

**PRESENT:** Councilmembers Mendoza, Ortiz, Valero & Martinez

**OTHERS:** Lara, Waters, Marquez, Zamora, & Zacarias

**ABSENT:** Gonzalez

### **FLAG SALUTE**

Mayor Mendoza asked for a moment of silence to recognize Lino Moran. Mr. Moran passed away earlier this month. He was a very active member of the City of Woodlake.

### **PUBLIC COMMENT**

#### IV. CONSENT CALENDAR –ACTION AND INFORMATION ITEMS

Request Approval of the Consent Calendar Action Items (IV. A-C)

A. Action: Approval of Minutes of the regular meeting held on January 27, 2020

B. Action: Approval of Warrants

C. Action: Adoption of Resolution: Approval of the January 2020 Monthly Report of Investments

**ON A MOTION BY ORTIZ, SECOND BY MARTINEZ IT WAS VOTED TO APPROVE THE CONSENT CALENDAR. APPROVED UNANIMOUSLY.**

#### V. ACTION/DISCUSSION ITEMS

A. Information: Swearing in Police Officer Bobby Gonzales

City Clerk Zacarias administered the Oath of Office to Mr. Bobby Gonzales. Mayor Mendoza welcomed his to the City of Woodlake and asked that he always perform his duties with honors and that he always makes it home safe to his family.

B. Information: Airport Status Update

Community Services Director Waters presented the attached PowerPoint. The following citizens spoke on behalf of the Airport:

Lucky Oldfield, 35802 Road 180, Woodlake

Jonathan Abercrombie, 44367 Sierra Drive, Three Rivers

Isaac Warner

George Benson, 36710 Millwood Drive, Woodlake

Charlotte Scott, 35833 Road 212, Woodlake

Chris Crumly

Peter Cowper, 2821 S. Parkwood, Visalia

Han Styner, 31354 Geary Rd., Exeter

Gene Roberts, 3533 Generosity Way, Clovis

Mark Amaral, 19898 Avenue 376, Woodlake

John Morris, 1803 S. Tipton, Visalia

Ed Evans, 31411 Road 180, Exeter

The citizens expressed their interest in working together to discuss ideas to keep the airport functioning. City staff agreed to meet with those interested to discuss the options presented in the PowerPoint.

C. Action: Adoption of Resolution: Approval of the City of Woodlake's Audited Basic Financial Statements for the Year Ended June 30, 2019

City Administrator Lara reported the following: The City of Woodlake undergoes an annual independent audit of its basic financial statements of its governmental activities, its business-type activities, each of its major funds, and its aggregate

remaining fund information. For Fiscal Year 2018/2019, the City of Woodlake contracted Rogers, Anderson, Malody & Scott, LLP to perform its City independent audit. The audit is conducted with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the audit is performed to obtain reasonable assurance about whether the City financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. The audit will also consider the City's internal controls over financial reporting and test its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. Staff has reviewed the independent auditor's report for the year ended June 30, 2019 and concurs with the report. The financial statements present fairly, in all material respects and there were no findings for the audit ending June 30, 2019.

**ON A MOTION BY ORTIZ, SECOND BY MARTINEZ IT WAS VOTED TO ADOPT THE RESOLUTION AND APPROVE THE CITY OF WOODLAKE'S AUDITED BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019. APPROVED UNANIMOUSLY.**

## VI. OTHER BUSINESS

### A. Information: Items from Staff

City Clerk Zacarias – Reminded Council about the Man/Woman of the Year banquet.

The banquet will be held on March 6<sup>th</sup>, if anyone is interested, please let me know.

Community Services Director Waters – Reported the Cajon annexation was submitted to the County and should be approved in March.

City Administrator Lara – Reported the Castle Rock Estates are moving along. The restrooms at Castle Rock fields should be completed by April 4<sup>th</sup>.

### B. Information from Council

Councilmember Ortiz – Thanked staff for the airport report, very informative.

Councilmember Martinez – Reminded council to always try and get involved in the city activities. Also, the painted addresses are looking good.

Mayor Mendoza – Reported there are two individuals from the City of Woodlake that have completed the apprentice program and have received their certificates of completion for the plumbing program.

## VII. CLOSED SESSION

### NOTICE TO THE PUBLIC

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Governing Board may meet in closed session with members of its staff and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Council will meet on in closed session are identified below or are those matters appropriately identified in open session as requiring immediate attention and arising after the posting of the agenda. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1

“Documents: If distributed to the Council less than 72 hours before a regular meeting, any public records which are subject to public inspection and pertain to an open-session item on the regular meeting agenda shall be available at the following address at the time they are distributed to a majority of the Council: 350 North Valencia Boulevard, Woodlake, California 93286. Public records distributed to the Council at a public meeting will be available to the public at such meeting if they were prepared by the City. Exemptions and details in Government Code § 54957.5 (a) shall apply.”

