



## Agenda

City Council Work Session Meeting  
Oelwein City Hall, 20 Second Avenue SW, Oelwein, Iowa  
5:30 PM

August 12, 2024  
Oelwein, Iowa

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**Mayor:** Brett DeVore

**Mayor Pro Tem:** Matt Weber

**Council Members:** Karen Seeders, Anthony Ricchio, Lynda Payne, Dave Garrigus, Dave Lenz

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### Pledge of Allegiance

### Discussions

- [1.](#) Discussion on the Oelwein Municipal Airport Fixed Base Operator.

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### Adjournment

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 319-283-5440



To: Mayor and City Council  
From: Dylan Mulfinger  
Subject: FBO August 12 Recommendation to the City Council  
Date: 8/12/2024

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At the July 22<sup>nd</sup> City Council Meeting, the city council took no action on the Fixed Based Operator (FBO) contract. This contract would have extended the current FBO Geroqe Tegler to June of 2026. Two council members expressed options for the city taking over operations of the airport, but allowing for an FBO to be present. In order to implement option 1, the City Administrator recommends approving the following:

- Voting August 12 to end the current contract with George Tegeler effective October 31
  - The current contract is month to month
    - The city is required to provide a notice
  - Pushing the date to October ensures no mowing this season
  - This would allow for the crop spraying season to be complete
  - Provide needed time for staff to develop an operations plan for the airport
- Negotiate a rental and utility rate to allow the current FBO to operate in the hangar
  - The City Administrator recommends \$400 a month, this would include utilities
    - This is based on square footage of the current hangars.
  - The current FBO is the major reason hangars are rented at the airport
  - Without an FBO the traffic and fuel sales at the airport will decrease
  - The Airport Board is still interested in a FBO
- Work with the airport board on expectations for the new management
- Create a snow removal process by November 1
- Create a mowing schedule by March 1

The City Administrator advises the council not rush to a decision and be on board with a smooth transition.



**The City Council wanted to vote on option 1 at the August 12 meeting.**

**Option #1: The city will be responsible for entire airport operations. FBO operates as its own business on leased property.**

- The city performs maintenance on airport buildings, maintains terminal building, mowing, and snow removal.
  - We would have to buy a larger mower at some time in the next five years unless we keep the same mow set up and get new snow removal equipment.
    - Mowing would take two part-time staff who would also assist the public works department.
  - Snow would be removed as needed and would be taken care of by the public works department
- The city handles the fuel and receives all revenue from fuel sales.
  - The City does not have an estimate of the fuel sales
- FBO signs a lease agreement to perform aircraft repairs and maintenance in the city hangars for \$18,000 per year.
  - This has changed to \$4,800 annually based on square footage of the current rates.
- The FBO will be required to pay for all utilities associated with the city hangar.
  - The City council could make adjustments as needed.



**This information was provide to the City Council in July of 2024**

Honorable Mayor and Council Members,

Under the direction of the city council, I have prepared two proposal options for maintenance to the airport in the absence of an FBO. The FBO is to be responsible for the maintenance and upkeep of city buildings and property at the airport including snow and ice removal, mowing, and pumping fuel. The new fuel system will be in place and will alleviate the need for a gas pump attendant.

The city council must determine the level of services the city should provide at the airport. The city council's decision will impact the current and future FBOs at the airport.

**Current FBO contract:**

- FBO is compensated by the city at a rate of \$37,818.51 yearly.
- The city provides a hangar to perform aircraft repairs and maintenance free of charge.
- The city pays for all electric usage and the FBO is responsible for heating the hangar during the winter months.
- The total cost for electric usage at the airport in the past 12 months was \$3,066.19.
- The current FBO has reported an income of approximately \$12,000 to 15,000 from fuel sales.

By keeping the current FBO contract in place it is costing the city \$37,818.51 in salary plus utilities for the shop. The city is also missing out on \$18,000 in potential rent for the hangar, plus \$12,000 to 15,000 in potential revenue for fuel sales. The fuel sales will plummet when the city takes over as they will not supply fuel for the crop sprayers.

**The city is the Airport Manager and Assistant Manager and their roles at the airport:**

- The City Administrator does the budget and administers all the grants and reports.
- The Assistant Public Works Director oversees airport operations and ensures maintenance is carried out and airport grounds are well kept, attends monthly airport board meetings and receives monthly report from the FBO, monitors the airport budget and allocates money to perform repairs on buildings and grounds with permission from the City Administrator.

**Option #1: The city will be responsible for entire airport operations. FBO operates as its own business on leased property.**

- The city performs maintenance on airport buildings, maintains terminal building, mowing, and snow removal.
- The city handles the fuel and receives all revenue from fuel sales.
- The City does not have an estimate of the fuel sales
- FBO signs a lease agreement to perform aircraft repairs and maintenance in the city hangars for \$18,000 per year.
- The FBO will be required to pay for all utilities associated with the city hangar.



**Option #2 The city and FBO share responsibilities of the airport operations.**

- The city will perform mowing and snow removal.
- FBO signs a contract with the city and is compensated to clean, perform maintenance, and manage the fuel.
- FBO pays the city \$18,000 per year to lease the FBO hangars.
- The FBO will be required to pay for all utilities associated with the city hangar.
- FBO receives a percentage of fuel sales to offset salary costs for the city.
- This option will cost the city more than option #1 and there would be no revenue generated from fuel sales, but the total costs will still be substantially less than the current FBO contract.

