



COUNTY OF HUMBOLDT

AGENDA ITEM NO. **11**

For the meeting of: December 19, 2017

Date: November 20, 2017
To: Board of Supervisors
From: Amy S. Nilsen, County Administrative Officer *[Signature]*
Subject: Airport Governance and Sustainability Study

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and file the attached studies from Volaire on Humboldt County's airports; and
2. Provide direction to staff on recommendations from Volaire found on two page of this agenda item.

SOURCE OF FUNDING: General Fund

DISCUSSION:

Humboldt County owns and operates six airports: Eureka/Arcata, Dinsmore, Garberville, Kneeland, Murray Field, and Rohnerville. The operation of the airports is the responsibility of the Aviation Division of Public Works. The Aviation Enterprise Fund, which accounts for revenue and expenditures, is classified by accounting standards as "business-type activities" and is supposed to stand on its own without the sort of short-term borrowing typical of the county's governmental funds. However, aviation operating costs have exceeded income for the last eight fiscal years and this fund has borrowed from other funds in order to keep the Aviation Division operating. The growing liability of its current negative fund balance could have the potential to become the responsibility of the county's General Fund.

Prepared by Amy S. Nilsen CAO Approval *[Signature]*

REVIEW: Auditor _____ County Counsel _____ Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. H-1; C-9
Meeting of: 11/15/16; 3/14/17

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor _____ Seconded by Supervisor _____

Ayes
Nays
Abstain
Absent

SEE ACTION SUMMARY

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____
By: _____
Kathy Hayes, Clerk of the Board

In response to this concern your Board directed the County Administrative Office to issue a Request for Proposals (RFP) for an Airport Governance and Sustainability Study. An RFP was issued on December 12, 2016. Volaire Aviation, Inc. was selected to conduct the airport study.

Each of the five reports produced by Volaire contain an Executive Summary and Purpose of Study wherein the firm details the actions and research that informed its key recommendations found in the Strategic Plan (Attachment 1). Recommendations contained in Volaire's Strategic Plan include:

Key Governance Recommendations:

1. Create an airports department (pg. 24-25)
2. Hire a professional airports director (pg. 25)
3. Re-evaluate staffing levels (pg. 26-27)
4. Re-structure the Aviation Advisory Committee (pg. 27-29)
5. Scheduled airport-tenant forums (pg. 28-29)

Key Strategy Recommendations:

1. Adopt vision, mission and values statements (pg. 29-30)
2. Maintain and enhance air service incentive policy (pg. 30-31)
3. Formalize the role of Fly Humboldt (pg. 32-33)
4. Air service development activities (pg. 33-34)
5. Airport system lease rates (pg. 34-35)
6. ACV passenger vehicle parking (pg. 36-37)
7. ACV terminal restaurant (pg. 37)
8. Solar power development (pg. 37-38)
9. Air cargo (pg. 38)
10. Aircraft fueling at Rohnerville and Garberville (pg. 39)
11. Vet hangar waiting list (pg. 40)
12. Land and lease development (pg. 40)
13. Rental car service facility development (pg. 41)
14. The role of each airport in the system (pg. 42-45)

Key Marketing and Branding Recommendations:

1. A brand the region can understand (pg. 45-46)
2. Development of new airport website (pg. 47)
3. Dedicate annual budget amount to marketing (pg. 47-48)

If your Board is interested in pursuing any of the recommendations contained in the Volaire reports, particularly recommendations found in the Strategic Plan-Key Governance section, staff will need direction in order to return to your Board at a later date to effectuate any of the recommendations.

FINANCIAL IMPACT:

The cost for Volaire's aviation study is \$53,500. The General Fund provided the allocation for this study.

The specific costs associated with the implementation of any of the Volaire recommendations are dependent upon which recommendations your Board would like to pursue. The most significant costs would likely stem from the creation of an airports department and the hiring of an airports director. The Volaire report recommended salary range for an airports director is \$120,000 to \$180,000. This salary is not currently consistent with your Board's current salary schedule for department heads, and additional salary adjustments may be necessary. As mentioned previously, the airport fund is in the negative and would not be able to afford additional costs. Therefore, your Board may need to allocate General Fund dollars for a limited period of time to assist in the implementation of any of the Volaire recommendations.

This action supports the Board's strategic framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT: Aviation Advisory Committee

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

1. Volaire – Strategic Plan
2. Volaire – Financial Review
3. Volaire – Governance Structure
4. Volaire – Strategic Initiatives
5. Volaire – Marketing Plan