



Watsonville Pilots Association

"Serving Aviation and the Community"



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Incorporated in 1987

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Inequitable Charges to the Airport Budget?

By Dan Chauvet

WPA WAAC Representative

On April 1, 2014 Watsonville Airport Advisory Committee (WAAC) members Steve Henderson, John Randolph and Dan Chauvet (WPA's WAAC representative) will meet with the City of Watsonville's Finance Director. The purpose of the meeting is to investigate if the Airport Enterprise Fund is being unfairly drained? We see four issues regarding airport funds. They are, in chronological order:

1. Failure to pay back funds diverted from the Sage Property lease revenue.
2. The 4.7 million dollars, supposedly owed by the airport enterprise fund to the general fund, that first appeared at the budget hearing of the May 2013 City Council meeting.
3. The \$223,500 "consolidated services" charge to the airport enterprise fund.
4. Allocation of charges for new financial and management software.

Regarding Item #1 above, The Sage Property: The 27-year diversion of lease payments was discontinued on December 31, 2007. The required pay back of funds diverted from the airport enterprise fund to the general fund was determined to be 1.6 million dollars, plus interest, for the years 2001 through 2006 (memo from FAA Airport District Office dated 02-23-2009). In addition, interest is due from 2006 to now since there was no payback.

"...Federal regulations restrict recovering diverted revenue funds to six years. We are going back six years - 2006 to 2000. Given the information provided we are looking at \$1,621,041.00 diverted revenue, plus interest, for that six-year period. I will update you on the result of our meeting tomorrow.

RCavole" (FAA ADO, 02-23-09)

The FAA ADO says that the city of Watsonville notified them that the diverted funds had been paid back to the airport enterprise fund. The problem is that nobody knows about this, neither former city council members, nor airport managers. They would remember a \$2.4+ million payback. Nobody has seen records verifying this payback. If there are none, it did not happen.

Item #2 above: In May 2013, at the city budget hearings, a 4.7 million dollar debt suddenly appeared, owed by the airport fund to the general fund. Yes, the airport had some past unforeseen expenses. The fuel island needed major work; the restaurant needed rehabilitation, and the terminal building needed some ADA

compliance work. That cost \$400,000. Previous known problems like removal of old fuel tanks discovered during relocation/rebuild of the airport road, problems with cleanup of a dump site south of the airport, and another major problem, each cost about \$200,000 apiece. That's a debt of about a million dollars. Well, that leaves 3.7 million of unknown debt. Some years the airport has been in the black. We need to see records, dates, financial transaction description, and dollar amounts--or its not valid debt.

Item #3, the "consolidated services" annual charge: The \$223,500 amount seems unreasonably high, especially when compared to recent past budgets. A reason given for this amount has been the hiring by the finance department of a new person, and the allocation of two thirds of the added salary and benefits to the airport budget. We are concerned that the City's allocation method, which segregated the airport financial function from that of the rest of the City, was improperly disadvantageous to the airport.

Item #4, the proposed charge-out for the new management and financial software package: A WAAC member looked at the whole city budget allocation and determined that the airport charge should be closer to 7%, and not the 16.7% charge taken.

We asked the Finance Department to do the following:

Item 1: Pay back the diverted funds plus interest.

Item 2: Eliminate any supposed, but non-recorded and non-supported, debts of the Airport Enterprise Fund to the General Fund.

Item 3: Adjust the consolidated services charge to reflect a more reasonable Airport share, based upon total budgets or per account allocations across the whole City.

Item 4: Adjust the allocation of charges for the new management/financial software system in a manner that does not unreasonably overcharge the Airport budget.

Because the airport depends on FAA and state funds (from aviation fuel taxes) for airport improvements, local cities (or counties) must comply with financial management requirements (like FAA Grant Assurances). The City needs to realize that airports are different than other Enterprise Funds.

Inequitable transfers from the Airport Enterprise Fund are damaging to the airport. First, its bad PR- makes the airport look like a big loser. Second, it takes badly needed funds from the airport budget that is needed for capital improvements and management. Third, it leads to hangar/tie-down lease rate increases.

The WPA is investigating possible recourses to attain financial fairness, if fair resolution is not attained.

WRAP Fundraiser a Success

By Dan Chauvet, WRAP Chairman

WRAP is the short name for Watsonville Regional Airport Promotion--Political Action Committee. It supports candidates for local public offices (policy makers) that are pro-airport. WRAP supports causes that promote better government, and activities that bring greater understanding of the true value of the Airport. WRAP's Mission is: --"Protect Watsonville Airport."

WRAP is independent of all the aviation organizations. Not affiliated with the 99s (Monterey Bay Chapter), EAA Chapter 119, Watsonville Pilots Association, California Pilots Association, or AOPA. Please also support those organizations.