**Options for Cleaning under Option #1 outlined above:**

- Hire Steve Horan with Horan Cleaning, who also cleans city hall, to keep the terminal building clean.
- Use seasonal grounds keeper to keep the terminal building clean as daily duties.

**Options for Mowing:**

- **FAA recommends keeping grass runways between six and 12 inches to ward off wildlife and prevent aircraft slippage.**
- Hiring one seasonal employee beginning April 1st until Oct 30th at a rate of \$15/hr. would cost \$18,000. This cost could be split between the airport and public works. All hours not spent at the airport would be utilized within public works.
- The seasonal employee would continue to use equipment that is used now or purchase a new 72" zero turn.
- A 72-inch zero turn mower can mow approximately four to five acres per hour and there are approximately 35-40 acres of mowing so it should take about two full days to mow.
- Hire out mowing to a private contractor (see attached bid sheets)

**Public Works performs snow removal during the winter:**

- ***FAA code AC 150/5200-30D section 1-6 states an airport receiving less than 6000 flights annually has an allowable clearance time of six hours for snow and ice from priority one areas after one inch of accumulation. Which are defined as the primary runway, associated parallel taxiways and route to the apron, essential apron area, and emergency staging and access points.***
- Public works crews can clear the entire town in four hours, which leaves the city two hours to clear the airport. It would take about one and a half hours to clear the entire property, keeping us in compliance with FAA code.
- There may even be instances where the roadways don't require full snow removal operations, which would make crews available immediately should there be one inch of snowfall at the airport.
- Public works crews would use snow removal equipment purchased with CIP funds in addition to equipment that is already owned by the city.
- Snow and ice removal operations should cost around \$500 per snowfall.



**Options for NOTAMS:**

- **A NOTAM is a notice containing information essential to personnel concerned with flight operations but not known far enough in advance to be publicized by other means. It states the abnormal status of a component of the National Airspace System (NAS) – not the normal status.**
- NOTAMS will be observed and reported by Assistant Public Works Director shall the city decide to move forward with Option #1. The Assistant Public Works Director will check the airport property as needed.
- NOTAMS will be observed and reported by FBO shall the city decide to move forward with Option #2.

**Cameras**

- If the city does not have an FBO present at the airport, the city will need to invest in cameras at the airport. This cost will range anywhere from \$15,000 to \$25,000.

**Airport Board**

- The Airport Board continues to recommend the FBO and has provided positive feedback on George Tegeler.
- The city council will need to determine if they want more feedback or direction from the airport board.

City	FBO	FBO Compensation	Airport Manager	Airport Manager Compensation
Charles City	Charles City Aeronautics	\$48,000+fuel sales**	Same	Inc. in FBO Salary
Fairfield	Fairfield Flying Service	Fuel Sales	Bob Lyons	\$98,000
Atlantic	Airworks	Fuel Sales/Hangar Rent	Barry Reid	\$46,116
Monticello	Monticello Aviation Inc	\$28,000+fuel sales	Same	Inc. in FBO Salary
Independence	PNN Flight & Charter	40% fuel sales***	Brett Soukup	\$60,000
Mount Pleasant	Air Advantage	Fuel sales/Hangar Rent	Same	\$0
Oelwein	Tegeler Aviation	\$37,818+fuel sales	Dylan Mulfinger	????
Estherville	Estherville Aviation	60% hangar rent/fuel sales	Same	\$24,408
Waverly	Swieter Aircraft Services	\$46,392+fuel sales*	Waverly Air Service	\$11,600

\*Pays \$36,000 per year for hangar rent. (rents all hangars then gets profit to rent to individual tenants)

\*\*Pays \$38,000 per year for hangar rent. (rents all hangars then gets profit to rent to individual tenants)



\*\*\*Pays \$800 per month to rent FBO hangar and 3 t hangars

**Randy's Lawn Care & Snow Removal**  
128 3<sup>rd</sup> Ave SE Oelwein, IA 50662  
(319) 283-0331  
randykaunejr@gmail.com

### Proposal

Proposal Submitted To:	DATE: 06/19/2024
City of Oelwein	Address: 19623 40 <sup>th</sup> Street Oelwein, IA 50662

<p>We hereby submit specifications and estimate for: Lawn &amp; grounds maintenance to include:</p> <ul style="list-style-type: none"> <li>• Mowing Grass</li> <li>• Weed-eating</li> </ul>
<p>For an additional fee we offer:</p> <ul style="list-style-type: none"> <li>• Weed Control</li> <li>• Pest Control</li> <li>• Shrub trimming</li> <li>• Spring/Fall clean up</li> <li>• Clean up from storm damage</li> <li>• Snow Removal</li> <li>• Snow Hauling</li> <li>• Parking Lot Salting and Sanding</li> </ul>

We hereby propose to furnish labor and necessary tools completely in accordance with the above specifications, for the sum of \$31,000.00 per season unless additional services are provided. Sales tax will be added for all lawn & ground maintenance unless you are tax exempt. Payments are due no later than the 15th of the following month service was performed, or a 10% charge will be added to the next bill. We are licensed and insured and will provide a certificate of insurance for your review. If you have any questions feel free to contact me at 319-283-0331. Thank you for the opportunity to submit this proposal.

References: Rise Ltd, Jessica Pensel- 563-245-1868, International Ingredients Ben Bahl- 319-283-3067

All material is guaranteed to be as specified. All work to be completed in a respectable manner according to standard practices.

**Authorized Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

**ACCEPTED BY:** \_\_\_\_\_  
Printed Name & Title

**Authorized Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_