property (City of Kelso) (\$3050)			
WCIA Employee (City of Kelso) (\$2630)			
Electricity		9,500.00	10,000.00
Garbage/Water/Storm water Management Fee		10,000.00	20,500.00
Garbage/Water			
Storm water Management Fee			
Sanitation		2,100.00	2,100.00
BNSF Easement Annual Contract		700.00	700.00
Underground Storage Tanks/Compliance/Inspection (2015 includes second opinion)		4,900.00	3,000.00
Department of Ecology Business License - Underground Storage Tank (UST)		500.00	500.00
Machinery and Equipment			0.00
Subtotal Direct Operating Expenditures	\$380,448.00	\$372,500.00	\$354,000.00
Repairs to Buildings (non-hangar)		2,000.00	6,000.00
Repairs to Landing Field (brush clearing)		1,200.00	10,000.00
Repairs to Asphalt (Taxiway Repair, Crack Sealing)		0.00	20,000.00
Repairs to Hangars (Roof and gutters)		2,500.00	15,250.00
Repairs to Electrical (Runway lights and Beacon)		3,000.00	10,000.00
Repairs to Equipment (tractor, mower deck, riding mower)		4,500.00	0.00
Underground Storage Tanks Cathodic Protection		25,000.00	0.00
Subtotal Maintenance Expenditures	\$48,000.00	\$38,200.00	\$61,250.00
Note Payable Longview	15,000.00	20,000.00	0.00
Interest Expense Longview Note	200.00	200.00	0.00
Subtotal Debt	\$15,200.00	\$20,200.00	\$0.00
Subtotal CIP - local match	\$48,529.00	\$0.00	\$15,750.00
TOTAL DIRECT OPERATING, MAINTENANCE, DEBT EXPENDITURES	\$492,177.00	\$430,900.00	\$431,000.00