COUNTY OF HUMBOLDT

For the meeting of: 8/11/2026

File #: 26-795

To: Board of Supervisors

From: Aviation

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:
Supplemental Budget in the Amount of $119,700 for Jet Fuel Expenses Incurred and Appropriation Transfer from General Fund Contingencies and Supplemental Budget in the Amount of $142,980 for Consultant Services to Resolve Passenger Facilities Charges (PFCs) and Interim Aviation Director Travel Related Expenses in Aviation Budget 3530-381 for Fiscal Year 2025-26; Supplemental Budget in the Amount of $408,184 for the Maximum Revenue Guarantee (MRG), and Appropriation Transfer from General Fund Contingencies and Supplemental Budget in the amount of $5,671 for additional MRG Match in Aviation Budget 3530-381100 for Fiscal Year 2025-26 (4/5 Vote Required)

RECOMMENDATION(S):
That the Board of Supervisors:
1. Approve the attached supplemental budget for fuel purchases for resale for Fiscal Year (FY) 2025-26 in the amount of $119,700 in Aviation Budget 3530-381 (4/5 Vote Required); and
2. Approve the attached appropriation transfer from General Fund Contingencies and supplemental budget transfer for FY 2025-26 in the amount of $142,980 for consultant services to resolve PFCs and Interim Aviation Director travel related expenses in Aviation Budget 3530-381 for Fiscal Year 2025-26 (4/5 Vote Required); and
3. Approve the attached supplemental budget for the MRG for FY 2025-26 in the amount of $408,184 in Aviation Budget 3530-381100 (4/5 Vote Required); and
4. Approve the attached appropriation transfer from General Fund Contingencies and supplemental budget for MRG match funding for FY 2025-26 in the amount of $5,671 in Aviation Budget 3530-381100 (4/5 Vote Required).

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

Area of Focus: A Diverse, Equitable & Robust Economy
Strategic Plan Category: 2002 - Promote a robust tourism economy

DISCUSSION:
The Department of Aviation provided Jet A fuel for resale at the California Redwood Coast - Humboldt County Airport (ACV) to support both commercial service and general aviation operations. The ability to consistently supply Jet A fuel is essential to sustaining airline services and other critical aviation activities that serve the Humboldt County community. ACV has experienced a significant increase in Jet A fuel demand beyond what was anticipated in the FY 2025-26 budget cycle. Staff request approval of a supplemental budget in the amount of $119,700 to pay final FY 2025-26 Jet A fuel expenditure invoices. These additional expenditures are funded by additional realized fuel sales.

On June 23, 2026, your Board directed staff to return with a supplemental budget and transfer from General Fund Contingencies in the amount of $142,980 for FY 2025-26. $92,980 for consultant services with Ricondo to resolve PFCs and $50,000 for Interim Aviation Director travel related expenses. This action will effectuate Board direction.

On Sept. 12, 2022, your Board adopted a resolution to accept the U.S. Department of Transportation Small Community Air Services Development Program (SCASDP) grant offer in the amount of $850,000 with a local match of $400,000. These funds established the county's Maximum Revenue Guarantee (MRG) program to support airline recruitment and expand commercial air service.

On Nov. 18, 2025, your Board authorized the Director of Aviation, or designee thereof, to negotiate and execute an MRG agreement with Alaska Airlines. Subsequently, on Jan. 28, 2026, the Department of Aviation executed an MRG Agreement with Alaska Airlines. The attached supplemental budget in the amount of $408,184 for the MRG, along with the appropriation transfer from General Fund Contingencies in the amount of $5,671 provide the necessary appropriations to pay the Alaska Airlines MRG invoice for FY 2025-26.

SOURCE OF FUNDING:
Aviation Enterprise Fund (3530-381), Fuel Sales (682400)
Aviation Enterprise Fund - Minimum Revenue Guarantee (3530381100)
General Fund Contingencies (1100-990)

FINANCIAL IMPACT:

Expenditures (3530-381)	**FY25-26**
Budgeted Expenses	$0
Additional Appropriation Requested	$262,680
Total Expenditures	$ 262,680

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

Funding Sources (3530-381)	**FY25-26**
Sales - Fuel & Oil	$119,700
General Fund Contingencies	$142,980
Total Funding Source	$262,680

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

Expenditures (3530-381100)	**FY25-26**
Budgeted Expenses	$156,250
Additional Appropriation Requested	$408,184
Total Expenditures	$564,434

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

Funding Sources (3530-381100)	**FY25-26**
Prior Community Campaign	$174,948
ACV - DOT MRG Grant	$383,815
General Fund Contingencies	$5,671
Total Funding Source	$564,434

Narrative Explanation of Financial Impact:
Fuel demand has exceeded department budget estimates for FY 2025-26 in the ACV budget 3530-381, resulting in an increased revenue of $119,700 as of June 30, 2026. Increased fuel demand has increased the department's FY 2025-26 fuel purchases for resale, with an estimated $119,700 in expenditures for the remainder of FY 2025-26 (Attachment 1).

The attached supplemental budget (Attachment 3) in the amount of $408,184 for the MRG, for the Alaska Airlines MRG invoice for FY 2025-26 in the amount of $564,434 will be paid using $174,948 of funds remaining from a previous route's MRG community campaign collected by RREDC and deposited in the Aviation Enterprise Fund (3530), $383,815 of SCASDP grant funds which pay for 68% of the MRG and a small request for General Fund Contingencies of $5,671 to fund the remaining local match beyond what was available from the prior campaign. The attached appropriation transfer (Attachment 4) from General Fund Contingencies (1100-990), along with the associated supplemental budgets for Aviation (Attachment 3) would provide $5,671 to budget unit 3530-381100 for the remaining necessary match for the FY 2025-26 MRG expenditures.

The attached appropriation transfer (Attachment 4) from General Fund Contingencies (1100-990), along with the associated supplemental budgets for Aviation (Attachment 2) would provide $142,980 to budget unit 3530-381 for consultant services to resolve PFCs and Interim Aviation Director travel related expenses as previously approved by your Board. and $5,671 to budget unit 3530-381100, for a total of $148,651.

There are sufficient appropriations available in General Fund Contingencies for FY 2025-26. Approval of the requested transfer from contingencies would reduce the FY 2025-26 General Fund Contingencies balance to $5,183,345.

OTHER AGENCY INVOLVEMENT:
N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:
Your Board could choose to not approve staff recommendation to approve the attached supplemental budget, however, this alternative is not recommended as this supplemental budget ensures the department is able to pay any final invoices for FY 2025-26 for Jet A Fuel that have been received.

ATTACHMENTS:

1. FY 2025-26 Fuel Supplemental Budget 3530-381
2. FY 2025-26 PFC and Travel Supplemental Budget 3530-381
3. FY 2025-26 MRG Supplemental Budget 3530-381100
4. FY 2025-26 Appropriation Transfer 1100-990

PREVIOUS ACTION/REFERRAL:
Meeting of: 9/12/2022, 11/18/2025, 6/23/2026
File No.: 22-1215, 25-1331, 26-653