



COUNTY OF HUMBOLDT

For the meeting of: 6/23/2026

File #: 26-653

To: Board of Supervisors

From: Aviation

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Approve Agreement with Ricondo for Reconciliation of Passenger Facility Charges, Authorize Travel Expense for Extra Help Interim Aviation Director, and Direct Staff to Return with a Supplemental Budget and Transfer from Contingencies in the Amount of \$142,980 for Fiscal Year 2025-26

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and authorize the Director of Aviation to sign the professional services agreement substantially similar to the attached agreement with Ricondo for the reconciliation of Passenger Facility Charges (PFC) after review and approval by County Counsel, Risk Management and the County Administrative Office (CAO); and
2. Authorize the Director of Aviation to sign any amendments to the professional services agreement with Ricondo after review and approval from County Counsel, Risk Management and CAO; and
3. Authorize travel expenses in the amount of \$50,000 for the Extra Help Interim Aviation Director; and
4. Direct staff to return with a Supplemental Budget and transfer from General Fund Contingencies in the amount of \$142,980 in FY 2025-26 to Aviation budget 3530381, California Redwood Coast - Humboldt County Airport (ACV).

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Choose a topic.

Strategic Plan Category: Choose an item.

DISCUSSION:

Passenger Facility Charges (PFC) are local, federally regulated fees charged up to \$4.50 per flight segment and are added to airline tickets. Airports must use this revenue for Federal Aviation Administration (FAA) approved projects that enhance safety, security, or capacity, reduce noise, or increase air carrier competition. The county has not been authorized by the FAA to collect PFCs since 2018 due to outstanding reconciliations. The FAA requires public agencies to submit reports for all periods in which PFC revenues are collected, held, or expended annually. The county's PFC program has outstanding audits and reports dating back to 2017 that were not filed in accordance with FAA requirements. In addition to completing and submitting the required historical audits and reports, the county must close out prior PFC-funded projects with the FAA and prepare new PFC applications for future eligible projects.

On Feb. 21, 2022, your Board authorized a professional services agreement with Armstrong Consultants, Inc. to perform this work. Due to circumstances outside of their control Armstrong Consultants, Inc. was unable to complete the needed reconciliation of PFC fees.

The county wishes to contract with Ricondo and Associates, Inc. (Ricondo), an industry expert, to provide consulting services associated with the reconciliation of the county’s PFC program including audit support, PFC project reconciliation, PFC application amendments, and closeout services for ACV. This task will involve a comprehensive evaluation of Humboldt County’s Department of Aviation’s PFC program, including the reconciliation of PFC collections and expenditures, review of program compliance with applicable FAA requirements, audit support, and assessment of the Airport’s existing PFC applications. This review will verify that PFC revenues have been collected, managed, and expended in accordance with FAA approvals and federal regulations; identify and address any discrepancies; and support the development of corrective actions, as needed. Ricondo will also assist the Department of Aviation with amendments to, and closeout of, active PFC applications. Collectively, these efforts will help strengthen program compliance to support future FAA oversight activities, bring Aviation back into compliance with the FAA’s PFC program and allow Humboldt County Department of Aviation to resume collecting and utilizing PFCs.

On June 9, 2026, Extra Help Interim Aviation Director, Justin Hopman, committed to performing this role remotely for one additional year, providing stability and experienced leadership during a critical transition period for the Department of Aviation. To support the success of this arrangement, Mr. Hopman has agreed to be on site one week each month to maintain staff cohesion, conduct and participate in FAA and other inspections, and ensure in-person availability for staff, the public, and the Board when needed.

With the support of the CAO Office, this hybrid approach has proven effective in providing consistent direction, mentorship and oversight to the department’s newly established administrative and operations team. Beginning in July, the full-time Aviation Operations Manager will be in place to oversee day-to-day activities of commercial air service and the general aviation airports. This additional management capacity will further strengthen operational oversight. To facilitate Mr. Hopman’s request and agreed to on-site presence, approval is needed for a supplemental budget from contingencies for travel-related expenses not to exceed \$50,000. This approval will ensure continued access to on-site experienced aviation related leadership, support the development of the department’s management team, ensure compliance with the FAA, and preserve the momentum experienced in FY 2025-26. This will allow the county to further evaluate the operational needs prior to filling the position of director. Staff seek direction to return at a future date to effectuate this supplemental request.

SOURCE OF FUNDING:

General Fund Contingencies (1100990)

FINANCIAL IMPACT:

Expenditures (3530,381)	FY 25-26 Projected*	
Budgeted Expenses		
Additional Appropriation Requested	<u>142,980</u>	
Total Expenditures	<u>142,980</u>	

**Projected amounts are estimates and are subject to change.*

Funding Sources (1100, 990)	FY 25-26 Projected*	
General Fund Contingencies	<u>142,980</u>	
Total Funding Sources	<u>142,980</u>	

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

Cost for services provided in the agreement with Ricondo to resolve and reinstate PFCs at ACV is \$92,980. Resolution of the PFCs will result in the release of approximately \$2.78 million dollars in collected fees that can be used to offset county cost shares of FAA grant funded projects and allow for the county to begin collecting PFCs once again.

Travel expenses for the remote Interim Director of Aviation to be onsite one week a month for the next year is estimated at \$50,000.

These funds are not included in the FY 2025-26 budget for Aviation, staff will return at a later date to effectuate the supplemental request.

The resolution to PFCs is a critical step for Aviation to resolve its negative fund balance in the Aviation Capital Projects fund (3539).

Additionally, the need for the Extra Help Interim Director of Aviation to be on site one week a month is essential to stabilizing the Department of Aviation.

STAFFING IMPACT:

There are no impacts to current staffing level with approval of this item.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve the agreement with Ricondo to assist the Department of Aviation to reconcile and reinstate PFCs for ACV. However, this is not recommended as reconciling and reinstating PFCs this will release approximately \$2.78 million of PFC funds already collected and allow Aviation to begin charging PFCs to support FAA funded work at ACV.

Additionally, your Board could choose not to provide direction to return with a supplemental budget and transfer from contingencies for the Extra Help Interim Director of Aviation travel expenses. However, this is not recommended as it will not allow for the director to be onsite monthly.

ATTACHMENTS:

1. Ricondo Professional Services Agreement

PREVIOUS ACTION/REFERRAL:

Meeting of: 2/21/2022

File No.: 22-37