#### VIII. ADJOURN

The next scheduled City Council meeting will be held on Monday, February 24, 2020 at 6:30 p.m. at City Council Chambers located at 145 N. Magnolia, Woodlake, CA 93286.

City Council:

Rudy Mendoza - Mayor

Frances Ortiz - Vice Mayor

Greg Gonzalez Jr. - Councilmember

Jose L. Martinez – Councilmember

William Valero – Councilmember

Meeting adjourned at 7:55 PM

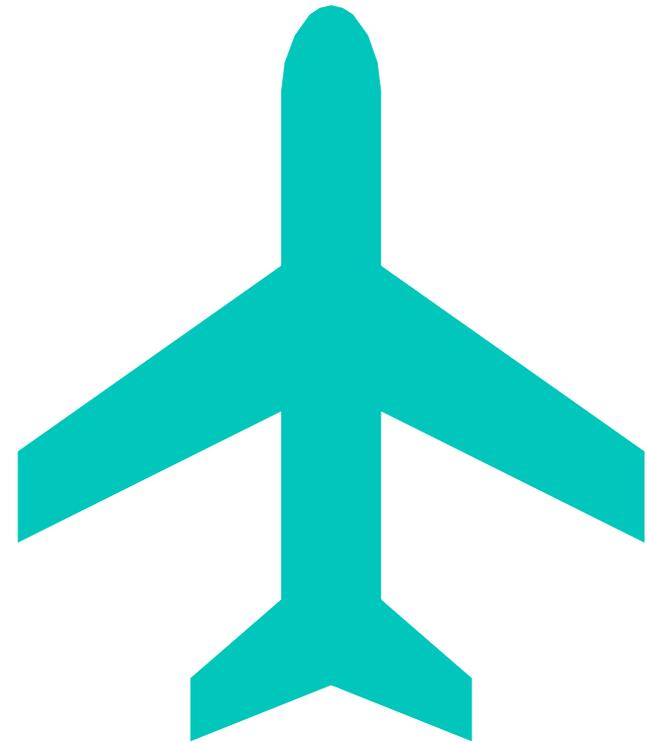
Submitted by,

Irene Zacarias

City Clerk

# City of Woodlake Airport Status Update

February 10, 2020





- The airport is operated and maintained by the City with oversight from Caltrans and FAA

# Background

# Operating and Maintaining the Airport

- The City is responsible for maintaining the airport runway, taxiway, apron, fuel pump, fuel tank and airport grounds
- The airport hangars are individually owned and maintained
  - The City has a “land lease” on the hangar properties

# Revenues

- The airport revenues are as follows:
  - Caltrans                 \$10,000
  - Hangar Rent             \$25,000
  - Other Rent               \$18,000
  - Fuel Sales                \$18,000
  - Total                      \$71,000
- In total, the revenues generated by the airport will be around \$71,000 for 19/20
- This money is used to operate and maintain the “day-to-day” expenses associated with the airport

# Airport Expenditures

- The City's annual "day-to-day" expenses are as follows:

○ Utilities	\$1,800
○ Insurance	\$10,100
○ Services	\$20,000
○ Fuel Purchase	\$15,000
○ Depreciation	\$2,344
○ Total	\$49,244
- These expenses are the day-to-day expenses associated with the operation of the airport

# Fund Balance

- For many years the airport ran on a negative fund balance, which means it cost us more to operate the airport than the revenue we generated
- Recently, the airport operating costs are much closer to our revenue and the City now has a fund balance of around \$39,000
- BUT the airport operations also tend to have infrequent, but large, one time expenses
  - Upcoming parking lot replacement at the restaurant for an estimated cost of \$70,000
  - The tank's self serve terminal is no longer supported and will also need to be replaced at a cost of \$15,000



- The airport revenues don't cover the cost to repair, maintain, design, and build the physical infrastructure at the airport including the runway, taxiway, apron, parking lot, lighting, fencing, runway markings, etc.
- So how can we fix, maintain and build the airport infrastructure?

