

TO: Thomas Frutchey, City Manager
FROM: Dick McKinley, Public Works Director
SUBJECT: Airport Governance
DATE: May 2, 2016

Needs: For the City Council to receive a recommended Airport Governance Matrix (attached) from the Airport Advisory Committee (AAC), and to discuss the Matrix and related issues at a Study Session, then direct staff as appropriate.

- Facts:
1. The Airport Business Improvement Plan lists Succession Planning as a high priority goal. As the AAC Subcommittee on Succession Planning was working through the issue, it became clear that the most important issue was governance.
 2. The AAC began working with staff to identify 7 options for airport governance ranging from outright sale of the airport, to continuance of staff operations.
 3. The AAC has discussed and refined the governance models, eliminating 5 of the 7 options and ending at a combination of an Airport Commission (similar to the Planning Commission) working with Staff, and including many efforts to streamline operations.
 4. As part of the process, staff and the AAC created a Matrix to show how duties and responsibilities might be shared between Staff, the Airport Commission, and the City Council. Since the Matrix forms the basis of the governance by Airport Commission going forward, the AAC voted on April 28th to meet with the Council and get direction for a path forward to creation of the Airport Commission. The Matrix is designed to help the Council decide on which group (staff, Airport Commission, City Council) makes decisions and recommendations.
 5. The AAC did not vote on a formal recommendation for size or makeup for the proposed Airport Commission, but the consensus was generally a 7 person Commission, with 4 members being from aviation, and 3 being from the greater community. The AAC did not vote on this issue because they recognize that the City Council regularly deals with the appointment process.

Analysis &
Conclusion:

An Airport Commission would work very much like the Planning Commission wherein they would be granted authority to make certain decisions, and granted authority to make recommendations for other decisions. The Matrix lays out a plan for sorting decisions from recommendations, and was developed by staff and the AAC working together over a few months' time. The City Council can make a final decision regarding moving forward with an Airport Commission, and use the Matrix as a means to provide direction to staff for creation of the draft ordinances and other documents needed to implement their decision.

Policy

Reference: Council Goals for FY2016-2017 – to Move forward with implementation of Airport Business Plan, including stakeholders in the process.

Fiscal

Impact: Minimal fiscal impact since staff already provides support to the Airport Advisory Committee.

Options:

- A. Direct staff to come back to the City Council at a future date with an ordinance or resolution as appropriate to implement a change from the Airport Advisory Committee to an Airport Commission; or
- B. Amend, modify, or reject the above option.

Attachments:

1. Airport Governance Matrix

PASO ROBLES MUNICIPAL AIRPORT

Airport Governance Matrix (4/28/16) (DRAFT)

| FUNCTION | CITY STAFF | | COMMISSION | | CITY COUNCIL |
|---|------------|--------|------------|------------|-------------------|
| | HANDLES | DRAFTS | APPROVES | RECOMMENDS | APPROVES |
| Planning (Note 1.) | | | | | |
| Master Plan (FAA) | | X | | X | X |
| Capital Improvement Plans | | X | | X | X |
| Local Project Planning | | X | X | | |
| Airport Land Use Plan | | X | | X | X (ALUC Adopts) |
| Long-range Conceptual Planning | | X | X | | |
| | | | | | |
| Regulations (Note 2.) | | | | | |
| Rules & Regulations Development | | X | | X | X |
| Minimum Standards Development | | X | X | | |
| Additional Rules Recommendation | | X | X | | |
| Routine Enforcement | X | | | | |
| | | | | | |
| Construction (Note 3.) | | | | | |
| Project Design | | X | X | | |
| Grants and Contracts | | X | | X | X (\$) |
| Project Management (Note 12) | X | | X | | X (\$) |
| Operations Interface | X | | | | |
| | | | | | |
| Advertising and Promotion (Note 4.) | | X | X | | |
| | | | | | |
| Leases (Notes 5, 6.) | | | | | |
| Policy Development | | X | | X | X |
| New Lease Development (Proposal) | | X | X | | |
| New Lease Negotiation | | X | X | | |
| New Lease Approval and Execution | | X | X | | X (Based on size) |
| Existing Lease Minor Modification | X | | X | | |
| Existing Lease Major Modification | | X | X | | X |
| Lease Management/Enforcement | X | | X | | |
| | | | | | |
| Special Events (Note 7.) | | | | | |
| Application Review | X | | | | |
| Approval with No Operations Impact | X | | | | |
| Approval with Operations Impact | | X | X | | |
| Approval with Airport Closure or City Expense | | X | | X | X (\$) |
| | | | | | |
| Operations (Note 8.) | | | | | |
| Flight Rules & Traffic Patterns | X | | | | |
| General Maintenance | X | | | | |
| Facility Inspection and Compliance | X | | | | |
| Routine Operations | X | | | | |
| Transient Use Agreement | X | | | | |
| Operating Budget | | X | | X | X |
| | | | | | |
| Business Plan Objectives | | | X | | |
| | | | | | |
| Staffing (Note 10.) | | X | | X | X |

Airport Governance (DRAFT)

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Notes:

1. FAA requires the Airport Master Plan document to be adopted by City Council. Additional planning documents are reviewed and recommended by the Commission to their appropriate governing bodies.
2. The Commission reviews, amends and approves appropriate airport regulations. Regulations are then implemented under the Airport Manager authority granted in the City Ordinance.
3. Initial planning of construction projects occurs under the Capital Improvement planning process. The specifics of project scope and design are reviewed and recommended by the Commission. The City Council is required to accept the grant funding and execute associated documents and also approve construction contracts. Various engineering and actual project management functions that are beyond City Staff capabilities and resources are assigned to contract engineers and inspectors to function on behalf of the City.
4. Airport promotion and advertising is a Commission function to review and approve. Staff is then responsible to implement programs as resources allow.
5. The Lease Policy is drafted and reviewed by the Commission, with their recommendation of final adoption to the City Council. Actual lease proposals are received by City staff where deal points and agreements are drafted. The commission reviews proposed agreements and makes recommendations, but City Council must approve and execute the lease agreement.
6. Minor modifications to existing lease agreements can be drafted and executed by staff per the authority granted in the lease agreement. Major modifications, after review by staff and the Commission require City Council approval to execute the required documents.
7. Small events requiring little or no modification to routine operations can be approved by staff if all insurance and other permit requirements are met. Events requiring minor changes to traffic pattern and other operations procedures require Commission approval. Events which require major changes, including airport closure, contractual agreements with the event organizers (i.e. Airshow), or expenditure of City/Airport funds require City Council approval.
8. City/Airport Staff is expected to handle all routine operations functions on a daily basis. Updates should be provided to the commission on items that affect the long-term operation of the airport. Airport Regulations identify an appeal process where decisions and/or enforcement action by staff may be challenged before the Commission if requested.
9. All actions by the Commission – whether recommendation or approval – require staff implementation – either directly or via report to the City Council or other outside agency. Staff is also responsible to assure that each item complies with applicable legal, fiscal, and/or City procedural policies and mandates.
10. The Commission may review and recommend airport staffing modifications, but actual personnel administration follows adopted City procedures.
11. All actions by the Commission are subject to review by and/or appeal to the City Council.
12. Professional Project Management/General Contract for projects above \$ amount