WRAP is political. It was formed about 14 years ago at the urging of Jay White, then CPA President. It was formed to combat the Special Interest and Developers that seek to seriously restrict aircraft operations. Over the years this undue influence has resulted in costly public policy decisions that push their own narrow objectives.

The recent fundraising efforts have been successful. As a result WRAP has already significantly contributed to a pro-airport candidate, and it plans to support another local candidate prior to the November election. The PAC allows contributors to leverage their financial support.

If you have not contributed and desire to, send a check to WRAP, P.O. Box 2074, Freedom, CA 95019. We suggest a contribution of \$99 or less, because that avoids complications on the FPPC (Fair Political Practices Commission) reports.

Dan Chauvet, WRAP Chairman

Grant Wrathall, Vice Chairman

Nancy Ann Shott, Secretary – Treasurer

California Aviation Day

Editor' Note: This was passed on to me by the Airport Manager to share with anyone who may be interested in attending.

The second annual California Aviation Day is scheduled for April 23, 2014. It will be held on the steps of the Capitol from 11am -1pm. This event is a statewide industry opportunity to promote aviation in California and to personally meet with state legislators. I've attached the link for those of you who may be interested in participating in this event, or could potentially benefit from the networking opportunities.

<http://caaviationday.com/>

Airport Update

Editors note: John Cowan (VP-WPA) originally emailed this notice to WPA members in early March.

Update to the original letter as of March 17, 2014: Peter Plink is the WPA rep and JR Warmkessel is the EAA rep.

Watsonville Emergency Airlift Command Team (W.E.A.C.T.) is an attempt to create an all-volunteer group of pilots and interested individuals who stand ready to employ General Aviation assets during a disaster or emergency. What sets this group apart is their capabilities, energy and shared appreciation for the value of Watsonville Airport.

In order for W.E.A.C.T. to successfully "take-off" we need a hand full of early adopters to assist in reviewing, editing and refining the framework document. This effort requires a few hours a month over the next six months.

The ultimate goal is a "live" exercise on the 25th anniversary of the Loma Prieta earthquake on October 17, 2014.

I'm asking each of the major pilot organizations on the field to appoint one representative to join me in this worthwhile effort. I'm hopeful your membership will look favorably upon this request.

Our initial meeting is mid April 2014.

Many thanks for your interest.

Rayvon Williams

Watsonville Airport Manager

KWVI on YouTube! *Check it out*

Watsonville's airport staff developed a YouTube video as part of Public Works' "Community Outreach effort".

<http://www.youtube.com/watch?v=hSr9lkRQgTM>

Please check it out and share this link.

If you have a YouTube account...and "Like it" please note so.

Thanks!

~KWVI Management

Airport accepts Credit Cards ***For Hangar or Tie Down monthly payments***

Editors note: The following information was copied in part from an email sent out by Watsonville Airport management.

Hangar and Tie Down Tenants:

Beginning March 31, 2014 you may pay Hangar or Tie Down monthly payments at the Airport Administrative offices via credit card. Please feel free to stop by or call to complete your account payment. The credit card payment capability will be initially available Monday to Thursday, 0800 to 1700. We accept Visa, MasterCard, and Discover Cards only and cannot accept cash or check payments. To expedite your transactions please have your customer and invoice numbers, found on your monthly invoice, available to ensure we credit the correct account.

If you have any questions please don't hesitate to contact Maria Carranco at (831) 768-3577.

Tenant Appreciation Day

Contributed by Airport Staff

On March 22, 2014, the airport staff hosted Tenant Appreciation Day to say thank you to our many tenants here at WVI airport. Approximately 90 people attended, and for many of them it was like a family reunion. Everyone had the chance to enjoy simple, but extremely tasty food, while sharing stories and reflecting on the past year. Three tenants were winners of a months free rent. And a big surprise to our 'Tenant of the Year', Alice Talnack. She has been extremely active on projects in and around the airport. You don't always see her, but she is quietly in the background, working to help promote the good of our airport, especially to the youth of the community. She is an active pilot who owns a very nice and well cared for Mooney 201. Congratulations Alice. Thank you for all the effort and educational experience you have put forth to better match the airport with the community.

Coming Events

WPA meetings & WINGS Seminars

Watsonville Fly-In & Air Show: Oct. 11-12, 2014

This is the 50th anniversary. www.watsonvilleflyin.org

California Aviation Awareness Day at the Capitol
April 23, 2014

The following **WINGS Seminars** are scheduled for the second quarter of 2014:

APRIL 30: Tail-dragger Safety: Taming the Swerve

MAY 28: To Be Announced

JUNE 25: Cross Country Savvy: WVI to SBA and Back

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