**What the Revenues Don't Cover**

# Grants

- Each year the City gets \$150,000 in grant revenues from FAA
  - These revenues can “roll over” each year up until the City reaches \$450,000 (3 years)
  - FAA calls this grant funding the City’s “entitlements” and they are non-competitive
- The FAA Grant funding can be spent on engineering and design, environmental reports, and infrastructure improvements but the expenses must be approved by FAA
- FAA required the City to spend their most recent entitlement money on two items:
  - Airport Layout Plan
  - Pavement Management Plan

CIP Project	Project Year	Total Project Cost	Sections	Total Project Area (sf)	AWPCI Before	AWPCI After
18-01 RW 7-25 Reconstruction	2018	\$1,389,622	4	175,214	36	100
19-01 Parallel TW Reconstruction	2019	\$531,360	2	65,038	19	100
20-01 Apron Reconstruction	2020	\$1,808,125	3	214,997	1	100
<b>TOTAL</b>		<b>\$3,729,107</b>				

## Pavement Management Plan Findings

- The required study found that the airport's pavement on the runway, taxiway and apron would range from "Very Poor" to "Failed" in 2020
- A cost estimate that would bring the pavement up to "Good" standards and bring the runway to FAA standards was provided as part of the plan

# Preliminary Discussions with FAA

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The City has had preliminary discussions with FAA about competitive grant funding

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FAA indicated that they would not commit to providing the grant funding needed

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FAA indicated that they would not award a grant that covered the entire \$4,000,000 and that competitive grant funding, if any, would be smaller amounts

# Funding Possibilities

- The City's entitlements do not cover the needed maintenance or repairs for the Woodlake Airport
- If the City spent the \$150,000 of FAA entitlements each year on the airport it would not be sufficient to fix or maintain the quality of the airport and the quality of the airport would continue to decline
- FAA also has grant funding that can be awarded via a competitive process that could cover 90-95% of the remaining ~\$4,000,000 needed for the improvements
- If the City receives any grant funding from FAA they must operate the airport for a time specified by FAA

# Option 1: Use Entitlements and General Fund

- Use the City's guaranteed entitlements and General Fund money to upgrade and maintain the airport.
- PROS: The airport gets fixed and can continue to operate. There is no uncertainty associated with the entitlement money so the City can accurately plan revenues and expenses.
- CONS: Very expensive. It would require approximately \$1,000,000 per year, which would be approximately 1/3 of the City's entire General Fund budget, over the next three or four years. The City would have to make significant cuts to police, eliminate parks and recreation, and cut all general services for three or four years to fix the airport. The City would need to continue to use entitlements and General Fund dollars to maintain the airport.

# Option 2: Use Entitlements and Apply for FAA Competitive Grants

- Use the City's guaranteed entitlements and apply for smaller competitive grant amounts
- PROS: The airport gets some maintenance improvements with the entitlement money and, if successful with competitive grants, the City could fund needed improvement for the airport.
- CONS: The City may further exacerbate the funding issues by using entitlements or accepting small grants. For example, if the City uses three years of entitlements (\$450,000) and FAA is willing to give the city \$200,000 in grant funds to rebuild the taxiway, the City is now obligated to operate the airport for 10 years without any guarantee of future funding and the City is still left with nearly \$3,000,000 in future expenses, worsening the financial position of the airport. There is also very high risk associated with accepting grant funding without knowing if FAA intends to fund any other projects.

## Option 3: Apply for a Competitive Grant to Fully Fund the Airport

- The City can apply for a competitive grant for the full \$4,000,000 to repair the airport
- PROS: The airport is repaired and the City does not have to worry about the risk associated with needing future FAA funding. Low financial risk.
- CONS: The City will still need to cover the match, which would require at least a \$200,000-\$300,000 investment. Discussions with FAA have indicated that this scenario is highly unlikely.

## Option 4: No Action

- The City does not spend FAA dollars
- PROS: The City avoids FAA's future operation requirements. Low financial risk while some operational risks are assumed by the City.
- CONS: The airport continues to deteriorate until it is unsafe or unusable and FAA requires the City to shut the airport down.

# Option 5: Close the Airport

- The City works with FAA to close the airport
- PROS: The City avoids FAA's future operation requirements, the City saves general fund money and reduces liability. Low financial risk.
- CONS: The airport's benefits to the community are lost and the process will likely require the City to work with FAA for an extended period of time to close the airport.

# Not Options

- “Attract Delta, United, Southwest, etc. to fly out of Woodlake”
- “Attract UPS or FedEx and make Woodlake a primary hub”
- “Run a commercial flight school”
- “Build more hangars”

# Where we go from here

- FAA requested that the City put together our ACIP (improvements plan with funding requests) and identify the direction the airport would like to take
- FAA requested that we have our request or direction completed by this Spring and the City would begin discussing funding with FAA
- If the City submits a funding request and is granted that request, the City must operate the airport for a time specified by FAA